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Commission



Evaluation of the European Union's Support to two European Neighbourhood Policy Regions (East and South)

FINAL REPORT

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*The opinions expressed in this document represent the authors' points of view
which are not necessarily shared by the European Commission
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ACRONYMS

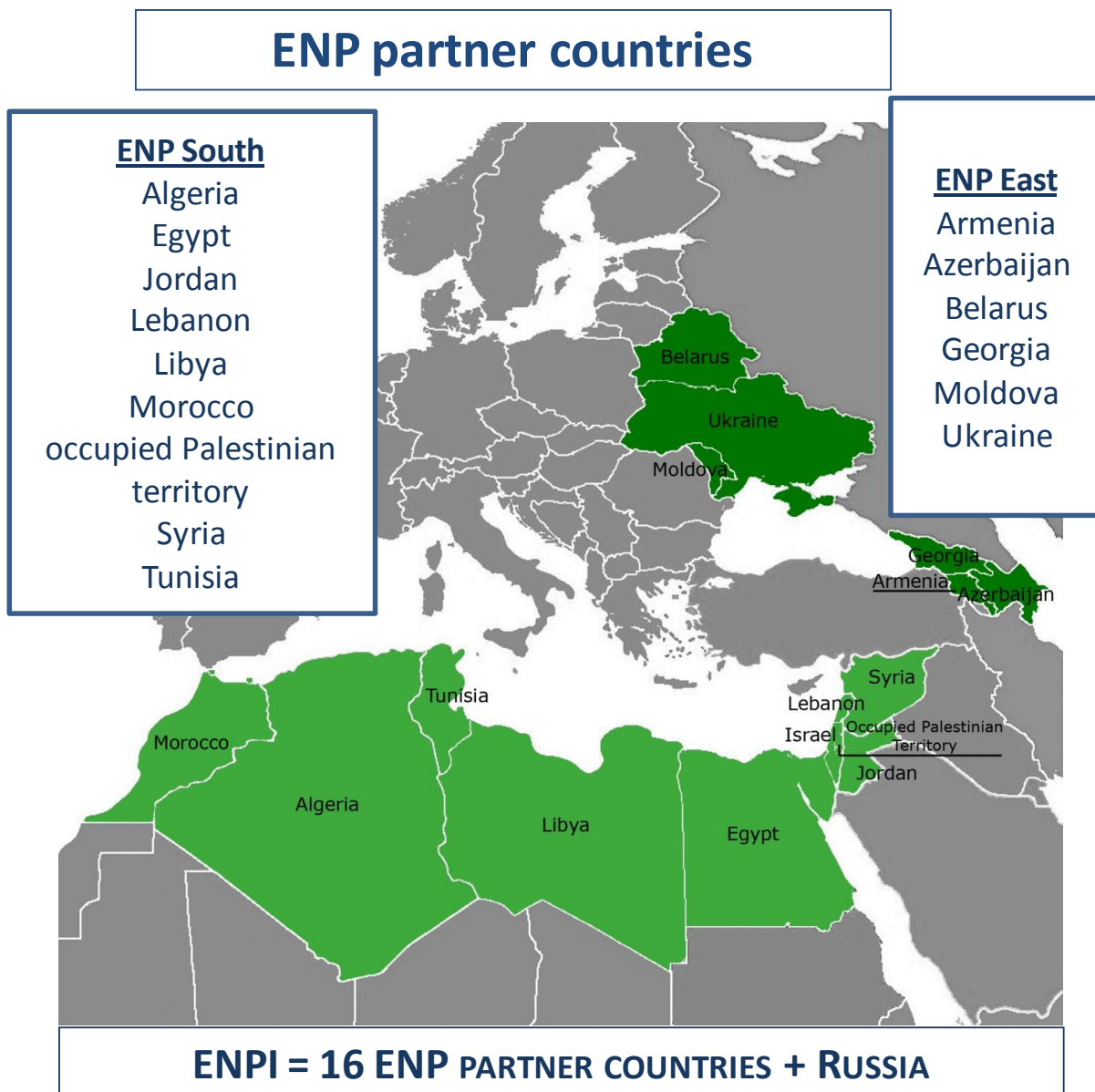
AA	Association Agreement
ACP	African, Caribbean and Pacific Group of States
AFD	Agence Française de Développement
AFDB	African Development Bank
AP	Action Plan
APL	Anti-Personnel Landmines
BSOs	Business Support Organisations
B2B	Business to Business
CBC	Cross- Border Cooperation
CCBE	Council of Bars and Law Societies of Europe
CDM	Clean Development Mechanisms
CIUDAD	Cooperation in Urban Development and Dialogue
CRIS	Common Relex Information System
CSOs	Civil Society Organisations
CSP	Country Strategy Paper
DAC	OECD Development Assistance Committee
DCI	Development Cooperation Instrument
DCFTA	Deep and Comprehensive Free Trade Areas
DEVCO	Directorate General for Development and Cooperation
DG	Directorate General
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECHO	European Commission Humanitarian Office
EE	Energy Efficiency
EEAS	European External Action Service
EFSE	European Fund for Southern Europe
EGEP	Euro-Med Gender Equality Programme
EIA	Environmental Impact Analysis
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EJN	Eurojust and the European Judicial Network
EMP	Euro-Mediterranean Partnership
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EQ	Evaluation Question
ETF	European Training Foundation
EU	European Union
EUBAM	EU Border Assistance Mission to Moldova and Ukraine
EUD	European Union Delegation
EUROMED	Euro-Mediterranean Partnership
EURONEST	Parliamentary component of the Eastern Partnership
EU MS	European Union Member States
FDI	Foreign Direct Investments
FEMIP	Facility for Euro-Mediterranean Investment Partnership
FLEG	Forest Law Enforcement and Governance
FTA	Free Trade Area
FTZ	Free Trade Zone
GAFI	General Authority for Investment and Free Zones
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit

DRN

GTZ	German Technique Cooperation
HR	Human Rights
HQ	Headquarters
IBM	Integrated Border Management
ICT	Information and Communication Technology
IEA	International Energy Agency
IEDDH	Instrument Européen pour la Démocratie et les Droits de l'Homme
IFC	International Finance Corporation
IFIs	International Financial Institutions
IFS	Instrument for Stability
IL	Intervention Logic
IMF	International Monetary Fund
INOATE	International Energy Cooperation Programme
INSTM	Institut National des Sciences et Techniques de la mer
IOLR	Israel Oceanographic & Limnological Research Limited
IPAs	Investment Promotions Agencies
IRP	Inter-Regional Programme
ISDB	Islamic Development Bank Group
IWRM	Integrated Water Resources Management
JC	Judgment Criteria
JRC	Joint Research Centre
KfW	Kreditanstalt für Wiederaufbau
KP	Kyoto Protocol
LA	Local Authorities
LAS	League of Arab States
MAE	Ministère des Affaires Etrangères
MCREEE	MENA Regional Centre of Excellence on Renewable Energy and Energy Efficiency
MDG	Millennium Development Goals
MEDA	Mediterranean Partnership
MEDREC	Mediterranean Renewable Energy Centre
MENA	Middle East and North Africa
MEPP	Middle East Peace Projects
MOVE	Directorate General for Mobility and Transport
MoS	Motorways of the Sea
MPC	Mediterranean Partner Countries
NATO	North Atlantic Treaty Organization
NGOs	Non-governmental organisations
NIF	Neighbourhood Investment Facility
NIOF	National Institute of Oceanography and Fisheries
NIP	National Indicative Programme
NIS	New Industrialised States
NRM	Natural Resource Management
NSI	Nuclear Safety Instrument
NTB	Non-tariff Barriers
OECD	Organisation for Economic Co-operation and Development
oPt	occupied Palestinian territory
PCA	Partnership and Cooperation Agreements
PMU	Project Management Unit
PPRD	Programme for the Prevention Preparedness and Response to Natural and Man-Made Disaster
PS	Private Sector
RELEX	Directorate General for the External Relations (ex)

RES	Renewable Energy Sources
RIP	Regional Indicative Programme
RG	Reference Group
ROM	Result Oriented Monitoring
RSP	Regional Strategy Paper
SALW	Small Arms and Light Weapons
SCIBM	South Caucasus Integrated Border Management
SEMISE	Support to Energy Market Integration and Sustainable Energy
SIGMA	Support for Improvement in Governance and Management
SME	Small and Medium Enterprise
TA	Technical Assistance
TACIS	Technical Assistance to the Commonwealth of Independent States
TAIEX	Technical Assistance and Information Exchange Instrument
TEMPUS	Trans-European Mobility Scheme for University Studies
TEN	Trans European Network
TEP	Trade Enhancement Program
ToR	Terms of Reference
TRACECA	Transport Corridor Europe-Caucasus-Asia
TRADE	Directorate General for Trade
TSO	Technical System Operator
UfM	Union for the Mediterranean
UNDP	United Nations Development Programme
UNECE	UN Economic Commission for Europe
UNEP/MAP	United Nations Environment Programme / Mediterranean Action Plan
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNODC	United Nations Office on Drugs and Crime
UNRWA	United Nations Relief and Works Agency
UXO	Unexploded Ordnance
WB	World Bank
3Cs	Co-ordination, Complementarity and Coherence

Figure 1: ENP Partner Countries*



* The 16 countries listed are the EU's closest neighbours to which the ENP framework is proposed. It is, however, to be noted that the ENP is not yet fully *activated* for Algeria, Belarus, Libya and Syria since these countries have not agreed Action Plans.

EXECUTIVE SUMMARY

SUBJECT

This evaluation assesses the **Commission of the European Union's regional cooperation with the two European Neighbourhood Policy (ENP) Regions (East and South) over the period 2004-2010**. It aims at providing an **overall independent assessment** of the regional cooperation strategy and support in the two regions **through regional programmes** and to draw out **key lessons** to help improve current and future Commission strategies and programmes.

The evaluation focuses on the analysis of regional support provided by the Commission **in the following areas: i) economic regional integration; ii) transport; iii) energy; iv) environment / water; v) migration / security; vi) good governance / justice; and vii) civil society**. In addition, the analysis also tackled issues related to coherence, value added of coordination and complementarity of EU regional cooperation.

METHODOLOGY

The evaluation applied a rigorous methodology articulated in a **three-phase approach** consisting of desk, field and synthesis work. It first elaborated an **inventory of Commission support to the ENP regions**, focusing on regional support but covering also bilateral, cross-border and inter-regional cooperation **in order to have a comprehensive overview for identifying key areas of investigation**. Regional cooperation objectives were then reconstructed in the form of an **Intervention Logic** mainly based on the analysis of the Commission's regional strategy papers. This laid the ground for developing the **set of Evaluation Questions** and their corresponding Judgement Criteria and Indicators and for the **identification of a sample of 24 interventions for in-depth analysis** which represented 22% of the regional cooperation funds committed. **Preliminary findings and hypotheses** to be test as well as gaps to be filled were **formulated at the end of the desk phase** and laid out the work to be carried out during **the field phase** which encompassed visits to

five countries (**Egypt, Georgia, Morocco, Tunisia and Ukraine**). Overall, the evaluation used a **combination of various information sources and tools**, including **literature review** of more than 300 documents, **interviews** with more than 160 stakeholders including EU representatives (both in Brussels and in the EU Delegations of countries visited), national authorities, implementing partners, final beneficiaries, civil society, and other donors' representatives; and **site visits**.

REGIONAL CONTEXT

Although the **ENP Eastern and Southern regions share a common element of proximity to the EU**, they present a **widely diversified picture when looking at economic performances and income levels, civil liberties and political rights achievements, or civil society development**. Differences occur both within the regions and between the regions. The complexity of the regional context has further increased due to major changes in the ENP Southern region following the recent upheavals that have led to the *"overthrow of long-standing repressive regimes in Egypt and Tunisia"*¹, the fall of the Gaddafi's regime in Libya and the civil war in Syria.

Progress in the areas of accountability, political processes, civil liberties, freedom of expression, and judicial independence, effectiveness and impartiality has been recorded throughout the period covered by the evaluation, although the pace of reforms and achievements varies from country to country. Political reforms remain the cornerstone for the achievement of sustainable security and stability in both regions and recent developments show that a strong need remains to promote further reforms including of the public administration.

Significant reform efforts have been undertaken in many ENP economies. Despite this, the two ENP regions still score poorly compared to other parts of the world in terms

¹ COM(2011) 303, p. 1

of economic governance, investment climate and competitiveness indicators. Trade openness is relatively high and tends to increase in most ENP economies although regional trade integration in both regions remains low, notably in the Mediterranean area. The EU is the single largest trading partner of all the ENP countries (exceptions are Belarus and Jordan).

During the 2004-2010 period sustained economic growth led to a significant increase in nominal income levels (from an average of 16% in 2004 to 22% of the EU level in 2009 in the Southern ENP region, and from an average of 5% in 2004 to 10% of the EU level in 2010 in the Eastern ENP region). Averages however mask important cross-country differences. Income per capita ranges between lows of US\$ 1500-2500 in Egypt, Moldova or Georgia, to highs of US\$ 5000 in Belarus and US\$ 8000 and US\$ 9000 in respectively Lebanon and Libya. Finally, while the impact of the financial crisis in the Mediterranean region was weaker than in other regions, in the Eastern region, the fall in domestic and international demand caused a deep recession in 2009-2010.

THE COMMISSION'S REGIONAL COOPERATION WITH THE TWO ENP REGIONS

Over the period 2004-2010, the Commission committed a total of € 9.6 Bln in favour of the countries which make up the two ENP regions. Out of this amount, **€ 1.4 Bln (or 15%) has been provided through regional cooperation**. Support provided in the framework of regional cooperation was concentrated in **five major sectors**: (i) "Economic integration and trade", which absorbed more than one third of total resources; (ii) "Social, cultural and human dimension", 14 % of the total; (iii) "Political and Security Dimension" with another 14 % of resources; (iv) "Infrastructure Networks" sector absorbs 13 % of the total; and (v) Environment, 10 % of the total.

Geographically, **the ENP Eastern region received 40%** (i.e. €573M) of total regional cooperation allocations, **the ENP Southern region received 57%** (i.e. €811M), and the **remaining 3%** (i.e. €50M) was **allocated to interventions covering both ENP regions**. When looking at **allocations per capita the situation is reversed** with the **ENP Eastern region receiving the higher amount of overall regional cooperation allocations**

per capita, €7.9 versus €4.2 for the ENP Southern region.

91% of Commission support to regional cooperation in the two ENP regions **was financed by means of geographic budget lines** and 9% through the thematic instruments. Under the regional cooperation through geographic instruments, the most relevant funding channels (or type of contracting parties) are the private sector (40%) and the EU institutions (35%), and the most relevant type of contracts are services (44%) and capital funds (27%).

Finally, support to regional cooperation is almost exclusively provided by means of the project aid modality, which can be centralised or decentralised.

INTERNATIONAL COOPERATION

Over the period 2004-2009, the ENP regions received a total of US\$ 43 Bln in the form of grants from the international donor community, including the European Commission. The ENP East region received a total of US\$ 10 Bln as grants and US\$ 4 Bln as loans. The ENP South region received a total of US\$ 33 Bln as grants and US\$ 9 Bln as loans. Until very recently, the Commission was the only donor in the region providing a significant volume of aid for regional programmes whereas other donors implemented few though significant regional programmes.

OVERALL ASSESSMENT AND MAIN FINDINGS

The Commission's 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 main objective of the ENP strategies has been to draw EU's neighbours closer into the EU's political, economic and cultural sphere. **This evaluation provides evidence of positive achievements of the regional programmes.** The introduction of the ENPI in 2007 has further allowed the Commission's cooperation with the ENP regions to become increasingly relevant in its focus, and the aid delivery mechanisms have become more effective. Regional interventions have clearly benefited from lessons learnt from past cooperation (MEDA, TACIS) in several cases. **Commission 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 by the Commission to strengthen or support the creation of regional capacities and cooperation mechanisms in different areas.** Regional cooperation has acted as a catalyst for the mobilisation of other financial resources (e.g. EIB, ...). Finally, significant improvements have occurred in terms of foreign investment attraction, notably in the South, and expansion of trade with the UE.

Results at sector level remained uneven and the evaluation identifies several factors that have played a role in this respect. First, **the objectives** pursued through the implementation of the regional strategies in the two regions **did not always correspond to the main priorities of each of the ENP countries**, resulting – at times - in a lack of commitment by the partner countries. This had a negative impact on the ownership and sustainability of regional activities, as well as on their effectiveness and efficiency. This gap explains the weak results in sensitive areas such as regional trade integration, migration and justice, as well as in non-priority areas such as renewable energy provision. The second important factor is related to **the weak coordination with bilateral interventions.** As a result, a number of opportunities to improve the effectiveness and the efficiency of the regional interventions were missed. In some cases the design of programmes' activities was not always conducive to the maximisation of the impact of Commission support. Support to Civil Society did not lead to significant impact because of the relatively limited amount of resources made available for interventions in the Eastern region and the rather disparate set of actions put in place in the Southern region.

MAIN CONCLUSIONS

On Policy and Strategy. Commission regional interventions contributed to the achievement of ENP objectives, in particular the development of a zone of prosperity and a friendly neighbourhood, and have addressed problems and priorities within the two regions. However,

as a consequence of the limited economic and functional integration within the two regions, regional programmes address areas where a common interest can be found between the countries, rather than areas that correspond to their national priorities. This reduces the effective partnership on which the regional cooperation should be based and limits its ownership by the ENP partners (C1).

On Value Added and Coordination. **The value added of regional interventions has been strong** and no evidence of duplication of activities with *inter alia* bi-lateral programmes has been found. **However, evidence of linkages and coordination with the other levels of intervention is limited, most notably with regards to bilateral interventions.** In addition, the ENP Eastern and of Southern regional strategies are not connected at implementation level and limited transfer of experience has taken place between the two ENP regions (C2; C3).

On Economic integration and trade. **Positive changes have been observed in terms of investment growth and trade integration with the EU,** notably in the South. While Commission's efforts have produced visible results in terms of financial leverage (through support to FEMIP and NIF), in most cases it is not possible to estimate the specific contribution of regional interventions to economic progress (C4).

On support to Civil Society. In the Eastern region, **only a small share of regional funds was initially provided to strengthen the cooperation among civil society organisations at regional level.** In addition, interventions only targeted narrowly defined sectors. The situation changed and significant progress has been achieved since the establishment of the Eastern Partnership and its Civil Society Forum. In the South, in spite of the engagement related to the "Social, Cultural and Human Partnership" pillar of the Barcelona Process, many of the commitments remained at the level of "political statements", and many programmes had a top-down approach (C9).

MAIN RECOMMENDATIONS

On the choice of local counterpart. When projects aim at strengthening independent non-state actors, **the participation of the EUD in the implementation should be intensified,** notably to consolidate the

institutional arrangement, while, for projects overseen by government institutions, **the EU should give more attention to the choice and the nature of participants** (both stakeholders and counterparts). In addition, project design should: i) pay **more attention to sustainability issues** and integrate ex-ante an institutional achievement objective focusing on the continuation of programme activities beyond the timeframe envisaged for EU support; and ii) include measures that will allow – where necessary – to reflect changes in the institutional environment within the project institutional structure / framework (R1).

On Coordination and Complementarity. Overall, **the evaluation recommends increasing synergies between bilateral and regional programmes by putting in place more structured mechanisms** for exchange and coordination between the managers of similar programmes within the two ENP regions. More efficient organisation of exchange of information between DEVCO responsible units in charge of respectively ENP South and ENP East and with EUDs must be pursued as the limited transfer of

knowledge between the two regions represent a loss of potential efficiency gains and it is recommended to put in place (R2, R3).

On regional economic integration, awareness raising activities should be intensified **in the ENP South** in the four Agadir countries (Egypt, Jordan, Morocco and Tunisia), as should be **the promotion of liberalization of trade in services and investment. In the two ENP regions, projects that provide resources for risk capital investment and the private sector should be enlarged** (R5, R6).

On support to Civil Society. The Arab Spring offers a critical opportunity to support a genuine and independent civil society in the Mediterranean region. **Efforts** are already underway and these **should be further pursued** with a view **to build a new dialogue encompassing partnerships with organisations that are independent from the State** and to ensure that the **EU's political commitment is reflected throughout the implementation of its programmes** (R9).

1 INTRODUCTION

The “*Evaluation of the European Union's Support to 2 European Neighbourhood Policy (ENP) Regions (East and South)*” in the period 2004-2010, was commissioned and managed by the Evaluation Unit of DG DEVCO-EuropeAid as part of the 2010 evaluation programme approved by the Commissioner for Development in agreement with the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission and the Commissioner for Enlargement and European Neighbourhood Policy.

The progress of the work was closely followed by a Reference Group (RG) composed of members of the Commission's Directorate-General (DG) Development and Cooperation - EuropeAid Office (DEVCO), of DG Trade, of the European External Action Service (EEAS), of the EU Delegations involved, and chaired by the Evaluation Unit of DG DEVCO-EuropeAid.

This document is the final evaluation report and presents the results of the synthesis phase during which the information gathered in the previous phases has been analysed, in order to answer the Evaluation Questions and draft Conclusions and Recommendations. This final version of the report takes into account comments made to earlier reports by RG members.

1.1 OBJECTIVES AND SCOPE OF THE EVALUATION

As per the Terms of Reference (ToR), the evaluation had two main objectives:

- To provide the Commission of the European Union and the wider public with an overall independent assessment of the European Union's Support to 2 European Neighbourhood Policy (ENP) Regions (East and South) in the period 2004-2010;
- To identify key lessons in order to improve the current and future strategies and programmes of the Commission.

The evaluation therefore aims at providing an assessment against accountability requirements ensuring at the same time a forward-looking, so as to provide Commission policymakers and managers with valuable recommendations for improving current and future programming and strategies.

The evaluation covers the ***assistance provided by the Commission of the European Union through regional programmes to the two European Neighbourhood Policy Regions (East and South) and its implementation during the period 2004 -2010***. It will thus primarily deal with: i) the ENPI regional strategies/indicative programmes (i.e. Eastern and Southern neighbourhoods), and ii) other relevant ENP/ENPI regional initiatives and approaches within the evaluation period.

Geographically the scope of the evaluation covers the countries where the ENPI Eastern and Southern Neighbourhood regional strategies/indicative programmes are implemented. The evaluation therefore covers the 6 Eastern Partners of the EU countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) and the 10 Southern Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, occupied Palestinian Territory, Syria and Tunisia). In addition, the ENPI instrument also includes Russia despite the fact that relations with Russia are not developed through the ENP. The geographical scope of the evaluation will therefore extend to relevant regional cooperation activities involving Russia as well, primarily in the framework of regional cooperation within the Eastern neighbourhood financed under the ENPI².

² More specifically, Russia is included in the analysis only to the extent that regional cooperation activities - financed under both the ENPI and TACIS - involving the ENP Eastern countries also involve Russia. This is the case, for example, of a number of regional programmes implemented in the Eastern region such as “Forest Law Enforcement and Governance (FLEG)” (Budget: € 6 M; Timeframe: 2008-2011) that involves as participating countries Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, Ukraine; or the “Sustainable integrated land use of Eurasian steppes Promotes and facilitates the restoration, conservation and sustainable management of the Eurasian steppes ecosystem” involving Moldova, Russia, Ukraine; etc. Sources “Our Neighbours: Panorama of Regional Programmes and Projects in the Eastern European Countries”, 2010 EuropeAid & & http://www.enpi-info.eu/list_projects_east.php?lang_id=450. With the same reasoning, the analysis does not include those cross-border programmes that include only Russia among the ENPI countries (e.g. Kolarctic programme - Finland /Russia or a programme that involves only Estonia/Latvia/Russia).

In terms of **funding instrument** the central scope of the evaluation is on the Commission's financial cooperation provided to the two regions through the regional envelopes. This means that the evaluation covers not only the assistance provided to the two regions under the ENPI Eastern and Southern Regional Strategy Papers for the period 2007-2010 but also the assistance provided under the TACIS and MEDA Regional Cooperation Strategy Papers for the period 2004-2006³.

Support provided under other funding instruments, envelopes or other budget lines⁴ has also been included in the inventory with a view to provide a comprehensive picture of the support provided by the EC in the two regions and has been partially covered with a view to explore their synergies, coherence and complementarity with the ENPI regional strategies.

1.2 PURPOSE AND STRUCTURE OF THE REPORT

The **final report** is structured in five chapters, including the present one.

This chapter - **Chapter 1** - in addition to setting out the **overall objectives and scope of the evaluation**, also provides an **overview of the evaluation methodology and process**, which is also described in greater detail in annex 6, volume 2.

Chapter 2 provides an **overview of the EU-Neighbouring countries' regional context** during the period covered by the evaluation (additional information is also provided in annex 4, volume 2);

Chapter 3 'The EU-ENP Regional Cooperation Framework' briefly recalls the intervention levels of the Commission's cooperation strategy in the ENP Regions, and presents the main findings arising from the analysis of the inventory of the Commission's effective financial contribution in terms of sectoral coverage, timeframe evolution, aid modality and funding instruments; as well as an overview of other donors' official development assistance (additional information is also provided in annexes 5, 7, 8 in volume 2 and in volume 3);

Chapter 4 'Answers to the Evaluation Questions' constitutes the core of the evaluation report and provides for each of the 10 evaluation questions: i) a brief introduction; ii) an overall synthetic answer; and iii) more detailed findings in relation to each Judgment Criterion (JC). Detailed information in support of findings presented in chapter 4 can be found in annexes 9 & 10, volume 2.

Finally, **Chapter 5** sets out the **'Conclusions and Recommendations'**.

1.3 EVALUATION METHODOLOGY

In accordance with the guidelines issued by the Evaluation Unit, the methodology developed for this evaluation aimed to define and answer a set of Evaluation Questions in order to draw out conclusions based on sound analysis and useful corresponding recommendations.

This section briefly presents the overall evaluation process, the information on which the findings are based (data collection), and the main challenges and limits faced by the evaluation. More details on the specific methodological aspects and approaches used for the evaluation can be found in annex 6, volume 2.

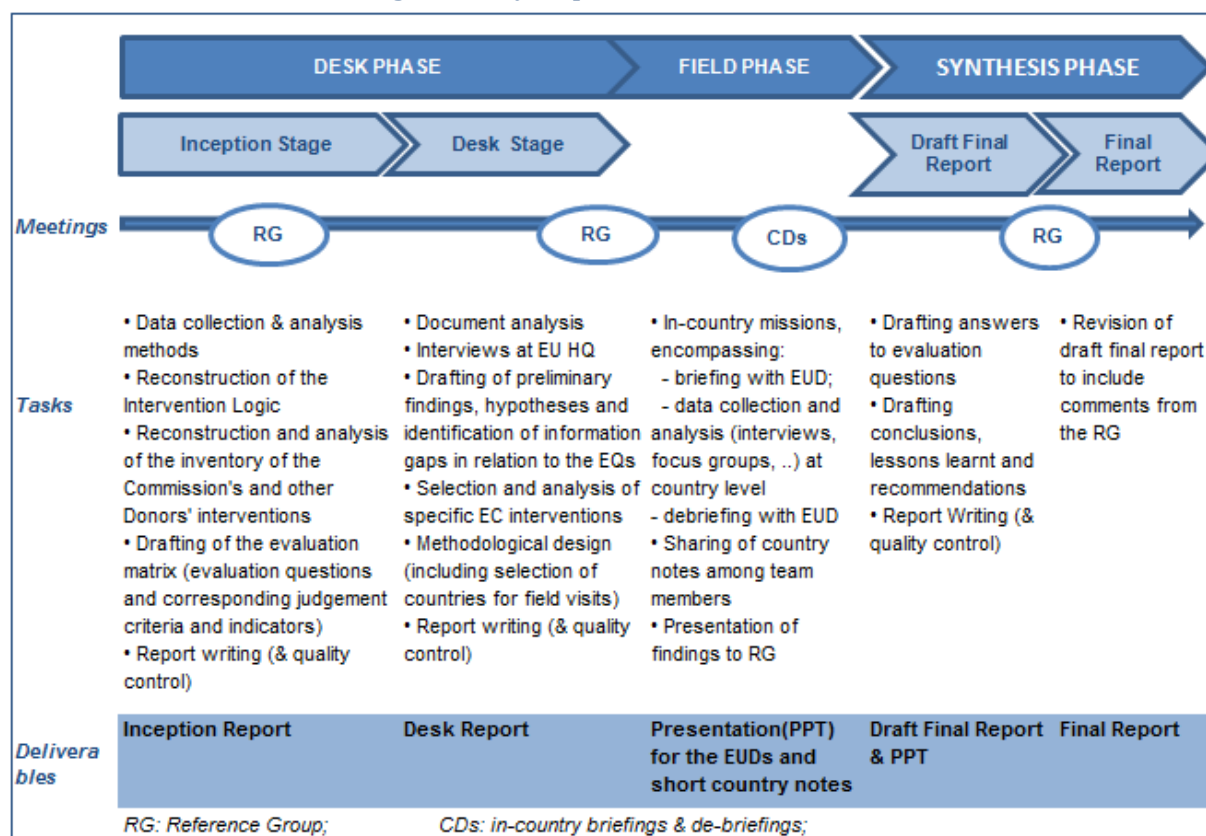
1.3.1 *Evaluation process*

The evaluation was structured in three main phases: i) a desk phase; ii) a field phase; and iii) a synthesis phase. Figure 2 provides an overview of the three main phases, specifying for each one, the main activities carried out, the deliverables produced and the meetings organised with the Reference Group (RG) and with the European Union Delegations (EUDs) in the countries visited during the field phase. Further details are provided in the paragraphs that follow.

³ In fact, it is recalled that although the establishment of a specific Neighbourhood instrument was foreseen already in 2003, it is only in 2007 that the European Neighbourhood Policy (ENP) regional cooperation – previously implemented through MEDA and TACIS – starts to be implemented under the European Neighbourhood and Partnership Instrument (ENPI), see chapter 3 for more details.

⁴ E.g. assistance provided in the framework of inter-regional and cross-border strategies, of bilateral cooperation strategies, or in the framework of thematic programmes.

Figure 2: Key Steps of the ENP Evaluation



The **Desk Phase** was articulated in two stages, i.e. the Inception or Structuring Stage and the Desk Study Stage.

The **Inception or Structuring stage** encompassed the collection and analysis of information related to the regional context and to the Commission's cooperation with the two ENP regions. The review of relevant policy and programming documents and the analysis of funding flows led to the Inception Report. This report included:

- a description of the political and socio-economic context of the ENP Eastern and Southern regions within which the Commission's regional cooperation was framed;
- the reconstruction of the Commission's regional intervention strategy and the logic underlying the Commission's strategic objectives and priorities within the two regions in the 2004-2010 period;
- a detailed analysis of the Commission's financial commitments in terms of sectoral coverage, timeframe evolution, aid modality and funding instruments; as well as an overview of other donors' official development assistance; and
- the proposed ten Evaluation Questions (EQs), with their respective judgement criteria and indicators along with the identification of sources and tools to be used.

The **Desk Study** stage encompassed:

- further work on the inventory⁵ leading to: i) an improved coverage of thematic budget lines; ii) the classification of interventions per funding channel / contracting party; and iii) the further analysis of the global sector under the bilateral cooperation;
- the review and analysis of documentary sources with a view to collect information in relation to three main clusters: i) background and context information; ii) general information on the European Commission's cooperation with the two ENP regions; and iii) gather information on the interventions selected for an in-depth analysis. A set of 24 interventions for a total of €311 M (i.e.

⁵ Main findings from the inventory analysis are reported in chapter 2.3. For further details on the processes followed and results please refer to volume 3.

equivalent to 22% of total regional funds committed by the EU) was identified and selected in agreement with the RG to illustrate through concrete examples and references to projects how the cooperation strategy was implemented;⁶

- interviews in Brussels in order to gather information on: i) policy and strategy definition; ii) implementation issues; and iii) issues identified in the preliminary analysis of the inventory and in need of further analysis. The majority of interviews were carried out with DEVCO and EEAS representatives although staff from other DGs (e.g. TRADE, MOVE) were also met;⁷

This stage was concluded with the finalization and acceptance of the Desk Study report which included:

- preliminary findings structured along the ten evaluation questions, whereby information was presented at the level of each Judgment Criterion (JC) together with the hypotheses to be tested and the information gaps to be filled during the field phase; and
- the proposed approach to the field phase outlining the objectives and activities of the field phase including methodological approach and data collection and analytical tools to be used.

The **Field phase** encompassed five in-country missions to Egypt, Georgia, Morocco, Tunisia, and Ukraine⁸. The main objective of the field phase was to complete the data collection process and thereby provide the necessary evidence to validate or revise the preliminary hypothesis formulated in the present report in relation to the answering of the evaluation questions. Issues investigated during the field phase have covered policy & strategy aspects as well as implementation issues. The selection of interventions for in-depth analysis was carried out with a view to yield information on the actual results and impact of the Commission's cooperation and to link the implementation analysis to the overall strategy assessment. Emphasis was placed on the analysis of the actual processes and achievements, which are not fully perceivable through the documentation examined. Visits to the different countries and information retrieved should not be viewed as self-standing but rather as pieces of a larger puzzle.

This step ended with the presentation of a set of Country Notes that was sent to the Evaluation manager of the Evaluation Unit.

Finally, during the **Synthesis Phase** the team brought together the results of the desk phase and field phase in the present report. During this step all information collected was analysed and cross-checked to provide evidence-based answers to the evaluation questions, sound conclusions and useful recommendations. The analysis was structured according to the three-tiered logic from Indicator, to Judgement Criteria (JC), to Evaluation Question (EQ). As a result, activities carried out during this phase can be grouped in the following five subsequent steps:

- Informing the indicators: sharing of information between the team members, updating, comparing, confirming and cross-checking the information gathered through the different sources;
- Identifying the limits of the analysis: data quality and unavoidable information gaps;
- Validating, integrating or amending the judgement criteria;
- Providing answers to the evaluation questions based on the combination of the answers at the level of the JCs;
- Drafting of conclusions and recommendations.

1.3.2 Data Collection process and tools

The approach to data collection and analysis followed a structured process and enabled the team to progressively complement and cross-check data by relying on different primary and secondary sources of information. Information gathered through the different sources (literature review of nearly 300 documents, semi-structured and structured interviews with approximately 49

⁶ A Note on the selection of interventions for in-depth documentary analysis was submitted to the RG leading to the subsequent agreement on a sub-set of 24 interventions. The list of interventions and details on the selection process are presented in volume 2, annex 6.

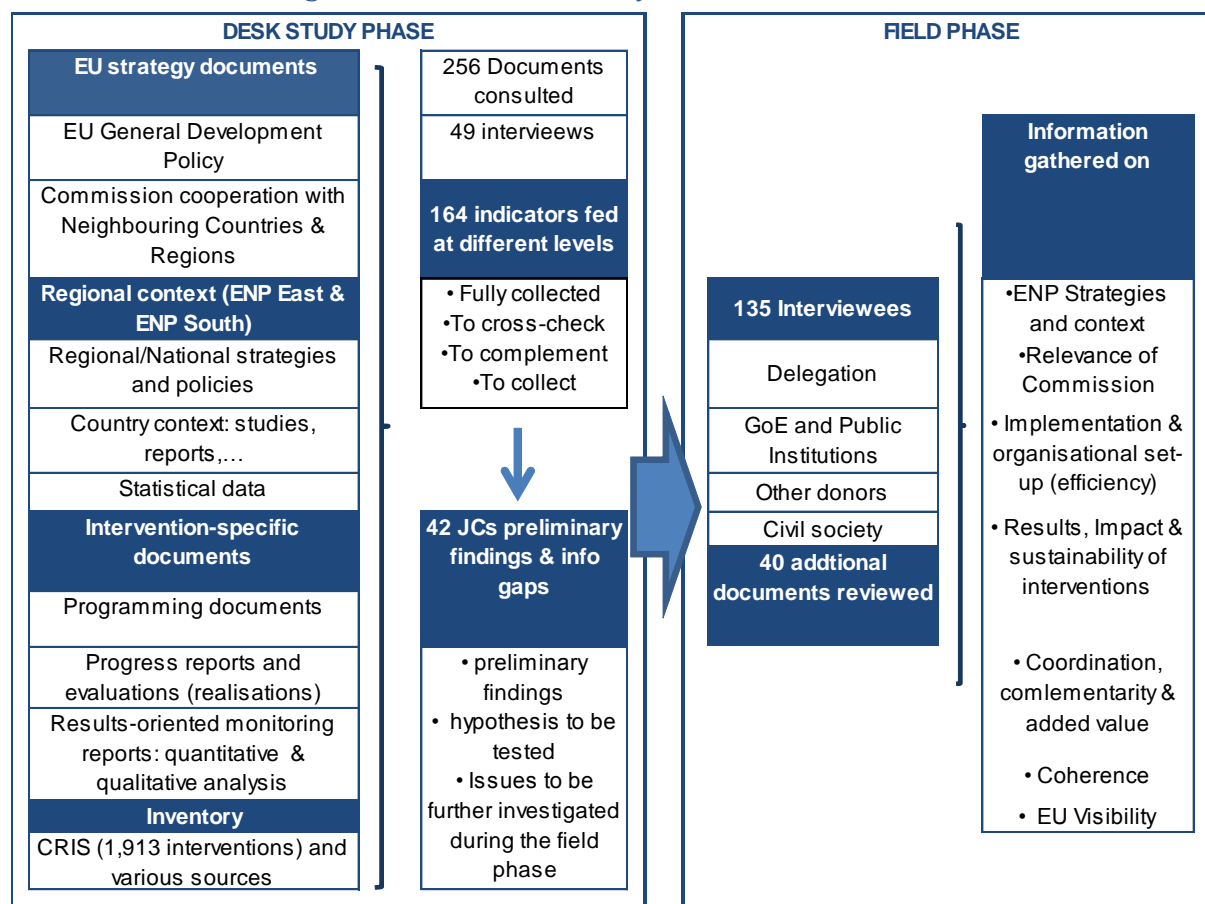
⁷ The full list of people met is presented in volume 2, annex 3.

⁸ An additional field mission to Moldova was initially foreseen but later cancelled. For further details see volume 2, annex 6 'Methodology', paragraph 1.3 'Field phase'.

stakeholders in Brussels and 135 stakeholders during the field missions plus a number of site visits) was combined and crosschecked with a view to providing evidence-based answers to the evaluation questions. Annexes 2 and 3 provide respectively the bibliography and the list of people met.

The information sources and the tools used as well as the outputs obtained are summarised in Figure 3.

Figure 3: From the Desk Study Phase to the Field Phase



1.3.3 Challenges and Limitations

The evaluation team faced a number of challenges and limitations, including:

- Information related to a number of interventions proved at times difficult to retrieve: i) relevant documentation was not always accessible through the CRIS database; and ii) in some cases, people previously involved in implementation of given projects were no longer available;
- Diversity of countries / regions and the difficulty in gathering an in-depth perception of the realities on the ground;
- A bias originating from the fact that the information collected depends on the person interviewed. The data provided by key informants has been systematically cross-checked to ensure its validity.

The team tackled these information challenges by multiplying efforts and sources of information (e.g. documents, interviews, field visits, debriefing meetings, etc.) including interviewing additional stakeholders previously involved in the implementation of Commission programmes identified with the support of the EUD. These limitations have had limited negative impact on the evaluation findings, as the team was able to gather sufficient information from both primary and secondary sources to triangulate findings (see information in the Data Collection Grid in annex 9, volume 2).

2 OVERVIEW OF THE EU-NEIGHBOURING COUNTRIES' REGIONAL CONTEXT⁹

The ENP Eastern and Southern regions, on the one hand, share the element of geographical proximity to the EU. On the other hand, however, they present a widely diversified picture when looking at income levels, resources availability (notably oil), progress in terms of economic development, democratic consolidation, rule of law and civil society development.

The analysis of the Regional Strategy Papers, statistical data and additional documents¹⁰ enables to trace a synthetic overview of the political, economic, social and environmental situation in the two regions, and to highlight a number of characteristics in each of the two areas.

2.1 POLITICAL SITUATION

ENP cooperation takes place in a complex and difficult political context including protracted conflicts as well as more recent upheavals that have led to the “*overthrow of long-standing repressive regimes in Egypt and Tunisia*”¹¹. The challenges facing the two ENP regions are multiple and diverse. Diversity can be found not only between the two regions but also within the regions. The score of the ENP countries in indicators related to accountability, political processes (and transition processes in the ENP Eastern region), civil liberties, political rights and independence of the media is quite variable as are achievements in these areas, which vary from country to country.

Political reforms remain the cornerstone to achieving sustainable security and stability in the region. Despite progress, the pace of reforms is slow and recent developments clearly show that the transition is complex signalling a strong need to promote further democratic reforms, including free and fair elections and respect for the rule of law.¹² Though with some exceptions (e.g. elections in Ukraine and Moldova in 2010, the voting in 2012 of the constituent assembly in Libya after more than 40 years and the passing of some electoral legislation in recent years that has improved the quality of elections most notably in *Morocco* and *Lebanon*) “*in many countries neither the legislative framework for elections nor their conduct comply with international standards*”¹³, and changes of government rarely proceed smoothly.

Accession to **human rights** and fundamental freedoms conventions and protocols have moved forward and advances have been indeed registered but their effective implementation still causes concern¹⁴.

The same holds true with regard to the respect for **freedom of expression**, particularly in the media, freedom of association and freedom of assembly, whereby important progress in some countries (e.g. the case of Ukraine with the abolition of the practice of instructions by the authorities on what to report) is counterbalanced by many other countries where legal provisions still stipulate numerous restrictions and where the space for civil society actors and human rights defenders remains limited.

Finally, despite significant investments to enhance the capacity and efficiency of the **judiciary**, judicial independence, effectiveness and impartiality are still areas where significant improvements

⁹ A more detailed overview can be found in volume 2, annex 4.

¹⁰ Main additional documents consulted: COM(2011) 303, Joint Communication to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions. *A new response to a changing Neighbourhood*, Brussels, 25/05/2011; COM (2010)207 *Taking stock of the European Neighbourhood Policy*, Communication from the Commission to the European Parliament and the Council, 12/05/2010; EC, *European Neighbourhood Policy: Economic Review of EU Neighbour Countries*, Occasional Papers No 40, 2008; EC, *The EU's neighbouring economies: emerging from the global crisis*, Occasional Paper n°59, April 2010. Eurostat, *European Neighbourhood a statistical overview*, 2009. Femise, *The EuroMediterranean Partnership at crossroads*, 2010. World Bank, *Doing Business in the Arab World*, 2010.

¹¹ COM(2011) 303, p. 1

¹² The European Commission takes stock of the situation in the Joint Communication to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions *European Neighbourhood Policy: Working towards a Stronger Partnership* of 20.3.2013, JOIN(2013) 4 final.

¹³ COM (2010)207. p.3.

¹⁴ “There has been some progress, for example on the protection of the rights of women, with the criminalisation of female genital mutilation in *Egypt*, increased participation of women in political life in *Morocco* and *Jordan* and some first actions in relation to *honour crimes*, notably in *Lebanon* and *Jordan*.” [... however ...] “The death penalty still exists in *Algeria*, *Belarus*, *Egypt*, *Israel*, *Jordan*, *Lebanon*, *Libya*, *Morocco*, the occupied Palestinian Territory, *Syria* and *Tunisia* and is regularly applied in *Belarus*, *Egypt*, *Libya* and *Syria*”. p. 3 COM (2010)207.

are yet to be achieved, and the reform of **public administration** remains one of the significant unmet challenges for partner countries.

2.2 ECONOMIC SITUATION¹⁵

2.2.1 *Growth and economic convergence*

Economic growth was strong enough, on average, during the evaluation period to increase nominal income levels in the South, both in absolute and relative terms, from an average of 16% in 2004 to 22% of the EU level in 2009, in the East, from an average of 5% in 2004 to 10% of the EU level in 2010. But averages mask important cross-country differences. Recent statistics highlight that the EU Neighbour (ENP) economies present wide variations in levels of GDP per capita, ranging from US\$ 1500-2500 in the occupied Palestinian Territory, Egypt, Moldova or Georgia, to US\$ 5000 in Belarus up to US\$ 26 000 in Israel.

When relative income levels are approximated by purchasing power parity-adjusted GDP per capita, Mediterranean neighbouring countries present an average GDP per capita of 35% of the EU-27 level in 2010. For Eastern neighbours (excluding Russia) the relative income level in terms of per capita GDP was lower, at around 24% of the EU-27 average in 2010. The significant gap in income levels that ENP economies have to bridge in order to come close to the EU level sets the scene for the main challenge that policy makers in those countries face, i.e. to achieve sustainable catch-up to raise productivity and income levels and bring them closer to the frontier of advanced economies. In comparison, Spain had a GDP per capita (PPP) of 47% of the founding members of the European Economic Community in 1957.

The Mediterranean region was hit by the global financial crisis, mainly via external trade and investment channels. While the impact on individual economies varied, in general the effect of the crisis was weaker than in other regions, as GDP decelerated rather than contracted on average across the region from around 5.5% of GDP in 2008 to 3.5% in 2009 and in 2010. The composition of growth in the East region is more and more dominated by the non-tradable sectors. This specialisation reflects the continuing transition towards a market economy, but it is also the result of poor investment conditions that do not encourage enough investment projects with longer returns. For most countries, the financial crisis and the deterioration of the economic environment led to a reduction in domestic and international demand and in investment, and hence to a deep recession in 2009 (-8%) and a still slow growth in 2010.

2.2.2 *Economic governance and investment climate*

Although the reform efforts undertaken by Mediterranean countries are encouraging, the region still scores poorly compared to other parts of world. Over the last few years, many ENP Southern countries have promoted reforms to improve the quality of the public administration. Despite such efforts, several common structural challenges remain. For instance, tangible measures aimed at fighting against corruption and improving economic transparency have been implemented in most countries, but the relative corruption perception index has worsened in all of them. Four factors are consistently cited by entrepreneurs as being the most problematic for doing business: inefficient government bureaucracies, access to financing, corruption, and tax rates and tax regulations. Other factors such as low educational outputs also appear to be hampering regional competitiveness.

Throughout the ENP East region, the development of the private sector and SMEs is being hampered by the poor business climate, and global competitiveness is low. Procedures for creating, establishing and closing a business are cumbersome in most countries. Tax obligations are complex. SMEs lack access to cost effective advisory services that can help them improve their management and operations. Above all, they lack funding due to underdeveloped capital markets and a financial sector still in transition. Average global competitiveness rankings of the region are very low.

¹⁵ Unless otherwise indicated *main quantitative data presented has been drawn from the following sources: International Monetary Fund, World Economic Outlook Database, April 2011; www.imf.org/external/pubs/ft/weo/2011/01/weodata/index.aspx and The World Bank <http://Data.Worldbank.Org>.*

2.2.3 *International Trade, FDI and regional integration*

In both ENP regions, the traditional trade performance dichotomy between oil exporters and importers has been strengthened by the combination of the rise in oil prices and the global crisis. This is reflected in the strikingly different levels of current account deficits and the extreme external vulnerability of some ENP countries. In the East, between 2004 and 2009, the value of exports has increased by 300% in oil exporting Azerbaijan, but on average by 46% only for the five other ENP Eastern countries. At the same time, imports grew by 116% in non oil exporting countries. As a result, the Eastern neighbours' current account position reflects the same contrast. The average apparent stabilization of the current account deficit (from -5.6% of GDP in 2004 to -4% in 2010) masks the coexistence of a large surplus accumulation in Azerbaijan (from -30% to + 28% of GDP in 2010) with worsening deficits in the rest of ENP Eastern region (on average, from -1% to -10.4% in 2010). The ENP Southern region's current account positions reflect a similar dichotomy: increasing external fragility in most of the non oil-exporting countries (notably Jordan, Morocco and Tunisia) and large surplus in Algeria (9.4% of GDP).

Trade openness is relatively high and tends to increase in most ENP economies. On average, Mediterranean countries have trade openness ratios now similar to those of most of EU members. Overall, the level of trade integration is relatively high in the ENP East, because of the small size of most of these economies and the traditional economic linkages inherited from the Soviet Union. But export competitiveness is weak in both ENP regions. Trade expansion mask either a lack of diversification (as is the case for the energy exporting Azerbaijan and Algeria), a dependence on imports, or a low-tech export specialisation. In the ENP Eastern region, the only two countries with a relatively large export sector and a balanced trade performance are Belarus and Ukraine. In the South, export growth has been mostly driven by simple products manufacturing (Morocco, Tunisia), trade in services (tourism in Egypt, Morocco, Tunisia, Jordan) or external rent revenues (oil, Suez)^{16&17}. These leading sectors are vulnerable either to rapid shifts in external demand (tourism) or to the growing Chinese trade competitiveness (in manufacturing).

The EU is the single largest trading partner of all the ENP countries, with the sole exceptions of Belarus and Jordan. Regional integration in both regions remains low, notably in the Mediterranean area.

In terms of Foreign Direct Investment (FDI) attraction, there is a contrast between the recent expansion of FDI in the ENP South since the early 2000s, and the polarisation of FDI flows in the ENP East. FDI in the Mediterranean region has been growing strongly for several years, from a low initial basis - US\$ 6 billion in 2002 (1% of the world total) - to US\$ 40 billion in 2006 (2.8% of the world total). Not surprisingly, the global financial crisis caused a drop in inward FDI. But the region attractiveness has remained robust with average FDI inflows of US\$ 32 billion from 2007 to 2009 and an average share of 2% of the world total inflows¹⁸. In comparison, the ENP Eastern countries' share of world FDI inflows is low, between 0.5 and 1%. Ukraine attracted most investment in the region: from 27 % in 2004 to 67 % in 2010.

In the ENP South, the economic consequences of the Arab Spring include the destabilisation of economic institutions, notably at State level, and the reduction of both growth rates and countries' attractiveness. The rebuilding of a stable institutional framework is a key condition for a durable growth rebound.

2.3 TRANSPORT OUTLOOK

Bolstering transport links and thereby alleviating infrastructure bottlenecks is seen as a key priority by both the EU and its neighbouring countries and is considered a means of achieving economic development in the region. Infrastructure problems are clearly a major trans-national economic issue facing both the Eastern and Southern Neighbours. Key problems typically arise more as a result of inadequate sector policies and/or administrative procedures rather than from lack of

¹⁶ UN/Comtrade ; CEPII CHELEM database ; See also Trade-related economic reports on WWW.FEMISE.ORG.

¹⁷ Suez revenues is a "natural" rent paid mainly by non-Egyptian.

¹⁸ See: Femise Report FEM 31-20, « Les boucles investissement intérieur - investissement étranger et la croissance des Pays Méditerranéens ».

major physical infrastructure, although even here there is room for improvement, especially in terms of linking partner countries with the Trans-European Network (TENs) axes and among themselves.

Gradual integration of the transport markets; gradual approximation with the EU's legal framework and standards, promotion of sustainable transport and effective implementation of international agreements; improvement of rail interoperability and road safety; improvement of maritime and aviation safety and air traffic management, as well as raising maritime and aviation security to meet international standards; and the introduction of EU intermodal concepts, such as the 'Motorways of the Sea', in the countries of the region are all key challenges pursued in the framework of the ENP cooperation.

While the two regions share a number of common challenges, there are also specificities in each region. As a result, the Commission's approach while guided by principles of ownership and differentiation also allows to the transfer of experiences. Although beyond the scope of this evaluation, in 2011 the Commission has set out renewed transport policy cooperation with the EU's neighbouring regions. As a result, transport cooperation will be tailored to the needs of each sub-region and higher levels of differentiation will be applied depending on each country's readiness and commitment¹⁹.

2.4 ENERGY OUTLOOK

Both the ENP Eastern (Black Sea, Caspian Littoral States and their neighbouring countries) and Southern countries (Maghreb and Mashreq) have significant energy resources and renewable energy sources. Due to their geographical position, they have a critical role to play as regards energy supply in Europe as both energy producers and transit countries.

Energy production and consumption patterns differ both within the regions and between the regions. Energy consumption is currently low among **Maghreb countries** though projected to increase together with population growth, with all the countries but one - Morocco - having reserves of oil and natural gas: modest in Tunisia and extremely significant in terms of both income and trading patterns in Algeria and Libya. Although all Maghreb countries' electrical grids are interconnected and through Morocco connected to Europe, energy trading patterns among them are almost totally absent. In the **Mashreq**, Egypt is, by far, the greater energy consumer, and has a developed energy market based on coal, oil, natural gas, and hydro power. Jordan has one of the largest uranium reserves in the world while Syria is seeing its oil reserves diminishing steadily and is expected to become a net importer of petroleum, with natural gas taking its place as main source of energy provision. Finally, Lebanon and Israel have no significant energy resources but oil has recently been discovered inland and in the seabed between Lebanon, Cyprus, Israel and Egypt. More recently, the momentum for the integration of the Maghreb electricity markets, which started after the 2010 Algiers Declaration, has considerably slowed down following the Arab Spring and it is likely that the civil war in Syria will increase dependence on imported fuel in the country at least in the short term.

In the Eastern countries, Ukraine is the largest energy consumer (it consumes almost double the energy of Germany per unit of GDP). A great share of energy supply in Ukraine comes from nuclear power with the country receiving most of its nuclear fuel from Russia. Ukraine's power sector is the twelfth-largest in the world in terms of installed capacity. Renewable energy still plays a very modest role in electrical output. Azerbaijan is rich in energy resources: oil exports are an outstanding source of income; reserves of natural gas are also important (a natural gas pipeline to Eastern Europe is envisaged); hydraulic resources are high, although electricity generation is primarily thermal (80% of production), and is balanced with consumption. By contrast, in its neighbouring country Armenia, the vast majority of energy is produced with fuel imported from Russia, including gas and nuclear fuel. The main domestic energy source - though modest - is hydroelectric. Finally, Georgia, Belarus and Moldova have an energy deficit and must import all of its supplies of petroleum, coal, and natural gas, largely from Russia.

In this framework, both the EU and the ENP partner countries share the interest of maintaining stable, secure and clean energy supplies and actions are being undertaken to this end. The *Commission's EU Energy Security and Solidarity Action Plan* [COM (2008) 781] called for the stepping up of relations among partners. As a result, partners have undertaken a number of steps to initiate

¹⁹ COM(2011) 415 final "The EU and its neighbouring regions: A renewed approach to transport cooperation"; Brussels, 7.7.2011.

sector reform and gradual alignment with EU policy, and are revising their energy strategies, with a new focus on energy efficiency and renewable energy. Cooperation to develop energy networks is progressing. In the **Eastern region**, cooperation efforts with the EU are geared – amongst others - towards the modernisation of *Ukraine's* gas transit system, and the realisation of a gas corridor, including Nabucco and the trans-Caspian transportation project. In the **Southern region**, cooperation initiatives focus on the development and integration of energy markets, including the development of South-South and North-South interconnections, and more recently on the elaboration of a the Mediterranean Solar Plan.

2.5 ENVIRONMENT SITUATION

Southern region. Despite the existence of Conventions and Commissions for the Protection of the Mediterranean Sea against Pollution, expanding synergies and actions undertaken in the framework of the Euro- Mediterranean Partnership and the set-up of environmental policies in all concerned countries (including examples of good practices), natural resources and environmental degradation continue to be a cause of major concern. The Mediterranean Sea and coastline remain fragile and subject to continuing pressures, weighing heavily on poor populations and tend to hamper, if not to compromise, economic and social development.

Key environmental problems of the region include: i) quality and quantity of water; ii) Inadequate municipal and industrial solid waste management; iii) poor air quality due to the large development of transport and industrialization; iv) damage to marine biodiversity or induced coastal degradation; and v) land degradation and desertification due to the region's naturally fragile terrestrial environment. These problems are compounded by the still inadequate capacity and – at times – lack of willingness to develop and to enforce the necessary environmental legislation at country level.

The countries of the **Eastern region** are equally faced with a range of global, regional and trans-boundary environmental challenges: pollution of the Caspian, Black, Baltic and Barent seas, air and water quality, waste management (including radioactive waste mainly from Ukraine and Armenia), nature protection, industrial pollution, obsolete pesticides and chemicals, wasteful energy use, land use, and land degradation and desertification (in particular in the Southern Caucasus region).

Again, although the great majority of the countries within the region have ratified the most important international and regional environment agreements, weaknesses at the levels of administrative capacity, environmental governance and strategic planning hamper the development and enforcement of appropriate environmental legislation and measures.

Finally, a specific issue with clear transboundary implications is linked to forestry protection. The region extended to include Russia comprises a great share of global world forest, and as there is a growing demand for forest products from the region resulting in an increased pressure on the resource and illegal logging.

3 **FRAMEWORK OF EC – ENP COUNTRIES DEVELOPMENT COOPERATION**²⁰

3.1 INTRODUCTION

The overall framework of the Commission of the European Union's cooperation with the countries of the ENP region(s) is provided by the **European Neighbourhood Policy (ENP)**. The policy, introduced in 2004 in the wake of the EU enlargement, embraces the EU's neighbours both to the East and to the South, to address new opportunities and challenges linked to the changed external borders of the EU.

The objective of the ENP as outlined in the strategy paper is to “**share the benefits of the EU's 2004 enlargement with neighbouring countries in strengthening stability, security, and well-being for all concerned**”, and the policy itself has been designed “to prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation”. In other words, the overall objective of the policy is to draw both old and new neighbours closer into

²⁰ This is a synthesized version of the more comprehensive description of the EU-ENP Countries Cooperation framework provided in volume 2, annex 5.

the EU's political, economic and cultural realm, short of full membership. As such it seeks to "develop a zone of prosperity and a friendly neighbourhood – a 'ring of friends' - with whom the EU enjoys close, peaceful and co-operative relations" [COM (2003) 104].

The **geographical coverage of the ENP** encompasses sixteen countries: six of which fall within the Eastern neighbourhood region (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) and ten in the Southern neighbourhood region (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, occupied Palestinian Territory, Syria and Tunisia). As a result, the ENP brings together under a unique policy framework two distinct regions (Eastern European and the Mediterranean areas) comprising different political, cultural and socio-economic realities, not only on a country-to-country basis but also on a regional and sub-regional basis.

3.2 **MAIN PRINCIPLES AND THRUSTS OF THE EUROPEAN NEIGHBOURHOOD POLICY**

Joint ownership and differentiation. The ENP aims at deepening political dialogue and cooperation with each of its neighbours both individually and as regions with the aim of achieving a substantial degree of economic integration among the ENP countries and the EU. In this sense, the ENP provides a partnership for reform that rewards strong commitment: the more a partner engages with the Union, the more fully the Union responds. Differentiation constitutes both a starting point of the ENP in recognition of the existing differences in the variety and intensity of the Union's relations with and among the countries of its new neighbourhood, and as a guiding principle, whereby the "*ambition and the pace of the EU's relationship with each partner country will depend on its degree of commitment to common values, as well as its will and capacity to implement agreed priorities*"²¹.

Added value. The ENP provides the means for an enhanced and more focused policy approach by: i) introducing the perspective of moving from cooperation to a significant degree of integration; ii) upgrading the scope and intensity of political cooperation; iii) encouraging reforms and providing incentives for resolving outstanding issues in bilateral relations.

The different dimensions of the ENP. At **bilateral level**, the ENP builds on - and provides a framework for the strengthening of - the existing Partnership and Cooperation Agreements (PCA) with its Eastern partners and the Association Agreements (AA) in force with its Southern partners. With regard to the **multilateral dimension** – focus of the present evaluation - efforts are underway to further deepen existing relations. In fact, although the ENP is chiefly a bilateral policy between the EU and each partner country, not only is it specified that *bilateral* Action plans should also contribute, where possible, to regional cooperation, but it is equally foreseen that the "*ENP will reinforce existing forms of regional and sub-regional cooperation and provide a framework for their further development*"²². Cooperative efforts are most notably called for to address challenges that have an inherent cross-border character and can thus be addressed only through cooperative efforts at regional level. In this context, it is envisaged that the **ENP regional cooperation** will add value to bilateral and cross-border co-operation and will be complemented by activities under the Inter-Regional Programme. The strategic importance of regional cooperation lies in the fact that – while complementing national policies and promoting cross regional cooperation and integration – it deals with issues that are common to the various partners, thereby bringing together people from the Partner Countries, despite their differences, to engage in discussion and exchange views and experiences. Ultimately, by helping beneficiary countries focus on common challenges, a regional approach has the potential to enhance confidence among partner countries, thus promoting increased security, stability, and prosperity, the overall objective of the ENP.

3.3 **THE ENP AND THE DEEPENING OF RELATIONS WITH THE PARTNERS**

The **Eastern Partnership** (EaP) was launched by 27 EU member states and the six partner countries with the adoption of the Prague Declaration (first EaP summit, May 2009) as a specific Eastern dimension of the ENP. The multilateral EaP framework has a four level structure: Heads of State or Government, Ministers of Foreign Affairs, four thematic platforms, and, at technical level, panels that support the work of the platforms on more specific subjects. Although the EaP works in the framework

²¹ European Neighbourhood Policy Strategy Paper COM (2004) 373, 12.05.04.

²² Ibidem p. 4

of the ENP, it also goes beyond the original ENP package as it deepens bilateral co-operation, and introduces new mechanisms for regional co-operation.

Bilaterally, the EaP offers partners new contractual relations, deeper economic integration with the EU, strengthened energy security cooperation and enhanced mobility of people, including gradual steps towards a visa-free regime as a long-term goal, provided that conditions for well-managed and secure mobility are in place.

Multilaterally, the EaP introduces four thematic platforms on: 1) democracy, good governance and stability; 2) economic integration and convergence with EU policies; 3) energy security; and 4) contacts between people, with the aim of bringing the partners closer to the EU. In addition, the EaP broadens the scope for an increased involvement of non-state actors in multilateral fora with a view to enhancing their contribution to processes of regional socialisation and sharing of experiences and, thereby, to democratisation discourses and processes. The creation of the EURONEST and Civil Society Forum are examples of this. The establishment of the EaP has allowed strengthening the multilateral cooperation dimension among the EU's Eastern partners and with the EU. It is expected that the EaP will: i) facilitate the development of common positions and joint activities, ii) foster links among the partner countries themselves; and iii) lead to a more regular and structured dialogue among partners and with the EU, whilst creating a stronger basis for multilateral cooperation.

Unlike the newly created EaP, the **Euro-Mediterranean Partnership (EMP)** dates back to the Barcelona Conference and ensuing Declaration (Nov. 1995). The Declaration paved the way for a more integrated approach with a view to establishing a comprehensive Euro-Mediterranean partnership in order to turn the Mediterranean into a common area of peace, stability and prosperity through the reinforcement of political dialogue and security, an economic and financial partnership and a social, cultural and human partnership. Since then, the EMP has offered a strong policy framework for the EU's relations with the Mediterranean countries and has formed the basis for a continuing dialogue and cooperation.

In this context, it is explicitly recognised that the ENP *"will build on 'the acquis' of the EMP by fully integrating a tailor made approach adapted to each country or group of countries"*²³. The EMP also comprises two complementary tracks, the bilateral and the regional agenda. Under the **bilateral dimension**, the basic partnership framework established for the Mediterranean area is similar to that of the Eastern region, whereby Southern partners have concluded Association Agreements (AA)²⁴ that provide for political dialogue, free trade in manufactured goods between the partner and the EU through tariff dismantling over a transitional period, and various forms of economic cooperation.

At the **multilateral level** on the other hand, an important difference can be noted and is related to the fact that an explicit regional dimension encouraging the development of intra-regional initiatives and cooperation in a broad spectrum of sectors has been in existence since 1995.

While there is a perfect correspondence between the members of the EaP and the countries covered by the Eastern dimension of the ENP, the same cannot be said for the Southern region as the ENP encompasses 10 countries in the Southern Neighbourhood, while the EMP - re-launched under the heading of Union for the Mediterranean (UfM) in 2008 - encompasses 16 Southern Mediterranean, African and Middle Eastern countries.

The re-launch was an opportunity to make relations both more concrete and visible through the reinforcement of regional and sub-regional initiatives, e.g.: i) the de-pollution of the Mediterranean Sea, including coastal and protected marine areas; ii) the establishment of maritime and land highways that connect ports and improve rail connections so as to facilitate movement of people and goods; iii) a joint civil protection programme on prevention, preparation and response to natural and man-made disasters; iv) a Mediterranean solar energy plan that explores opportunities for developing alternative energy sources in the region; v) a Euro-Mediterranean University; vi) the Mediterranean Business Development Initiative, which supports small businesses operating in the region.

²³ Ibidem, page 22.

²⁴ Association Agreements are now in force with all countries with the exception of Syria (AA ready for signature). At the same time some countries, notably Morocco, Israel, Jordan, Egypt, Tunisia, and the Palestinian Authorities are seeking to further enhance their bilateral relations with the EU. Morocco and Jordan have been granted advanced status in respectively 2008 and 2010.

3.4 COOPERATION INSTRUMENTS

In order to match the ambitions of the ENP, the Commission has proposed and later adopted a new set of harmonised instruments to support the assistance to be provided to third countries. Although the creation of a specific Neighbourhood instrument was first envisaged in the Commission's communication "Paving the Way for a New Neighbourhood Instrument" of 2003²⁵, the high number of legal and budgetary questions led to the adoption of a two-phase approach. Under this approach, phase I (2004-2006) foresaw the introduction of enhanced coordination among existing instruments, whereas Phase II (as of 1 January 2007) foresaw the establishment of a new instrument, i.e. the **European Neighbourhood and Partnership Instrument (ENPI)**.

In the period 1 January 2004 - 31 December 2006, Commission assistance to the countries of the ENP was provided under the so called **TACIS Regulation** [Council Regulation (EC, EURATOM) No 99/2000] and **MEDA II Regulation** [Council Regulation (EC) No 2698/2000]. These two regulations constituted the principal instruments of economic and financial cooperation for the Eastern and Southern ENP countries/regions respectively.

As of 1 January 2007, these instruments have been replaced by the **ENPI** [Regulation (EC) No. 1638/2006 of the European Parliament and of the Council], established "to provide assistance for the development of an area of prosperity and good neighbourliness". The ENPI replaces existing geographic and thematic programmes covering the ENP countries and Russia, and foresees that external aspects of internal policies previously covered by a specific instrument will be either mainstreamed in country – multi-country programmes, or, where appropriate, dealt with through specific thematic programmes.

The overall objective of the Commission's assistance under the ENPI is to "promote enhanced cooperation and progressive economic integration between the European Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements." ENPI Regulation, Article 2(1).

This emphasises the fact that: i) the ENPI is a policy-driven instrument, aspect which is emphasised in Articles 2 and 3 of the ENPI Regulation that set out the main aims of the assistance and make an explicit link between these aims and the existing agreements with neighbouring countries (i.e. the AAs); ii) the objectives that can be pursued under the ENPI includes objectives that are specific to the ENP as well as more general development objectives, thus reflecting the reality of neighbouring countries.

The regulation also defines the overall architecture of the ENPI, whereby it is specified (Article 6) that assistance will be provided to:

- **country or multi-country programmes**, covering assistance to one partner country or addressing regional and sub-regional cooperation between two or more partner countries, in which Member States may participate;
- **thematic programmes**, addressing one or more specific challenges which are common to several partner countries and which may be relevant to one or more Member States;
- **cross-border cooperation programmes**, covering cooperation between one or more Member States and one or more partner countries, taking place in regions adjacent to their shared part of the external border of the European Community²⁶.

As specified in greater detail in the following sections, the **main focus of this evaluation** is on the multi-country programmes and more specifically on the **two multi-country programmes covering respectively the Eastern and Southern regions**, the third one being the Neighbourhood wide regional programme (or inter-regional programme).

Finally, it is worth noting that the two ENP regions (and countries) may also benefit from funding through additional financing instruments such as: i) the European Instrument for Democracy and Human Rights (EIDHR); ii) Development Cooperation Instrument (DCI) thematic programmes; iii) the Nuclear Safety Cooperation Instrument; and iv) the Instrument for Stability.

²⁵ COM (2003) 393, 1 July 2003.

²⁶ Article 1 specifies (for the first time in an assistance regulation) that assistance can be used for the common benefit of Member States and partner countries, the ENPI adds an innovative and specific feature, i.e. the inclusion of a cross-border cooperation component, viewed as an essential element to the development of an area of good neighbourliness.

3.5 THE COMMISSION OF THE EUROPEAN UNION'S SUPPORT TO THE TWO ENP REGIONS IN THE PERIOD 2004-2010

The Commission of the European Union's regional cooperation with the two ENP regions in the period 2004-2010 is laid out in the two 2007-2013 Regional Strategy Papers (RSP) developed for the Eastern and Southern ENP regions. For the period 2004-2006, reference will be made to: i) the revised TACIS RSP and Regional Indicative Programme (RIP) for 2004-2006 (Eastern Region) and the MEDA RIP 2005-2006 (Southern Region).

3.5.1 *The Commission of the European Union's regional cooperation with ENP Eastern region*

According to the **Regional Strategy Paper 2007-2013 for the Eastern region** the principal objective of the regional strategy is to “*facilitate and advance cooperation in areas of mutual interest and benefit between the partner countries themselves, and between the EC and the partner countries*”. Emphasis is placed on the fact that regional assistance will be provided where the regional level is deemed the most appropriate²⁷ or where it complements the national-level assistance with a view to “*develop an increasingly close relationship, going beyond past levels of cooperation to gradual economic integration and deepening political cooperation*”.²⁸

The strategy also sets out the principles for the selection of intervention areas, including: i) the strategic importance in the context of EU-regional cooperation; ii) the comparative advantage of the EC and more specifically of intervening at regional level; iii) the complementarity with national strategies on the one hand and with the strategies and actions of other donors on the other hand; v) the coherence of the ENP-based cooperation policy with other core policies of the EU; and vi) continuity with the assistance previously provided in order to build upon existing and emerging mechanisms and to assist in their development. Priority areas identified for support in the period 2004-2010 are indicated in table 1.

Table 1: Focal sectors of intervention of Regional Cooperation in the Eastern Region, 2004-2010

EASTERN REGION	
RSP 2007-2013 / RIP 2007-2010 Eastern region	RSP / RIP 2004-2006 Eastern region
<u>Networks (priority 1):</u>	<u>Promoting trade and investment flows (priority 1) focusing on:</u>
- Transport	- Transport cooperation
- Energy	- Energy sector (oil and gas networks)
- SME Regional Cooperation	- Promotion of information society and development of e-plans
<u>Environment protection and forestry (priority 2) focusing on:</u>	<u>Sustainable management of natural resources (priority 2) focusing on:</u>
- Water sector	- Water issues
- Forestry sector	- Biodiversity and sustainable use of forest resources and
- Climate change	- Climate change
- Industrial pollution	
- Information & civil society cooperation in the environment field	
<u>Border and migration management, the fight against international crime, and customs (priority 3)</u>	<u>Justice and home affairs (priority 3) focusing on:</u>
	- Enhancing integrated border management;
	- Improving migration and asylum management, and
	- Combating organised crime and international terrorism
<u>People-to-people activities, information and support (priority 4):</u>	
- People-to-people activities	
- Information and support	
<u>Landmines, explosive remnants of war, small arms and light weapons (priority 5)</u>	

**The order of presentation of the sub-sectors under each priority area has been at times modified to improve the identification of correspondences between the two periods. -The number of the priority area reported in the original documents has been indicated in brackets. Sources: Regional Strategy Papers and Indicative Programmes for the two Regions over the period 2004-2010.*

²⁷ I.e. because it is able to better meet given objectives, or because of its capacity to foster greater cooperation within the region, or because it allows achieving economies of scale or avoid duplication of efforts.

²⁸ European Neighbourhood and Partnership Instrument, Eastern Regional Programme Strategy Paper 2007 – 13, p. 16.

In line with the EU Development Policy of 2000, the strategy explicitly mentions cross-cutting issues as follows: promotion of human rights, equality between men and women, children's rights and the environmental dimension.

The 2007-13 RSP & 2007-10 RIP show a certain degree of continuity with the previous strategy/programming document covering the area, i.e. the **TACIS Regional Cooperation Strategy Paper / Indicative Programme 2004-2006**. Continuity can be seen especially when looking at the importance attributed by the TACIS RSP to regional cooperation, which is viewed as 'the most appropriate way to deal with global challenges and issues of a transboundary nature faced by these countries, but also crucial for ensuring peace, stability and security as well as promoting sustainable economic and social development in a Pan-European context'. Differences between the response strategies outlined in the two documents (ENPI Eastern region RSP/RIP and TACIS RSP/RIP) can also be identified, although these primarily relate to the fact that the ENPI RSP expands the priority areas from three to five, adding priority 4 'people-to-people activities' and priority 5 'Landmines, explosive remnants of war, small arms and light weapons'. Otherwise, despite the different wordings used to define the priority areas, a strong correspondence between the types of activities foreseen can be identified.

3.5.2 The Commission of the European Union's regional cooperation with ENP Southern region

The Regional Strategy Paper 2007-2013 for the Southern region sets out by stating that the EU's policy in the region 'is guided by two coherent and complementary strategies: the Euro-Med Barcelona Declaration at regional level (1995) and its bilateral Association Agreements and, since 2003, the European Neighbourhood Policy and its bilateral Action Plans'.²⁹

The priority objectives for cooperation at regional level, as stated in the RSP, are:

1. a common Euro-Mediterranean area of justice, security and migration cooperation;
2. a common sustainable economic area, with a focus on trade liberalisation, regional trade integration, infrastructure networks and environmental protection;
3. a common sphere for socio-cultural exchanges, with a focus on cultural and people-to-people exchanges, and raising awareness of the Partnership through the media.

Emphasis is placed on: i) the value added that can be generated through regional interventions in terms of economies of scale and scope; ii) the importance of regional cooperation as a means to develop increasingly close relationships acting as a forum for exchanging information and policy experiences, best practices and demonstration effects.

The previous strategy document covering the area, i.e. the **Euro-Mediterranean Partnership – MEDA Regional Indicative Programme 2005-2006**³⁰ does not explicitly indicate the priority areas for intervention. It does, however, state that the priority areas and the broad strategic orientations of the RSP 2002-2006 remain valid.

Overall, when looking at the two RSPs/RIPs (ENPI Southern region RSP/RIP and MEDA RSP/RIP), it seems as if there is no strong correlation between the two periods, nevertheless upon deeper analysis it appears that while the outlined priority areas differ in number and wording, areas of intervention do indeed present a fairly high degree of continuity, as evidenced by Table 2 (next page) which presents the priority areas selected for regional cooperation in the Mediterranean under the period covered by the evaluation.

²⁹ European Neighbourhood and Partnership Instrument (ENPI), Regional Strategy Paper (2007-2013) and Regional Indicative Programme (2007-2010) for the Euro-Mediterranean Partnership, page 3.

³⁰ It is worth recalling that the strategy paper proper was not revised as such "since the MTR coincides with the 2005-2006 programming exercise, it was decided to proceed with CSPs/RSP adjustments through the national/regional indicative programmes". Euro-Mediterranean Partnership – MEDA Regional Indicative Programme 2005-2006, page 4.

Table 2: Focal sectors of intervention of Regional Cooperation in the Southern Region, 2004-2010

SOUTHERN REGION	
RSP 2007-2013 / RIP 2007-2010 Southern region	RSP 2002-2006/ RIP 2005-2006 Southern region*
Justice, security and migration cooperation (priority 1):	Enhancing the rule of law and good governance (priority 4);
- Confidence building measures: i) civil protection measures; and ii) partnership for peace	
- Justice, security and migration	- Justice, Security and Migration
- Policy analysis (EuroMesSco & FEMISE)	- Policy analysis (EuroMesSco & FEMISE)
Sustainable economic development (priority 2):	Priorities 1, 2, 3 as indicated below
- Investment promotion and reform dynamisation to attract investments	
- Transport and Energy Cooperation	Promoting regional infrastructures (priority 2);
- South-South trade integration	Making the Euro-Med Free-Trade Zone a Reality (priority 1); Regulatory approximation and completion of the Med free trade area
- TA and risk capital support for FEMIP	Promoting the sustainability of the Euro-Med Integration (priority 3) TA and risk capital support for FEMIP
- Environmental programme	
- Development of information society	
Social development and cultural exchanges (priority 3)	Bringing the Partnership closer the people (priority 5)
- Gender equality and civil society	
- EUROMED Youth	EUROMED Youth
- Dialogue between cultures & cultural heritage	- Dialogue between cultures and civilisations (Support to the EUROMED foundation) & Dialogue and exchanges between cities & local authorities (MEDACT)
- Information and communication	
Two additional areas are identified as key challenges to be addressed:	
- Regulatory harmonization and convergence to EU standards in the Sanitary and Phyto-Sanitary field	
- Increased level of cooperation and involvement of the Mediterranean Partners in the implementation of an EU Maritime policy	

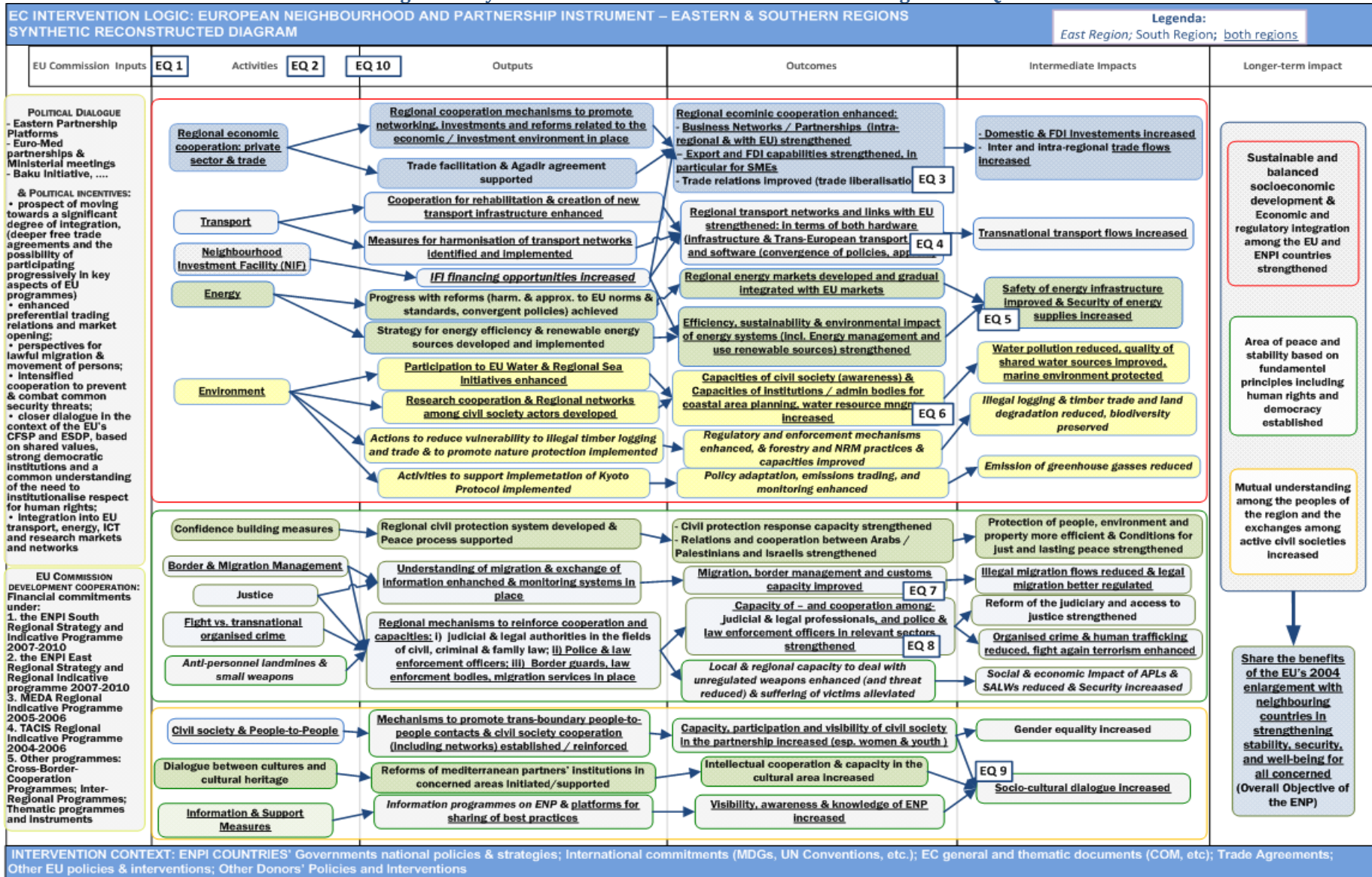
*The priority areas of the 2005-06 previous RSP/RIP are not listed in the order in which they are presented in the original document. The order of presentation has been re-shuffled to match that of the 2007-2013 RSPs although number of the priority area has been indicated in brackets. Source: Regional Strategy Papers and Indicative Programmes for the two Regions over the period 2004-2010

3.6 STRUCTURE AND SYNTHESIS OF THE COMMISSION'S INTERVENTION LOGIC IN THE TWO EUROPEAN NEIGHBOURHOOD POLICY REGIONS (EAST AND SOUTH)

Diagram 1 (see next page) synthesises the overall intervention logic (IL) underlying the Commission of the European Union's cooperation with Ecuador during the evaluation period. The diagram represents the hierarchy of objectives and expected effects as expressed in the main strategy documents over the years. As such, it represents the backbone for the evaluation, and outlines the set of objectives against which the European Commission's interventions have been assessed. The diagram also shows the links between the EQs and the overall intervention logic³¹.

³¹ Annex 6 (volume 2), also shows the faithful effects diagrams reflecting respectively Intervention logics per region the "European Neighbourhood and Partnership Instrument (ENPI) Regional Strategy Paper (2007-2013) and Regional Indicative Programme (2007-2010) for the Eastern region and for the Euro-Mediterranean Partnership (Southern region).

Diagram 1: Synthesis of EC Reconstructed Intervention Logic with EQs



3.7 THE INVENTORY OF THE EUROPEAN COMMISSION'S FINANCIAL CONTRIBUTIONS TO THE ENP REGIONS – MAIN FINDINGS FOCUSING ON REGIONAL COOPERATION

N.B. The following section presents the main findings of the analysis of the reconstructed inventory of Commission interventions in the two ENP regions during the evaluation period 2004-2010. Full details are presented in volume 3 (annexes 11-14). All figures related to amounts allocated, contracted (commitments) and paid (disbursements) by the Commission are the result of calculations based on data retrieved from the CRIS database in March 2011 and subsequently updated in January 2012 as presented in full in annex 14 and in aggregated form in annex 13, following the methodology presented in annex 11.

3.7.1 Overview of the European Commission's financial contributions to ENP regions

Overall allocations:³² Over the evaluation period (2004-2010) the countries of the two ENP Regions³³ benefited from an overall amount of **€ 9.6 Bln** including all types of cooperation (regional, cross-border, interregional, thematic and bilateral), of which **€ 1.4 Bln** (or 15%) has been provided through regional cooperation.

Geographical distribution: Out of the **€ 1.4 Bln** under the regional cooperation, the ENP East region receives 40% (or €573M) of total allocations whereas the ENP South region receives 57% (or €811M), and the remaining 3% (or €50M) is channelled to interventions to the whole ENP region. However, looking at allocations per capita the situation is reversed whereby the ENP East region receives a higher amount of overall allocations per capita (€ 37.8 of which €7.9 come from the regional cooperation versus € 33.7 for the ENP South region of which €4.2 from the regional cooperation). The same holds true when looking at regional allocations in relation to GDP, which amount to approximately 0.042% of GDP per year in the ENP East region and to 0.017% in the ENP South region.

Financing instruments: 91% (€1.307M) of Commission support to ENP regional cooperation is financed by means of geographic budget lines and 9% through the thematic instruments. Looking at the geographical budget lines, €458M are contracted under the ENPI (accounting for 43%), which is less than the two MEDA and TACIS instruments altogether with €618M (57%).

Sectoral distribution: Under the regional geographic cooperation through GI the main sector is the *Economic Integration and Trade* (36% of contracted amounts, i.e. €389M), while through TI the main sector *Political and Security Dimension* (66% of contracted amounts).

Evolution: In terms of annual

Figure 4: Total ENP Allocations by type of cooperation, 2004-2010, % and €M

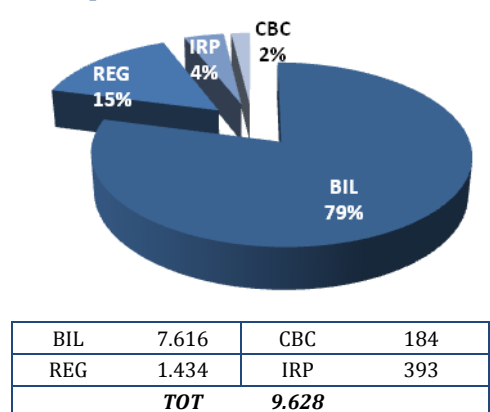
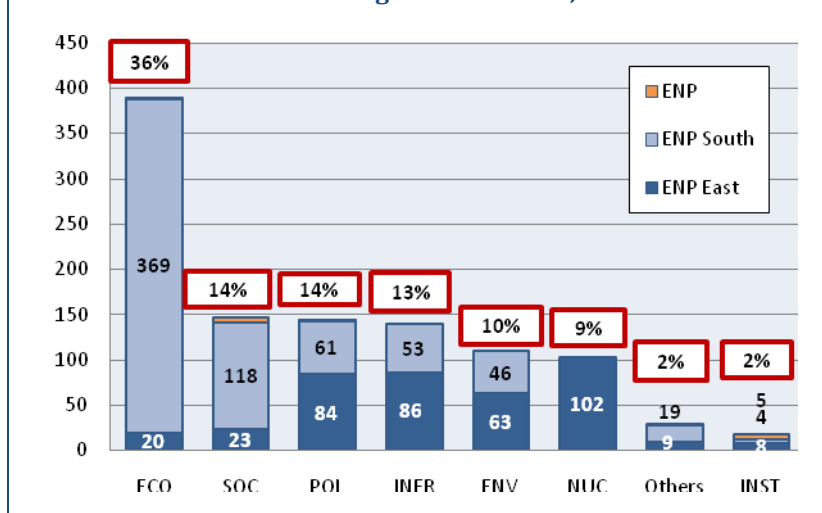


Figure 5: Regional Cooperation(GI): Contracted amount by Sector and region 2004-2010, € M



³² The overall amount of European Commission commitments to development cooperation is based on CRIS extraction relating to all financing decisions issued during the evaluation period (2004-2010).

³³ ENP Region refers to interventions related to all ENP Southern countries and ENP Eastern Countries.

distribution of allocations, 2007 marks an inversion in the trend: after three years of increasing allocations under the 2004-2006 MEDA and TACIS RIPs, 2007, i.e. the year in which the ENPI comes into force with the two ENPI Regional Indicative Programmes, is characterised by a sharp decrease of the amounts allocated (minus 35% with respect to 2006, from over €250M to approx. €150M).

Aid delivery methods: Support to regional cooperation is almost exclusively provided by means of the project aid modality, which can be centralised or decentralised. There is no evidence that EC support to ENP regional cooperation includes support in the form of General Budget Support.

Funding channel: Under the regional cooperation through geographic instruments (GI) the most relevant funding channels (or type of contracting parties) are the private sector (40%) and the EU institutions (35%) whereas through thematic instruments (TI) the majority of funds were channelled through the United Nations & other multilateral organisations (33%) and NGOs (27%).

Contract nature: Under the regional cooperation through GI, services (44%) and capital funds (27%) are the most relevant type of contracts while through TI the majority of funds are provided in the form of grants (82%).

3.8 ALLOCATIONS UNDER OTHER DONORS COOPERATION

There are few but significant programmes being carried out by other donors at regional level in the Mediterranean and in Eastern Europe³⁴. Indeed, until very recently, the Commission was the only donor in the region providing a significant volume of aid for regional programmes.

Data extracted by OECD CRS indicates that overall (including both bilateral and regional cooperation), the ENP regions received a **total of US\$ 43 Bln** in the form of grants from the international donor community over the period 2004-2009³⁵. This amount includes US\$10 Bln from the European Commission (of which 15% is channelled through regional cooperation), accounting for 23% of total allocations, and US\$ 33 Bln from other Donors, and accounting for 77% of total allocations. The Commission is the second largest donor for the whole ENP region after the United States, which pledged US\$13Bln. Furthermore, during the same period, the region received a total of US\$ 13Bln as loans from the international community (see volume 3).

ENP East: the ENP East region received a total of **US\$ 10 Bln** as grants and US\$ 4 Bln as loans (including both bilateral and regional cooperation). Although the OECD CRS database does not allow disaggregating between regional and bilateral programmes, it is indeed possible to identify some major regional interventions: e.g. the US State department ongoing projects in border management in the South Caucasus, focusing primarily on security aspects. Since 2001, the German Ministry for Development **Cooperation** is providing assistance to the region as part of its Caucasus initiative.³⁶

For ENP South: the ENP South region received a total of **US\$ 33 Bln** as grants and US\$ 9 Bln as loans (including both bilateral and regional cooperation). Significant regional interventions financed by other donors, include: i) the US Broader MENA initiative launched in 2005, during the USA's G8 presidency. Two regional programmes have since been started under this initiative including the US\$ 10 M Forum for the Future (a foundation to support civil society activities in the MENA region) and the US\$ 100 M Fund for the Future (to support SMEs in the region). ii) the MENA Governance for Development initiative launched by the Organisation for Economic Co-operation and Development (OECD) in 2005, which seeks to promote good governance practices in the region through the typical OECD approach of peer-group policy reviews. This initiative is financed by OECD member states (total budget around US\$ 6 M). A second OECD MENA initiative, (Promoting Investment), has recently been launched, with a similar approach.³⁷

³⁴ Source: TACIS regional Cooperation Strategy Paper 2004-2006, Euro-Med Partnership Strategy Paper 2002-2006, ENPI Strategy Papers 2007-2013 for Eastern Regional Programme and for the Euro-Mediterranean Partnership.

³⁵ The data available on the OECD CRS website do not go beyond the year 2009.

³⁶ Source: ENPI Strategy Paper 2007-2013 for Eastern Regional Programme.

³⁷ Source: ENPI Strategy Papers 2007-2013 for the Euro-Mediterranean Partnership.

4 ANSWERS TO THE EVALUATION QUESTIONS

This chapter brings together the findings that have emerged during both the desk phase and the field phase as a result of the documentary analysis, the interviews carried out with the different categories of stakeholders, the five field visits, and more generally qualitative and quantitative analyses³⁸.

The answers to the Evaluation Questions, presented in this chapter, are articulated at two different levels: i) **overall answers to each EQ** provided in the form of summary boxes; and ii) **findings articulated by judgment criteria** together with the related analysis. The Evaluation Questions, along with their Judgment Criteria and corresponding Indicators, are presented in full detail in volume 2, annex 9, which also shows the detailed information that has been gathered by the team in relation to each indicator³⁹.

Overall, ten Evaluation Questions (EQs) have been formulated to address the fundamental issues in respect to the strategy, objectives and implementation of the European Union's Support to the two European Neighbourhood Policy Regions (East and South) and to assess to what extent the Commission's objectives have been achieved as planned, and how they were achieved⁴⁰.

TABLE 3: LIST OF EVALUATION QUESTIONS

EQ 1	ENP & Regional Priorities	To what extent did the Commission's* support to regional cooperation in the two ENP regions respond to the priorities and needs of the two regions while reflecting the ENP objectives, building on best practices from the past regional cooperation and taking into account regional specificities?
EQ 2	Coherence	To what extent did the Commission's support to regional cooperation in the two ENP regions add value to - and complement - bilateral, cross-border and interregional cooperation?
EQ 3	Economic Regional Integration	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to enhanced regional economic cooperation within the ENP regions and to economic integration between each of the ENP regions and the EU?
EQ 4	Transport	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to the strengthening of the regional transport networks?
EQ 5	Energy	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to the enhanced safety and security of the energy flows?
EQ 6	Environment / Water	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to the strengthening of the sustainable management and protection of the natural resources?
EQ 7	Migration / Security	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to the strengthening of regional capacities & cooperation in the field of migration management and to the fostering of partnerships related to foreign policy & security issues?
EQ 8	Good Governance / Justice	To what extent and how has the Commission's support to regional cooperation in the two ENP regions contributed to strengthening good governance in the two regions, notably in the justice sector?
EQ 9	Civil Society	To what extent has the Commission's support to regional cooperation in the two ENP regions contributed to increased socio-cultural collaboration within the ENP regions and between each of the ENP regions and the EU through enhanced cooperation & contacts between Non-State actors?
EQ 10	Mix of Instruments/ Modalities	To what extent has the selected mix of financing instruments, aid delivery approaches and implementation modalities ensured the swift and cost-effective implementation of the Commission's support to regional cooperation in the two ENP regions?

* In the questions the abbreviated wording 'Commission' has been used instead of the complete wording "Commission of the European Union".

The proposed EQs, besides covering the main focal sectors of the European Commission's regional strategies in the two ENP regions, encompass a broad spectrum of investigation areas in line with the

³⁸ See section 1.3 for more details on the methodology followed, as well as annexes in volume 2.

³⁹ Cross-references to specific indicators where further details are provided to support the findings / statements presented in the answers to the EQs have been added throughout the text of this chapter. These are either included in full form (e.g. see volume 2, annex 9, indicator 1.2.2) or in short form (see I-2.2.2).

⁴⁰ The ten EQs were drafted and fine-tuned throughout the inception phase. The retained EQs were endorsed by the Reference Group upon approval of the inception report.

requirements set out in the ToR. The Table below provides a schematic overview of the coverage of the evaluation criteria and key issues for each Evaluation Question.

TABLE 4: RELATIONSHIP BETWEEN THE DAC EVALUATION CRITERIA, EC-SPECIFIC ISSUES AND THE EQS

	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9	EQ 10
	REGIONAL PRIORITIES	COHERENCE	ECONOMIC REGIONAL INTEGRATION	TRANSPORT	ENERGY	ENVIRONMENT / WATER	MIGRATION / SECURITY	GOOD GOVERNANCE / JUSTICE	PEOPLE - TO - PEOPLE	AID MODALITIES
Relevance	√√						√	√		√
Efficiency										√√
Effectiveness			√√	√√	√√	√√	√√	√√	√√	
Impact			√	√	√	√			√	
Sustainability	√			√	√	√	√		√	√
EU value added		√		√			√			
Coherence		√√								
3Cs	√			√	√					
Cross-cutting issues				√	√		√	√	√	

4.1 ENP & REGIONAL PRIORITIES

EQ1:- TO WHAT EXTENT DID THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS RESPOND TO THE PRIORITIES AND NEEDS OF THE TWO REGIONS WHILE REFLECTING THE ENP OBJECTIVES, BUILDING ON BEST PRACTICES FROM THE PAST REGIONAL COOPERATION AND TAKING INTO ACCOUNT REGIONAL SPECIFICITIES?

INTRODUCTION:

The question assesses whether, at strategic/programming level, the choices made by the EC in the two ENP regions in terms of priority sectors/areas to be supported through cooperation activities respond to identified needs in the two ENP regions and are relevant to the wider objectives of the ENP cooperation. It also aims to assess whether lessons have been learnt from past experiences and whether knowledge transfer between the South and the East regional cooperation has taken place. Last, the question examines the extent to which regional strategies and interventions are designed and implemented in view of maximising complementarity and coordination with assistance provided by EU MS and other donors.

The question is thus mainly addressing the relevance issue, relevance of choices made within a particular context and against a particular set of intermediate and global objectives. It also addresses the sustainability issue in the sense that it seeks to verify whether the support responded to needs and had therefore full ownership of the partner countries in the two regions, a critical factor for ensuring sustainability. It is completed by EQ2, which assesses the internal coherence of Commission-supported interventions between the different levels of Commissions' interventions (bilateral, regional, inter-regional and cross-border cooperation).

Answer to EQ 1 – Summary box

EU regional programmes are the result of consensual agreements reached in regional meetings with the partner countries. They are relevant with regard to the problems and priorities of the two regions and there is no doubt that they focus on critical issues for the partners. However, they often suffer from little involvement on the part of the regional partners in the design and identification stages, as well as from variable actual ownership at implementation level. There is generally no evidence that the selected interventions do respond to the actual priorities of the individual countries involved. Because of political tensions between some of the countries within each region and their narrow economic and functional integration, and despite the establishment of regional fora,

the two ENP “regions” have a limited capacity to engage the participating countries in the formulation of common regional priorities and in regional initiatives. As a first consequence, regional programmes generally reflect areas where a common interest can be found between the countries, which may differ from the partners’ national priorities. Secondly, while regional programmes are based on a consensual identification by the EU and the ENP partners, generally at high level, the decision process is led by the EU. Thirdly, to address this particular context, EU regional cooperation has focused on the establishment of regional networks or organisations. This approach benefited from the adhesion and support of the partner countries, because it has stimulated regional exchanges. However, the sustainability of these regional networks remains fragile. Finally, the EU’s flexible approach in the two regions has been consistent with the main objectives of the ENP.

EU regional interventions and practices have clearly built on lessons learnt from past cooperation in a number of cases. However, horizontal transfer of best practices and exchange of experiences and lessons learnt between the two ENP regions have been rare.

Coordination mechanisms between the EU regional interventions and the EU MS activities are - at best - weak. As a result, EU regional interventions add value to EU MS and other donors’ assistance mainly because there are few significant regional programmes carried out by other donors, but not because of systematic coordination and complementarity efforts.

While the Commission’s regional programmes focus on critical issues for the partner countries and address regional needs, there is no evidence that the selected interventions do reflect the countries’ main priorities (JC 1.1)

The strategic and programming documents present specific sections related to the challenges and needs to be addressed through regional cooperation. Overall, sectoral analyses presented in each strategic document are synthetic and focused on key factors, and the different programming documents clearly spell out how proposed interventions aim to address identified challenges. However, whereas identified projects are relevant with regard to the problem analysis and priorities identified, and whereas there is no doubt that they focus on critical issues for the partner countries, few explanations are offered to show why the selected interventions are best suited to address the problems at stake and there is generally no evidence that the selected interventions do respond to the regions actual priorities as identified by the member countries. Indeed, despite the frequent references to a consultative process at the identification or design stage, systematic evidence that this is shared by the beneficiary countries is lacking (see also JC 1.2). In several cases, field analysis shows that projects, while relevant in terms of regional/countries’ needs, do not necessarily reflect the ENP countries’ main priorities. The lack of coordination with the national priorities might be illustrated through a number of examples: i) in Egypt, the agenda of the EU furthered through the ENP South cooperation and the agenda of the Egyptian government on migration are very different;⁴¹ ii) the Agadir process though responding to an obvious regional need is not in line with the member countries’ agendas; or iii) in Ukraine, no evidence was found that the State Agency on Energy Efficiency and Energy Conservation had been approached by INOGATE/Semise.

The above findings are obviously related to the specific context of regional cooperation & interventions. The ENP East and ENP South regions are regional aggregations, which have been created externally by the EU. They do not lay on pre-existing regional boundaries or institutions. Consequently, these “regions” have a limited capacity to engage the participating countries in regional cooperation or initiatives, so far, and regional institutions are lacking. The political tensions between several countries within each region, as well as their limited economic and functional integration, proved an impediment to the formulation of common regional priorities (see also JC 1.2). Thus, most often regional programmes reflect areas where a common interest can be found between the countries. To alleviate these difficulties, regional cooperation has focused on the establishment of regional networks or organisations. This approach benefited from adhesion and support at country level, because it stimulated discussions between countries in the region.

⁴¹ While Egypt was keen to strengthen the dialogue on “legal migration”, and on “migration and development”, the EU has primarily focused its cooperation with ENP South partners on “illegal migration”.

But, as a consequence, the sustainability of these regional networks depends on the continuation of the Commission's support, a point that is omitted in the project design documents. The paradox of institution-building interventions at regional level is that, whereas regional bodies are necessary to sustain the regional cooperation process, their creation and hence sustainability ranks higher among the Commission (and other donors) priorities than among those of the ENP partner countries. As a result:

- Implementation suffered from a lack of ownership in a number of cases when the regional programmes were not considered as addressing the national priorities for the countries in which they were implemented.
- Endorsement of ToR is often a long process and project inception phases are difficult, due to reduced previous involvement of the counterparts in the project design.

Although regional programmes result from consensual views and agreements reached in regional meetings with the partner countries, they often suffer from little involvement on the part of regional partners in the design and identification stages and from variable actual ownership at implementation level (JC 1.2)

A different approach is deployed for the two ENP regions. In the ENP Southern region, the partner countries and collective decision-making processes have been more active. Indeed, in the South, the ENP strategy builds on the experience and on the "*acquis*" of the Euro-Mediterranean Partnership where dialogue processes at the regional level are not new; "*the regional agenda is fed by the orientations and conclusions of the Euro-Mediterranean Conferences of Foreign Affairs as well as of sectoral Ministerial Conferences*"⁴². As a result of the complex dialogue processes, the programming work is more complicated, it needs more dialogue and consultations, but the approach is more consensual. For the Eastern region, evidence of collective choices gathered through documentary analyses or from field work are rare, and assessment by major counterparts of their policy dialogue function is rather negative (see volume 2, annex 9, indicator (I) 1.2.2 for details). This is also due to the fact that a *real* regional cooperation linked to a Partnership framework in the East had not been set up until 2009 through the Prague Declaration that defines the Eastern Partnership (EaP).

This difference between the two regions is also illustrated by the difference in the extent to which beneficiaries of ENP regional cooperation are organised to participate in / influence the two regional partnerships. Whereas the Euro Mediterranean Parliamentary Assembly (EMPA) opened its proceedings in 2004, expressed its views on all issues relating to the Partnership, adopted resolutions or recommendations, and played a consultative role, the Eastern Partnership Civil Society Forum (CFS) was endorsed later, in May 2009, and the Eastern Partnership has recently constituted the Euronest Parliamentary Assembly, which is the counterpart of the EMPA, in March 2011.

Despite the fact that regional strategies and programming documents emphasise the importance of collective ownership as a principle for the enhancement of the participation process and that project documentation contains explicit references to a consultative process, evidence of actual or past ownership are rare or, when it exists, it is not always detailed. Indeed, while regional programmes are based on a consensual identification by the EU and the ENP partners, generally at high level, the decision process is led by the Commission, which submits most of the project proposals. Since Commission proposals have been relevant and generally appreciated by the partners, an agreement is first reached at a technical level among the EU and ENP countries. Then, the design is prepared by the Commission Services in Brussels in a dialogue with the parties concerned in regional and sector committees. Despite the fact that the programming process has demonstrated capacity to include themes reflecting the needs of the partners, the overall programming process reflects an unbalanced partnership. Interviews and case studies highlight that there is little involvement of ENP counterparts in the initial design and programming stage, and limited evidence of in-depth analysis of the country/region and counterpart priorities to support project design (see annex 9, I-1.2.4).

⁴² RSP ENP South 2007-2013, page 22.

The Commission's regional strategies and interventions in the two regions are consistent with the various dimensions of the ENP but did not clearly demonstrate how they would contribute to achieve its main objectives (JC 1.3)

The analysis of strategic and programming documents on the one hand, and the reconstruction and presentation of the inventory on the other hand, indicate that there is a clear correspondence between the areas of focus identified by the ENP Strategy paper, the areas of intervention defined in ENP Regional Strategy Papers and Indicative programmes and the projects implemented in the two regions. In the 24 interventions examined, the ENP strategy is clearly referenced to as the umbrella under which the cooperation takes place. Reference to one or several ENP objectives is clearly made in the programming documents and the interventions are in line with the strategy documents.

However, the documentation reviewed does not show nor explain in an explicit manner how the objectives will be achieved through the specific interventions, and how the interventions programmed will contribute to achieve the results.

In the two ENP regions, regional strategies address similar areas but with a different level of attention. The priority areas of intervention identified in the regional indicative programmes for the two regions present a different distribution and level of prioritization between them and in relation to the ENP. The ENP South region privileges the Economic sector, through the FEMIP support, while the ENP East region presents a more homogeneous distribution of allocation throughout the sectors (in particular environment, political & security dimension and infrastructures). In the ENP South region, the allocation structure closely reflects the programming objectives for both periods. However, as in the case of the Eastern region, the infrastructures sector received significantly higher amounts of funds and the political & security dimension sector was underfunded in respect of what foreseen in the RIPS. For further details on amounts allocated see annex 9, I-1.3.3.

The Commission's regional cooperation strategies and programmes have learnt from past cooperation experience (evolution from MEDA/TACIS to ENPI) but have only rarely promoted transfer of knowledge between the two regions (JC 1.4)

While strategy documents systematically refer to the need to build on previous experiences and to the importance of applying lessons learnt (see annex 9, I-1.4.1), evidence from the analysis of projects documents and field work shows that the use of previous experience is not frequent. There are, however, a number of cases in which it is actually possible to pinpoint interventions that have clearly built on lessons learnt from past cooperation. For instance, in the South, lesson learnt during the first programme (ANIMA) led to the emphasis placed by Med-Invest on the private sector while lessons learnt from the implementation of the EuroMed Youth II led to adopt a decentralised management for the main EuroMed Youth III activities. In the East, lessons learnt in the framework of the TRACECA programmes indicate that the efficient utilization of financial resources requires their concentration on a limited and selected number of priorities, lesson that has been effectively adopted in the implementation of TRACECA itself (see I-1.4.2).

No formal mechanisms of horizontal transfer of best practices between the two ENP regions have been created. Few references, if any, to the transfer experience between the two regions are made in the documentation analysed⁴³. The strategic and higher level programming documents (RIPs) never mention the existence or plans to set up structured mechanisms to ensure such transfer in the framework of the ENPI regional programmes (see also I-1.4.3 & I-1.4.4) and field missions have largely confirmed this, pointing to the absence of exchanges between the two ENP regions during implementation.⁴⁴

However, informal exchange of experience has taken place before June 2011, when units F3 and F4 were one unit, with thematic teams and project managers, thus allowing for transfer of experience

⁴³ Only one example has been found in the documentation and this is not so direct. East-Invest Action Fiche indicates: "The achievements of, challenges facing, and lessons to be learnt from existing EC multilateral SME Networking/Trade Facilitation instruments in other regions where the EC supports similar programmes, are of particular relevance to the establishment of East-Invest, namely AL-Invest, Asia-Invest, PRO-Invest and Invest-in-MED. The lessons learnt from these programmes (...)". However, in East-Invest identification report, no reference at Anima/invest in Med are made (while several references to AL invest are available)...

⁴⁴ See annex 9, Indicators related to JC 1.4.

among the ENP sub-regions. Since then the change in assignment of officials between DEVCO F3 (East Neighbourhood) and DEVCO F4 (South Neighbourhood) has acted as a channel of (informal) transfer of know-how allowing for further exchanges.

Examples of mirror projects or very similar projects in the two regions do exist (e.g. in the energy sector MEDENEC/ESIB, MEDEMIP/SEMISE, MEDREG/ERRA; and in the transport sector SAFEMED/ SASEPOL) and examples of transfers of experiences between the two regions in the South-East direction have been identified: i) in the private sector where the Anima project staff was contacted in the initial phase of the implementation of East-Invest to present its activities and to discuss possible cooperation; and ii) in the transport sector where lessons learnt in the South have been transferred to the East primarily in terms of coordination and policy issues rather than on specific operational experiences (e.g. in defining priority projects using the Regional Transport Action Plan and working groups; and the creation of the Eastern Partnership Transport Panel created in October 2011 which -to a certain extent- replicates the type of experience developed by the transport working groups in the South).

The Commission's regional strategies and interventions are rarely designed and implemented in view of maximising complementarity and coordination with assistance provided by EU MS and other donors (JC 1.5)

The Commission's regional interventions complement and add value to EU MS and other donors' assistance mainly because there are few significant regional programmes carried out by other donors, but not because of systematic coordination and complementarity efforts.

While the identification of other donors' programmes is included in all project design documents, and coordination mechanisms are even sometimes foreseen, specific mechanisms to ensure the coordination of activities are rarely detailed. Field reports and project documents analysed shows that modalities for donor coordination vary from country to country and case by case (for details see annex 9, I-1.5.1 & I-1.5.2). Coordination has notably been effective at implementation stage in areas where the Commission intervention supports EIB activities giving rise to synergies between the various activities. Indeed, the approach of the EIB involves long-term contacts and establishment of networks with financial institutions in the EU, MS agencies such as AFD and KfW. FEMIP risk-capital activities are usually implemented in cooperation with other IFIs. As an illustration, the creation of Beltone Med-Cap in Cairo resulted from an EIB investment (16%) completed by IFC (16%) and private bank funds. The NIF mechanism has successfully reinforced coordination efforts between the EIB and other IFIs, because when they apply for NIF funds, European IFIs need to check, ex-ante, the complementarity and synergy issues, and the comparative advantage of their project compared to other Commission interventions. It appears that coordination with other donors has been successful as well in a number of projects, principally in the ENP East. For instance the Forest Law Enforcement and Governance (FLEG) is being implemented through a Joint Management arrangement with the WB; the EGP-BAS TA project has been prepared in close cooperation with the EBRD and is implemented in coordination with the EBRD (for details see annex 9, I-1.5.3 & I-1.5.4).

However, there is also strong evidence that coordination and complementarity among EU programmes or between EU regional programmes and EU MS interventions have not often been actively pursued. No coordination modalities have been identified between the various investment-promotion related projects of EU MS (and of EU bilateral cooperation) and the regional projects "Invest in Med" in the ENP South, and "East-Invest" in the ENP East, despite the fact that – at times – they target the same final beneficiaries.

Difficulties of coordination at implementation stage also depend on the partner governments' attitude. Beneficiary governments have a preference for bilateral cooperation and this often influences the results of its coordinating function. National counterparts of regional programmes within the ENP partner countries' rarely coincide with the national counterparts of bilateral programmes. In most cases, they are non-state actors (e.g. Chambers of Commerce, Business associations, Institutions, NGOs,) and this non-governmental or semi-public nature of the local stakeholders of regional programmes does not facilitate their integration in the formal coordination process. In other cases, despite the fact that regional programmes do have an official governmental counterpart, this differs from the institution generally in charge of coordinating bilateral cooperation. For instance, the official body in charge of the coordination of foreign assistance in

Egypt, the Ministry of International Cooperation, has no information on EU regional interventions, for which the counterpart is, officially, the Ministry of Foreign Affairs, while in fact sectoral ministries (Ministry of Investment, Ministry of Trade,...) are the most concerned.

4.2 COHERENCE

EQ2 TO WHAT EXTENT DID THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS ADD VALUE TO - AND COMPLEMENT - BILATERAL, CROSS-BORDER AND INTERREGIONAL COOPERATION?

INTRODUCTION:

The question relates to the internal coherence of Commission supported interventions. It examines the value added of the regional approach and assesses the coordination and coherence of the regional strategy and programmes within each ENP region, as well as the coordination, coherence and complementarity between the various dimensions of EC interventions in the regions. The question assesses to what extent coordination between the regional interventions and the EC other cooperation instruments has taken place and whether it has improved the effectiveness and efficiency of interventions by allowing better complementarity. The assessment is carried out at strategic / programming level and at implementation level.

Answer to EQ 2 - Summary box

The main value added of the regional interventions stems from their capacity to address trans-national issues and to provide specific tools to strengthen political dialogue and regional linkages. In this context, the value added of the regional programmes is linked to their capacity to promote regional dialogue and exchanges. A further comparative advantage of regional activities is their ability to target directly and more efficiently stakeholders at micro or meso levels. This advantage however has a number of drawbacks. Firstly, ownership and sustainability of these activities are often more difficult to attain because of the frequently lower level of involvement of government institutions. Secondly, complementarity and coordination with bilateral assistance are difficult to organize, because EUDs are rarely involved in - and informed about - regional programmes, managed most frequently by the Commission Headquarters or by a specific organisation. The coordination issue proved rather formal at the programming stage (mainly to ensure that there are no duplications), whereas there are very few identified linkages between regional and bilateral interventions throughout implementation, and there is no structured coordination mechanism between regional and bilateral programmes. A similar lack of coordination between regional cooperation and activities financed under the other envelopes (inter-regional, cross-border) has been witnessed.

Although, regional and national interventions in the same field had a certain complementarity in general and there is no evidence of duplication of assistance, complementarity is neither actively sought at the formulation stage nor during implementation.

Challenges and needs addressed through the EC regional strategies can indeed be best tackled through the regional approach. As a result, there is a clear added value of the Commission's regional approach (JC 2.1)

Despite the fact that the value added of regional interventions can easily be inferred from the design of the project, not all programming documents specifically refer to the relevance of the regional level of intervention; specific references to the value added of the regional approach are seldom explicit (for details see annex 9, indicator I-2.1.1). The value added of the regional cooperation level has been highlighted through the comprehensive analysis of the projects' objectives and design. Documentary reviews and field visits highlight that the specific value added of the regional interventions stems primarily from their capacity to address issues that have a trans-national dimension and to provide platforms that stimulate mutual understanding, political dialogue and regional exchanges. In the Economic sector, the regional level is indeed the most appropriate for all projects implemented. As an illustration, "East-Invest" and "Invest in Med" have a transnational dimension, which is considered as an advantage by beneficiaries because it creates opportunities to promote regional business cooperation and transfer of experience. In the energy, transport and environment sectors, the regional dimension is clearly appropriate as well, as it supports the establishment of regional networks and fora that can generate positive externalities. Equally, in the political and security

domain, a regional approach can offer a better response to trans-boundary challenges, as in the case of illegal migration. Finally, with regard to the social dimension, increasing people-to-people contacts is a crucial component of the regional cooperation and is considered as an objective of the European Neighbourhood Policy as it encourages greater intercultural dialogue and mutual understanding and may also help overcome problems at the national level.

The added value of regional projects is recognized at country level both by the EUD and national stakeholders. Regional projects are viewed as relevant and effective because they stimulate dialogue and cooperation between regional partners. The “peer to peer” mechanism has been quite successful in many cases. In the most sensitive areas (e.g. governance, migration, civil society), the regional approach was very necessary, as there was little space for bilateral cooperation. In the ENP South, EuroMed Migration, EuroMed Justice and Anna Lindh Foundation succeeded in opening up a dialogue on – respectively - migration, justice and intercultural dialogue, while South-Med partner countries – including Egypt - were not keen to discuss those subjects bilaterally. Thus, an additional advantage of regional activities is their ability to target directly and more efficiently stakeholders at micro or meso levels that the bilateral inter-government cooperation. (for details see I-2.1.2 & I-2.1.3)

Despite multiple references in the strategic and programming documents to the importance of complementarity and coordination between the different levels of intervention, synergies are rarely actively sought and coordination between regional – bilateral interventions is weak at implementation level (JC 2.2)

Strategic and programming documents of the regional cooperation all insist on the need to ensure complementarity and coordination with bilateral interventions. However, the review of available documents and information collected through interviews with EU/EC representatives in Brussels indicates that, beyond the overall statements emphasising the importance of complementarity between the two levels, there is limited strategic reflection on how best to promote the combined use of regional and bilateral cooperation. In addition, field work has clearly shown that there are very few links between regional and bilateral interventions and little evidence of actual synergies. The absence of effective regional institutions weakens the identification of common regional priorities. Regional interventions are therefore split into countries, there is no relay organised with bilateral interventions. Field interviews illustrate that the linkage between bilateral and regional assistance is based on a “division of labour” principle but not on a synergy process: complementarities, to avoid duplication, are sought/checked at the identification/formulation stage but there is no dynamic interaction generating synergies between the different levels of intervention during implementation. Currently, despite the fact that multiple sources of information exist with regard to regional programmes / projects⁴⁵, staff in charge of bilateral programmes within the EUDs often have little – if any – knowledge of regional programmes undertaken in the same sector. Examples of non mutually-supporting regional and bilateral interventions are frequent⁴⁶.

In general, regional and national interventions in the same field had a certain complementarity. EU regional interventions certainly complement and add value to the bilateral programmes, notably because of the trans-national nature of the area and/or the advantages created by the regional approach. Interviews with local stakeholders and the EUDs in the countries visited highlight that regional programmes address relevant issues for the partner countries and that they are often complementary to bilateral interventions. Evidence of complementarities does emerge when

⁴⁵ Available sources of information include: i) publications such as *Our Neighbours: Panorama of Regional Programmes and Projects in the Eastern European Countries / Mediterranean Countries*; the practice of flash notes in the East; and ii) multiple websites both specific to given programmes / projects which often include links to reports, and more general presenting an overview of regional programmes / projects.

⁴⁶ In Ukraine, there has been no coordination, nor any synergies, between bilateral projects related to SMEs, private sector or investment and East-Invest. In Egypt a twinning project, called “Institutional Strengthening of the General Authority for Investment and Free Zones (GAFI)”, was implemented from 2008 to 2010, between GAFI and EU organizations. But, the project had no contacts with Invest in Med, for which GAFI was the local partner in Egypt. For GAFI, “It was something completely different”. In the final report of the project, there is not one reference to *Invest in Med*. However, both projects have partly targeted similar activities in the field of Investment promotion. For additional illustration, see annex 9, Indicators I 2.2.1 & I 2.2.2.

investigating the activities of the regional interventions. Examples include the promotion of South-South free-trade through regional interventions that complement the bilateral association agreements in the Euro-Med zone (Support to Agadir Agreement), or in the social/cultural area, regional support networks, which provide a source of external policy leverage that is not necessarily perceived as pressure from another culture or country.

Commission interventions financed under the regional dimension have not been designed nor implemented to complement the interventions carried out under the interregional dimension (JC 2.3)

No information, nor evidence, is available on complementarities or synergies between the regional and interregional dimensions. Regional strategic and programming documents (RSPs & RIPs) do not specifically refer to the complementarity between regional and interregional cooperation and no reference is made to the value added of regional cooperation vis-à-vis interregional cooperation⁴⁷.

Evidence gathered during the field phase (see EQ3) and the analysis of the ENPI Interregional Programme Strategy Paper 2007-2013 demonstrate that the 'Neighbourhood Investment Facility' (NIF) interregional programme operates in a way that is complementary to the FEMIP, i.e. a regional programme implemented in the Southern ENP region. At field level, the involvement of the EIB in these two programmes generates regular exchange of information about ongoing and planned operations.

Commission interventions financed under the regional dimension have not been designed nor implemented to complement the interventions carried out under the cross-border dimension (JC 2.4)

Similarly, information and evidence on complementarity and value added of regional interventions in relation to cross-border cooperation are rare. While some references to cross-border cooperation (CBC) can be found in the regional strategic and programming documents, no details are provided with regard to coordination / complementarity between the two levels⁴⁸.

Field missions have not highlighted the existence of coordination mechanisms between regional projects and CBC. In the ENP South, Tunisia is an exception. The EUD and the Ministry of International Cooperation follow the CBC programme between Tunisia and Sicily, which is considered an interesting experience by the Tunisian counterpart. However, in most cases, the EUDs are not aware of CBC projects and they have difficulties to trace them, because CBC projects are often not managed directly by the Commission at HQ level but through a decentralised project approach either through an independent organisation or by other EUDs, which have limited links with other EUDs in the region.

4.3 ECONOMIC REGIONAL INTEGRATION

EQ3 TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO ENHANCED REGIONAL ECONOMIC COOPERATION WITHIN THE ENP REGIONS AND TO ECONOMIC INTEGRATION BETWEEN EACH OF THE ENP REGIONS AND THE EU?

INTRODUCTION:

The question is one of effectiveness and impact and relates to the achievement of the objective of "constructing a zone of shared prosperity", set out in the Regulation establishing the ENPI on 24 October 2006. This objective includes the gradual integration of EU markets with those of the ENP countries. ENPI Commission Regional Strategies give due attention to the issue of regional economic cooperation although they focus on different aspects in the two regions. In the Eastern region, emphasis is placed on SME Regional Cooperation; in the Southern region, emphasis is placed on free-trade and South-South trade integration, and on investment promotion. Analysis of the inventory shows that, overall, the economic sector receives the highest amount of resources under the regional cooperation. Strong disparities appear, however, when looking at the geographical distribution of

⁴⁷ References on this issue can only be found in the ENPI Interregional Programme (IRP) Strategy Paper 2007-2013, although the perspective understandably focuses on the added value of the IRP.

⁴⁸ More detailed references are found in the Cross-Border Cooperation (CBC) Strategy Paper 2007-2013, but attention is given to the peculiarity of the CBC in relation to the other activities financed under the ENPI.

resources, with the South absorbing € 369 M of the total contracted amount under this sector. This is related to the fact that the Investment Promotion subsector, which covers 93% of the sector, is dominated by the “Facility for Euro-Mediterranean Investment Partnership” (FEMIP), which is totally dedicated to the Southern Region. The question assesses the results of the Commission's efforts to establish private sector support networks and to improve the private sector competitiveness, to promote an enabling environment for investment and trade, and especially to increase trade with the EU and intra-regional exchanges.

Answer to EQ 3 – Summary box

Regional integration, investment expansion and private sector development are closely interrelated issues. Weak trade integration reduces investment and firm growth opportunities and carries a heavy cost for a region's economy. Within this framework, the Commission interventions have been adequately differentiated in the two ENP regions. In the East, where trade openness already improved, interventions have focused on the stimulation of SMEs and PS development. In the South, where regional market fragmentation is impressive, they supported investment promotion and the growth of intra-regional trade.

The largest share of the regional cooperation resources has been allocated to the economic sector (36%), with the South absorbing 95% of the total amount. Different mechanisms have been used to promote trade expansion, investment growth, business cooperation and exchanges of best practices, notably through regional network building. Resources have also been provided by the Commission to the EIB to be effectively used as risk capital to increase funds available to finance SMEs in the South, later complemented by the inter-regional initiative NIF (in both ENP regions). Network building activities have been successful. The leverage impact of Commission support to FEMIP on SMEs growth has been high. Positive changes have been observed in terms of investment growth and trade integration, notably in the South. Thus, these efforts have produced results, while in most cases it is not possible to estimate the specific contribution of EC interventions to this progress.

However, EC regional interventions impact on SMEs has been very weak in the East, so far, due to late implementation of the projects. There is no available result of business cooperation activities in both regions. The EC support to sub-regional integration in the ENP South has not succeeded in increasing significantly intra-regional trade value and potential, mainly because of the weak commitment of the ENP South countries.

While Commission's interventions have contributed to the creation of enterprises' support networks at the regional level, their sustainability is weak and their impact on the private sector is – at present - low (JC 3.1)

In the non-financial sector, the EU's contribution to the establishment of private sector enterprises support mechanisms offers mixed results. Documentary evidence and field interviews show that:

- The network building activities were successful but the sustainability of these regional networks remains dependant on Commission stimulus.
- Part of these networks may possibly assist the private sector in the future; but direct support to the private sector development was low, so far.

In the ENP South region, “Invest in Med” has significantly contributed to the strengthening of capacities of local investment promotion agencies and other related organisations especially in terms of range of services provided, and in facilitating interactions between them at the regional level. Field and documentary evidence point to satisfactory delivery of expected outputs and to the strong appreciation of beneficiaries with regard to the initiatives undertaken. The latest ROM report (MR-128888.02 of 07/2011) also emphasises the contribution of the “EC support to the Agadir Agreement”⁴⁹ to the consolidation of the institutional framework through the provision of support to

⁴⁹ The project aims to contribute to progress in the realisation of a Euro-Mediterranean Free Trade Area and to promote economic integration between countries in the region, by consolidating the institutional framework set up under the Agadir Agreement. The latter was signed in 2004 by Egypt, Jordan, Morocco and Tunisia, and works to identify the potential for, and removing constraints on, expanded intra-regional trade. For further details see volume 2, annex 7 project fiches, the “Second phase of the EC support to the Agadir agreement”.

decision makers and establishment of required implementation bodies and working groups. While these interventions succeeded in fostering economic dialogue and creating linkages at the regional level and thus indirectly to the growth of private sector investment and trade potential, their sustainability still depends on the continuation of EC support.

In the Eastern region, regional programmes to support SMEs have started to be implemented only towards the very end of the period covered by the evaluation. Initially, the EU has relied on bilateral programmes, while regional initiatives were implemented by other donors. Recently a number of regional projects have been launched under the SME Flagship Initiative. "East-Invest" implementation of activities has been satisfactory and quality assessment is good⁵⁰. However, field work shows that there is a lack of visibility and no coordination between the different SMEs-oriented programs. Locally, project managers, stakeholders and other donors are not correctly informed of the existence of other interventions in the same field. Field interviews undertaken in 2012 (in Georgia and Ukraine) indicate that the specific panel for 'Small and Medium Enterprises' (SME panel) of the Eastern Partnership economic platform is yet to contribute effectively to coordination.

Despite the fact that support to SMEs was indicated as one of the priority areas for intervention at regional level, up to 2010 support has primarily been targeted towards the strengthening of intermediate organizations. In comparison, direct support to SMEs has been limited. In the South no reliable data exists on the number of private sector beneficiaries, which however is undoubtedly low (see also volume 2, annex 9, indicator I-3.1.2 for the available and limited figures on private sector beneficiaries, primarily related to participation to seminars and training activities).

Commission's regional interventions have contributed to increase access to financial resources by the private sector. But there is no direct evidence that this has contributed to strengthen private sector international competitiveness and to intensify business cooperation (JC 3.2)

The results of Commission's regional support towards enhanced private sector competitiveness and intensified business cooperation within the ENP regions and between each of the regions and the EU are mixed. Evidence gathered through documentary analysis and field work shows, on the one hand, that regional cooperation interventions - primarily through the "Support to FEMIP" in the Southern ENP region, later complemented by the inter-regional initiative NIF (in both ENP regions) - have been relevant, effective and have significantly contributed to increase access to funding by SMEs. On the other hand however, no valuable information is available on the impact of Commission interventions on business cooperation and no causal links can be established between Commission regional intervention and increased SMEs international competitiveness.

In the ENP South, Commission support to FEMIP addressed a strong regional need. Commission funds made available - through the EIB - under the programme "Support to FEMIP"⁵¹ provided much needed capital to the private sector on terms that were not available locally. This was done mainly through risk capital operations. This instrument has been successfully used by the EIB to finance promising private sector initiatives while strengthening financial sector institutions and their capacity to finance SMEs. Monitoring reports demonstrate the programme's relevance and its significant contribution to the modernisation of financial systems and of private sector companies, and to the privatisation of public enterprises. Technical assistance financed by the Commission in the framework of the "Support to FEMIP" programme was instrumental as it provided the necessary resources to implement FEMIP projects. EIB is a slim organisation, without the in-house capacity to provide the TA needed by its local counterparts⁵². The multiplier effect of the Commission's support to FEMIP cannot be quantified but is estimated to be high. Firstly, the participation of the EIB as a major investor or co-investor improves the attractiveness for other investors, notably IFIs (demonstration effect). Secondly, field case-studies show an effective leverage effect on SMEs growth. (See annex 9 I-3.2.1).

Since June 2008, another instrument, the Neighbourhood Investment Facility (NIF), has been implemented at the inter-regional level to complement FEMIP. The main difference is that NIF acts as

⁵⁰ Although, after two years of implementation, most of the activities carried out have been directed towards BSOs and much less towards SMEs.

⁵¹ Prior to 2007, under MEDA, Commission support was channeled under the "FEMIP support Fund".

⁵² While the IFC, for instance, has an integrated TA department, to accompany its financing interventions.

a financial complement in a larger project. NIF is a very flexible financial mechanism, which promotes ex-ante coordination between IFIs⁵³. In the Eastern Neighbourhood, where other IFIs like EBRD originally had the lead in the financial field, the NIF supported with an initial grant contribution of €15 M the “SME Facility” established by EBRD, EIB and KfW. The NIF contribution will leverage €135 M loans from these institutions. The “SME facility” has been inspired by the mechanism used in the EFSE instrument implemented by KfW during the enlargement period⁵⁴.

The impact of these interventions on SMEs competitiveness remains impossible to perceive, due to the limited amount of Risk-Capital (and its marginal contribution to the SMEs sector) and to the absence of regional projects data on SMEs' positioning on international markets.

Although the promotion of business cooperation was identified as one of the main objectives of the economic component of the regional strategy, few resources have been channelled to the achievement of this specific objective, so far. While several regional programmes (Invest in Med, Support to Agadir, East-Invest more recently) do insist on promoting Business to Business (B2B) cooperation both within the ENP regions and between ENP and EU companies, when looking at actual implementation there is no evidence of an increase in the number of partnerships among enterprises at the regional level⁵⁵.

However, activities to support the export orientation of SMEs have been implemented at the bilateral level in a number of countries during the evaluation period.

Investment ratio and international integration have significantly improved in the ENP regions on average, but it is difficult to attribute this progress specifically to the Commission's regional interventions (JC 3.3)

One of the major economic changes during the evaluation period occurred in the **ENP South region**, where the investment ratio took off, from a low initial basis. The value of FDI inflows increased 7 fold between 2004 and 2008⁵⁶, and the region share of world inflows grew from 1.6 % to 2.3 % during the same period. Domestic investment increased as well, from 22 % of GDP in 2004 to 28 %, on average, in 2008. [The decrease in 2010 is due to external factors (global financial crisis) and does not indicate a change in trend]. In the **ENP Eastern region**, FDI inflows increased in all countries, except for Azerbaijan, between 2004 and 2008. The rise of the FDI/GDP ratio, from 5 % to more than 8 % on average (excluding Azerbaijan), demonstrates the growing international integration of these countries, while domestic investment remains stable, at a high level (for details see annex 9, I-3.3.2 & I-3.3.3).

In relative terms FDI from the EU have declined in several countries⁵⁷, but European firms remained the most important ones in the manufacturing and SME sectors.

Although real investment increased, and perception by private operators on business opportunities improved during the period, investment climate indicators did not significantly improve. Indicators of “Doing business” show that the ENP countries remain among those with a relatively poor business environment and changes in the Competitiveness index do not exhibit significant improvements, except in the case of a few countries that made considerable progress between 2005 and 2010, in particular Egypt, Morocco and Tunisia and, in the East, Georgia. (See I-3.3.1).

⁵³ An evaluation of the NIF is currently being carried out and the final report should become available prior to the end of the year.

⁵⁴ A significant difference however is that EFSE “First Loss” scheme involves private risk capital. The First Loss Scheme is a mechanism that reduces the financial risk of the financial partner, by giving a partial loan guarantee. The Donor or the IFI will cover the first loss up to an agreed percentage, for instance 25% of first loss).

See also information on the NIF under indicator 3.2.1 in volume 2 annex 9. A similar instrument, called SANAD, has been implemented in the ENP South since 2011.

⁵⁵ For instance, “Invest in Med” reports to have organised 13,482 BtoB appointments in 44 months. But no data are available on the outcomes of these meetings. In the ENP East, while the “East-Invest” project principal objectives are to promote and facilitate investment and economic cooperation between regional and EU companies, field work shows that after 2 years of implementation, most of the activities carried out have been directed towards intermediate organisations and much less towards SMEs.

⁵⁶ For macro trend assessment, 2008 is a more accurate base-year for the evaluation period, because of the multiple short-term shocks caused by the global financial crisis since 2009.

⁵⁷ For instance from 74 % to 64 % in Morocco, from 39 % to 30 % in Georgia, between 2004 and 2008.

Whereas it is not possible to estimate the contribution of Commission's regional interventions to the investment performance progress, one may observe that in the ENP South, important interventions have pointed in that direction and are likely to have contributed to the general improvement. This is especially the case of "Support to FEMIP" and "Invest in Med" programmes⁵⁸ (see also JCs 3.1 & 3.2).

Support provided by the Commission has contributed to a significant extent to increase trade and trade potential with the EU, while effects on increased trade and trade potential within the ENP region(s) have not materialised so far (JC 3.4)

The Association Agreements with the EU and their progressive implementation have stimulated trade and trade reforms in the ENP South. Significant progress has been achieved on the front of trade liberalisation. The trade restrictiveness index of the World Bank highlights that, while trade protection remains high in the ENP South, it has been progressively reduced during the evaluation period, notably in Egypt, Jordan and Lebanon. A similar process is underway in the ENP East, through the ongoing negotiations for the establishment of Deep and Comprehensive Free Trade Areas (DCFTA). Negotiations on the first DCFTA were terminated in July 2012 with Ukraine and there are clear signs that these agreements put a pressure on the partner countries to undertake reforms to open their economies and strengthen their competitiveness (see annex 9, I-3.4.1). At the regional level, the "Support to FEMIP" and "Invest in Med" programmes provided additional inputs for trade development in the South. Over the period 2004-2010, ENP regions trade with the EU increased by 53 % for ENP South, and by 83 % for ENP East. Even though trade polarisation on EU decreased in both regions, which is a positive indicator of trade diversification (see I-3.4.3).

Whereas the promotion of sub-regional integration has not been a priority of EC regional intervention in the ENP East, it has been an explicit objective in the ENP South. Regional support in this field, through the Support to the Agadir Agreement, has been very relevant. It aimed at supporting the completion of the network of Euro-Med FTA with a South-South component and at contributing to the reduction of the high level of economic fragmentation in the region which reduces considerably the growth potential. However, the effective implementation by the four members of the Agadir Agreement has been slow and there has been no enlargement⁵⁹. Despite official statements, there is evidence that closer sub-regional integration has not been a major concern for the South-Med countries. Non tariff barriers remain high and frequent in South-Med trade. Whereas the value of sub-regional trade increased by 120 % over the 2004-2010 period, it accounted on average for 4.3 % of the countries' external trade in 2010, probably the lowest regional trade intensity in the world.

Furthermore, the Agadir process is based on the opportunity of diagonal cumulation of origin that enables ENP South enterprises to benefit from the Pan-Euro-Med Rules of Origin⁶⁰, seen as a chance to develop exports to the EU. However field work and the limited available information on the use of Agadir Trade's regime⁶¹ show that this incentive has not been sufficient to stimulate sub-regional trade. The potential for diagonal cumulation of origin as a driver for regional integration and export development to the EU market has not been demonstrated. Thus, the Agadir Agreement and the Commission's support to this process have not succeeded to increase the trade potential within the ENP South region, so far. However, through its targeted interventions, the Commission has contributed to establish a more favourable climate for trade liberalisation.

⁵⁸ For example, the 'Invest in Med' final evaluation report (2011), highlights the contribution of the project to the development of sector strategies, the sustainable economic development of the area, and to the fostering of 'the volume and quality of Euro-Mediterranean trade and foreign direct investments (FDI) in productive-sectors identified as being internationally competitive'. The same report however states that it is impossible to measure the effects of the initiated business due to follow-up difficulties and to the great number of influential causes in this respect. P. 19. Conclusion shared by DEVCO representatives.

⁵⁹ A possible enlargement is expected with the entry of Palestine, for which the 4 member States already gave their agreement.

⁶⁰ A key element of the Agadir agreement is the adoption of the Pan-Euromed Protocol of Origin, allowing countries to benefit from diagonal cumulation. Products coming from Jordan, Morocco or Tunisia shall be considered as originating in Egypt, provided that the working or processing carried out in Egypt goes beyond the operations considered to be insufficient working or processing, according to the protocol.

⁶¹ Data provided by the Ministry of Trade on the use of EuroMed certificates in Egypt's trade in the region.

4.4 TRANSPORT

EQ4: TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO THE STRENGTHENING OF THE REGIONAL TRANSPORT NETWORKS?

INTRODUCTION:

Note: for the purpose of this EQ, when we talk about regional transport networks we refer to both the static component (infrastructure) and to the dynamic component (transport services), thereby encompassing issues related to management, convergence of policies, and approximation of rules, norms and standards.

One of the crucial challenges and mutual interests of the EU and ENP partner countries is to further develop infrastructure links, recognised as a key priority in the European Neighbourhood Policy and in the two regional strategies/implementing programmes. The emphasis placed by the two ENPI regional programmes on the transport sector is in line with the objectives of the Commission on the extension of the Trans-European Transport Network / TEN-T axes, the conclusions of the Baku Ministerial Regional Transport conference of November 2004, the Marrakech Ministerial Conference of December 2005 (recommendations to boost transport sector reform and promote the development of a Euro-Mediterranean Transport Network). In the Eastern region the TRACECA programme - created by the Commission back in 1993 - highlights the importance placed on transport in the East.

Data gathered through the analysis of the inventory shows that overall the transport sector receives approximately €59M (i.e. approx. 5%) of total contracted amounts under the regional cooperation envelope, with the Eastern region receiving €40M and the Southern Region €19M.

Answer to EQ 4 – Summary box

The EU has supported the gradual regional harmonization of procedures and approximation to EU norms and standards. The contribution of the Commission has materialised both through its support and participation to policy dialogue fora and through the identification and implementation of key measures at multi-lateral / regional level to further the development of a strategic and operational framework for coordinating the different activities aimed at the development of efficient and compatible structures and related norms while at the same time leaving national decision makers and market players enough freedom to choose the most appropriate solutions to their specific needs.

With regards to the harmonisation of transport legislation and regulations significant progress has been registered in the Eastern region and more recently meaningful progress has also been made in the Southern region. Support has also been provided to promote public-private partnership schemes for selected infrastructural projects and to strengthen the integration of roads and railways networks into regional transport corridors linked to the other transport modes, i.e. maritime infrastructures, airports and logistics centres. In this respect, regional interventions have primarily taken the form of continuous technical assistance which has: i) supported the development of key investment plans and transport networks in order to better connect the different countries of the regions- among themselves and at the same time with the European Union; ii) supported the strengthening of institutional capacities within the different countries, leading – among others – to the establishment of Project Management Units for selected regional corridors; iii) supported improvements in safety and security of transport modes, both in the East and in the South; and iv) acted as a catalyst for the mobilisation of funding, ensuring, including for example, access to the funds made available through the FEMIP regional programme in the South and through the Neighbourhood Investment Facility inter-regional programme in both regions.

Finally, the Commission has strongly promoted, in each country and in each sub-region, an increased environmental awareness at the different stages of priority transport projects. Within the two regions, progress has been registered in the harmonization of environmental procedures and norms already applied in the European context, and Commission regional interventions have also contributed to the strengthening of the institutional and administrative levels of government through the transfer of the knowledge and consciousness related to the direct and indirect consequences of transport projects on the environment, minimising in this way the environmental impact of some main regional transport infrastructure.

The EU has supported – both through policy dialogue and through specific regional initiatives – the gradual regional harmonization of procedures and approximation to EU norms and standards. Significant progress has been registered in the Eastern region and more recently meaningful progress has also been made in the Southern region (JC 4.1)

The gradual regional harmonization of procedures and approximation to EU norms and standards is one of the key objectives pursued through regional cooperation with the two ENP regions. The objective is in fact viewed as a critical element in developing a strategic framework for coordinating the different activities implying the development of efficient and compatible structures and related norms, with a view to the progressive integration of the respective networks in accordance with international and EU legal regulatory frameworks. More specifically, the contribution of the Commission in the framework of regional cooperation with regard to the harmonisation and approximation of norms and standards is linked to the opportunity of fostering the convergence of the transport systems in the ENP regions, bearing in mind the challenge linked to the identification and implementation of key measures at multi-lateral / regional level, while giving national decision makers and market players enough freedom to choose the most appropriate solutions to their specific needs (see data grid for EQ 4 under JC 4.1 in annex 9 volume 2 for details).

In this framework, the extension of the major axes of the Trans-European Transport Networks has progressed, taking into account the regional harmonization of procedures, particularly related to Eastern European neighbours but has also showed meaningful progress in the last years in the Southern region.

Regional cooperation with Eastern partners has continued to make progress under the umbrella of the Eastern Partnership and TRACECA multilateral agreement, in order to enhance maritime trade and port operations and establish *Motorways of the Sea* in the Black and Caspian Seas and to increase maritime safety and security in the Black and Caspian Seas especially against the background of ever-increasing oil tanker traffic in both of them. Regional cooperation has also progressed when looking at - for example - aviation policies and at the extension of the major axes of the Trans-European Transport Networks. Finally, with the Eastern Partnership, a new multilateral cooperation framework has been established and the Prague Declaration signals a clear commitment on the parts of partner countries to work within that framework, confirmed by the launching in May 2010 of transport cooperation under 'Platform 2 on Economic Integration and Convergence with EU Policies' and the subsequent launch of the Eastern Partnership Transport Panel in October 2011.

In the Southern region, the framework for cooperation is provided by the EuroMed Transport Forum that currently oversees the implementation of the Regional Transport Action Plan (RTAP) for the Mediterranean 2007-2013, adopted in 2007 (by Euro Mediterranean Transport Forum) and its four working groups⁶². Commission assistance in this area is primarily provided in the form of technical support through Euro-Mediterranean regional projects as well as technical assistance and twinning programmes at bilateral level. Regional support provided by the EC encompasses the following regional projects among others: Euro-Mediterranean Regional Transport, SAFEMED (maritime safety and security in the Mediterranean region), Motorways of the Sea-MEDAMOS, GNSS Project (Egnos/Galileo satellite navigation programmes) and the Euro-Mediterranean Aviation Project.

Progress in relation to harmonisation of regional transport regulations and approximation is regularly monitored through the Joint Staff Working Papers reporting on sector and country progress in the Implementation of the European Neighbourhood Policy. Review of these documents shows that:

- In many technical sectors, measurable progress has been achieved by incremental steps that are part of the countries' sectoral reform policies. Regarding transport, most partner countries have stepped up their reform processes by separating regulatory, operational and commercial functions, for instance, thus allowing for more efficient transport operations at reduced costs;
- In the **aviation sector**, negotiations with the Commission services on a horizontal air transport agreement have started with most ENP partner countries. Although most countries have pursued a policy of introducing stricter security standards, there is still a need to strengthen civil aviation administrations in general, and several countries have to make particular efforts to improve the safety oversight and the performance of carriers. All Eastern neighbouring countries have signed

⁶² The four working groups are: i) Infrastructure and Regulatory Issues; ii) Aviation; iii) GNSS; and iv) Maritime Affairs, Ports and Short Sea Shipping.

working arrangements with the European Aviation Safety Agency to ensure continuation of pan-European safety coordination following the dissolution of the JAA (Joint Aviation Authorities). In this respect, the field visit in Morocco has highlighted a key role played by the Commission's technical assistance (TA) in supporting regional air traffic management cooperation and harmonization, including safety⁶³ in the presence of national stakeholders eager to enhance their knowledge and capacity to implement and operate under international and EU aviation with a view to the future integration of Morocco into the EU Common Aviation Area and Trans-European networks;

- Strong attention has been given by partner countries to **maritime** safety standards. However, some partners need to step up their efforts to implement these standards⁶⁴. With reference to the Southern region, the field visit allowed to confirm that Morocco is making progress and that: i) the SAFEMED project has supported progress in the application and adaptation of safety measures; and ii) with the support provided under the framework of the 'EuroMed Transport Motorways of Sea I and II' (MoS), a Road map has been laid down with concrete proposals for the development of MoS in the Mediterranean region and improvements are underway to establish reliable, efficient, integrated and environmentally sustainable maritime and inter-modal door-to-door connections within the broader logistics and supply chain system, linked to the hinterlands. With regard to the Eastern region, the field visit in Ukraine has highlighted that the "Traceca Motorways of the Sea for the Black Sea and Caspian Sea" project has allowed building crucial stakeholders' support. Progress is also being made in terms of maritime safety standards through the SASEPOL project in the East;⁶⁵
- Reforms of the **road sector** with a view to increasing road safety and the efficiency of freight operations have been ongoing in most countries. In this sector, alignment with international standards on road worthiness and driving times and rest periods is an ongoing process for most countries.

In addition to the above points, the field visit in Ukraine has also allowed to confirm progress made and to further identify ways in which the Commission's regional support has contributed to these achievements. In Ukraine, negotiations on an enhanced agreement and harmonization procedures have focused on the simplification of customs procedures and on the implementation of the Central Axis, the TRACECA Corridor and deeper approximation with EU legislation.

- The National Transport Strategy for Transport in Ukraine has already identified (and partly implemented)- under impulse of the TA provided by the Commission - the priorities to be pursued in view of the harmonization of the national transport legislation and regulations to the European standards, of the support to Public-Private Partnerships for selected infrastructures, and of the promotion of the integration of roads and railways networks into regional transport corridors linked to the other sub-modes, i.e. maritime infrastructures, airports and logistics centres;
- Overall, the country has made significant progress - together with other ENP and non-ENP countries such as Georgia, Bulgaria, Romania and Turkey - in adopting EU norms in the transport sector; the transport system is relatively well advanced in terms of standards although more actions have to be carried out - also with the support of future programmes - to ensure full harmonization with EU rules. Among the measures included under the heading of harmonisation of regional transport regulations and approximation: i) the facilitation at the borders through standardisation of customs

⁶³ Negotiations for a global EU - Morocco Euro-Mediterranean air transport Agreement started in May 2005 and foresaw two phases: i) 1st Phase "Regulatory convergence"; and 2nd Phase "Satisfactory implementation of the relevant European legislation". The TA attached to the 'EuroMed Civil Aviation Project' (also through its support in the drafting of detailed technical proposals for pilot projects) has favoured the introduction of new concepts and technologies in aviation, supporting the country in the adoption -as parameters- of European standards of safety (both for passengers and freight), progressively implementing also safety requisites for the Single European Sky. Finally, the existence of an aviation agreement with the EU has led to positive spin-off effects and has stimulated an increase of traffic for tourism.

⁶⁴ A few partner countries remained on the black list of the Paris Memorandum of Understanding on port state control. Among them: Georgia, the Republic of Moldova and Ukraine in the East, and Egypt and Lebanon in the South.

⁶⁵ The SASEPOL project (Development of common security management, maritime safety and ship pollution prevention for the Black Sea and Caspian Sea) mirrors in the EAST, the SAFEMED in the South. SASEPOL's overall objective is to facilitate international maritime transport of passengers and goods, and to support maritime safety, security and environmental protection in the Black Sea and the Caspian Sea regions.

procedures and consequent reduction of waiting times for ongoing and outgoing trucks and railways wagons; ii) increased utilisation of electronic procedures for customs and related procedures at the borders, with the unification of the languages utilised and for finding out through standardised procedures lost and/or stolen freight in different countries of the region; and iii) application and adaptation of safety measures, with particular reference to maritime, road and railways sub-sectors, with enforcing of International Conventions linked to the specific above mentioned sub-modes.

Commission regional support has contributed – primarily through the provision of TA rather than funds – to the improvement of sustainable regional transport infrastructure networks (JC 4.2)

Commission support in relation to the sustainable improvement of sustainable regional transport networks throughout the 2004-2010 period has been primarily provided through policy dialogue and technical assistance aimed at supporting the ENP partner countries in the identification and formulation of viable priority infrastructure projects, and in the provision of support for the identification of sources of funding to implement them.

In the **Southern** region, a regular policy dialogue was established through the Euro-Mediterranean Transport Forum and its working groups under the umbrella of the Euro-Mediterranean Partnership.

The first Euro-Mediterranean Transport Ministerial Conference, which took place in 2005, adopted a series of recommendations to boost transport sector reforms and promote network development and requested the Forum to adopt a regional transport action plan for the next five years (see JC 4.1).

As a result, a number of important initiatives were taken to promote regional transport cooperation:

- The Euro-Mediterranean Transport Forum met in May 2007 and adopted a Regional Transport Action Plan for the Mediterranean for the period 2007-2013 (RTAP). The RTAP comprises a set of 34 actions in various transport sectors (maritime, road, railways and civil aviation) and targets mainly regulatory (institutional) reform as well as infrastructure network planning and implementation;
- The Transport Forum held in December 2008 agreed on further steps to implement the Regional Transport Action Plan for the Mediterranean for the period 2007-2013 (RTAP), and endorsed the list of priority projects drawn up by its Infrastructure Working group. A short list of priority projects drawn up by the Euro-Mediterranean Transport Infrastructure Working group has received practical technical assistance in 2010 with a view to their realization. These projects lie at the basis of the implementation of the missing infrastructure links of the Trans Mediterranean Transport network (TMN-T);
- At regional/multilateral level, the Mediterranean partners committed, at the July [2008] Summit of the Union for the Mediterranean, to develop Motorways of the sea, including the connection of ports, throughout the entire Mediterranean basin, as well as to create coastal motorways and modernise the trans-Maghreb train;
- The technical assistance provided by the Commission over the period 2006-2007 within the framework of the MEDAMOS project allowed the concept in the Mediterranean region to be adapted and a call for proposals for a pilot *Motorways of the Sea* project to be launched, involving port authorities and operators of the Mediterranean partners. This was then taken forward through the development of the Motorways of the Sea-MEDAMOS II project whereby work started on the development of a roadmap for a Motorway of the Seas network in the Mediterranean, which also connects to the Trans European Transport network (TEN-T). The 'Euro Med Transport Motorways of Sea I and II' have also contributed to the safety both of passengers and freight, by supporting improvements in some main infrastructure and related services (see in particular the axis Agadir-Port Vendres in Southern France) in such a way that a more efficient logistical chain and logistical services have been produced;
- Finally, it is to be recalled (see also EQ 3) that the FEMIP has significantly supported the financing of infrastructure projects, including the provision of TA. In the case of Morocco and with reference to the transport sector, FEMIP has provided loans for over €1.7 billion, which were used for the

construction and/or rehabilitation of over 15,500 km of roads, the enlargement of the Casablanca-Rabat highway and other main roadways as well as the extension of the Tangier Med port complex⁶⁶.

In the **East**, in addition to the Pan-European corridors, cooperation was established in 1993 when the TRACECA programme was created by the Commission later followed by the Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia corridor (Baku, 8 September 1998). Following the launch of the ENP, progress has been monitored (as in the case of the Southern region) through the *Progress reports on the 'Implementation of the European Neighbourhood Policy'*, and points to – among others:

- Negotiations (in 2007 and 2008) on an enhanced agreement with Ukraine focusing on the implementation of the Central Axis and the TRACECA Corridor;
- The use by the TRACECA Coordinating project of a participatory methodology developed to identify the list of TRACECA infrastructure priority projects, which were presented at the first TRACECA Investment Forum (October 2010). A number of projects presented (e.g. Road/Armenian project "North-South Corridor" and Road/Georgia Zestaponi-Samtredia Motorway Widening) will be financed through EIB loans and grant schemes while several projects were earmarked to receive practical technical assistance;⁶⁷
- The development of a number of pilot projects, with the close involvement of both the public and private sectors in order to enhance maritime trade and port operations and to establish Motorways of the Sea for the Black Sea and the Caspian Sea.

As anticipated, EU support has taken the form of technical assistance rather than funding for capital investments and has supported the establishment of cooperation mechanisms that promote access to diverse sources of funding. More specifically, support provided by the Commission focuses on the strategic issues and addresses the 'soft components' of the projects (i.e. technical assistance, pre-feasibility studies for priority projects, training sessions, environmental impact analyses, costs/benefits evaluations, tour studies, etc.) while at the same time fostering coordination with the main IFIs to ensure funding for selected priority transport projects. In this respect, the Commission's support has acted as a catalyst for the mobilisation of funding, ensuring, for example, access to the funds made available through the FEMIP regional programme in the South and through the Neighbourhood Investment Facility inter-regional programme in both regions.

The Commission has provided technical assistance in the two regions, as mentioned before, taking into account the improvement of sustainable regional transport infrastructure networks and designing the further improvement of learning capabilities of national officers of the different countries of the sub-regions. This kind of activities and the exchange of experiences has produced mutual benefits related to the improvement of sustainable regional transport infrastructure networks, also through exchanges of knowledge from one ENP region to the other, although the focus of knowledge transfer and of increasing the officers' capabilities has been primarily from Europe to each sub-region, while the lessons learnt from one region to the other –at horizontal level- have indeed been quite limited.

Commission interventions in the transport sector have been designed and implemented taking into account their possible impact on the environment (JC 4.3)

The Commission has strongly promoted, in each country and in each region, the culture of taking appropriately into account the environment at the different stages of priority transport projects before, during and after the construction of priority projects, including the undertaking of Environmental Impact Analyses (EIAs) for priority projects. Furthermore, the progressive harmonization of rules and standards encompasses issues related to environmental aspects of transport, contributing to the transfer of knowledge and consciousness related to the direct and indirect consequences of transport projects on the environment.

Particular attention has been given to the application in each country of the two regions of laws, norms, agreements, etc. concerning the transport of dangerous and polluting goods related to the

⁶⁶ [HTTP://WWW.EIB.ORG/ATTACHMENTS/COUNTRY/MOROCCO_2012_FR.PDF](http://www.eib.org/attachments/country/morocco_2012_fr.pdf)

⁶⁷ "Implementation of the European Neighbourhood Policy in 2010, Sector Progress Report"; {COM(2011) 303}; SEC(2011) 645; Brussels, 25/05/2011.

different transport modes (particular attention has been given to the roads, railways and maritime modes) in order to avoid disasters and to prevent the spreading of diseases and other kind of accidents. The EIA and environmental aspects have been taken into account in particular – but not only- for the transport of dangerous and polluting goods.

Overall, strong attention has been paid to the minimisation of the environmental impact and of economic-social evaluation of regional transport infrastructure. In this respect, for example:

- EIAs and Costs/Benefit analyses have been promoted in the different countries at regional level, along the guidelines developed by the Commission and the EIB for the evaluation and assessment of feasibility studies (e.g. in the South in relation to the FEMIP supported / financed projects);
- An interesting application has been referred to Ukraine – and verified during the field visit, through the establishment of 'Project Management Units';
- In the development of the 'Traceca Motorways of the Sea (MoS) for Black Sea and Caspian Sea' – as confirmed during the field visit in Ukraine, pre-feasibility or feasibility studies have been carried out for selected projects, including costs-benefits analyses and environmental impact analyses, with a comprehensive impact assessment of the application of the MoS concept for regional integration among countries. In this framework, particular attention has been paid to the possible impact on the environment related to the cases of the Ukrainian-Moldova State border and of Moldova and Belarus, in view of an overall regional harmonization of norms and procedures concerning the environment and transport;
- With regard to the Southern region, the field visit in Morocco confirmed that the minimisation of the environmental impact of regional transport infrastructure has been duly taken into account and promoted through different projects. Among these, the 'Euromed Civil Aviation Project', where the notion of an improved environmental friendliness of air transport was promoted together with the elaboration of a road map geared towards the impact assessment of the Common Aviation Area.

Commission's regional support has contributed to the improved management capacity and use of the regional transport networks (JC 4.4)

As anticipated under the previous JCs, Commission's regional support has primarily taken the form of technical assistance aimed at improving the management capacities in relation to the strengthening of regional transport networks, be it in relation to the regulatory and institutional framework, in relation to the identification and formulation of priority investment projects, or in relation to the actual management of transport networks. Overall regional support has favoured the adoption of improved practices. Among these, improvements in: i) decision-making capacity with regard to resource allocation decisions, including identification of divergence between planned and actual performances and corrective measures; ii) capacity in building consensus; iii) establishment of Project Management Units (PMUs) for selected regional corridors; iv) application of standard safety in relation to the different transport modes. More specifically:

- Commission regional support has contributed to the improved management capacity in the different countries by supporting the establishment of PMUs for selected regional corridors- as already experienced in the development of the European Main Transport Network - inducing in this way an innovative practice of managing corridors, allowing at the same time the continuous monitoring of the conditions of quality of some important regional corridors connecting the different countries of the regions as well as countries of the region with European countries;
- On the same subject, the project 'Euromed Transport Motorways of Sea II', which is directly connected to the objective of improving management capacity as envisaged directly and indirectly in selected actions (such as actions identified in the RTAP action n° 21 [implementation of pilot projects and follow recommendations in future developments], action n°4 [reduction of dwell times for containers], action n°5 [implementation of IMO/FAL document] and action n° 17 [logistic platforms]), has also been meaningful within the Mediterranean region. In addition, a number of actions on reforms in the maritime, road and rail sector have been addressed, with an overall improvement of management capacity and use of regional and maritime transport connections;
- In the **Southern region**, the projects have supported national counterparts, particularly with regard to the exchange of management capacity practices and exchange of information with the other countries for the use of the regional transport networks in the related sub-modes, i.e. aviation and maritime. The provision of technical assistance, running of workshops, financing of

study trips and drafting of technical guides as well as the facilitation of exchange of best practices in the framework of the projects financed (among them the above mentioned Euro Med Transport Motorways of Sea) has: i) supported improvements in port operations and logistic processes to reduce transport and transit processes⁶⁸; ii) allowed to explore ways of efficient tracking and tracing of goods; iii) provided assistance on single window concepts of making administrative declarations (including customs related documents) and electronic data exchange. On the other hand, the provision of technical assistance and exchange of best practices, including training of personnel provided in the framework of the *Civil Aviation* project, has strengthened the capacity of civil aviation authorities (CAA) and air traffic management staff;

- In the **Eastern region**, Commission support has taken – among others - the form of: i) Provision of technical and capacity-building assistance to the beneficiary countries' transport administration in the priority sectors of regional transport dialogue and Transport forecasts, and support in the identification of investment needs and promotion of Private-Public Partnerships (PPPs) for the improvement of links with the EU Trans-European Networks in the context of the *Transport dialogue and networks' interoperability between the EU and its Neighbouring Countries and Central Asian Countries project*; ii) exchanges of best practices and training on the methodology and applicability of the MoS concept in the region, as shown in the development of the *TRACECA Motorways of the Sea* project - MoS I;
- The field visit to Ukraine has confirmed that the 'MoS) I for Black Sea and Caspian Sea' has promoted a fast, smooth and efficient implementation of results by using existing and capable facilities and regional corridors, as well as by building crucial stakeholders support together with the easing at the cross borders and the standardisation of documents, customs procedures. A number of different problems still need to be solved, among them the use of a unique language for labelling the goods to be transported, the digitalization of customs procedures etc.

4.5 ENERGY

EQ5 TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO THE ENHANCED SAFETY AND SECURITY OF THE ENERGY FLOWS?

INTRODUCTION

This question tackles the issues of safety and security of 'energy flows' whereby energy security is related to the concept of uninterrupted physical availability of energy supplies and is linked to the protection against intentional interruptions of energy supplies whereas energy safety is to be viewed in relation to the safety of energy infrastructures, i.e. the enhanced capacity to prevent unintentional actions, i.e. natural hazards).

Energy is a **focal sector under the ENP** and is identified as a key challenge and area of mutual interest between the EU and the ENP partner countries. The energy sector is identified as a priority area of intervention in both the Eastern and Southern regional ENPI strategies and indicative programmes, in continuity with the previous programming periods, be it under TACIS (Eastern region) or under MEDA (Southern region). The importance of this sector in the regional cooperation under the ENP is confirmed by the analysis of the inventory, showing that overall the energy sector receives approx. €80M, i.e. approx. 8% of total contracted amounts under the regional cooperation envelope, with the Eastern region receiving a relatively higher amount of resources in relation to the Southern Region (€46M versus €34M).

With regard to the **Southern region**, the Euro-Mediterranean Energy Ministerial Conferences (2003) laid the basis for the development of a comprehensive Euro-Mediterranean energy policy with the objective of working towards a fully interconnected and integrated energy market through the implementation of sub-regional initiatives in the Maghreb, the Mashreq and between Israel and the Palestinian Authority. This was then taken forward in 2006 through the Euromed Energy Policy, which

⁶⁸ Interviews carried out during the field visit in Morocco point to the contribution of the Commission's regional programs to the improvement of quality of maritime services (with a reduced waiting times for the in-going and out-going ships from the main ports) and improved intermodal connections (existing and potential through a better coordination and synchronization between ports, access roads and access of rail links to the ports).

outlined the priorities for energy cooperation: continued integration of energy markets, promotion of energy projects of common interest and sustainable energy development.; objectives pursued both in the framework of regular dialogue instances (Euro-Mediterranean Energy Forum and Energy Conferences) and through the launching of regional/sub-regional cooperation programmes.

Similar processes are in place in the **ENP Eastern region**, whereby, during the Baku Ministerial Regional Energy Conference in 2004, the EU and the partner States expressed their mutual interest and agreed (among others) to focus their co-operation on the objectives set out by the Road Map namely: i) Converging of energy markets on the basis of the EU internal energy market principles taking into account the particularities of the Partner Countries; ii) Enhancing energy security by addressing the issues of energy exports/imports, supply diversification, energy transit and energy demand, iii). Supporting sustainable energy development, including the development of energy efficiency, renewable energy sources and demand side management, iv) Attracting investment towards energy projects of common and regional interest. The achievement of the objectives of this enhanced cooperation will be facilitated by the existing INOGATE Programme structures. This was then taken forward by another high level event in 2006, at the Astana Ministerial Regional Energy Conference, which established the Astana Energy Roadmap, setting out a plan of actions for enhanced energy cooperation between the partners.

Answer to EQ 5 – Summary box

Commission's support to regional cooperation in the two ENP regions has contributed on the whole to the enhanced safety and security of the energy flows, but the results in terms of interventions and outcomes varies from one region to another.

EU has stimulated and supported reforms in the energy sector through specific regional interventions. These have led to significant progress in the Southern Region, materialized in agreements leading to convergent policies and reforms of the energy sector and in the Eastern region, where Ukraine and Moldova joined the Energy Community.

While in the Eastern region, the EU has contributed to the improvement of existing infrastructure and to a lesser degree to the development of new infrastructure; in the Southern region this support has materialised only through one intervention (Euro-Arab Mashreq Gas Market Project) with subsequent limitations on the overall regional impact.

EU support in the area of sustainability of energy supply (energy efficiency and renewables) has been provided in both regions, but renewables are still developing at a slow pace. In some cases this can be primarily linked to the national energy strategies of the ENP Eastern region partner countries.

Finally, regional interventions have not directly addressed other environmental issues linked to the energy sector (Kyoto Protocol, Environmental Impact Analyses, atmospheric pollution abatement from power plants other than CO₂) although these are – at times - touched upon in the framework of broader programmes, with the exception, in the Eastern region, of those aspects addressing the Kyoto protocol.

The EU has stimulated and supported reforms in the energy sector through specific regional interventions. These have led to significant progress in the Southern Region, materialized in agreements leading to convergent policies and reforms of the energy sector and in the East, where Ukraine and Moldova joined the Energy Community (JC 5.1)

This JC aims to assess if ENP partner countries have modified their national legislation (laws, strategy plans, and institutional framework) in the line of liberalisation in view of a future regional integration of the markets with the support of the Commission of the European Union.

The European Neighbourhood Policy Strategy Paper [COM (2004) 373] focuses on the need to take “concrete steps to increase energy dialogue and co-operation, and to foster further gradual convergence of energy policies and the legal and regulatory environment”.

In the Eastern region, the EU and the Eastern partners cooperate in energy in the context of the ‘Baku initiative’ for EU-Black Sea/Caspian energy cooperation (launched in 2004) and – as of 2009 –in the framework of the Eastern Partnership (EaP). Within this framework one of the main objectives pursued through INOGATE relates to: “Converging energy markets on the basis of the principles of

the EU internal energy market taking into account the particularities of the involved countries"⁶⁹. Annual reports of INOGATE show that the work undertaken in the framework of the programme has led to *significant progress (...) in respect of harmonisation of standards for the oil, gas and electricity industries. By working with national standardisation bodies (...) have been able to develop harmonisation strategies and guidelines for the adoption of regulations, enhancing the prospect of agreements on shared standards (...). At the same time cooperation has been established between EU standardisation organisations (...) for further transfer of know-how and technical support*⁷⁰.

Specific regional interventions in the area of regional convergence (one of the areas of cooperation) have taken place, within the framework of the INOGATE programme.⁷¹ Six major projects⁷² have addressed these issues, and among them one - "Support to Energy Market Integration and Sustainable Energy" (SEMISE), focused on energy convergence issues as it contains components on legislation and regulation.

Regional interventions implemented under the umbrella of INOGATE have enhanced the capacities of the actors in the energy sector:

- INOGATE has included a number of actions aimed at reforming the energy sector thereby supporting: a) regulation and standardization [e.g. Harmonisation of gas and oil technical standards and practices (2005), Harmonisation of technical standards, rules and practices in the electricity sector in NIS countries (2006)], in addition to the above-mentioned SEMISE;
- interventions aimed at supporting the revision / development of specific policies⁷³ have been carried out (e.g. "Covenant of Mayors to the NIS Countries", aimed at local policy on energy efficiency⁷⁴).
- there have been some interventions to support national policies either under bilateral programmes or under regional programmes (TACIS and SEMISE);^{75&76}
- progress in the area of reforms in the energy sector is strongly dependent on the political will of the government; as a result - for example - progress in Georgia in terms of convergent energy policy was less significant than in Ukraine due its general policy, i.e. electricity exports towards Turkey and reduced interested in Energy Efficiency (EE) and Renewable Energy Sources – (RES);^{77 & 78}.
- cooperation with energy regional regulator association, ERRA⁷⁹ through "Capacity-building for Energy Regulators in Eastern Europe & Central Asia" (described in JC5.3) has taken place in the period 2008-2011, to support harmonisation of energy regulatory practices among members by means of workshops and training. with special emphasis on strengthening energy efficiency

⁶⁹ INOGATE works under the understanding that "While the development of regional markets offers significant advantages to the countries of the region (e.g. improved utilization of existing supply and production capacities, promoting economic growth, stability and investment); it is up to the Partner Countries to decide how to best take advantage of the opportunities provided within the scope of this energy cooperation programme." [HTTP://WWW.INOGATE.ORG](http://www.inogate.org)

⁷⁰ See annex 9, indicators I-5.1.1, 5.1.2 and 5.1.3 for further details.

⁷¹ Energy co-operation programme with ENP partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan. See also, <http://www.inogate.org> and evaluation grid for EQ 5, most notably indicators under JC 5.1

⁷² i) Support to Energy Market Integration and Sustainable Energy- SEMISE; ii) Identification and Promotion of Energy Efficiency (EE) Investments; iii) Pre-investment Project for the Trans-Caspian-Black Sea Gas Corridor; iv) Energy Saving Initiative in the Building Sector in the Eastern European and Central Asian Countries (ESIB); v) Supporting Participation of Eastern European and Central Asian Cities in the 'Covenant of Mayors'; vi) INOGATE Technical Secretariat and integrated programme in support of the Baku Initiative and the Eastern Partnership energy objectives.

⁷³ See JC 5.5 Sustainability of energy supply.

⁷⁴ This project, however, related to the period 2011-2013 and thus falls beyond the scope of our evaluation. It is cited, however, because it is a consequence of activities carried out during the evaluation period.

⁷⁵ People interviewed in Ukraine expressed the opinion that the main outcomes (modifications of Law of electric energy, Law on renewables in 2005 and recently regulation on Feed in tariff) are mainly due to bilateral cooperation.

⁷⁶ "Assistance to the authorities of the Republic of Moldova to bring their Energy Strategy paper into line with EU energy policy objectives", "Support to Energy Policy of Armenia" and others less specific.

⁷⁷ Only hydraulic plants below 5/10 MWe are considered RES in terms of energy policy.

⁷⁸ Statements of the Ministry of Energy during the field mission.

⁷⁹ Voluntary organization comprised of independent energy regulatory bodies primarily from the Central European and Eurasian region, with Affiliates from Africa, Asia the Middle East (23 full associates). NARUC (USA regulator's association) and USAID provide funding to the association

measures, the use of renewable energy sources and district heating in the Partner Countries of the INOGATE Programme.

However the mission in Ukraine showed that they have not always contributed to the restructuring of the energy sector (made long before the regional interventions started) nor to the strengthening of a true free market through appropriate regulations.⁸⁰

Convergent policies are being developed in both regions and progress in this area is pursued through both high-level Conferences and regional cooperation interventions.

In the **Southern ENP region**, regional support to the reform of national energy policies has been provided through a number of interventions leading to specific outcomes on energy policy, among them:

- MED-EMIP energy cooperation, a platform for energy policy dialogue and exchange of experiences, contributing to enhanced Euro-Med cooperation, integration of the energy markets and improved security and sustainability. MED-EMIP has been strongly supported by the League of Arab States (LAS) that has increased its regional dimension and fostered the approval of NEEAPS (Arab energy efficiency guidelines issued from EU directives). All the countries of the League of Arab States (LAS) are *entitled* to draft a National Energy Efficiency Plan which has been already drafted and approved by Lebanon and Tunisia;
- the “Electricity market integration” aimed at the development of an integrated electricity market between Algeria, Morocco and Tunisia and between these three Maghreb countries and the EU. The main outcome of this intervention is the signature by the three countries of an agreement and the derived AP, which will imply the harmonisation of national legislative and regulatory framework;
- the MED REG – Energy Regulators I and II provided institutional support aimed at the development of a modern and efficient energy regulatory framework in the Mediterranean Partner countries and strengthens their cooperation with EU energy regulators (see also JC 5.3).

Commission's regional interventions have contributed to the improvement of existing infrastructure and to a more limited extent to the development of new (safer and more secure) infrastructure leading to significant progress in the Eastern Region. In the Southern region, EU regional support has focused mainly on the Euro-Arab Mashreq Gas Market Project⁸¹ (JC 5.2)

In the **Eastern region**, establishing better energy infrastructure interconnections between the EU and neighbouring countries and among neighbouring countries has been one of the stated objectives under all relevant regional indicative programmes. All ENP Eastern partners have continued to develop, construct and refurbish energy infrastructure, including power plants (to deal with growing demand) and energy networks. In this framework, the contribution of the Commission to the improvement of existing infrastructure through regional interventions has materialized primarily through interventions undertaken in the framework of INOGATE focusing on the provision of technical assistance (TA). Among these: i) “Supply for Safety and security of main gas transit infrastructure in Eastern Europe and South Caucasus (2007-2009)” focusing on the provision of training and TA in addition to the provision of equipment to put in place an integrated pilot system; ii) “Development of maintenance excellence in NIS gas companies (INOGATE countries) (2005-2007)” focusing on training and transfer of know-how as well as supply of IT equipment”; iii) “Validation, certification and subsequent commercialisation of the Eastern Europe Regional Centre for Hydrocarbons Metrology at Boyarka (Ukraine)” accreditation and promotion of the centre⁸² (under the TACIS RIP see I-5.1.2 and I-5.2.3 for details). followed by iv) “Feasibility studies for expanding the Boyarka Centre to include oil, oil products, liquefied gas metrology, satellite monitoring for optimization and control of hydrocarbons transit flows and to offer training facilities” to be developed from 2009 to 2011; as well as the “Harmonisation of Gas and Oil Technical Standards

⁸⁰ Meetings with representatives of Ukrenergo and EUD in Kiev.

⁸¹ The MEDREG project has also worked on infrastructures via its Gas and Electricity Working Groups.

⁸² The funding of this centre was launched in 2001 in the framework of INOGATE programme (beyond the scope of the current evaluation) but covered only the site-design, supply of the gas metering and calibration equipment, and has since been fostered further by this project (it included in addition to certification, business plans to enlarge the market of the centre).

and Practices in Eastern Europe and Caucasus" (2007-2010) and "Harmonisation of Electricity Standards" (2009-2011).

Looking at the development of new infrastructure and supply routes, regional support has taken the form of a number of interventions aimed at supporting safer and more secure supply lines of gas in the Eastern region, mainly "Pre-investment project for the Trans-Caspian-Black Sea Gas Corridor (2009-2015)", which is implemented through a multi donor Trust Fund with the World Bank and financed a study investigating the possibilities of a joint purchasing mechanism, the Caspian Development Corporation (CDC). The multi-donor Trust Fund can also finance studies required before construction of infrastructure.

Finally, it is worth mentioning that with specific reference to loan funding from European Development Finance Institutions in support of gas and electricity infrastructure, ENP Eastern countries have benefitted from the implementation of the Neighbourhood Investment Facility (NIF) inter-regional programme. Once again, emphasis is on the provision of TA although in the case of the "Black Sea Transmission Line", which includes a new line Georgia-Turkey (700 MW) and Azerbaijan-Georgia as well as internal grid rehabilitation, € 8 M EU support was devoted to Environmental Impact Analyses (EIAs) and other studies but € 70 M (about 10% of the total) additional funds (provided through the NIF) were allocated for the rehabilitation of the grid.

The **Southern region** has received significant support to improve existing infrastructure channelled mainly through the "Euro-Arab Mashreq Gas Market Project (2005-2009)" and related interventions⁸³ focusing once again primarily on the provision of technical assistance materialized mainly in a Gas Masterplan and technical trainings (see annex 9, indicator 5.2.3).

As regards the progressive integration of the Israeli/Palestinian electricity and gas markets, two main projects have been carried out through "Support for the Enhanced Integration and the Improved Security of the Euro-Mediterranean Energy Market MED-EMIP": 1) Energy Virtual Office (supporting electricity interconnection between West bank and Gaza to Israel, which was not implemented, in the end) 2) Solar for peace: includes 50 projects to electrify villages in the oPt (the largest one includes 300 villages), and partially funded by World Bank. It must be stated that electrification included funding a power plant located in Israel and the interconnection lines. At present, however, the project is stalled due to political issues (see I-5.2.3)

Thus the result of EU support through regional programmes towards the improvement of existing and the development of new infrastructure has been very poor in Israel and oPt although some interventions have been put in place. This despite the fact that the progressive integration of the Maghreb gas and electricity markets and its interconnection with the EU (...) and of the Israeli/Palestinian with the Mashreq electricity and gas market are indicated among the priorities to be pursued under the RSP 2007-2013.

In the rest of the Southern region one intervention was aimed at the development of new infrastructure (Euro-Arab Mashreq Gas Market Project) but its impact is limited to Mashreq countries, while the MEDREG project tackled infrastructure issues via its Gas Working Group and the Electricity working group which led to the set up a task force on interconnection studies among others.

As regards new energy sources "Support for the enhanced integration and the improved security of the Euro-Mediterranean energy market (MED-EMIP) (2007-2012)" has as one of its direct outcomes the signature by Jordan, Morocco, Syria, Egypt and Turkey in April 2010 of the agreement to establish "Centre for Oil Shale". Tunisia is now studying the possibility to participate.

Reforms in the energy sector leading to increased market integration have been supported through EU regional interventions. Clear outcomes in the form of regional agreements leading to market integration have been put in place only in the Maghreb countries through interventions directly supported by regional programmes (JC 5.3)

The integration of energy markets is a main objective of the Commission's regional strategy with both the Eastern and Southern ENP regions. This objective is pursued through both high-level Conferences and forums, and through regional interventions aimed at strengthening capabilities for market integration (see also JC 5.2 and JC 5.1).

⁸³ Euro-Arab Mashreq Gas Market Programme Phase II (EAMGM II), suspended in 2012.

EU regional support for market integration in the Eastern region has been channelled in the form of technical support. Main interventions include:

- the “Support to Energy Market Integration and Sustainable Energy in the NIS - SEMISE” project (in the framework of INOGATE), cited before and aimed to support the integration of energy markets and sustainable energy;
- “Harmonisation of Gas and Oil Technical Standards and Practices in Eastern Europe and Caucasus” 2007-2010 (also undertaken in the framework of INOGATE). Main activities carried out include the adaptation of technical standards, a Study tour on Energy Markets Convergence and two courses on market convergence (in 2010 and 2011); and
- the “Capacity-building for Energy Regulators in Eastern Europe and Central Asia (2009-2011)” aimed at: i) creating a network for information exchange and assistance among the energy regulators, ii) transfer information and best practices among energy regulators and ministry representatives and iii) support partner countries in carrying out regulatory reform, including the establishment of independent regulatory bodies. During the visits carried out to the Eastern countries (Georgia and Ukraine), the project was highly considered because also in light of the network of regional and EU contacts provided.

EU support in the Southern region encompassed:

- “Support to Cooperation between the Euro-Mediterranean Energy Regulators – MED-REG II”: a Forum for Mediterranean regulators⁸⁴, which agreed to meet every six months to discuss common issues related to the harmonisation of standards. Main outcomes of MED-REG and MED-EMIP include: 1) Normalized rules for contracting 2) Energy banking scheme (electricity produced by independent generators, usually using renewables, is saved in the grid⁸⁵, by means of a balance input/output);
- “Support for the enhanced integration and the improved security of the Euro-Mediterranean energy market (MED-EMIP) (2007-2012)” aimed at enhancing the integration of the energy markets in the Euro-Med region and at promoting improved security and sustainability. Main outcomes of this intervention include: i) the NEEAPS (see JC 5.1 for details); ii) “Updating the electricity MEDRING” that has been the basis for the Mediterranean Solar Plan; iii) Energy Virtual Office iv) Solar for peace; and v) Implementation of “Centre for Oil Shale”; (see JC5.2)
- “Intégration progressive des marchés de l'électricité de l'Algérie, du Maroc et de la Tunisie dans le marché intérieur de l'électricité de l'Union Européenne”, which has supported the establishment of a regional agreement (Algiers Declaration) whereby Algeria, Morocco and Tunisia adopted, in June 2010, an action plan for the period 2010-2015, confirming their intention to establish a Maghreb electricity market as a preparation for gradual integration with the EU energy market. This constitutes the more serious attempt to develop a free market.

Commission regional interventions have not directly addressed environmental issues of the energy sector (KP, EIA, atmospheric pollution abatement) with the exception, in the Eastern region, of those aspects addressing the Kyoto protocol (JC 5.4)

Energy sector environmental aspects are explicitly addressed in the Commission's regional strategic and programmatic documents for the **Eastern region**: the TACIS RIP 2004-2006 sets as a specific objective the “Implementation of Joint Implementation (JI) and Clean Development Mechanisms (CDM) projects (...)” while the 2007-2010 RIP refers to regional support to the implementation of the Kyoto Protocol (KP), including JI and CDM. The same does not hold true for the Southern region where there are no explicit references to CDM or climate change.

In the Eastern region, EU support in this area has been provided through the: “Support to Kyoto Protocol Implementation (SKPI)” project (2008-2011), aimed at reinforcing awareness and institutional capacities of the technical ministries and relevant government departments of the

⁸⁴ MEDREG is the Association of Mediterranean Regulators for Electricity and Gas, established in Milan in November 2007.

⁸⁵ This system allows the producer of the electricity to export/import electricity to the grid in each period of the day and pay (or be paid) for the balance in each period.

countries involved⁸⁶ (as well as economic stakeholders and the general public) in relation to KP mechanisms. The activities carried out consisted in seminars and workshops (nine) on climate change and in an informative website⁸⁷.

Information gathered during the field visits in Ukraine and Georgia points to the fact that the effects of the intervention on the national policies or plans in these two countries are not particularly relevant:

- Georgia⁸⁸: according to a ministry representative, CDMs have not been developed because the liable projects (hydropower plants) do not fit into the rules of the UN. Besides, national energy policy is aimed at exporting electricity to Turkey (not included in KP) (again according to a ministry representative). Even if other projects (forestry, energy efficiency or even small hydro) might be liable if proposed, CDMs do not seem a government priority, according to the statements of a representative of the Ministry of Environment;
- Ukraine: Ukrainian energy strategy assigns an outstanding role to coal (with important resources in the country) given the difficulties with natural gas, so that there is a Plan of Modernization of Coal Power Plants (included in the Plan of Economic Development), which takes into account the adaptation to the EU Directive on combustion plants, but no Regional Programme has been involved. Ukraine has been an outstanding actor in CDM projects (48 registered projects, of which 30 in 2010) but no direct relationship with SKPI has been identified, as activities carried out consisted in seminars and workshops (9) on climate change and an informative website not specific studies (see I-5.4.3).

Despite this, during the period 2005/2009, the trend in CO₂ emissions per capita (tCO₂ / capita) has been steadily decreasing in the Eastern ENP region (with the exception of Georgia and to a smaller extent Armenia). In the case of Georgia, this is mainly due to the increase in energy consumption and partly to a small modification in the share of energy sources.⁸⁹ On the whole, however, it appears that there is no common trend in the energy mix, and energy policy depends mainly on national priorities, which can only be supported and/or influenced by regional programmes.

In the **Southern Region**, and in line with the RIP, which makes no reference to KP, no regional programmes concerning environmental aspects of energy (other than EE and RES) have been carried out.

EU support in the area of sustainability of energy supply (energy efficiency and renewables) has been provided in both regions, but renewables are still developing at a slow pace (JC 5.5)

Sustainability of energy supply may be reached either by increasing and diversifying sources of energy mainly fostering internal or renewable resources (supply-side / offer view) or by reducing or modifying the structure of the needs (demand-side / view).

In the **Eastern region** and from the point of view of the offer support of the EU Regional programmes has covered all areas, including Renewable Energy Sources (RES).⁹⁰ Until 2010 support provided in the area of RES was mainly in the form of training with a later shift to include technical and legal support.⁹¹

This was confirmed during the field visits, which also pointed out that this issue does not rank high among national priorities in Ukraine and Georgia:

⁸⁶ Eastern Europe, Russian Federation, Caucasus and Central Asia

⁸⁷ [HTTP://WWW.ENER-EFF.RU/INDEX.PHP/EN.HTML](http://www.ener-efr.ru/index.php/en.html)

⁸⁸ SKPI project is not known among the people met during the field visit.

⁸⁹ CO₂ emissions are especially significant in the Eastern region, because the high participation of coal in the energy supply and high energy intensity. The southern region has an energy structure linked basically to oil and gas, and this indicator is less relevant (energy intensity – treated under I-5.5.1 is more useful).

⁹⁰ RES Renewable Energy Sources. It must be stressed that concerning hydraulic plants only those below 5/10 MWe are considered RES in terms of energy policy.

⁹¹ "Capacity building for sustainable energy regulation in Eastern Europe and Central Asia (2010-2011), Energy Saving Initiative in the Building Sector in the Eastern European and Central Asian Countries (ESIB), Supporting Participation of Eastern European and Central Asian Cities in the 'Covenant of Mayors'. It must be stated however that a national intervention in Azerbaijan (technical evaluation of offshore wind power potential near the Absheron Peninsula) was carried out in 2009.

- Georgia: national energy policy of the government is not targeted towards renewables (except hydropower plants) nor to energy efficiency. No national funds are provided to organisations that are active in these areas, such as the Regional Energy Centre (REC)⁹² or the Centre for Energy Efficiency and Environmental Protection (CEEPP);⁹³
- Ukraine: i) the State Agency on Energy Efficiency and Energy Conservation is now dealing with an EE plan that includes renewables⁹⁴, and has benefitted from a project financed through the INOGATE related to legislation⁹⁵; ii) the Ministry of Regional Development and Housing is participating in the implementation of the “Energy Saving Initiative in the Building Sector in the Eastern European and Central Asian Countries (ESIB)” (which again falls under the umbrella of INOGATE) but it is aimed basically to EE and only indirectly includes RES. There is an increased interest in RES (basically windmills) but their development is hampered by the low energy prices.

To sum up, actions involving RES have primarily been started close or beyond the period of evaluation (between 2010 and 2011), and countries such as Azerbaijan, Belarus and Moldova requested INOGATE to provide assistance on the development of primary and secondary legislation to promote renewable energy use which was fulfilled. This new orientation will clearly reinforce the impact of Regional Programmes in their weakest area, and should be maintained in the future.

Conversely, from the point of view of the demand (Energy Efficiency - EE), EU support through regional interventions has been materialized in several projects implemented in the framework of INOGATE. Among them:

- The “Energy Saving Initiative in the Building Sector in the Eastern European and Central Asian Countries (ESIB) (2010-2013)”, aimed at: i) Supporting EE legislation in the building sector; ii) Identifying the limitations in EE and RE opportunities; iii) Supporting investment for energy conservation projects, including assistance to the preparation for submission to International Financial Institutions (IFIs); and iv) Strengthening capacity in energy auditing, building technologies and design, and training and networking programmes. However, complementarity between these projects (carried out by Ministry of Regional Development and Housing fully competent in housing) and the State Plan on Energy Efficiency 2010-2015 (competence of the State Agency on Energy Efficiency) is not clear. Courses (including e.courses), training and workshops are taking place although the recent start-up of the project does not yet allow pointing to significant outcomes.⁹⁶ Results will most probably become more tangible towards the end of the project period (2011-2012-2013);
- “Identification and Promotion of Energy Efficiency (EE) Investments in Ukraine and Moldova (2008-2012)” provides a financial contribution from the EBRD to support sustainable energy investments in Ukraine and Moldova aimed at reducing energy dependency and at improving security of energy supply. The Moldova Sustainable Energy Finance Facility was successfully launched in 2010 and as of mid 2012⁹⁷, 78 projects have been financed for a total of USD 133 million, and implying 2650 GWh/yr energy savings;
- “Capacity building for sustainable energy regulation in Eastern Europe and Central Asia (2010-2011) promotes and advocates good and sound energy regulatory practices with special emphasis on strengthening energy efficiency measures, the use of renewable energy resources and district heating in Partner Countries. Activities carried out consisted in workshops, manuals, and courses⁹⁸, which are highly regarded by participants met during the field visits;
- “SEMISE” already cited and described in JC5.1.

⁹² Regional Energy Center (REC) has been supported through EC bilateral cooperation, but is currently funded by the German cooperation.

⁹³ NGO funded by Norway cooperation.

⁹⁴ “State Plan on Energy Efficiency 2010-2015” aimed at reducing energy consumption over 9%. This plan is funded with € 60 M by the Ukrainian government but there are other donors (not SEMISE).

⁹⁵ “Comparison of relevant regulations to the European Union and assistance in training energy managers in compliance with Standard EN 16001”.

⁹⁶ See more information <http://www.inogate-ee.org/activities>.

⁹⁷ Field visit in Ukraine was in September 2012.

⁹⁸ See more information in http://www1.inogate.org/inogate_programme/inogate_projects/ongoing-inogate-projects/capacity-building-sustainable-energy-regulation.

In addition, the “Supporting Participation of Eastern European and Central Asian Cities in the Covenant of Mayors⁹⁹” project has been launched in response to activities previously carried out (it nevertheless falls beyond the scope of the evaluation period - implementation period 2011-2015).

In the **Southern region** and looking at the supply-side (RES), there is one main regional intervention: “Paving the Way for the Mediterranean Solar Plan (2010-2013)”, which assists the Southern Mediterranean Partner Countries in creating conditions conducive to greater use of renewable energy in general and solar energy in particular, through: i) harmonisation of the Legal and Regulatory Framework; ii) transfer of Knowledge and Capacity Building; iii) development of Sustainable Energy Policy; iv) support to Investment. Given the recent start-up, there are no specific outcomes yet, apart from seminars and benchmarking¹⁰⁰. In addition to the above described project, MED-ENEC and MED-EMIP (described below) also have components concerning RES.

From the point of view of the demand (Energy Efficiency), EU support through regional interventions has materialized through two main interventions:

- “Support for the Enhanced Integration and the Improved Security of the Euro-Mediterranean Energy Market MED-EMIP (2007-2012)” (see details in JC 5.1 and JC5.2), which has contributed to achievement of outcomes such as the approval of NEEAPS and to the channelling of funds to the Solar for peace initiative;¹⁰¹ and
- “MED-ENEC II - Energy efficiency in construction (2009-2013)”¹⁰², aimed at energy efficiency and the use of solar energy in the construction sector, through capacity building, fiscal and economic instruments and pilot projects. Field visits allowed to ascertain that – in Egypt - it has contributed through: i) TA to improve street lighting (funds for implementing were then provided by the Ministry of Finance); ii) feasibility studies for cogeneration and ESCOs (Energy Services Company); and iii) the creation of a “Loan Guarantee Scheme” (now funded by German funds). MED-ENEC also succeeded in involving UNDP in the implementation of similar projects in other countries (like mass distribution of Compact Fluorescent Lamp).

Meetings held during the field visit¹⁰³ have confirmed the regional dimension of both projects, which extends even beyond their geographical scope.¹⁰⁴

⁹⁹ Aimed at encouraging and supporting local authorities to implement a more sustainable local energy policy including SEAP (Small-scale financial facilities and demonstration projects in EE and RES). The project does not include permanent technical assistance on site or financial support. According to city hall responsible the action program for Tbilisi technical assistance on site and financial support together with the lack of national institutional support are the major hazards of the project.

¹⁰⁰ Although beyond the temporal scope of the evaluation, the project has also contributed to the preparation of the MSP Master Plan being elaborated in the framework of the UfM and to be endorsed at the UfM Ministerial meeting on Energy planned for December 2013.

¹⁰¹ Solar for peace initiative is a non-profit corporation organized and operated exclusively for charitable purposes. The corporation operates primarily to promote development by harnessing solar energy that can provide electrical power and clean water to the disadvantaged individuals and communities in the developing world. Among other things, it provides technical assistance to promote RES in developing countries.

¹⁰² It is a result of MED-ENEC I (2005-2009) which, among other outcomes, implemented 10 Pilot Projects (low-energy-buildings) for demonstration and training purposes selected through a public competition.

¹⁰³ League of Arab States and UNDP representatives.

¹⁰⁴ Sudan has recently approved its National Energy Efficiency Plan according to NEEAS but MED-ENEC cannot provide technical assistance because the country is not covered. On the other side Mauritania and Yemen are also interested in the guidelines with the same limitation.

4.6 ENVIRONMENT / WATER

EQ6 TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO THE STRENGTHENING OF THE SUSTAINABLE MANAGEMENT AND PROTECTION OF THE NATURAL RESOURCES?

INTRODUCTION

The ENPI Eastern and Southern Regional Strategy Papers 2007-2013, as well as the TACIS RIP for the period 2004-2006, emphasise environmental protection as a key sector for regional cooperation. In all cases emphasis is placed on the fact that environmental pollution does not respect borders and that regional support is justified and provides a clear value added when countries need to act together as is typically the case for environment problems of trans-boundary nature. In this framework, the RSP/RIPs developed for the two ENP regions emphasise **environmental protection as a key sector for cooperation**. In both cases, emphasis is placed on water sources (both marine and fresh waters), although in the case of the Eastern RSP/RIPs strong attention is also given to forestry and land protection issues as well as climate change. Data gathered through the analysis of the inventory confirms both the importance of the environmental sector and the importance of the water sub-sector. Indeed, while environmental interventions absorb € 109M (or 10%) of total contracted amounts under the regional cooperation envelope, disaggregated data show that in both regions this sector is characterised by the importance of the water sub-sector, which absorbs € 63M (of which € 32M in the Southern region and € 31M in the Eastern region), covering almost 60% of the total sector resources. For the ENP East region the Forestry subsector is also remarkable, with € 9M, € 6M of which financed the project "*Forest Law Enforcement and Governance (FLEG)*".

The EQ seeks to assess how regional cooperation has sought to help address common (trans-boundary) environmental challenges by looking at the different strands of effects sought through Commission interventions in this sector, i.e.: i) changes in the institutional and regulatory framework; ii) increased regional cooperation on environmental issues; iii) increased management capacities, and iv) improved monitoring and quality of natural resources.

In answering this question, specific focus will be placed on the in-depth analysis of the following four interventions: i) Water Governance in the Western EECCA countries - Azerbaijan. Armenia. Belarus. Georgia. Moldova. Russia and Ukraine; ii) Forest Law Enforcement and Governance (FLEG); iii) Trans Boundary River Management phase II for the Kura River; and iv) ENPI Mediterranean Environment Programme (ENPI MEP).

Answer to EQ 6 – Summary box

Commission's support to regional cooperation in the two ENP regions has contributed to the strengthening of the sustainable management and protection of the natural resources, but the scope and results have been different depending on the sector and region.

Regional programmes have supported the improvement of quality and monitoring of continental and marine waters through specific interventions/programmes, which, together with progress in the framework of policy dialogue and platforms, have contributed to the fulfilment of main commitments concerning continental and marine waters in both ENP regions.

Legislative reforms were progressing slowly in the countries. In this respect, whereas Commission support has significantly contributed to the strengthening of capacity of national institutions to sustainably manage and protect trans-boundary natural resources & shared continental water and sea water resources, this improved capacity has not led to legislative actions because of institutional instability and weak political will, compounded - in the Southern region - by the relatively recent specific interventions in the area.

Similarly, while in the East, the EU's strategic and highly focused intervention has contributed to significant (though uneven) results in terms of improved management and protection of forests and forestry resources, the adoption of an improved legal framework is progressing with difficulties.

Finally, interventions aimed at biodiversity, trans-boundary air pollution, protected areas or strengthening of civil bodies in these areas have been limited and with no apparent results so far.

EU regional interventions have contributed to the strengthening of capacity of national institutions to monitor, assess, manage and protect trans-boundary natural resources & shared continental waters and sea water resources, but the results of the support have not yet materialized in legislative actions because of political and institutional instability (or will) in the East and the relatively recent specific interventions in the South (JC 6.1)

In the Eastern region, Commission support on environmental governance issues has primarily focused on water issues and has been provided both through specific governance programmes, among them the *Water Governance in the Western EECCA countries* (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine)¹⁰⁵ and through programmes that tackle governance / capacity building issues among others, e.g. the *Trans-Boundary River Management for the Kura River - Phase II*¹⁰⁶

Despite the fact that – as stated in the final report (June 2010) - the ***Water Governance in the Western EECCA countries*** project has: i) Supported Azerbaijan, Moldova and Ukraine in the drafting of secondary (subsidiary) legislation, ii) Supported the river basin planning process and the participation of stakeholders and water users in this process (approach proposed in the Water Framework Directive); and iii) Provided advice on draft primary water legislation in Moldova and Ukraine, stakeholders met during the field visits indicated that in their view the impact of the project in terms of governance has been lower than expected. Meetings held during the field visits and documentary reviews confirmed that:

- In **Ukraine** the achievement of the expected main results of the project (mainly oriented towards legal framework) has been hampered by political instability in the country. As a result, while Proposed Standards on River Basin Management have been incorporated in the State program of water management (May 2012), the newly developed standards for water quality (based on EU directives) are still under study. Leaving aside the political aspects, the project has indeed succeeded in: i) enhancing capacity in the transboundary management of rivers like Tiszra or Western Bug (affluent of Vistula), ii) improving cooperation in relation to flood risk issues with Romania and Hungary, and iii) contributing to increased institutional capacity¹⁰⁷.
- **Georgia**: documentary reviews and meetings point to modest results in the legal framework. Two of the main expected outcomes of the project - new system for surface water monitoring, and new water law – are yet to be approved, and prospects are not positive. As in the case of Ukraine, lack of political will rather than programme inefficiencies can explain the delays in the achievement of expected results¹⁰⁸.

Training and technical advice alone cannot break down institutional barriers and *the implementation of Integrated Water Resource Management (IWRM) will require not only the adoption of new standards and new regulations, but also the integration of functions. This implies a degree of institutional and cultural reform that will take time and a strong political will to accomplish*¹⁰⁹. (see I-6.1.1)

The same consideration holds true with regard to the “Trans-Boundary River Management phase II for the Kura River”. Despite its significant impact on capacity building (its capacity building results were judged to be excellent during meetings held in Georgia), the impact on legislation remained weak throughout the period covered by the evaluation. Indeed, although the methodology for monitoring and assessing quality of fresh waters (based on EU directives) was agreed by all the countries, only Armenia is in the way of approving new regulations, and no substantial progress was reported at the time of the field visit in Georgia in mid-2012.

¹⁰⁵ The project aimed at helping to reduce pollution, foster fair sharing and effective use of scarce water resources and to improve the quality of shared water resources, such as trans-boundary rivers. It seeks to improve, implement and enforce water legislation as well as contribute to convergence on EU standards. Timeframe of implementation: 2008-2010; Budget: €2.2 million + €0.8 million for equipment. For further details see volume 2, annex 7 ‘Project fiches’.

¹⁰⁶ The project aims to improve the water quality in the Kura River basin through trans-boundary cooperation and implementation of the integrated water resources management approach. The project supports the development of a common monitoring and information management system to improve transboundary cooperation and enhances the capacities of environmental authorities and monitoring establishments engaged in long-term integrated water resources management in the Kura River basin. Timeframe of implementation: 2008-2011; Budget: €5.2 million. For further details see volume 2, annex 7 ‘Project fiches’ and annex 9, I-6.4.1 and I-6.4.2

¹⁰⁷ Evidence gathered during the field visit including an interview with the team leader of Water Governance project.

¹⁰⁸ Including meeting with the Water Resources Department of the Ministry.

¹⁰⁹ Water Governance in the Western EECCA Countries, Project Completion Report, 12/07/2012, p.8-7.

In the **Southern region**, EU support in this area has been provided through:

- The SMAP III Short and Medium-term Priority Environmental Action Programme developed during 2005-2008 (continuation of the work of two earlier phases of the programme 1999-2005)¹¹⁰ aimed at supporting the efforts to prevent environmental degradation, improve environmental standards and integrate environmental considerations in their policies, it encourages specially integrated coastal zone management around the Mediterranean (see analysis in JC6.3). No specific results were identified concerning legislation other than “Promoting awareness & enabling a policy framework for environment & development” but the results were lower than expected¹¹¹.
- *H2020 Capacity-Building/Mediterranean Environment Programme* implemented in the framework of the Horizon 2020 roadmap (endorsed in 2006).¹¹² The relatively recent start-up of activities¹¹³, however, does not allow pointing to significant results. Training events have been foreseen in a number of areas, including: i) advances in Urban Wastewater Management in Coastal Areas; ii) Desalination and the Environment; iii) The organic waste cycle - a resource efficient model; iv) Effective Involvement of Civil Society in the de-pollution of the Mediterranean Sea; and v) Green Events Training. Training activities that are expected to strengthen capacities of national governmental and non-governmental institutions¹¹⁴.
- The ongoing project “Sustainable Water Integrated Management Support Mechanism” - SWIM,¹¹⁵ to be developed from 2011 to 2014, is also expected to contribute to results in this area (see JC 6.3).

With regards to biodiversity conservation, land degradation and nature protection, some improvements are indicated in the country reports on the implementation of the European Neighbourhood Policy especially in terms of development of national environmental strategies (e.g. Ukraine) and action plans (e.g. Georgia), adoption of Law on protected areas and launching of a programme for the protection and enhancement of biodiversity in Morocco (more details per country can be found in volume 2, annex 9 ‘data evaluation grid’, I-6.1.4), although these do not appear to be linked to specific EU supported regional initiatives funded under the geographical budget lines. Biodiversity can also be addressed through EU programmes funded under the thematic line for environment and energy (ENRTP). This is the case for example of the “*Support for the implementation of the Convention on biological diversity programme of work on protected areas in the EU Neighbourhood policy East area and Russia: extension of the implementation of the EU’s NATURA 2000 principles through the Emerald Network*”, which represents a tool for preparing the target countries to comply with internationally agreed commitments, including the Convention on Biological Diversity, the Bern Convention, and the Habitats Directive. However, no direct links between the above-mentioned improvements in terms of national legislation and this project were identified partly because of the fairly recent status of the project.

¹¹⁰ See details in annex 9, I-6.4.3

¹¹¹ “Synthesis Report for the SMAP III Programme”, January 2008, page 15.

¹¹² The Horizon 2020 Initiative (<http://www.h2020.net/en/capacity-building/the-project-enpi-cb-mep.html>) aims to de-pollute the Mediterranean by the year 2020 by tackling the sources of pollution. The H2020 2007-2013 Road Map focuses on the following four pillars: i) Identification of projects to reduce the most significant sources of pollution; ii) Identification of capacity-building measures complementary with other initiatives (earlier capacity-building programmes such as SMAP aimed at coastal zones); iii) Use of the EC research budget to develop greater knowledge of environmental issues and ensure this is shared; including a project for gradually extending the Shared Environment Information System (SEIS). The ENPI-SEIS project aims to improve environmental monitoring and data and information sharing by gradually extending the SEIS principles to the European neighbourhood (see I-6.4.1); iv) Development of indicators to monitor the success of Horizon 2020, which is currently included under SEIS. See further details on the whole project in I-6.1.1.

¹¹³ Capacity Building/Mediterranean Environment Programme (H2020 CB/MEP) was launched in late 2009.

¹¹⁴ Some Southern ENP countries have initiated actions to decentralize environment management (Jordan, Morocco) and increase civil bodies awareness and participation (Egypt, Israel, Jordan, Morocco, Tunisia and to a lesser extent Lebanon), see EQ6 I-6.1.6.

¹¹⁵ Overall objective of SWIM-SM is to actively promote the extensive dissemination of sustainable water management policies and practices in the region, and as one of the specific objectives to ensure institutional reinforcement and the development of the necessary planning and management skills, in line with Horizon 2020 objectives, and to facilitate the transfer of know-how. This project was formerly called “Sustainable Water Management and De-pollution of the Mediterranean”.

EU funded regional interventions have contributed to the improved management and protection of forests and forestry resources in the Eastern region, but little progress has been identified in relation to changes in the legal framework (JC 6.2)

Forestry is a key priority under the ENPI **Eastern Region** RSP for 2007-2013.¹¹⁶ The importance of this sector in the 2007-2010 RIP follows the adoption (in November 2005) by the Ministerial Conference on Forest Law Enforcement and Governance (FLEG) for Europe and North Asia of a Declaration *confirming that the issue of forest management and timber trade was an area of national concern on the broader national governance and development agenda. EU regional assistance in this area will focus on the priorities identified in the Indicative Action Plan of the FLEG Ministerial Process, formulating joint strategies to combat illegal logging and imports of illegally logged wood, and strengthen regional cooperation in forest law enforcement between governments and the private sector.* This has translated in the financing of a strategic regional project, i.e. the “Forest Law Enforcement and Governance (FLEG) (2008-2011)”. The project¹¹⁷ supports governments, civil society and private sector in the development of sound and sustainable forest management practices, including the prevention of illegal forestry activities and takes part to the worldwide multiannual EU Forest Law Enforcement, Governance and Trade initiative.

Despite initial delays mainly caused by the prolonged starting phase¹¹⁸, the project seems to progress steadily, although with marked differences between countries, due, to some extent to their different backgrounds. Thus, while Ukraine has been an outstanding achiever (together with Russia) in the implementation and development of FLEG in the different areas leading to the achievement of significant outcomes, Georgia's development has been slower.

The current state in Georgia and Ukraine is presented below:¹¹⁹

- Legal framework and certification: in Ukraine, a draft Law on legality of timber has been produced¹²⁰, as has a Study on the impact of the EU directive (in force since 2013); the Committee of Reforms of Ukraine has requested FLEG (2012) that the key recommendations of the study be included in its plans. In contrast, in Georgia, the Draft of new Forestry Code initiated in 2010 has been stopped following the transfer of competences on natural resources from the Ministry of Environment to the Ministry of Energy;
- Timber smuggling and databases: in Ukraine, an analysis of smuggling activities up to 2010 has been produced¹²¹, and training and empowerment of foresters through practical documents such as summary of legislation, protocols including practical forms and best practices, some of which are currently being used at the university.¹²² In Georgia as well as in Ukraine there is yet little availability of reliable data about illegal timbering and vulnerable trans-boundary areas, and according to the opinions of representatives, capacities of foresters still need to be strengthened;
- Private participation and timber trade: in Georgia, representatives meeting during the field visit agreed that progress was much greater in 2011-12, leading to the approval of a Georgian Scheme of Certification (2011)¹²³. Conversely, Ukraine is still lacking such a Scheme although a sociological study was carried out with the participation of the Timber Processing Association companies.

¹¹⁶ 70% of the world's boreal forests are in this project's partner countries

¹¹⁷ This joint intervention with the World Bank aims to tackle the growing problem of illegal forest activities in the Partner Countries by promoting legal and sustainable forest management and utilisation practices and seeks to strengthen the rule of law and to enhance local livelihoods. Timeframe of implementation: 2008-11; Budget: €6 million (volume 2, annex 7 'Project fiches' and annex 9 'Data evaluation grid', I-6.2.3 and I-6.2.7).

¹¹⁸ An analysis based on the Progress Report January 2010-June 2010, showed that only 7% of planned activities have been completed and progress of more than 75% of the work plan was below the 50% completion line. With marked differences between countries: Ukraine has 13.6% of activities completed while Azerbaijan and Moldova had 0%

¹¹⁹ The degree of development in the other ENP countries is lower with the exception of Russia.

¹²⁰ The law has not been approved due to the opposition of the State Agency on Forestry (owning 65% of forestry of Ukraine) which disagrees with the timber tracking system proposed. On the other hand, implementation of the law brings other administrative problems like necessary agreement of the Ministry of Agriculture (it is responsible for over 30% of the forest area).

¹²¹ Source: 2nd edition of the executive summaries although the results concerning illegal timbering remain unclear.

¹²² Critical issues identified by FLEG representatives in Ukraine and Georgia include: i) lack of political will; and ii) lack of trained specialists.

¹²³ The entire forest surface in Belarus is certified PEFC and Georgia has a National Certification Scheme (2011).

However private participation in timber trade poses a potential conflict of interest, as the category of timber to be considered by such Scheme has not been defined (as regards taxation) yet and high quality timber may be classified as biomass – this is usual and is due to corruption problems.

As regards specific outputs, a number of studies and reports have been drafted, although primarily with a national approach rather than a regional one (i.e. documents produced in Ukraine were written only in Ukrainian); this, despite the fact that many of them could have been developed or extended to other countries of the region (i.e. Green Purchasing Guidelines, Methodological recommendations for prevention and reduction of illegal logging, Study on status and extent of illegal forestry, Economic and Social Impacts) in order to fulfil the global expected results. No progress seems evident in the identification of vulnerable trans-boundary areas (with the exception of Russia).

In most countries, illegal logging is related to the needs of local population (heating in winter). Because of this, progress on this issue is very much linked to progress in other areas, including energy.

Some progress has been registered in terms of improved legal framework and governmental competences in some countries (Armenia, Azerbaijan, Moldova and Georgia); and finally despite the lack of progress in the voluntary licensing scheme in most of the countries (exception made of Georgia); it has to be noted that the entire forest surface in Belarus is certified PEFC.

The development of FLEG is hampered in many countries by the lack of political will and/or the structure of land property, but even if the legal framework needs to be developed in some countries the main weakness lays in the enforcement.

EU has supported – both through policy dialogue and through specific regional initiatives - the fulfilment by ENP countries of commitments concerning continental and marine waters both in the Eastern and Southern region (JC 6.3)

The “Sector Progress Report Implementation of the European Neighbourhood Policy in 2010”¹²⁴ states that *partner countries participated actively in various regional initiatives, [and] continued to participate in activities under the EU Water Initiative, including national policy dialogues in some countries.* The fulfilment of international commitments by ENP countries is constantly monitored by the country reports on the implementation of the European Neighbourhood Policy.

As regards water, in particular, in the **Eastern region** the main commitment is the Convention on the Protection of the Black Sea against Pollution.¹²⁵ Despite being signed by all six Black Sea Countries in 1992 only Georgia and Ukraine have ratified it and signed the three specific protocols in 1993 and 1994, respectively. With reference to continental waters the Danube River Protection Convention¹²⁶ has been ratified by both ENP countries involved in the scope of the convention.

The EU has provided strong support through interventions that indirectly aimed at the fulfilment of the main commitments, through interventions such as the *Water Governance in the Western EECCA countries* (see JC 6.1) and instruments like the DABLAS Task Force¹²⁷, which provides a platform for co-operation for the protection of water and water-related ecosystems in the Danube and Black Sea Region. The main outcome of the support provided through this instrument is the “Environmental Collaboration for Black Sea” programme, aimed at improving regional cooperation and the national capacity of participating countries (Georgia, Moldova, Ukraine and Russia) to protect the Black Sea Basin, and to implement activities decided by the Black Sea Commission (see annex 9, I-6.3.5).

In the **Southern region**, the main commitment on waters is the Action Plan for the Protection of the Marine Environment and the Sustainable Development of the Coastal Areas of the Mediterranean (MAP Phase II),¹²⁸ which was adopted in 1995 in coherence with the Convention for the Protection of

¹²⁴ Joint Staff Working Paper, Implementation of the European Neighbourhood Policy in 2010, Sector Progress Report, Brussels, 25/05/2011, p. 17

¹²⁵ Also referred to as “Bucharest Convention”, has three specific Protocols, which are: (1) the control of land-based sources of pollution; (2) dumping of waste; and (3) joint action in the case of accidents (such as oil spills). See <http://www.blacksea-commission.org/main.asp>

¹²⁶ It was signed in 1994 in Sofia (Bulgaria) and came into force in 1998. It aims to ensure that surface waters and groundwater within the Danube River Basin are managed and used sustainably and equitably.

¹²⁷ See JC 6.4 and <http://ec.europa.eu/environment/enlarg/dablas>.

¹²⁸ <http://www.unepmap.org/index.php?module=content2&catid=001001004>

the Mediterranean Sea Against Pollution (called Barcelona Convention). However, progress in relation to the ratification of the seven Protocols¹²⁹ addressing specific aspects of Mediterranean environmental conservation, which complete the MAP legal framework, is generally poor.

Relevant Commission regional interventions in this area include:

- SMAP III - Short and Medium-term Priority Environmental Action Programme¹³⁰ (2005-08): aims at promoting Integrated Coastal Zones Management (ICZM). Ten projects have been implemented in the framework of this programme, eight of which focused on ICZM and related issues (protocol 7), leading to improvement of the technical and managerial capacity of the institutions in charge (see also I-6.4.3);
- "Sustainable Water Management and De-pollution of the Mediterranean" (€22 million; 2009-13) aimed at enforcing sustainable water management policies, disseminating good practices in the region and supporting the initiative for the de-pollution of the Mediterranean¹³¹ and protocol 3;
- Horizon 2020 for the De-Pollution of the Mediterranean Sea¹³² aimed at contributing to the de-pollution of the Mediterranean by 2020 by tackling the sources of pollution (protocol 3). In the frame of the H2020, the Mediterranean Hot Spots Investment Programme – Project Preparation and Implementation Facility (MeHSIP-PPIF), was put in place in 2009 as a financial instrument to support the Horizon 2020 Investments for Pollution Reduction components. The first results of the MeHSIP-PPIF are coming through and include: i) an updated and consolidated Horizon 2020 project pipeline; and ii) the identification of the first five front-runner projects that currently constitute Wave I of the MeHSIP-PPIF Pipeline. See also I-6.4.4, in annex 9.

The EU has supported the fulfilment of main commitments concerning continental and marine waters (see also JC 6.4) although the main interventions (SWIM and H2020) are relatively recent to evaluate their full impact.

With reference to marine waters, the Commission's support through the SMAP contributed to the development of ICZM initiating or fostering other actions funded by other donors: 1) In Egypt (country visited during the evaluation), the Alexandria ICZM, funded mainly by Global Environment Facility, complements the previous ALAMIN funded under SMAP III, 2) In Morocco, there is a ICZM covering Chefchaouen and d'Al Hoceima financed by the AFD (French cooperation) and the World Bank, complementary to the Nador Plan funded under SMAP III; 3) In Tunisia, the project "Poséidon" signed in 2009 aimed at the protection of the coastline of Hammam-Lif and 2 other projects were signed in the context of H2020 (lake Bizerte protection plan and enhancement of Monestir gulf).

Commission regional programmes have supported the improvement of quality and monitoring of continental and marine waters through specific interventions/programmes, including the coordination and systematization of data, albeit only recently in the Southern region (JC 6.4)

In the **Eastern region**, the Commission has significantly supported actions to improve the **quality of continental waters** and, indirectly, marine waters. The *Water Governance in the Western EECCA countries* (already cited in JC 6.1 and JC 6.3) has: i) contributed to the establishment of a system of standards that incorporated standards from EU Directives (the current legal status varies from one

¹²⁹ 1) Dumping Protocol (from ships and aircraft), 2) Prevention and Emergency Protocol (pollution from ships and emergency situations), 3) Land-based Sources and Activities Protocol, 4) Specially Protected Areas and Biological Diversity Protocol, 5) Offshore Protocol (pollution from exploration and exploitation), 6) Hazardous Wastes Protocol, 7) Protocol on Integrated Coastal Zone Management (ICZM)

¹³⁰ Implemented during 2005-2008, it has a budget: €15 million (MEDA) and aimed at supporting the countries to prevent environmental degradation, improve environmental standards and integrate environmental considerations in their policies. The Short and Medium-term Priority Environmental Action Programme (SMAP III) encourages integrated coastal zone management around the Mediterranean. SMAP III continues the work of two earlier phases of the programme (1999-2005). See (http://www.enpi-info.eu/mainmed.php?id=32&id_type=10) and annex 9, I-6.3.5

¹³¹ This project is now called "Sustainable Water Integrated Management Support Mechanism, SWIM (ENPI/2009/020-504)", and is to be implemented over the period 2011-14. Although it falls beyond the scope of the evaluation, it foresees, in addition to the support mechanism (with a budget of € 6.7 million), demonstration projects with a budget of € 15 million (which will result from a specific Call for Proposals). See JC 6.4 and <http://www.swim-sm.eu/>

¹³² The H2020 2007-2013 Road Map focuses on four pillars: 1. Identification of projects to reduce the most significant sources of pollution; 2. Capacity-building measures; 3. Development of greater knowledge on environmental issues, 4. Development of indicators to monitor the success of Horizon 2020 (tackled by the Commission's intervention SEIS).

country to another); ii) provided training on the use of the same method for assessing and classifying water quality, thus enabling the use of a common method of assessing the status of trans-boundary water bodies; iii) contributed to determine the Emission Limit Values in a discharge necessary to achieve water quality objectives downstream (a mathematical model was put in place and a comprehensive manual was translated into Russian); iv) defined the laboratory equipment needs to be provided through a separate but parallel supply project.¹³³

Support to enhance monitoring capacities¹³⁴ and development of standards of quality of fresh waters was provided through the *Trans-Boundary River Management for the Kura River – Phase II*.¹³⁵ In this framework, relevant EU directives (specifically the Water Framework Directive) have been translated into national languages to favour their dissemination and common sampling procedures have been implemented. Although the implementation of the project recommendations concerning legal quality standards have been uneven, with Georgia lagging behind, interviewees met in Georgia have emphasised the good results of training activities and the increased cooperation among multi-country agencies on common standards^{136,137}.

In addition, instruments like DABLAS Task Force¹³⁸ provide a platform for co-operation for the protection of water and water-related ecosystems in the Danube and Black Sea Region, while the programme “Environmental Collaboration for Black Sea” to protect the Black Sea Basin, which implements activities¹³⁹ decided by the Black Sea Commission, supports the improvement of quality of continental waters through the treatment of wastewaters (7 projects were implemented in Ukraine, 5 in Georgia and 6 in Moldova).

As regards **monitoring and quality of maritime waters**, the EU support in the framework of the Black Sea Commission has been channelled through a specific instrument called “Strategic Action Plan for the Rehabilitation and Protection of the Black Sea (SAP)”, which was signed in 1996 and updated in 2009¹⁴⁰. The current SAP-2009 focuses on developing/improving the existing monitoring system, in order to provide comparable data sets for pollutant loads (from direct discharges and river inputs) and for other parameters. The specific intervention is the “*Black Sea Integrated Monitoring and Assessment Programme (BSIMAP)*”, which was first implemented in 2001 (modified in 2006), and its main purpose is to provide data about the state of the environment (see annex 9, I-6.4.1).

Improvement of the quality of continental waters has also been supported in the **Southern region** through a number of regional interventions. Among them: i) “Sustainable Water Management and De-pollution of the Mediterranean” (€22 million, 2009-2013) aimed at enforcing sustainable water

¹³³ I.e. the concurrent project in the Caucasus on the Kura River. See also annex 9, data grid, I-6.4.1 / I-6.4.2.

¹³⁴ The project included the provision of equipment for laboratories.

¹³⁵ See volume 2, annex 7 ‘Project fiches’ and annex 9, I-6.4.1 and I-6.4.2.

¹³⁶ Azerbaijan and Armenia were not visited during the field phase, but the appreciations conveyed by the Georgian representatives encompassed Armenian and Azerbaijani participants.

¹³⁷ This project is now complemented by Trans-Boundary River Management Phase III for the Kura River basin. Started in 2012 and with a duration of 12 months.

¹³⁸ Environmental co-operation in the Danube - Black Sea Region aimed at financing of technical assistance and investments, by: 1) identifying priority objectives common to the region as a whole, 2) encouraging a more strategic focus to the use of available financing, and 3) ensuring co-ordinated action between all financial instruments operating in the region. (see <http://ec.europa.eu/environment/enlarg/dablas>). It includes the following facilities: 1) DABLAS support and secretariat services, 2009-2011, 2) DABLAS “Balkan” Facility, 3) DABLAS “Phare” Facility: operated in Turkey, Croatia and Romania, but other countries in other countries within the basin, have requesting assistance for similar pilot projects (e.g. Georgia and Ukraine), 4) DABLAS Project Pipeline focused on urban waste water-related investment projects identification and preparation in a river basin context.

¹³⁹ The programme includes Georgia, Moldova, Ukraine and Russia). See details in annex 9, I-6.3.5.

¹⁴⁰ Adopted by all Black Sea countries under Black Sea Commission framework (see also annex 9, I-6.3.5). SAP-1996 was aimed at assessing and monitoring pollutants, and, therefore, at: 1) setting up a Black Sea Monitoring System, based upon biological effects measurements and measurements of key contaminants; 2) preparing a “State of Pollution of the Black Sea” report to be published every five years, beginning 2006; 3) gathering data on actual and assessed contaminant discharge measurements for point sources, rivers, and, where possible, disseminating sources to be compiled and freely exchanged beginning 2002 on an annual basis.

management policies, disseminating good practices in the region and supporting the initiative for the de-pollution of the Mediterranean¹⁴¹, and ii) Horizon 2020 (see also JC 6.1).

A specific instrument of the H2020 is the Mediterranean Hot Spots Investment Programme – Project Preparation and Implementation Facility (MeHSIP-PPIF).¹⁴² Launched in March 2009, it aims at supporting the Horizon 2020 Investments for Pollution Reduction component. This will mainly be achieved through providing project development support to infrastructure investment, which will assist these projects to proceed towards securing funding and successful implementation.

The projects derive mainly from the so-called "hotspots" as identified under the National Action Plan (NAP) exercise that was coordinated by UNEP/MAP. In order to be chosen, projects have to meet a set of criteria (financial and environmental) as well as be strongly supported by the national administration responsible for planning and finance. The MeHSIP-PPIF is being undertaken on behalf of the European Investment Bank (EIB), which will also assess the possibility of supporting the above-mentioned projects with long term financing if country commitment remains strong. As outcomes of the intervention so far, at May 2012 a total of 84 projects across the Mediterranean region were already listed¹⁴³.

With reference to the monitoring of waters and marine waters, EU support in the Southern region is provided in the framework of the Horizon 2020 Initiative, through the ENPI-SEIS. The project aims to improve environmental monitoring and data and information sharing by gradually extending the Shared Environment Information System (SEIS) principles to the European Neighbourhood. This project, however, started in 2010 and no significant outcomes are identified as of 2012.

Finally, some of the Mediterranean neighbourhood countries had initiated the monitoring of the quality of coastal waters prior to the provision of EU support (Morocco, Tunisia, Egypt¹⁴⁴), although monitoring is not systematic.

4.7 MIGRATION / SECURITY

EQ7 TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO THE STRENGTHENING OF REGIONAL CAPACITIES & COOPERATION IN THE FIELD OF MIGRATION MANAGEMENT AND TO THE FOSTERING OF PARTNERSHIPS RELATED TO FOREIGN POLICY & SECURITY ISSUES?

INTRODUCTION

EU regional interventions in the field of migration and integrated border management (IBM) are entrenched in a more global EU policy and legal framework, with **significant differences among the two ENP regions**. This is due to the specificity of each region and to the EU's diverse approaches and priorities in the dialogue on migration and security.

Since the **Amsterdam Treaty in 1997**, the EU has strengthened its commitment to tackle the challenge of migration at EU level, reflecting its engagement in its external action. At first, migration was seen primarily a security problem, but in the framework of EU external action it was soon considered as a new area of opportunity for constructive cooperation with third countries, in pursuit of mutually recognised policy goals. This policy change is reflected in the EU **Global Approach to**

¹⁴¹ Now called "Sustainable Water Integrated Management Support Mechanism" (to be developed from 2011 to 2014). SWIM will be implemented through two Components: Component A: SWIM Support Mechanism (mainly technical assistance), and Component B: SWIM -DM Demonstration projects (which will result from a specific EC Call for Proposals). See details in EQ6 grid I643, and [HTTP://WWW.SWIM-SM.EU/](http://www.swim-sm.eu/)

¹⁴² See details in EQ6 grid under I644. ([HTTP://WWW.MEHSIP-PPIF.EU/I](http://www.mehs-ip-piif.eu/))

¹⁴³ During the visit carried out to Egypt, an interviewed EUD representative stated the difficulties linked with the financing procedures, and the interest rate of MeHSIF (2.25% higher than NIF). In addition, the NIF may allocate 10-15% in grant form, so the cited representative suggested a rescheduling of MeHSIP in line with NIF. It must be pointed out, however, that a previous beneficiary of EU funds (Water Holding) will apply for H2020 funds as well.

¹⁴⁴ In Egypt (country visited during the evaluation), the monitoring programme of maritime waters started in 1998, and monitoring was conducted seasonally on a regular basis every year, and counts 30 fixed monitoring stations along the Mediterranean coast. The measurements include physical, chemical and bacteriological parameters.

Migration (GAM), launched in 2005¹⁴⁵. The approach brought together various policy areas relevant to migration – including EU external relations, development, employment, justice, security – and further integrated other policy areas – such as legal migration and integration– so as to establish a comprehensive partnership with third countries. Initially developed for Africa and the Mediterranean¹⁴⁶, the GAM was extended to the ENP East region, with a focus on building the capacity of relevant institutions, and strengthening regional cooperation¹⁴⁷.

In the **ENP East region**, the RSP (2007-2013), in line with the approach adopted in TACIS, clearly identified Integrated Border Management as one of the strategic flagship initiatives, whereas in the **ENP South region**, the MEDA and ENP Regional Strategy Papers¹⁴⁸ emphasis was placed on address “...issues related to justice and home affairs, border control, the fight against terrorism and crime [which] have come to the forefront in the Euro-Mediterranean Partnership”.

The different strategies and approaches have been given different weight, financially, in the two regions. Under the geographic instruments, the **ENP East** region received **€ 98.3 M**, i.e. 76% of the overall € 129 M allocated to ENP regional cooperation on security and migration; the **Southern region** received **€ 24.4 M** (19% of the overall funds) and the remaining € 6 M (5%) are addressed to the whole ENP area. This partially explains why the concrete results of Commission programmes in the ENP East are by far more significant than those in the ENP South.

Answer to EQ 7 – Summary box

The Global Approach to Migration (GAM) provided a sound and comprehensive policy framework to tackle the new challenges of migration. Nevertheless, there are significant differences in the Commission's support on migration and security in the two ENPI regions, East and South. Differences in approaches, strategies, objectives as well as allocated amounts.

In the **ENP East**, the Commission's support contributed to strengthening regional capacities, cooperation mechanisms and operational partnerships, mainly through security and border management programmes (e.g. EUBAM, SCIBM, IBM FIT). In this region, the cooperation was inspired by the enlargement process and the harmonisation with the *acquis communautaire*, which, coupled with the strategic interest of the EU towards securing its Eastern borders, contributed to the production of significant results of the IBM programmes in the East. The regional approach had the added value to build confidence and promote cooperation within the overall region, even though the programme produced different results in the various countries (with greater emphasis in Moldova and Ukraine, where more resources were allocated through EUBAM). The Commission did not focus in the ENP East on the other components of the GAM (legal migration, migration and development).

In the **ENP South**, the Commission's support to regional cooperation had the merit to open up a comprehensive dialogue in the field of security and migration. As of 2005, within the political framework of the Barcelona Process (now Union for the Mediterranean), the debate was inspired by the GAM and its three specific components: illegal migration, legal migration, migration and development. EC programmes supported regional cooperation primarily through regional studies and researches (e.g. EuroMesCo, CARIM), as well as regional trainings and working groups (e.g. EuroMed Migration II). Even though these activities were useful for networking purposes and opened up the debate on these issues (too sensitive to be tackled at bilateral level), the weak political commitment and partly conflicting agenda of both the EU and ENP South countries (EU focusing more on its internal security and the fight against illegal migration; ENP South partner countries more keen to cooperate on legal migration and development) limited significantly the actual results and sustainability of these programmes.

¹⁴⁵ Priority actions for responding to the challenges of migration: First follow-up to Hampton Court – COM (2005)621; The GAM one year on: towards a comprehensive European Migration Policy – COM (2006) 735.

¹⁴⁶ See below, Rabat Process.

¹⁴⁷ Applying the Global Approach to Migration to the East and South-Eastern regions neighbouring the European Union COM (247); A Common Immigration Policy for Europe: principles, actions and tools – COM (2008) 359.

¹⁴⁸ MEDA 2002-2006; ENPI 2007-2013.

Commission's regional support to migration management and border security produced different results in the two ENPI regions: in the East, more emphasis was given to border management issues leading to concrete results in terms of alignment with the *acquis* while in the South a more comprehensive approach was adopted, through the transfer of knowledge and the exchange of experience on migration practices and legislation among MEDA partner countries (JC 7.1)

The Commission's regional support on migration management and border security was characterised by different strategies in the two regions and, as a consequence, different policies and programmes in the ENP South and in the ENP East regions were devised.

In the **ENP Eastern region**, the regional strategy and programmes throughout the evaluation period focused almost exclusively on Integrated Border Management (IBM), with the aim to address illegal immigration, combat organised crime and secure ENP East borders. The EU programming documents¹⁴⁹ identify Integrated Border Management as one of the strategic flagship initiatives, highlighting the importance of integrated border management to “...assist in the fight against drugs, address customs fraud, trafficking and illegal migration, and thus help to make progress in key policy areas”.

On illegal migration, and strengthening the capacity to manage the security at the border, the EC action has been substantial in the ENP East region. The main programmes were: (i) the “EC Programme Supporting Integrated Border Management Systems in the South Caucasus” (SCIBM), intended to facilitate the introduction of the European IBM concept in Armenia, Azerbaijan and Georgia; (ii) the “Integrated Border Management Flagship Initiative Training Project” (IBM FIT), financed to set up IBM structures aligned to EU standards, in order to effectively address customs fraud, trafficking and illegal migration; (iii) the “EU Border Assistance Mission to Moldova and Ukraine” (EUBAM). In the evaluation period, the GAM components addressing legal migration and migration and development have been addressed, at regional ENP East level, only to a minor extent through thematic instruments.

In relation to the strengthening of capacity to manage security at the border, the EC action has been more substantial and effective in the ENP East, even if it has neglected important issues of the GAM notably in relation to legal migration and migration & development. Only very recently (2011), the Commission has launched a comprehensive study on labour migration, which aims at analysing the cost-benefit from the opening-up of the EU market labour to Eastern partners and Russia.

The proximity of East ENP regions resulted in concrete strategies to facilitate the alignment of infrastructure, procedures and quality standards to those of the EU, as well as alignment to the *acquis*, particularly in order to enhance security and to facilitate migration and regional integration.

Thanks to EUBAM, Ukraine and Moldova developed fruitful cooperation with the border guards and immigration authorities of the EU states concerning exchange of information, risk analysis and sharing of experience in combating organised crime and illegal migration¹⁵⁰.

This system has been enlarged to become more integrated, with the approval in 2009 of the IBM Flagship Initiative including all six East partnership countries, notably the Republic of Belarus. The project has two main objectives: firstly to consolidate the IBM principles into national strategies, and secondly, to foster inter-agency and cross-border co-operation between partners. The project is also viewed as complementary to current actions such as the EU EUBAM, the EU SCIBM and various other ongoing regional and national forums/projects. According to the different progress reports, the activities have been implemented according to the working plan and the initiative has received positive feedback from the Commission¹⁵¹ and is integrated into the *Democracy, good governance and stability* platform of the Eastern Partnership.

The migration policy and strategy in the **ENP South** in the evaluation period was driven by the “Euro-African Migration and Development Process” (so-called “Rabat-process”¹⁵²), aiming at creating

¹⁴⁹ Regional Strategy Paper TACIS (2000-2006), Regional Strategy Paper ENPI / Eastern Partnership (2007-2013).

¹⁵⁰ Implemented in the evaluation period through 6 contracts for a total of € 61 M (77% of the total ENP East envelope). It fostered among others alignment to the *acquis* (Guidelines for IBM in EC External Cooperation, combined with the Schengen Handbook and the EU Customs Blueprints). See I-7.1.1 for details. See also JC 7.2 for further information.

¹⁵¹ Interviews EC officials, Interim narrative report IBM FIT 10.02.2012

¹⁵² Rabat Process: <http://www.dialogueuroafricanmd.net/web/index.php/the-rabat-process>; Rabat Conference Action Plan: <http://www.dialogueuroafricanmd.net/web/uploads/cms/rabat%20conference%20action%20plan.pdf>

a framework for dialogue and cooperation where practical initiatives can be implemented, with a geographical focus encompassing European and African countries.

The EU programming documents¹⁵³ confirm that the objective of the regional cooperation in the ENP South was to “enhance cooperation on managing migration flows between country of origin, transit and destination and strengthen cooperation in the fight against illegal migration”. The regional programmes implemented in the ENP South (e.g. Consortium for Applied Research on International Migration - CARIM, EuroMed Migration II) reflect this approach.

In order to improve the comprehensiveness of its action and the knowledge of migratory flows from neighbouring countries, the European Commission has co-financed with a regional perspective the set-up of the CARIM. The CARIM observatory relies on a *network of country-based experts* connected across countries and disciplines, thus allowing rigorous comparisons; data are organised into a *single Migration Database* offering a unique tool for the multidisciplinary analysis of migration. Initially created in 2004 for the Southern & Eastern Mediterranean (SEM) and Sub-Saharan Africa, it has been extended in 2011 to the Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) and the Russian Federation.

CARIM organizes as well events that provide opportunities for advanced training in migration studies, in-depth discussion on migration's challenges in the neighbouring countries and for exchanging knowledge and experience between academics, practitioners and policymakers. (see I-7.1.3)

The priorities of the EuroMed Migration II project have been identified along the lines of the 2005 Global Approach to Migration, which inspires its three components: (i) management of legal migration; (ii) prevention and reduction of illegal migration; (iii) relation between migration and development. The programme was structured on two levels: a multilateral “policy level” aimed at identifying policy recommendations through thematic working groups; and a “technical level” aimed at exchanging practices and experiences through trainings and study visits (capacity-building). The overall aim was to build the capacity of relevant authorities on migration management, and to strengthen regional cooperation in the field of migration. The capacity development strategy, though, was based on individual level participation, and even if trainings were much appreciated by the participants, the impact was limited in the absence of a replication strategy in the form of training-of-trainers and/or sub-regional and national sessions addressing a broader audience, and hence enhancing ownership¹⁵⁴. More time should have been foreseen for activities to ensure that they were fully understood through follow-up or national sessions. In any case the project succeeded in offering a forum for dialogue between MEDA and EU countries on issues of joint interest on migration policies legislation and practices. This can be considered a major milestone in view of the complex regional dimension in which political co-operation has often been segmented and conducted on a bilateral or sub-regional level.

Some thematic instrument's projects with a regional dimension contributed to strengthen the ability to deal with migration issues (e.g. capacity-building on asylum in North Africa, and capacity development on border and migration management in Libya and Algeria).

The Commission's regional support has significantly enhanced the capacity of the agencies dealing with integrated border management and migration in the ENP East region. It has also enhanced the capacity of the agencies dealing with those issues in the ENP South region, but - as was to be expected given the different approach adopted by the Commission in the Southern ENP region - to a lesser extent (JC 7.2)

In the **ENP Eastern region**, the Commission's interventions have considerably enhanced the capacity of the agencies dealing with border management and migration. The three IBM programmes mentioned above (EUBAM, SCIBM, IBM FIT) implemented key actions to upgrade the capacity of the relevant institutions, and to harmonise the relevant legislation and procedures with EU and International standards.

EU cooperation with Ukraine and Moldova has been the most advanced in the region. As a result of the EUBAM, both countries have adopted a national IBM strategy and an IBM concept along the lines of EU

¹⁵³ Regional Strategy Paper MEDA (2002-2006), Regional Strategy Paper ENPI/Euro-Med Partnership (2007-2013).

¹⁵⁴ ROM report, October 2010.

border management standards. Documentary analysis, complemented by information gathered during the implementation of the IBM evaluation confirm that - through EUBAM Ukrainian and Moldovan partner services, have enhanced international cooperation with neighbouring countries, EU Member States and international organizations¹⁵⁵ by way of strategic agreements, joint operations and numerous training and meetings.¹⁵⁶ Moldovan-Ukrainian cooperation in fighting cross-border crime and illegal migration has improved significantly as well, through the implementation of Joint Border Control Operations (JBCOs) in the period 2006- 2010.

To complete the action of EUBAM and SCIBM, with the aim of developing and implementing IBM strategies and concepts in the whole ENP East region, the Commission implemented the IBM FIT programme, with all six Eastern Partnership countries - including Belarus, which did not benefit from previous EC contribution in this area of intervention.

In the **ENP South** region, the Commission's interventions did not succeed to equally strengthen the capacity of the agencies involved in migration and border management. This was due, primarily, to the different contexts, policies and strategies specific to the two regions. The Euro-Mediterranean policy dialogue was indeed more comprehensive, while at the same time the resources allocated to this dialogue were more limited.

Indeed, EuroMed Migration II promoted networking, exchange of information, experiences and good practices, as well as trainings, but did not go further in terms of capacity building at country or regional level. Regional conflicts, internal political tensions and often conflicting agendas between the EU and its Southern Neighbours hindered more significant achievements in this area (see also JC 7.1).

Even though in relations with both its Eastern and Southern neighbouring regions the EU has placed common security on the top of the agenda, the Commission's regional activities only provided limited support to the security dimension of the ENPI partnership, both in terms of political dialogue and in terms of resources¹⁵⁷. (JC 7.3)

In the **ENP East region**, before the Eastern Partnership in 2009, there was no structured dialogue on security. As a result, the Commission did not contribute significantly to the dialogue on the "frozen conflicts" in the Eastern region. Some support in this area was nevertheless provided through the EUBAM programme, which facilitated the dialogue on the settlement of the Transnistria conflict between Moldova and Ukraine. In the other countries, the Commission's action mainly focused on IBM and fight against organised crime – also in light of lessons learnt from the TACIS experience in these areas - through initiatives grounded in an existing political willingness among beneficiary countries to co-operate on a regional basis or initiatives that included actions to boost the overall political commitment to those sectors (see also JC 7.1 & JC 7.2).

In the **ENP South region**, in spite of the 'common area of peace and stability' objective promoted through the Barcelona process (now Union for the Mediterranean) and the Euro-Mediterranean Partnership, regional interventions of the Commission did not significantly contribute to progress in the dialogue process on the ongoing regional conflicts.

The main programme addressing the Middle-East Peace Process was the "Partnership for Peace", (PfP) which supported civil society initiatives in the peace-building sector, strengthening their role in promoting conflict assessment, transformation, management and resolution (see I-8.2.1 for details). Conclusion from a recent evaluation of the PfP¹⁵⁸ confirmed the positive aspects of this initiative and underlined some relevant successes in this critical context. Through the funding of hundreds of projects, the Programme has worked directly with civil society, increasing opportunities for mutual understanding. The Programme also succeeded, to a limited extent in developing political options

¹⁵⁵ Among them EUROPOL, FRONTEX, SECI Center, WTO, WCO, UN Economic Commission for Europe, Council of Customs Administrations of CIS, GUAM, BSEC.

¹⁵⁶ See also the final report of the Integrated Border Management evaluation.

[HTTP://EC.EUROPA.EU/EUROPEAID/HOW/EVALUATION/EVALUATION_REPORTS/REPORTS_BY_YEAR_EN.HTM](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports_by_year_en.htm)

¹⁵⁷ Over the period 2004-2010 the Political and Security Dimension (POL) sector received € 179 M from both the geographic and the thematic instruments financing regional programmes for the ENP area. Globally, this amount corresponds to 18% of the overall EC funding for the two ENP regions (€ 982 M).

¹⁵⁸ Final Report: Evaluation of the EU Partnership for Peace Programme (April 2010).

and creative thinking around critical issues such as the questions of land sharing, the settlements' growing expansion, Jerusalem, refugees and a Two States Final Status. The evaluation nevertheless underlines that missing links among participating beneficiary communities is a weak aspect of the PfP implementation strategy: one major obstacle to achieve a sounder sustainability has been the lack of the Programme to build a cumulative capacity, that is to move from scattered interventions to coordinated actions where the actors / stakeholders can benefit from mutual reinforcement.

The European Commission also provided support to EuroMesCo (Euro-Mediterranean Study Commission), the main network of research centres on politics and security in the Mediterranean region, with the aim of (i) reinforcing cooperation on policy and security among the community of Euro-Med research institutes; and (ii) strengthening the source of analytical expertise in these areas. Nevertheless, despite the high relevance of this programme as a confidence building measure and the high quality of the reports produced, the studies remained mainly at the level of academics works, and the programme did not succeed in contributing to shape current debates on Euro-Med policies (see I-7.3.1 and I-7.3.2 for details).

Despite progress, the Commission's leverage to raise awareness on Human Rights and Gender issues in migration and security interventions in the ENP region remains weak (JC 7.4)

Even though the EU is firmly committed to promoting and mainstreaming human rights (HR), their mainstreaming within regional interventions in the migration and security areas remains *ad hoc* and unsystematic. Similarly, despite the Commission's overall policy commitment to mainstream gender equality (including the development of a specific toolkit), the analysis of the regional programmes' documents shows that there is no evidence of a systematic integration of gender in the different interventions.

Some elements in the migration field are anyhow present such as the inclusion of training sessions specifically targeting HR and gender related issues in the activities of the relevant regional programmes. At times, they also go further to include coverage of the European concept for border security in the legislation of some countries in the East ENPI¹⁵⁹.

In the **ENP East** region, HR principles have been integrated in the IBM concept, with a view to strengthen the democratic principles inspiring the IBM concept and the related operational procedures, and ensure respect of human rights and freedoms. With the Eastern Partnership in 2009, it was decided to integrate the Söderköping Process¹⁶⁰ into the Partnership under the Democracy, Good Governance and Stability (Platform 1), with a view to further enhance the dialogue on HR.

In the **ENP South** region, HR and gender have not been high on the agenda and it has proved difficult for the Commission to engage in a dialogue on those issues with its Mediterranean partners. An ambiguous signal sent by the EU to the region was the introduction of the Union for the Mediterranean, where the democracy agenda was neglected in contrast to the Eastern Partnership, in which democracy constitutes one of the four platforms. In this perspective, the EU has been criticised as having "often remained silent when human rights and democratic freedoms were violated in the Mediterranean partner countries, specifically when it came to Islamic actors, and cooperation continued unabated"¹⁶¹.

¹⁵⁹ In the **EuroMed Migration II** project specific training sessions have been organised for 85 officers from relevant Ministries in the 9 MED countries on: 1) Rights and Obligations of Migrants; 2) Citizenship and Prevention of Statelessness, International and European Standards and Law. Targeted training on gender issues linked to migration has also been organised. **EUBAM** pays attention to HR issues in the implementation of the programme, providing specific reporting on the respect of HR in its activities. For instance, as an effect of the EUBAM programme, the European concept for developing border security, including HR concerns, was integrated in the Ukrainian legislation. See I-7.4.1 for details.

¹⁶⁰ Initiative launched in 2001 to coordinate the cross-border cooperation issues of asylum, migration, and border management for the countries by the Eastern border of the EU.

¹⁶¹ "Mixed Signals" Still? The EU's Democracy and Human Rights Policy since the Outbreak of the Arab Spring; Daniela Huber. IAI working paper May 2012.

4.8 GOOD GOVERNANCE / JUSTICE

EQ8 TO WHAT EXTENT AND HOW HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO STRENGTHENING GOOD GOVERNANCE IN THE TWO REGIONS, NOTABLY IN THE JUSTICE SECTOR?

INTRODUCTION:

This question covers 'Good governance', intended as democratic governance in line with the COM (2006) 421 of 2006. It focuses on the "respect of human rights and fundamental freedoms; support for democratisation processes, respect for the rule of law and access for all to an independent justice system". Human rights (HR) & democracy are approached in the ENP regions mainly at bilateral level and through thematic instruments.

In the **ENP East region**, the low consideration of HR at regional level is influenced by the features of the regional policy framework among the relevant countries (during the evaluation period) and by the absence of regional organisations encompassing all countries within the region.

In the **ENP South region**, HR and Democracy are better integrated in the policy framework of the Barcelona Process - now the Union for the Mediterranean - although EU funding addressing these issues through regional programmes is also very limited.

The justice sector at regional level is addressed only in the ENP South. The importance of the sector in this region is linked to the presence of a major programme, **EuroMed Justice II**¹⁶², which absorbs the major part of the funding for the ENP South in the area of Governance. EuroMed Justice II builds on the experience and lessons learnt from its previous programme, EuroMed Justice I, which was launched before the period covered by the evaluation.

Answer to EQ 8 – Summary box

Even though the EU has always endorsed and promoted Democratic Governance and Human Rights in its external cooperation, the programming documents and the related action programmes in the ENP region did not focus primarily on these areas of cooperation.

In the **ENP East**, a real dialogue in these fields only started in 2009, when the Eastern Partnership was launched. Regional cooperation in the evaluation period is thus limited to minor interventions funded under the thematic programmes and instruments (mainly the DDH - EIDHR), targeting democratisation, human rights, freedom of expression, media pluralism. The EU's contribution to strengthening Governance through regional programmes is thus rather limited, reflecting the scarce resources allocated to these areas of cooperation.

In the **ENP South**, within the Barcelona process, which started in 1995, the *Political and Security Dialogue* aimed at creating "a common area of peace and stability underpinned by sustainable development, rule of law, democracy and human rights". In practice however, the difficult context of regional tensions negatively affected the commitment of the parties to work together. Democratic governance, human rights, gender and civil society were not common priorities for cooperation and it was difficult for the Commission to engage in those areas.

In this region, the main programme implemented by the EU in the justice sector was **EuroMed Justice II**, which - together with its predecessor - had the positive effect of opening up a dialogue on justice and judicial cooperation in the region, and creating a network of legal and judicial experts in the Mediterranean region. In many MEDA countries this was the first initiative on justice, as this field was considered too sensitive for bilateral cooperation. This is no doubt a positive outcome of the programme.

¹⁶² EuroMed Justice II (January 2008 – March 2011) follows EuroMed Justice I. The beneficiaries of this project are: the People's Democratic Republic of Algeria, the Arab Republic of Egypt, Israel, the Hashemite Kingdom of Jordan, the Republic of Lebanon, the Kingdom of Morocco, the Palestinian Authority, the Syrian Arab Republic and the Republic of Tunisia. This project revolves around 3 main components: Access to justice and legal aid; Resolution of cross-border family conflicts; and Criminal and prison law.

Even though the Commission has supported Good Governance and Human Rights in its political statements, its commitments are not appropriately reflected nor mainstreamed at programming level (JC 8.1)

Regional strategic and programming documents in relation to the two regions show a clear sensitivity for human rights and democracy. Since 1995, a human rights clause is included in all partnership agreements, which contain declarations on human rights, democracy and rule of law as assumed shared values. The Association agreements with the Mediterranean countries and the Partnership and Cooperation agreements for the countries in the Eastern region all contain a specific article (Art.2) on this issue.

The EU has sought to further translate its commitment and mainstream human rights at programming level, including regional strategy papers, bilateral action plans, and thematic programmes. Human Rights and democracy are entrenched in the policy documents as guiding principles. Nevertheless, one can observe a phenomenon of 'dilution' of the democracy & human rights component as the cycle moves 'downstream', i.e. from broad political pledges to policy frameworks down to programming, choice of instruments, allocation of funding and selection of projects. This 'dilution' appears under various forms including: (i) the lack of coherent strategy to address problems through concrete interventions; (ii) the limited funding for related democratic & human rights aspects in other thematic important sectors; (iii) the tendency to confine human rights work to thematic instruments (see I-8.1.1 & I-8.1.4).

EU support to HRs and democracy appears to be the weakest part of the ENP regional strategy in both regions, although differences can be noticed between the East and South regional approaches. Indeed, these issues have received more attention in the ENP South region. Only € 410,000 or 0.04% of the overall EU regional funds contracted under the geographic instruments were absorbed by the sub-sector Human Rights and Democracy. Of these, approximately €390,000 (95% of funds) were absorbed by the Southern region, while the Eastern ENP region received the remaining € 20,000 (5%). These funds financed 9 contracts primarily focusing on freedom of expression with an overall limited influence on the HR and democracy scenario at regional level (see I-8.1.2 for more details).

On the whole, the progress on mainstreaming human rights in EU action appears to have been limited. While the political discourse in favour of human rights and the overall awareness among staff increased, coherent action on mainstreaming remains *ad hoc, unsystematic and insufficiently supported*¹⁶³. (see also I-8.1.5).

The Commission has not elaborated strategic approaches to promote complementary use of regional and bilateral programmes, mainly because it has focused its regional programmes on sensitive issues that could not be supported bilaterally (JC 8.2)

In the area of Governance and Human Rights there has been limited strategic reflection and dialogue on how best to promote the combined use of bilateral and regional instruments. This was mainly due to the specificities of the two regions where, for different reasons (see below), it was difficult to engage in a true debate on democratic governance, justice and human rights. Regional interventions were thus programmed where there was no real opening for bilateral cooperation. Moreover, only limited resources were allocated to the achievement of enhanced democratic governance in the region.

In the **ENP South** region, the Barcelona process in 2005 placed financial cooperation implemented under the MEDA II Regulation (ENPI as of 2007) within a politically driven process that did not exist in other regions. However, it took place in a difficult context of regional tensions that limited the will of the partners to work together. Sensitive issues such as *inter alia* civil society, human rights and the situation of women have not been high on the agenda of the partners and it has proved difficult for the EU to engage in meaningful dialogue on these issues. The EU attempted to address such issues through Ministerial Conferences and various regional *fora* between the EU and Mediterranean countries, and to include them as much as possible in its programmes, but with limited success. An important project in this respect was **Enhancing Equality between Men and Women in the**

¹⁶³ Thematic evaluation of the EC support to human rights and respect of fundamental freedoms (including solidarity with victims of repressions), December 2011.

EuroMed Region (EGEP). This initiative aimed primarily at implementing the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which was very relevant, but the limited ownership and poor management faced during its implementation negatively affected the outcome of the programme. The situation has dramatically changed in 2011, and following the Arab Spring there has been a considerable reorientation of the Commission's policy toward ENP countries that calls for closer correlation between democratic reforms and EU funding.

In the **ENP East**, the Eastern Partnership (EaP) was launched in 2009, with the intention of intensifying the level of engagement of the six Eastern partner countries with the EU. The EaP opened up the scope for more involvement of non-state actors in multilateral *fora*, in order to contribute to processes of regional social integration and to sharing experiences to enhance democratisation processes. The set-up of a specific platform for dialogue on democracy and the creation of the EURONEST and Civil Society Forum are examples of this cooperation.

Finally, the strategic complementarity of programming at bilateral and regional level is challenging and in practice, it is primarily sought by ensuring - at the level of single programmes and/or projects - that there are no duplications at bilateral or thematic level. This practice is also reinforced by the fact that regional interventions are based on some flagship initiatives that are reiterated during the years, notably in the South region. Coordination at operational level within the EU has, however, significantly improved following the rationalisation of the thematic instruments in 2007.

The Commission's regional support has enhanced cooperation between relevant justice actors and institutions across the regions, and to a more limited extent with the EU (JC 8.3)

In the justice sector, EU interventions towards ENP countries were mainly aimed at supporting national reforms of the judiciary systems and at developing the institutional and administrative capacities of the justice administrations at national level through the Action Plans. The main regional intervention aimed at supporting cooperation between relevant justice actors and institutions in the **ENP South** region is EuroMed Justice II. Indeed, the geographical distribution of the Commission's regional contracted amounts in the justice sector shows that the ENP South is by far the main recipient. Overall regional funds committed through the geographical instrument to the justice sector amount to €5.5 M. Of these, € 5.4 M (i.e. 98%) are channelled to the Southern region with the EuroMed Justice II programme alone absorbing € 5 M, while the ENP East region only received € 115,000 (2%).

EuroMed Justice II is 3-year programme focusing on building an inter-professional community of judges, magistrates, court registrars, lawyers, reinforcing the rule of law and the effective implementation of human rights, and enhancing judicial cooperation in the region through the creation of a network of dialogue and contacts in justice matters. The Programme was structured around 3 components, chosen on the basis of Commission strategy papers and the priorities expressed by the beneficiary countries: i) Access to justice and legal aid; ii) Resolution of cross-border family conflicts; iii) Criminal and prison law. Through regional working groups, trainings and conferences that saw the participation of more than 800 participants from MEDA countries and more than 200 from EU countries, the programme has fostered enhanced cooperation and creation of networks across the region and with the EU countries even if the amount of people involved is small and limited to legal professionals¹⁶⁴. Overall and with varying degrees, the programme has promoted the development of Med partners' institutional and administrative capacity, and has allowed delegations of the beneficiary countries in the field of justice to meet on a regular, constant and periodic basis, thereby fostering exchanges of experiences and comparative analyses that are widely recognised among the beneficiaries¹⁶⁵. Field missions confirmed the strong appreciation by national institutional stakeholders of the value added of EU MS' expertise and more generally of the importance of the programme as a vehicle to foster dialogue and establish connections among legal professionals from different countries. More extensive participation of EUMS experts (judges,

¹⁶⁴ Final Report EuroMed Justice II, Final Activity Report: 1st January 2008 – 31st March 2011.

¹⁶⁵ ROM Monitoring report MR-115507.01, 18/11/2009.

registrars...) and better follow-up of the events are deemed necessary to consolidate and build on achievements to date.¹⁶⁶

In the **ENP East** region, a specific platform for dialogue on democratic governance was established with the Eastern Partnership, and the EU, in cooperation with the Council of Europe, is conducting multilateral seminars to discuss electoral standards, judicial reform, fight against corruption, etc. As a result of these activities, professional and personal relations have been established among legal and judicial professionals, and these relations represent the seeds of future cooperation and common work across countries in the Eastern region, and with Europe.

Commission's regional support has enhanced knowledge of justice actors on judicial matters in the South-Mediterranean region (JC 8.4)

The EuroMed Justice II programme aimed at exchanging knowledge of judicial and legal cooperation mechanisms in the Mediterranean region, and at enhancing the capacity of judicial professionals at regional level. Capacity development was thus not meant as the transfer of knowledge and skills on specific legal issues, but as an exchange of experiences and best practices among the countries of the Southern region, as well as among those countries and EU MS. This objective was achieved through different tools: (i) discussing in working groups the common challenges to further explore during trainings and seminars; (ii) delivering training and piloting "training the trainers" schemes in the respective countries; (iii) carrying out study visits to get acquainted with good regional practices. Regional conferences were organised to discuss the activities carried out during the implementation of the above-mentioned activities. Specific technical assistance missions were also carried out, ensuring complementarity with the TAIEX and Twinning instruments.

The impact of this programme in terms of knowledge sharing and capacity building can be compared with that of EuroMed Migration II, which has the same architecture. Both the positive achievements and the limits of these programmes are indeed similar, as it results from both the monitoring reports and the field missions. If on one hand, they produced the hoped-for results and had the merit to open up a Euro-Med cooperation and a regional debate in these fields, some concrete shortcomings have been identified. The discontinuous participation of EU MS experts in the activities limited the exchange to the Southern neighbours (a stronger participation of peers from EU MS would have been an advantage); the mechanisms to appoint experts from the participating MEDA countries was not always transparent; there was weak follow-up of the activities; the network of experts participating to the different events was not sustainable (people come and go); and the EU had a too strong influence on the decision of the areas chosen for cooperation, selected primarily according to its own agenda.

4.9 CIVIL SOCIETY

EQ9 TO WHAT EXTENT HAS THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS CONTRIBUTED TO INCREASED SOCIO-CULTURAL COLLABORATION WITHIN THE ENP REGIONS AND BETWEEN EACH OF THE ENP REGIONS AND THE EU THROUGH ENHANCED COOPERATION & CONTACTS BETWEEN NON-STATE ACTORS?

INTRODUCTION:

Commission policies and programmes in the two ENP regions during the evaluation period aimed at strengthening the socio-cultural partnership among civil societies of the different countries, with specific traits in the South and East regions.

In the **ENP South**, one of the three pillars of the Barcelona Process and the Union for the Mediterranean is the "Social, Cultural and Human Partnership", which aims at "promoting understanding and intercultural dialogue between cultures, religions and people, and facilitating exchanges between civil society and ordinary citizens, particularly women and young people". This dimension has always been included in Commission's regional programming and financial assistance.

In the **ENP East**, the socio-cultural dimension was strengthened with the Eastern Partnership (EaP) and its multilateral tracks' system of Platforms in 2009, which stressed the paramount importance of

¹⁶⁶ EuroMed Justice III is ongoing (2011-2014).

the development of civil society in the region. Indeed, one of the Platforms reflecting the 4 main areas of cooperation is dedicated to People-to-People Contacts. Consistently with this approach, the Eastern RSP 2007-2013 and its related RIP 2007-2010 identified for the first time the People-to-People Contacts as one of the priority sectors.

In the ENP East, only a relatively small percentage of regional funds was provided to strengthen the cooperation among civil society organisations at regional level, and Commission support to civil society only targeted narrowly defined sectors (e.g. inter-cultural dialogue; socio-economic dialogue; youth; volunteering).

Answer to EQ 9 – Summary box

The Commission's support to regional cooperation contributed to increase socio-cultural collaboration within each of the two ENP regions, especially through enhanced networking and exchange of experiences between non-state actors.

In both regions – even if primarily in the South - a significant number of regional networking activities have been carried out; high-level papers and studies have been produced; and significant exchanges of experience and networking events have taken place. Different platforms have been created, and a regional dialogue has been launched among CSOs on a wide range of social policy issues. Concrete outputs and results of the different programmes have been achieved as planned (e.g. Anna Lindh Foundation), even though the relevant stakeholders (e.g. EUDs, programme beneficiaries) showed some concern on the added value of a cooperation with CSOs where State institutions often played a coordinating role. The relatively limited amount of resources in the Eastern region and the fairly disparate set of actions put in place in the Southern region did not lead to significant impact (neither at overall regional level nor within the single countries involved).

In the ENP South, the various programme reports and field missions show that the European Commission often addressed its programmes to “hybrid” stakeholders (State institutions filtering the participation of CSOs into the programmes, and CSOs). This was due primarily to the difficult political context in the ENP South region, in particular before the Arab Spring. This is now changing and the Commission is definitely adapting its approach to the developing context of Civil Society which followed the Arab Spring.

Commission's regional interventions contributed to strengthening the capacity of Civil Society Organisations (CSOs) in the two ENP regions through training, exchange of experience and networking, targeting in particular young people (directly or indirectly) (JC 9.1)

The main objective of ENP regional programmes¹⁶⁷ in the social sector has been to promote intercultural learning and understanding, especially among young people. This objective has been pursued primarily through training, exchange of knowledge and good practices. A high number of conferences, meetings, and workshops have taken place in the region, with the aim of exchanging experience and enhancing the capacity of CSOs. In the years 2004-2010, Commission support in these areas has been discontinuous, with frequent increases followed by a decline in the funding. The Southern region was the main recipient: it received € 101 M, i.e. 80.6% of the overall € 125 M. The amount for the Eastern region equalled to € 19 M (15% of the overall funds). The remaining € 5 M (4.4%) was addressed to the whole ENP area (see I-9.1.2 for details).

The analysis of the projects selected shows a high number of people involved in the regional projects' activities. In the **ENP South**, the Anna Lindh Foundation (ALF) for instance brought together over 3.500 civil society organisations from across the region for the promotion of dialogue between cultures, of which 1,180 were actively involved¹⁶⁸. EuroMed Youth III provided services to 2,339 people (1.689 young participants aged 13-25 and 650 youth workers). In 2008-2010, TRESMED has organised seven

¹⁶⁷ Incl. MEDA and TACIS.

¹⁶⁸ Source ROM MR-115421.02; 29/12/2010

seminars attended by high-level representatives of the economic and social councils and socio-professional organisations¹⁶⁹ in 31 Euro-Mediterranean countries.

In the **ENP East**, a real and comprehensive dialogue encompassing all the dimensions of CSOs only started with the Eastern Partnership and its Civil Society Forum, launched in 2009. Prior to that, the projects financed under the CBC programme “Volunteers without borders” across Hungary/Slovakia/Romania/Ukraine planned to reach indirectly more than 2.500 individuals (I-9.1.2 & I-9.1.3). The people to people cooperation in the ENP East region had been mainly conducted through CBC, an instrument characterising EU support to non-state actors in the Eastern region prior to the EaP, focusing on the cooperation between local authorities and people from EU and ENP border regions (e.g. school to school, University to University).¹⁷⁰ The core policy objectives of CBC on the external borders of the Union are to promote sustainable development along bordering regions, to reduce differences in living standards across the borders, and to address the challenges and opportunities arising from the proximity between regions (see I.9.1.3).

With reference to the capacity development undertaken in the framework of the Euro-Med Youth III Programme, documentary review points to good results of the non-formal education projects in terms of intercultural learning, in the development of young people's interpersonal skills and in fostering active citizenship. The impact of the programme in terms of capacity building of youth workers and organisations has resulted to be significant as well. Moreover, the Euro-Med Youth Programme has had an impact in the development of youth associative life and of both regional and sub-regional cooperation. For the TRESMED project, which did not contain capacity trainings, the sharing of experiences through joint work and dialogue amongst the social and economic agents of the Euro-Mediterranean Region had positive results in relation to better knowledge of the socio-economic situation of the area and the positions of the social partners regarding this situation¹⁷¹. Specific training on administrative and financial EU rules are provided for the staff of the various projects and guidance and capacity building are given to the relevant national authorities in the Mediterranean partner countries for the operational implementation, notably in case of decentralized management (i.e. EuroMed Youth III) (See also I-9.1.4).

Finally, it is worth emphasising that gender balance and inclusion of disadvantaged people are promoted as cross-cutting issues throughout most of the programmes in this sector. Human rights (especially the right to express oneself and to move freely) are at the heart of the Anna Lindh Foundation (see I-9.1.5).

ENP regional interventions have increased mutual confidence of CSOs within the two ENP regions only to a limited extent, due to the top-down approach where governments often filtered CSO participation in activities and events (especially in the ENP South) (JC 9.2)

The “Social, Cultural and Human dimension” is broad in scope, and encompasses various areas of cooperation identified in the different ENP Regional Strategy Papers as follows: i) Civil Society; ii) Culture; iii) Local development; iv) Education and Training; v) Gender Issues; vi) Youth; vii) Audiovisual & Media; viii) Health; ix) Employment. “Culture” is the sub-sector that received the highest amount of funds (€ 44 M, i.e. 35% of the total funding for the Social sector including both geographic and thematic instruments). (See I-9.2.2.)

Commission programmes financed under this framework are very relevant for increasing mutual confidence and understanding of different cultures in the ENP regions and with the EU. Indeed, projects target a large variety of civil society organisations, ranging from NGOs, foundations, local authorities, or academic institutions, which are active in several fields such as international relations, youth, gender and education, arts and heritage, democracy and human rights, research, environment and sustainable development, media, and religious affairs. Regional programmes also have a broad geographical scope, since they generally include representatives from partner countries and from

¹⁶⁹ Trades unions, business organisations, cooperatives, agriculture and fisheries industries, legal and economic experts and academics and other civil society organisations. Source: ROM MR-128883.01, 05/2010

¹⁷⁰ Although the evaluation focuses on the regional strategies and their implementation, CBC and CBC programmes have been partially covered with a view to assess complementarities and synergies with regional cooperation. See also EQ 2.

¹⁷¹ Conclusions of the closing conference of the TRESMED 3 Project, May 2010.

Europe that have, to a great extent, diverse culture and approaches to improving the knowledge and practices exchanges. Nevertheless, in spite of the numerous training and networking activities, the concrete effects and impact of those programmes on CSOs is limited.

Their design often had a broad perspective, outlining more a political goal or a set of intentions than a coherent strategy capable of influencing the real situation of the people.

More generally, the resources available for each regional project are too small and the actions too diverse to have a great immediate impact at either regional or national level. Only at the local level have more concrete achievements been observed¹⁷². It should be stressed that in any case achievements and especially impact of interventions of this kind should be measured in the longer term. This is for example the case of the Anna Lindh Foundation (ALF) but also of Euro-Med Youth III and TRESMED, where, despite the strong relevance of the programmes and the role actually played by the programmes as facilitator of partnerships among organisations and institutions as well as in the establishment of platforms for dialogue, the lasting effects of the activities in contributing to promoting understanding and inter-cultural dialogue in the region will only be seen in the longer-term (see I-9.2.3).

An ambiguous attitude of the Commission has been observed – in the period covered by the evaluation - in relation to the selected management structure of some programmes vis-à-vis their goal to strengthen independent non-state actors in Mediterranean countries. Concrete examples are found in two of the projects selected for in-depth study: the ALF and Euro-Med Youth III. It is indeed questionable whether the ALF, a “Network of (43 National) networks”, where national networks are often coordinated by a government-nominated institution with the power to filter out potentially undesirable CSOs, genuinely reflects the objective to support a free civil society. The Euro-Med Youth III programme management structure is decentralised to the responsible MEDA national authorities. This means that the national authorities are responsible for the selection, contracting, financial management and monitoring of the projects carried out by their national project promoters. If from a “procedural”, “efficiency” and “institutional ownership” perspective this arrangement has proved positive, under a policy perspective it is questionable how this mechanism can genuinely strengthen the capacities of civil society in the region (see I-9.2.3).

In light of the changes that have followed the Arab Spring, the Commission is now promoting a new engagement with CSOs in the region which includes the set-up of the ‘*Neighbourhood Civil Society Facility*’¹⁷³ as well as the development of roadmaps “*based on a sound understanding of the CSOs arena and the wider socioeconomic context in which they operate*”, that include “*regular and participatory mappings covering the diversity of actors and including networks and platforms at national/sector levels.*”¹⁷⁴

The ENP framework has promoted the involvement of non-state actors and local authorities (LA) in multi-country structured initiatives, mainly through participation to civil society platforms and networks (JC 9.3)

In the **ENP East**, the first comprehensive multilateral policy framework for civil society has been established under the Eastern Partnership in 2009, which foresees a system of Platforms. Each platform can create panels of senior officials to discuss technical work in specific policy areas. One of the four platforms is dedicated to “People-to-People Contacts”.

¹⁷² As exemplified by the ROM MR-10408.02 (07/2009 of the EuroMed Youth III programme. “*Impact is greatest upon the beneficiaries of the program in terms of the expected results of changing attitudes, gender issues, democracy values and enhancing skills. However the impact of the program at the regional level remains limited. The resources available are too small and the actions too disparate to have a great immediate impact at either regional or national level. Impact will only be measured in the long term.*” And CBC projects – Volunteers without borders.

¹⁷³ The Facility aims at strengthening and promoting the role of civil society actors in reforms and democratic changes taking place in the Neighbourhood countries, through increased participation in the fulfilment of European Neighbourhood Policy objectives. See http://www.enpi-info.eu/mainmed.php?id=393&id_type=10

¹⁷⁴ See *The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations* of 12.9.2012, COM(2012) 492 final (page 9); and the Joint Communication to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions *European Neighbourhood Policy: Working towards a Stronger Partnership* of 20.3.2013, JOIN(2013) 4 final.

On the top of the civil society platform there is the Civil Society Forum (created in 2009), which promotes contacts among Civil Society Organisations of EaP and facilitates dialogue with public authorities. It facilitates the sharing of information and experience on the partner countries' steps toward transition, reform and modernisation. The Civil Society Forum has a specific Working Group dealing with the main issues on the agenda of the EaP thematic platform for People-to-People Contacts. The activities of this working group are divided into a number of areas, including Visa Facilitation, Education, Youth and Culture.

In the **ENP South**, the EuroMed Non-Governmental Platform was established in February 2003 as an inclusive and open-ended group of active civil society networks and organisations independent from public authorities. The Platform aimed at strengthening the role of civil society in the Euro-Med Partnership, reforming the EuroMed civil forum and establishing a permanent interface between EuroMed civil society and public authorities. From 2008 onwards, a EuroMed Civil Forum has been put in place providing a space for dialogue among civil society's actors around transversal themes such as mobility and living together in the EuroMed space.

The majority of the mechanisms conceived in the framework of regional interventions are informal networks (meetings, fora, seminar, conferences etc...), but more formal platforms and structures have also been supported:

- the Anna Lindh Foundation (ALF), through its "Network of Networks" of the 43 civil societies forming the Euro-Mediterranean Partnership, brought together more than 3,500 organisations and included the organisation of a Civil Society forum, which took place in 2010 in Barcelona (the Forum gave new momentum to the cooperation among civil society organisations committed to intercultural dialogue to enrich the activities of the forty-three National Networks of the Anna Lindh Foundation);
- the Information and Communication Programme set up a network of more than 1,000 journalists;
- TRESMED III established a forum of Economic and Social Councils and social partners in the Euro-Med Region to share experiences and good practices, and identify matters of common interest;
- EuroMed Youth III has its platform, and has established Youth Units in the Med countries as well as a Good Practice Resource Centre, which organises thematic trainings, seminars and conferences to enable participants to share, test, transfer and develop new project ideas and new partnerships), see also I-9.3.2.

Despite the lack of clear impact indicators at the level of the programmes and therefore limited evidence of the concrete impact of the numerous activities and events on the population, which should be the final beneficiaries of this enhanced regional cooperation, it is indubitable that the programmes have contributed – through the establishment of networks, meetings, training and conferences – to bring together people from different countries thereby contributing to intercultural relations, and to provide a bridge – and communication platform – between the two levels: government and civil society.¹⁷⁵

Even though awareness and understanding of EU-ENP relations among civil society has progressed among CSOs, outreach towards the population at large remains limited (JC 9.4)

ENP regional programmes provided special attention to communication and awareness-raising in both regions. Besides the various networking and dissemination activities mentioned above (seminars, conferences, awards...) the main tools especially designed for this purpose are the programmes and networks' websites, which provide immediate access to the various EU programmes, activities and related areas of EU-ENP cooperation.

The two key examples of the type of communication carried out in the framework of the ENPI, aiming at raising the awareness of EU-ENP policies and programmes are:

- The EU Neighbourhood Info Centre (<http://www.enpi-info.eu/>), a transversal site for all programmes funded by the Information and Communication programme, which seeks to increase people's awareness of the Euro-Mediterranean cooperation and Eastern Partnership. The EU Neighbourhood Info Centre produces a wide range of communication material, from stories to

¹⁷⁵ ALF is currently working on the definition of clear set of indicators and a monitoring and evaluation system.

Source: Commission officials in Brussels.

interviews and pictures - giving voice to the beneficiaries and providing a picture of the cooperation on the ground, to publications and press packs summarizing the relevant policies and listing the available information sources. A specific part of the website is dedicated to journalists;

- The Anna Lindh Foundation website (<http://www.euromedalex.org/trends/anna-lindh>) provides a wide range of information: from the initiatives and publications financed by the foundation, to the resource and support tools for the members of its networks and other civil society organisations, to a media centre corner. There is also useful and updated information on the latest news and events. Audiovisual materials are also used as means for further stimulating the interest of the visitors in the programme activities.

During the field missions in Egypt and Tunisia, stakeholders from both EUD and CSOs underlined the necessity for EU programmes supporting CSOs to have a stronger outreach in the field and the fact that - to a certain extent - the target group of some ongoing programmes was not appropriate. Indeed, field missions have confirmed preliminary findings of the desk phase:

- even though a lot of activities and events have been supported in the framework of the Commission's regional programmes, there has been poor capitalization on the network of experts participating to the different activities organized in the framework of the various regional interventions;
- some programmes - even though fully respectful of the project design - did not concretely involve the stakeholders at grassroots level. In particular, field visits to Tunisia and Egypt pointed out that the concrete activities undertaken (even if valuable) were beneficial primarily to an *élite*. The reason is that the programmes (e.g. Anna Lindh Foundation) were designed in such a way that the actual target group and main beneficiaries of the activities were primarily decision makers. People in remote areas, such as youth and women, which are the indirect beneficiaries, did not really benefit from the concrete project activities (networking events, studies, awards...).

4.10 MIX OF INSTRUMENTS/ MODALITIES

EQ10 TO WHAT EXTENT HAS THE SELECTED MIX OF FINANCING INSTRUMENTS, AID DELIVERY APPROACHES AND IMPLEMENTATION MODALITIES ENSURED THE SWIFT AND COST-EFFECTIVE IMPLEMENTATION OF THE COMMISSION'S SUPPORT TO REGIONAL COOPERATION IN THE TWO ENP REGIONS?

INTRODUCTION:

The mix of financing instruments and aid modalities and their flexibility has an influence on the relevance, efficiency and sustainability of the programme's implementation. This question thus addresses the efficiency of the Commissions' cooperation and focuses particularly on the choice of financing instruments, aid delivery methods and implementation mechanisms. The choice is a strategic one and should take into account the sectoral context, programme priorities and potential avenues to achieve these. Finally, the choice should also carefully consider the actors' capacity and the relative advantages of employing single instruments and aid modalities, or a combination of different approaches.

Answer to EQ 10 - Summary box

The specific overall objective of the ENPI is to provide assistance with a view to promoting enhanced cooperation and progressive economic integration between the EU and its neighbouring countries. Its introduction in 2007, half way through the period covered by the evaluation, has facilitated the design of thematic programmes at the regional level leading to an improved correspondence with sectoral objectives. More precisely, the sectoral distribution of funds under the ENPI has been more aligned to the objectives of the ENP. The implementation mechanisms and procedures of the Commission have been rather effective. On the whole, disbursement trends for the regional interventions have been satisfactory, as evidenced by the fairly high ratio of amounts paid in respect of contracted amounts both for the ENP East (67%) and for the ENP South (81%). Delays affecting implementation and disbursement have been mainly caused by two (often related) factors: i) Project management deficiencies; and ii) difficulties in finalizing the projects' institutional arrangements and/or lack of beneficiary(ies)' commitment. The latter is a risk to which the regional programmes are particularly exposed given the specific nature of stakeholders (importance of non-State actors), their emphasis on institution-building and the involvement of different countries / stakeholders.

The project approach - centralised or decentralised - is the dominant aid delivery approach in the regional cooperation. However, the reasons underlying the choice of aid delivery and implementation mechanisms are rarely explained and they vary across the types of interventions. The projects' implementation documents do not show that ex-ante institutional analysis is regularly used. No evidence has been found in projects documents that the aid delivery methods and implementation mechanisms were chosen with regard to the institutional capacities and needs of beneficiaries and implementing agencies. Nevertheless, the available project evaluation and monitoring reports do not criticize the design choice nor do they include negative comments on the implementation modalities. Furthermore, evidence collected shows that recommendations made during monitoring or evaluation exercises have been taken into account during implementation or during the design of a subsequent phase of the programme. Finally, evidence collected points to a significant trade-off which characterises the choice of implementation modality of some projects aimed at strengthening independent non-state actors: while vertical networks overseen by government (nominated) institutions often enhance efficiency and ownership they also undermine the objective of supporting a free civil society.

Following the introduction of the ENPI, the sectoral distribution of funds has been more aligned to the overall objectives of the policy and financing instrument (JC 10.1)

Overall, the analysis of the inventory shows that the introduction of the ENPI led to a clearer distribution of funds. More precisely, the sectoral distribution of funds under the ENPI has been more aligned to the objectives of the financing instruments and its introduction has facilitated the design of thematic programmes – including at the regional level - and their harmonization leading to an improved correspondence with sectoral objectives.

In 2007, the ENPI replaced existing geographical programmes, while also including a cross-border cooperation component with a view to provide “a radical simplification in procedures and substantial gains in efficiency”. The change in the structure of allocations of regional projects between the 2004-2006 pre-ENPI (characterized by the MEDA & TACIS instruments) and the 2007-2010 ENPI periods is as follows:

- From 2007, the ENPI appeared together with various thematic instruments that were not foreseen in the previous period such as DCI-ENV, NSI, DCI-HUM;
- Under this second period (2007-2010) there were still a number of contracts financed through MEDA and TACIS, because of financing decisions of the previous period. The amount is particularly high for TACIS, with an allocation that accounts for 21% of the 2007-2010 total commitment;
- Overall, when looking at commitments under the regional geographical instruments to the ENP regions, the amounts contracted (and number of contracts) under the ENPI (€458.5M) are lower than the combined amounts contracted under MEDA and TACIS (€379M + €239M)¹⁷⁶.

The analysis of the inventory shows how the sectoral distribution of funds has been more aligned to the objectives of the financing instruments. For instance, for the Nuclear sector a new financing instrument has been introduced (NSI), which let to channel all funds for this sector through a thematic instrument instead of a geographic instrument. However, the introduction of thematic instruments for the regional cooperation of the two ENP regions has occurred only in 2010.

In most cases, the choice of the implementation modality has been made on the basis of the overall context and objectives although this is often not well justified in the programming documents; and absorption capacities of beneficiaries have often constrained implementation (JC 10.2 & JC 10.3)

Reasons underlying the choice of aid delivery and implementation mechanisms are rarely explained and vary across the types of interventions. There is no evidence or information in the strategic

¹⁷⁶ As a result, during the evaluation period, 57% of amounts contracted under the regional geographic instruments were contracted through the MEDA and TACIS instruments, while 43% was contracted under the ENPI.

documentation on the carrying out of analyses in relation to the advantages / disadvantages linked to the different aid delivery methods. Similarly, at project level, there is little evidence of analysis of choices made in relation to the different aid delivery methods and implementation modalities in relation to the projects' objectives and overall context. The dominant aid delivery approach is the project approach, which can be centralised or decentralised. There is a total absence of budget support delivery method at the regional level. The available projects' evaluations and monitoring reports do not criticize the design choice nor do they include negative comments on the implementation modalities. On the contrary, when references are found, these are to emphasise the importance of changes introduced in the implementation modality in response to lessons learnt from previous phases. This is the case for example of the Euro-Med Youth programme where the third phase of the programme saw a shift from a centralised project approach to a decentralised project approach, whereby the programme management structure is decentralised to the responsible MEDA national authorities leading to improved efficiency and ownership.

The project identification and design processes did look at the nature of the beneficiaries, the consequences for the project implementation and, sometimes, at the possible alternatives. In a minority of interventions, the programming documents explicitly refer to the involvement of the partner in the design of the programme (See also EQ 1; JC1.2). Projects in various sectors may widely differ from this last point of view. For instance, in the Environment sector, the ENPI Mediterranean Environment Programme (ENPI MEP) has benefitted from a preliminary analysis that confirmed the willingness of the various partners active in this field in the region to participate; the Forest Law Enforcement and Governance project (FLEG) has been built up directly on the resolutions made by the countries in the Ministerial Declaration on FLEG, and the project is thus aligned on the beneficiary countries' priorities (See EQ5). In the Economic sector, the design of the Support to the Agadir Agreement programme has relied on a field mission in the four Partner Countries to specify their needs, whereas the Invest in Med programme has been built up on a strong involvement of the partner institutions (See EQ 3).

The political and institutional context presented in strategy documents shows clear recommendations for the design and for the implementation mechanisms. In both regions, emphasis was placed on the possible difficulties linked to the establishment of political level contacts and relationships, thus pointing to the need to build relationships between state institutions represented at expert/technical level and civil society organisations. As a consequence, a training component and a network architecture are often foreseen.

However, almost no evidence has been found in projects' documents linking the choice of the aid delivery methods and implementation mechanisms with the institutional capacities and needs of beneficiaries and implementing agencies. This also contributes to explain that the causes of implementation delays (evidenced in progress, ROM and evaluation reports) are rarely linked to the intervention's overall approach but rather to the beneficiaries' low absorption capabilities or to project management deficiencies, which are often related (See JC 10.4). Indeed, non-governmental actors are predominant.

The analysis of the inventory and of the project fiches highlights that the most important type of contracting parties for the regional cooperation are the private sector actors, which receive 40% of the total and which represents the main heading under services, and the EU Institutions (35% of the total). In addition, 21% of commitments are grants, of which 49% cover UN & Multilateral Organisations, and 27% NGOs. These figures draw attention to the trade-off/dilemma in the choice of the counterpart and of the management structure of projects, between efficiency and ownership objectives, and effectiveness. While the arrangement whereby the national authorities are responsible for the selection, contracting, management and monitoring of the projects has proved to be positive from an efficiency and ownership point of view¹⁷⁷, such a choice may clash with the objectives of the programmes when they aim at strengthening independent non-state actors. Concrete examples can be found in two of the projects selected for in-depth study, Euro-Med Youth III and the Anna Lindh Foundation (ALF)¹⁷⁸. The Euro-Med Committee's decision to opt for a

¹⁷⁷ Interviews with EC officials

¹⁷⁸ As far as ALF's mandate to support civil society is concerned, a 2010 ROM report stated that: "it remains debatable to which extent the mechanism of vertical national networks overseen by a government-nominated institution with

centralised structure suggests in fact a clear wish from the MED governments' side to exert a control over the programmes involving civil society. The field visit in Tunisia illustrated that while the decentralised modality is useful to increase the ownership and the visibility at national level, before the revolution the methods of selection of project to be supported and of the participants to the different activities were not objective and transparent. They were strongly influenced by political connections and most, if not all, the organisations financed were very close to the Government, with the Commission keeping a very low profile on this issue.

Although aggregated disbursement trends are fairly high, efficiency scores of available ROM reports average 2.65 out of 4 and several projects have experienced delays in implementation and hence in disbursements (JC 10.4)

Overall, disbursement trends for the regional interventions have been satisfactory. As evidenced by the table below, the ratio of contracted amounts vis-à-vis allocated amounts is high, both for the ENP East (77%) and for the ENP South (87%)¹⁷⁹. This indicates that the contracting mechanisms and procedures of the Commission have been rather effective. Looking at implementation, the ratio of payments to contracts is on average lower, at 75%, due to a 67% ratio of payments in the ENP East (81% in the ENP South) as a result of a lower absorption capacity. Field work confirms that, during the period of evaluation, institutional instability has been higher in the ENP East, where the transition process was still ongoing¹⁸⁰. However, since the Arab Spring, Tunisia and Egypt have entered a transition period and their respective institutional frameworks are no longer stable¹⁸¹.

TABLE 5: REGIONAL COOPERATION GEOGRAPHIC INSTRUMENT (GI)-ALLOCATED, CONTRACTED AND PAID AMOUNT BY REGION

Region	N. of Decisions	%	Allocated amount	Contracted amount	Paid amount	Contracted/Allocated	Paid/Contracted
ENP	9	3.1%	40,875,678	23,193,903	10,846,556	56.7%	46.8%
ENP East	53	38.6%	503,803,102	388,764,788	259,895,104	77.2%	66.9%
ENP South	66	58.3%	762,059,647	664,851,826	537,126,926	87.2%	80.8%
TOT	128	100.0%	1,306,738,427	1,076,810,516	807,868,586	82.4%	75.0%

The different trends of the contract ratio and the payment ratio are partly due to the non-linear spending process during project implementation. Implementation of activities takes off and speeds up after the project structure is fully set up¹⁸². In many cases, implementation efficiency has increased rapidly, once the project structure was firmly established. Available project documents show that delays affecting implementation and disbursement have been mainly caused by two often linked factors: i) difficulties to finalize the project institutional arrangement and/or lack of beneficiary(ies) commitment; ii) Project management deficiencies. Compared to the bilateral level, regional projects have been more exposed to the first risk, because of the specific nature of stakeholders (importance of non-State actors), their frequent institution-building and multilateral characteristics. The consolidation of the institutional arrangement between the beneficiaries is a pre-condition for effective implementation. Difficulties are frequently due to the lack of involvement of government institutions, which consequently delay the full and efficient implementation of projects¹⁸³.

the mandate and power to filter out potentially undesirable CSOs genuinely reflects the objective to support a free civil society" (ALF ROM 2010, C-168710)

¹⁷⁹ The remaining refers to recent decisions that have not been contracted within the evaluation period.

¹⁸⁰ Example: in Georgia, the SMEs Association does not participate to East-Invest, because it was created in 2011, after the launch of the project.

¹⁸¹ In Egypt, 4 Ministers were nominated at the head of the Ministry of Trade and at the Ministry of Finance in one single year.

¹⁸² For instance Med Invest evaluators noted in the 1st MR: "Year 1 spending, with 33.3% of time elapsed, stands at EUR 2.496.758, or 20.8%. However, there was a surge in Resource utilisation during the fourth quarter"; And the final evaluation reported that: "Final budget allocation foreseen: 99.55% of the total budget would be either spent or committed".

¹⁸³ For instance, the actual implementation of the Support to the Agadir Agreement project was delayed until one of the four partner countries, Morocco, ratified the agreement, two years later.

The analysis of available ROM reports highlights that on average projects' scores are homogeneous. Using a numerical score system, on a scale from 4 "very good" to 1 "serious deficiencies", the overall average of regional projects financed through the geographical instrument for which ROM reports are available is 2.81. Efficiency presents the lowest average weighted score (2.75) followed by effectiveness (2.77).

TABLE 6: REGIONAL COOPERATION – GI: FIVE CRITERIA OF ROM BY REGION – WEIGHTED AVERAGE¹⁸⁴

Region	N. of projects	N. of ROM	Commit	Relev.	Effic.	Effect.	Impact	Sustain.	Overall ¹⁸⁵
ENP	2	2	8.493.500	3,00	3,65	3,00	3,00	3,00	3,13
ENP East	36	71	126.672.536	2,96	2,88	2,83	3,01	2,89	2,92
ENP South	76	109	205.462.047	2,78	2,62	2,72	2,82	2,70	2,73
Total/ Average¹⁸⁶	114	182	340.628.083	2,86	2,75	2,77	2,89	2,78	2,81

For more details, see I-10.4.5 in volume 2, annex 9 as well as the full analysis of ROM scores provided in annex 8.

The monitoring and evaluation system provides useful information that feeds into the design and implementation processes (JC 10.5)

Numerous evidences are available that recommendations made during monitoring or evaluation exercises have indeed been taken into account during implementation or during the design of a subsequent phase of the programme. Numerous references are made at the design level to the conclusions of previous evaluation reports. Document analysis and field interviews confirm the provision of useful information through the monitoring and evaluation system. Among these:

- Euro-Med Youth. Shift from the previous centralised system (Euro-Med Youth II) towards decentralised management under the Euro-Med Youth III with positive results in terms of implementation (e.g. increased capacity of stakeholders) allowing for better quality and ownership, though questionable in terms of policy perspective (see JC 9.2);
- Invest in Med: reduction of PMU experts costs to the level initially envisaged following a monitoring exercise that criticised their excessive costs;
- Agadir Agreement: modification and improvement by the Agadir Trade Unit of its reporting process to the Commission, following a monitoring report that pointed to "under-reporting" of achievements.

¹⁸⁴ It has been calculated weighting each score for each evaluation criteria for the project cost and divided by the total value of the amount of the region (ENP East, ENP South, ENP) to which each programme belongs.

¹⁸⁵ The overall average is a simple average of the weighted average for the five DAC evaluation criteria.

¹⁸⁶ The overall total for the weighted average has been calculated weighting each score for each evaluation criteria for the project cost and divided by the total value of the amount.

5 CONCLUSIONS AND RECOMMENDATIONS

This chapter presents: i) conclusions emerging from the evaluation findings and analysis presented in chapter 4 “Answers to the Evaluation Questions”; and ii) recommendations emerging from this evaluation. The conclusions are preceded by a synthetic overall assessment.

5.1 OVERALL ASSESSMENT

The Commission's cooperation with the two ENP regions has been characterised by a core strategy aimed at drawing neighbouring countries closer into the EU's political, economic and cultural sphere. Regional cooperation has dealt with issues that are common to the different partners, in order to promote increased security, stability, and prosperity. Not everything over the evaluation period has been a success, but **overall this evaluation reaches positive conclusions**. The introduction of the ENPI in 2007 has facilitated the design of thematic programmes at the regional level, leading to an improved correspondence with sectoral objectives. The sectoral distribution of funds under the ENPI has been more aligned to the objectives of the ENP and the implementation mechanisms have been rather effective, as evidenced by the satisfactory disbursement trends. In a number of cases, EU regional interventions and practices have clearly built on lessons learnt from past cooperation. Support provided has focused on **relevant** and critical issues for the partners and regional programmes have resulted from consensual agreements reached in regional meetings with the partner countries. The Commission has stimulated regional policy dialogue, a significant achievement given the complex regional contexts.

The Commission's flexible approach in the two regions has been rather **effective** and consistent with the main cooperation objectives. In most sectors, the Commission interventions have been adequately differentiated in the two ENP regions and programmes have been designed according to a **satisfactory mix between countries/regions needs and effectiveness**. The **value added** of the regional programmes has been firstly linked to their capacity to promote regional cooperation, for which the main instrument has been the establishment of regional networks. These network building activities have been rather successful. However, the **sustainability** of these regional networks remains fragile. Thus, the Commission's support **contributed to strengthening and creating regional capacities and cooperation mechanisms** in various areas, notably trade integration, migration management, justice sector, energy sector reforms. Secondly, an advantage of regional activities has been their ability to **target directly and more efficiently stakeholders at micro or meso levels** and to stimulate exchanges and cooperation between them, most notably when addressing civil society. Thirdly, regional interventions acted as a **catalyst for the mobilisation of funding**, ensuring access to the FEMIP funds in the South and through the NIF inter-regional programme in both regions. Finally, positive changes have been observed in terms of investment and trade growth, notably in the South, although in most cases it is not possible to neither quantify nor qualify the specific contribution of regional interventions to this progress.

The evaluation provided evidence of positive achievements. **Yet, three issues prevented the Commission's ENP regional policy from attaining better levels** of effectiveness and impact and negatively affected its levels of efficiency and sustainability.

The first one fell largely outside the control of the Commission and was related to **the insufficient commitment of the regional partners**. Indeed, ownership and sustainability of the regional activities have been difficult to attain and have remained uncertain in several cases because of the frequently low level of involvement of government institutions. This is mostly due to the limited capacity of the two ENP “regions” to engage the participating countries in the formulation of common regional priorities and in regional initiatives. Consequently, regional programmes generally reflect areas where a common interest can be found between the countries. The resulting gap with the partners' national priorities explains the lack of results in sensitive areas such as trade integration in the South, migration and justice, as well as in non-priority areas such as renewable energy provision and environment protection. The lack of partners' commitment has had also a negative impact on **effectiveness** and **efficiency**, since it has been one of the two main causes of delays in disbursement and implementation.

The second issue is related to **coordination and complementarity** between regional, bilateral, cross-border and inter-regional programmes. Despite numerous references in the strategic and programming documents to the importance of complementarity and coordination, **synergies are rarely actively sought and coordination remains weak**. While there is overall internal **coherence** and no evidence of duplication of assistance, there is an obvious lack of coordination mechanisms at implementation level which hinders the promotion of further **complementarity** on the ground, firstly between the Commission's regional and bilateral interventions as well as with inter-regional and cross-border activities, and secondly between the EU regional interventions and the EU MS' activities. While there is a potential to increase synergies, the Commission's regional interventions have **effectively complemented other donors' activities**.

Thirdly, in the political and security dimension, the EU's strong political statements on issues of Good Governance and Human Rights were not equally mirrored through the implementation of regional programmes. **Support to Civil Society did not lead to significant impact** because of the relatively limited amount of resources made available for interventions in the Eastern region and the fairly disparate set of actions put in place in the Southern region. In addition, the EU's overall delivery approach of supporting the civil society sector through the public sector was not always conducive to the optimal delivery of its aid.

The EU continues to have a great potential to support regional activities and to promote regional policy dialogue in the two ENP regions. The Commission's regional approach over the period covered by the evaluation could not resolve major regional constraints but contributed to building the prerequisites for increased security and stability at its borders.

5.2 CONCLUSIONS

Conclusions have been clustered in three groups corresponding to the following themes:

- Cluster 1 - Policy framework and strategic focus: conclusions 1, 2, 3;
- Cluster 2 - Results and impacts: conclusions 4 to 10;
- Cluster 3 - Implementation approach: conclusion 11.

Principal (P) conclusions primarily fall in cluster 1 'Policy framework and strategic focus' although conclusion 4 on Economic and Trade integration and conclusion 9 on civil society provide important elements on which future cooperation interventions could be built. These five conclusions together with the other six conclusions are presented in summary form in table 7 which also highlights the EQ(s) on which each conclusion is based and draws a link to the related recommendation.

TABLE 7: SUMMARY OF CONCLUSIONS

CLUSTERS	CONCLUSIONS	EQ	REC.
Policy framework and strategic focus	(P) C1 Strong relevance of regional strategy but limited ownership at country level	<i>EQs 1, 5, 6, 7 & 8</i>	<i>R 1, 4 & 8</i>
	(P) C2 Strong added value of regional interventions but limited linkages with other levels of intervention (i.e. inter-regional, bilateral, cross-border)	<i>EQs 2, 4, 8 & 9</i>	<i>R 3</i>
	(P) C3 Different regional contexts hinder the possibility of connections between the implementation of programmes in the two sub-regions	<i>EQs 1 & 7</i>	<i>R 2</i>
Results and impacts	(P) C4 Regional economic integration: positive impact on trade integration with the EU and investment growth but not on regional integration	<i>EQ 3</i>	<i>R 5 & 6</i>
	C5 Transport: significant results in a number of areas but capacities within the regions remain weak	<i>EQ 4</i>	<i>R 7</i>
	C6 Energy: positive results in all areas but slow pace in reforms of legal framework	<i>EQ 5</i>	<i>R 8</i>

CLUSTERS	CONCLUSIONS	EQ	REC.
	C7 Environment: positive results but little progress in biodiversity	EQ 6	R 4
	C8 Justice, Migration and Security: different approaches in the two regions with uneven results in terms of objectives achieved, activities carried out, and networking mechanisms	EQs 7 & 8	R 1 & 4
	(P) C9 Civil Society: mixed results of interventions	EQ 9	R 1, 9
	C10 Progress in mainstreaming human rights and gender at programme level appears limited	EQs 7, 8 & 9	R 10
Implementation approach	C11 Commission regional interventions have effectively complemented EIB support and IFIs support	EQs 3 & 4	-

Conclusion 1. Strong relevance of regional strategy but limited ownership at country level

The overall relevance of regional interventions vis-à-vis ENP objectives and regional priorities has been high. However, the diversity of the agendas of each country, together with the emphasis placed on interventions aimed towards the building of regional networks interventions, led to limited ownership at country level. *Based on EQs 1, 5, 6, 7, 8*

Interventions have been relevant with regard to the problems and priorities of the two regions and there is no doubt that they focus on critical issues for the regional partners. Commission regional interventions contributed to progress on the objectives of the ENP, in particular the development of a zone of prosperity and a friendly neighbourhood. However, and despite the more extensive dialogue in the South (the EaP in the East is more recent), in both regions the identification and design of programmes / projects is the result of a primarily EU-driven decision-making process. This reduces the effectiveness of the partnership on which the regional cooperation should be based and limits its ownership by the ENP partners.

This obviously results from the specific context of regional cooperation and interventions. The ENP East and ENP South regions do not lay on pre-existing regional boundaries or institutions. These regional aggregations have not been created through an endogenous integration process. Regional institutions are lacking and as a result these EU created “regions” have a limited capacity to engage the grouped countries in regional cooperation processes or initiatives.

Faced with such regional context, the EU offered a pragmatic response in supporting the establishment and progressive strengthening of regional dialogue processes in both ENP regions. The various fora supported / created constitute an important platform for collectively addressing regional issues. High-level regular meetings on the formulation of the regional programme permitted the establishment and, in several cases, the improvement of a dialogue between all parties. However, these achievements vary across sectors and are not sufficient in a number of issues such as migration and security. In these fields, a comprehensive and transparent political and policy dialogue was often missing and this limited significantly the effectiveness, ownership and sustainability of the Commission's interventions, especially in the South. On the other hand, the strong political will of both the ENP Eastern countries involved and the EU to establish IBM structures played a major role in ensuring the success of programmes in this field.

Overall, the limited economic and functional integration within the two regions proved to be an impediment to the formulation of common regional priorities. As a result, regional programmes reflect areas and cover sectors where a common interest can be found between the countries rather than areas that correspond to national priorities.

To stimulate regional cooperation, Commission interventions have fostered the establishment of regional networks or organisations, an appropriate approach that benefited from adhesion and support at country level and stimulated discussions between countries in each of the two regions. Overall, the establishment of regional networks was relevant and compensated for the absence of regional institutions. However, lack of strong ownership by the ENP countries and/or of national

structures to take over post-programme control, hinders the capitalisation of activities¹⁸⁷ and the sustainability of these regional networks which depends on the continuation of Commission's support, issues that are rarely emphasised in project documents.

Conclusion 2. Strong added value of regional interventions but limited linkages with other levels of intervention (i.e. inter-regional, bilateral, cross-border)

Regional cooperation has allowed to address issues of a transnational dimension and to provide platforms stimulating mutual understanding, political dialogue and regional linkages on issues which would be difficult to tackle through bilateral interventions. However, it did not reinforce the effects of bilateral cooperation. *Based on EQs 2, 4, 8 & 9*

Linkages between bilateral and regional assistance are primarily on a "division of labour" principle rather than on a synergy process. Static complementarities are sought primarily to avoid duplications but there are no dynamic interactions generating synergies between the different levels of intervention. Synergies are rarely actively sought and coordination between regional and bilateral interventions remains weak at implementation level. EUDs' officials are often not well informed on the activities of regional interventions and - for those who have an interest in regional cooperation - the relevant information is not readily available.

There is however strong complementarity between regional and bilateral interventions. Indeed, regional interventions present a specific added value that stems from their capacity to address issues that have a trans-national dimension and to provide platforms that stimulate mutual understanding, political dialogue and regional exchanges.

Regional cooperation has strengthened policy dialogue processes among the partners at regional level, an important step towards the achievement of the ENP objective of the development of a '*ring of friends*' with whom the EU enjoys close, peaceful and co-operative relations". The "peer to peer" mechanism has been successful as it allowed to effectively promote regional dialogue and exchanges, in particular in the sectors of civil society, governance, justice and economic cooperation. Indeed, the added value of MEDA-ENP regional interventions in the areas of democratic governance and human rights was to open up a dialogue that would have been significantly more difficult to pursue at bilateral level, and this is undoubtedly a positive effect of the Commission's interventions. Regional programmes target directly and more efficiently than Commission's bilateral programmes certain categories of stakeholders at micro or meso levels.

Conclusion 3. Different regional contexts hinder the possibility of connections between the implementation of programmes in the two ENP sub-regions

Few linkages exist between the two ENP regional strategies and programmes. Different regional contexts, coupled with the absence of formal mechanisms for the horizontal transfer of experience result in a very limited transfer of know-how between the two ENP regions. *Based on EQs 1 & 7*

Limited transfer of experience has taken place between the two ENP regions. Examples of mirror projects (e.g. SAFEMED / SASEPOL in the maritime sector and MEDENEC/ ESIB, MEDEMIP/SEMISE in the energy sector) as well as examples of transfer of know-how primarily in the South-East direction (e.g. the case of 'East-Invest' building on past experience with the 'Anima' project and in transport the practice of defining priority projects using the Regional Transport Action Plan and working groups) do exist. These however are primarily linked to the formulation stage and no formal and structured mechanisms for the transfer of best practices between the two regions are in place nor planned for in the immediate future.

Until 2010 informal horizontal transfer of know-how occurred through the exchange of information between EU officials at headquarters in Brussels and through the transfer of officials between DEVCO units respectively in charge of the Eastern and Southern Neighbourhood regions. Despite these exchanges of information, the ENP East and of the ENP South regional strategies are not connected at

¹⁸⁷ For instance, the capacity building component of EuroMed Just II consisted only in working group and training activities, where different experts participated on an ad-hoc basis, and there was no real capitalisation on the activities.

implementation level and they are considered as totally separate by EUD representatives and project managers. The limited horizontal transfer of best practices and lessons learned between the two ENP regions hinders the possibility of capitalising on the experience and knowledge gained in the implementation of EU interventions in the two regions, especially in those cases where issues and problems addressed by the regional interventions have a similar nature in both regions.

Conclusion 4. Regional economic integration: positive impact on trade integration with the EU and investment growth but not on regional integration

Positive changes have been observed in terms of investment growth (both domestic and foreign) and trade integration with the EU, notably in the South. However, there were no tangible outcomes at the private sector level and the level of regional integration remains very low.

Based on EQ 3

The ENP countries have engaged in structural reforms and have significantly increased their trade openness. As economies modernised their structure and in light of the new investment opportunities offered by trade integration, the private sector increasingly requires operational capital that ENP countries' banking sectors or financial markets cannot provide. There is therefore an important unsatisfied demand for funds. In the South, Commission support to FEMIP and the related risk-capital activities have been very relevant and effective. The leverage impact of Commission support to FEMIP on SMEs growth has been high, and the same can be concluded for NIF activities both in the Southern and Eastern ENP regions.

Positive changes have been observed in terms of investment growth, both domestic and foreign, and trade integration with the EU, notably in the South. The contribution of the Association Agreements in the ENP South, and the incentives provided by the DCFTA negotiations in the ENP East, proved essential in this respect. Thus, while Commission's efforts have produced results, in most cases it is not possible to estimate the specific contribution of regional interventions to this progress. Progress in the ENP regions in terms of growth was not sufficient, notably to create a sustainable job creation process. High level of youth unemployment has been a key factor in the Arab Spring.

The construction of a zone of shared prosperity and integrated trade still faces many difficulties, especially in the South ring. Most of the explaining factors of this disappointing outcome fall beyond the control of the EU. In the Southern region, they notably include the lack of enthusiasm of most Med countries to intensify regional trade and the Arab Spring. In addition, the benefits of the Free-Trade zone (cumulation of regional origins scheme), promoted by the Agadir agreement, have not been perceived by partner countries as a sufficient incentive to intensify mutual trade, so far. Finally, the regional dimension focused on training, building networks and exchanges of best practices on trade and investment issues. While this approach contributed to facilitate more strategic and focused future regional cooperation, it supported primarily intermediary organisations (both public and private) and it did not produce any observable outcome at the private sector level and has thus had limited effects in addressing the above-mentioned major regional weaknesses.

Conclusion 5. Transport: significant results in a number of areas but capacities within the regions remain weak

Significant progress has been achieved in a number of areas including furthering of harmonisation of norms / regulations, enhanced management capacities and progressive integration of roads and railway networks into regional transport corridors. However capacities within the regions remain weak.

Based on EQ 4

Regional interventions have supported - through dedicated technical assistance and the fostering of exchanges of experiences and know-how with related best practices - progress in a number of areas, including the gradual harmonisation of procedures and approximations of norms and standards and the integration of roads and railway networks into regional transport corridors linked to the other transport modes (support in the drawing-up of key investment plans, provision of support in the identification of public-private partnership schemes for selected infrastructural projects and regional support as a catalyst for the mobilisation of funding through FEMIP and NIF among others).

Support provided has contributed to the improvement of the management capacity of the key stakeholders in the different countries, including the creation of Project Management Units' for

selected regional corridors. It introduced an innovative practice of managing corridors that also allows the continuous monitoring of the conditions of some important regional corridors connecting the different countries of the regions and also the countries of the region with the European countries. Finally, training activities and workshops have been of significant added value and have allowed sharing know-how and best practices among partners in both regions, drawing also on expertise and experience of European countries. In the Southern region, particularly important results have been achieved with the EuroMed Regional Transport Action Plan programme where priority projects have been identified for future funding and where some PPP schemes were devised to fund some projects. Positive experience that has been partially transferred to the Eastern region.

Despite these achievements, capacities of key stakeholders in the different countries within the two regions remain weak, especially with regards to the monitoring of improvements and in relation to the assessment of benefits from potential projects.

Conclusion 6. Energy: positive results in all areas but slow pace in reforms of legal framework

The EU, both through policy dialogue and through specific regional interventions, has contributed to increase capacity and enhance safety and security of energy flows. However, reforms of the legal framework (harmonisation and convergence) are uneven. *Based on EQ 5*

The EU has contributed to increase capacity and enhance safety and security of energy flows both through: i) policy dialogue, in the context of the 'Baku initiative' for EU-Black Sea/Caspian energy cooperation and – as of 2009 – in the framework of the Eastern Partnership (EaP) in the Eastern region and in the context of the Euro-Mediterranean Energy Forum and Energy Conferences in the Southern region; and ii) specific regional interventions.

However, results in terms of reforms of legal framework vary from one country to another. Thus, while Ukraine and Moldova bordering UE have joined the Energy Community, Georgia, whose exports of electricity are primarily destined to Turkey, does not consider this association as a priority, despite the fact that Turkey might be viewed as a first step towards exports to Europe. Similarly, national energy policies in Ukraine and Moldova are oriented towards a reduction in the dependency of fossil fuels, which in turn entails - among others - an increasing interest in sustainability of energy scheme through energy efficiency and RES, whereas the national policy of Georgia is oriented towards free market.

In the Mediterranean region many Southern countries have reformed their legislation and policies but implementation of such reforms is developing at a slow pace.

Support of the EU Regional programmes has covered all areas, including Renewable Energy Sources (RES), although in the case of RES support primarily took the form of training with a shift as of 2010 towards increased technical and legal assistance.

Conclusion 7. Environment: positive results but little progress in biodiversity

EU regional interventions have contributed to the strengthening of capacities to sustainably manage and protect trans-boundary natural resources (including shared water resources) although these have not always been accompanied by enhanced legal / regulatory frameworks. *Based on EQ 6*

EU support has contributed to the strengthening of capacity of national institutions to sustainably manage and protect trans-boundary natural resources and shared continental water and sea water resources, but the results have not yet led to specific legislative actions. Delays in the reform of the legal framework at country level are to be primarily attributed to the political and institutional instability (or will).

The Commission funded FLEG has contributed to the improved management and protection of forests and forestry resources. However, despite the production of a great number of documents and draft regulations, progress as regards implementation of legal framework is proceeding at a slow pace¹⁸⁸, with the structure of land property acting as a main hindering factor.

¹⁸⁸ Looking at the different components some progress has been registered in terms of improved legal framework and governmental competences in some countries (Armenia, Azerbaijan, Moldova and Georgia); and some progress in

In spite of marginal regional activities funded through the geographic instrument aimed at promoting biodiversity conservation, reducing land degradation and enhancing nature protection, some improvements have been identified¹⁸⁹, which - despite being the result of programmes financed under the thematic budget lines (e.g. the ENRTP) - are linked and complement EU regional activities funded through the geographic instrument.¹⁹⁰

Conclusion 8. Justice, Migration and Security: different approaches in the two regions with uneven results in terms of objectives achieved, of activities carried out and of networking mechanisms

The policy framework translating into specific regional strategies and programmes has been tailored to the different specificities and priorities of the two regions. In the ENP East, the network of experts created through EUBAM, SCIBM, IBM FIT strengthened bilateral or multilateral cooperation through the implementation of the *acquis* between two or three ENP East countries. In the ENP South, the network of experts created within EuroMed Justice and the EuroMed Migration programme(s) encompassed the whole region, furthering dialogue and stimulating more general discussions among participants from the different countries. *Based on EQs 7 & 8*

Considering the complexities and specificities of the ENP East and ENP South regions, the translation of the common policy framework into specific regional strategies / approaches and programmes tailored to the specificities and priorities of the two regions has proved to be of crucial importance.

The “enlargement” and legal approximation approach adopted in the ENP East is not adequate for the ENP South. As a result, the regional justice, security and migration programmes had different approaches in the two regions.

Within the ENP East region, the legal approximation programmes with restricted focus on a selected number of countries (e.g. Ukraine and Moldova for EUBAM; Armenia, Azerbaijan and Georgia for SCIBM) contributed significantly to their effective implementation. In addition, the fact that EUBAM was launched at the request of Ukrainian and Moldovan partners implied strong ownership and proved to be an important success factor, as the concrete joint operations helped break barriers and build confidence among the participating countries.

In the ENP South region, the approach adopted in the area of migration and security focused on three components: illegal migration, legal migration, migration and development. The EU regional programmes opened up a comprehensive dialogue in the fields of justice, security and migration. However, the weak political commitment and partly conflicting agendas, namely on security and migration limited significantly the actual results and sustainability of these programmes. Indeed, the EU focused more on its internal security and the fight against illegal migration whereas the partner countries were more keen to cooperate on legal migration and development. The Commission's regional support has enhanced cooperation between relevant justice and migration actors and institutions. The establishment of a regional network of experts has supported institution-building at the regional level and has favoured dialogue and exchange of experience among professionals from the various countries of the region. As a result, the network of professionals created and supported within the EuroMed Justice programme(s) constitutes a key element of success but is yet to become sustainable. The capacity building component of the programmes focused on working groups and training activities, whereby different experts participated on an ad-hoc basis and this has not led to a real capitalisation on the activities, limiting the impact.

Belarus and Ukraine with reference to private sector initiatives and finally it is to be noted that all the forest surface in Belarus is certified PEFC and Georgia has a National Certification Scheme.

¹⁸⁹ Especially in terms of development of national environmental strategies (e.g. Ukraine) and action plans (e.g. Georgia), adoption of Law on protected areas and launching of a programme for the protection and enhancement of biodiversity in Morocco,

¹⁹⁰ Examples: DCI-ENV/2008/149-825, Emerald Network phase I, but through Council of Europe, aimed at approximating their nature protection practices to the EU Birds and Habitats Directives, or through bilateral: “Integrating Climate Change into Vulnerable Ecosystems Management: natural parks in wetlands and forest areas (Ukraine and other ENP countries)” (2010-2013), “Enhanced Economic & Legal Tools for Steppe Biodiversity Conservation and Climate Change Adaptation and Mitigation (“Steppe Biodiversity”) (2010-2013 in Ukraine.

Conclusion 9. Civil Society: mixed results of interventions

The European Commission did not demonstrate – also because of the objective political constraints – a sufficient political will or capability to support an independent civil society in the ENP regions (most notably in the Southern region). This limited the concrete impact of the programmes, namely at grassroots level, despite the numerous programmes and activities implemented. *Based on EQ 9*

In the Eastern region, before 2007, there was no clear policy framework to support CSOs. This – together with the relatively limited amount of funds allocated to regional civil society programmes in the ENP East – explains the narrow results of the programmes, up to the launch of the Eastern Partnership (EaP) in 2009. Indeed, only a relatively small percentage of regional funds was provided – at least before the EaP – to strengthen the cooperation among civil society organisations at regional level. Commission support to civil society, in addition, only targeted narrowly defined sectors (e.g. inter-cultural dialogue; socio-economic dialogue; youth; volunteering).

With the EaP and its Civil Society Forum, the situation changed and significant progress has been achieved since: the socio-cultural dimension was strengthened and the multilateral tracks' system of Platforms emphasised the importance of the development of civil society in the region. Indeed, one of the Platforms reflecting the 4 main areas of cooperation is dedicated to People-to-People Contacts. Consistently with this approach, the Eastern RSP 2007-2013 and its related RIP 2007-2010 identified for the first time the People-to-People Contacts as one of the priority sectors.

In the South region, in spite of the firm engagement related to the “Social, Cultural and Human Partnership” pillar of the Barcelona Process, many of the commitments remained at the level of “political statements”. It is indubitable that the Civil Society programmes have contributed – through the establishment of networks, meetings, trainings and conferences – to bring together people from different countries, thereby promoting intercultural relations, and have provided a bridge / communication platform between the two levels of government and civil society. Nevertheless, faced with difficulties and political constraints, the Commission took an ambiguous approach in this respect. Its engagement towards CSOs was at times – and especially during the earlier stages – filtered by the governments of the Med partner countries, which in some cases limited the genuine participation of truly independent CSOs in the relevant programmes¹⁹¹. In some cases, CSOs played a limited role in the projects and the final, indirect beneficiaries (e.g. population) were only reached by the programmes' activities and results to a limited extent. Many programmes had a top-down approach and the activities (e.g. trainings, conferences, awards, studies...), in spite of their high quality, had a poor outreach on their final beneficiaries. Stakeholders themselves (e.g. EUD staff, programme managers and beneficiaries) concluded that the Commission's programmes could have been more ambitious and targeted a more extensive audience. The Arab Spring shows that the society is keen to play a more active role at grassroots level. In this regard, the Commission is taking stock of the recent changes in the region and is capitalising today on the results of the previous cooperation, in order to strengthen the strategic reflection on its future engagement towards civil society in the ENP region.

Conclusion 10. Progress in mainstreaming human rights and gender at programme level appears limited

Even though the EU is firmly committed to promoting and mainstreaming human rights and gender, their mainstreaming within regional interventions remains *ad hoc* and unsystematic. *Based on EQs 7, 8 & 9*

Progress on mainstreaming human rights appears to have been limited. While the political discourse in favour of human rights and the overall awareness among EU staff increased, coherent action on mainstreaming remains *ad hoc*, unsystematic and insufficiently supported. The democracy & human rights component is diluted as the cycle moves ‘downstream’, i.e. from broad political pledges (Human Rights and democracy are entrenched in the policy documents as guiding principles) to policy frameworks down to programming, choice of instruments, allocation of funding and selection of projects. This ‘dilution’ appears in different forms including: (i) the lack of coherent strategy to address problems through concrete interventions; (ii) the limited funding for related democratic &

¹⁹¹ At times, CSOs participating in the national and regional networks had to receive the “green light” from State institutions in order to be appointed as members of the networks.

human rights aspects in other important thematic sectors; (iii) the tendency to confine human rights work to thematic instruments. Few – if any - references and examples of mainstreaming of HR, democracy and rule of law in the different sectors of intervention (e.g. environment, transport or economic development) and related projects have been found. Only in the area of migration and asylum were efforts deployed to develop a framework that integrates human rights, democracy and rule of law considerations (e.g. EuroMed Migration II contains specific training modules that address these issues and EUBAM foresees a specific reporting on the respect of the fundamental HR in its activities).

A similar phenomenon of 'dilution' can be observed with regards to gender mainstreaming. At strategy level: i) in the ENP South, the EU specifically targeted gender issues under the "Social, Cultural and Human Partnership" of the Barcelona Process and the Union for the Mediterranean, and this has constantly been reflected in the regional strategy papers; and ii) in the ENP East, the social dimension was strengthened with the Eastern Partnership. However, despite the development of a specific toolkit to put these principles in practice at programming and implementation level, there is little evidence of systematic integration of gender issues within regional interventions not targeting CSOs. As a result, in the two regions, gender was approached either through ad-hoc programmes (e.g. Euromed Gender Equality Programme EGEP in the ENP South) or through mainstreaming in justice and migration programmes (e.g. IBM trainings on gender issues in the ENP East). Gender balance and social inclusion have however been promoted as cross-cutting issues through most of the civil society programmes (e.g. human rights are at the heart of the Anna Lindh Foundation).

Conclusion 11. Commission regional interventions have effectively complemented EIB and other IFIs support

The resources made available by the Commission to complement funds provided by the EIB and other IFIs have successfully stimulated EIB and other IFIs banking activities and contributed to the achievement of the ENP cooperation strategy of the Commission *Based on EQs 3 & 4*

Technical assistance financed in the framework of the "Support to FEMIP" programme generally improved the quality of the EIB loans. It strengthened the complementarities between Commission programmes and EIB activities. The TA facility provided by the Commission to the EIB was instrumental and provided the resources to implement FEMIP projects. EIB is a slim organisation, and lacked the in-house capacity to provide the TA needed by its local counterparts. While it is not possible to conclude that the corresponding investments would not have taken place or would have been reduced in the absence of this support, there are positive indications in this direction. Users have expressed strong satisfaction with the quality of TA and this instrument has fostered transfer of professional know-how and good practice, although on a scale that remains marginal given the limited resources available to the facility.

Regional interventions - through the "Support to FEMIP" in the Southern ENP region, later complemented by the inter-regional initiative NIF (in both ENP regions) - have been relevant and effective. The main difference between the FEMIP and the NIF is that the latter is a very flexible financial mechanism that acts as a financial complement in a larger programme and promotes ex-ante coordination between IFIs. In the East, several cases were reported for which NIF allocations played a pivotal role in complementing EBRD or KfW lending projects. Commission support to FEMIP in the ENP South provided much needed capital to the private sector on terms that were not available locally, mainly through risk-capital operations. This instrument has been successfully exploited by the EIB for financing promising private sector initiatives while strengthening financial sector institutions. In this evaluation, risk-capital operations have been studied in Egypt and Morocco. In both countries, they contributed to the development of a so-far quasi non-existing segment of the local financial markets. The risk-capital operations strengthened market mechanisms and the multiplier effect of the Commission's support to FEMIP, which cannot be quantified, is estimated to be high. Notably, the participation of the EIB as a major investor improves the attractiveness for other investors, notably IFIs (demonstration effect).

In addition, while there is a need for better 'fine tuning' among the EIB and the Commission as far as financing is concerned, complementarity between the two institutions has been realized in a number of sectoral projects.

5.3 RECOMMENDATIONS

The following key recommendations emerge from the conclusions. Like the conclusions in the preceding section, the recommendations are also presented in clusters, namely:

- Cluster 1 - Policy framework and strategic focus: recommendations 1 to 4 aimed at enhancing collective ownership and relevance of cooperation strategy
- Cluster 2 - Implementation approach: recommendations 5 to 10 aimed at strengthening the achievement of expected outcomes.

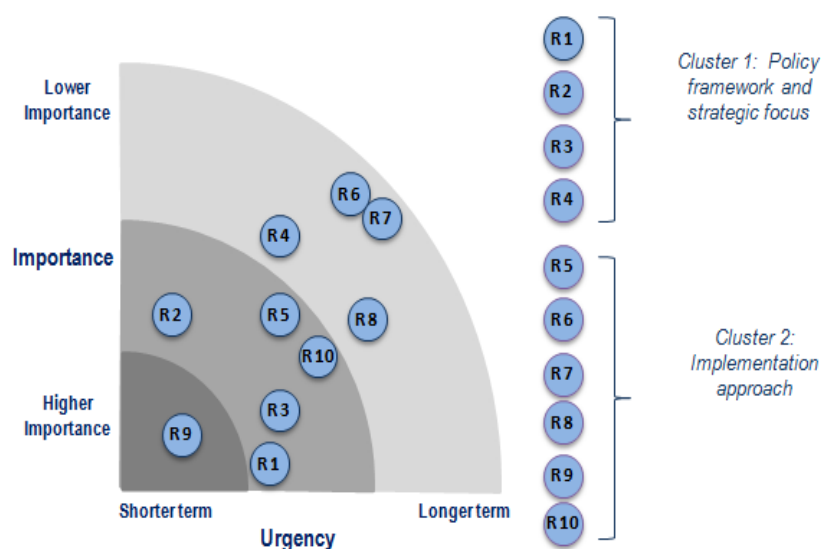
Recommendations are based on one or several cross-referenced conclusions (see also table 7) and include suggestions for operational steps to implement them successfully.

TABLE 8: RECOMMENDATIONS

CLUSTERS	SPECIFIC RECOMMENDATIONS
1 - Policy framework and strategic focus	R1. At the design stage, consequences of the choice of project's management structure should be better anticipated and more flexibility in the choice of local partners should be allowed during implementation to ensure that changes in the institutional environment can be adequately taken into account
	R2. Stimulate transfer of experience and best practices between the two ENP regions
	R3. Foster synergies between regional and bilateral interventions
	R4. Take into account the different degree of participation/commitment of partners to improve the effectiveness and sustainability of interventions.
2 - Implementation approach	R5. Increase the financial resources available for the private sector and firstly for SMEs
	R6. Strengthen the promotion arguments and the incentives to use the Agadir agreement in the ENP South
	R7. Strengthen effectiveness of transport interventions by reinforcing beneficiaries' capacities
	R8. Strengthen joint initiatives or participation of already established regional or sub regional institutions in the framework of energy sector interventions
	R9. Identify the right Civil Society stakeholders, increase focus on local authorities and NGOs and build a new dialogue in the ENP South
	R10. Strengthen gender mainstreaming

The figure that follows indicates the levels of priority for each recommendation, in terms of importance and urgency.

FIGURE 6: PRIORITISATION OF RECOMMENDATIONS



Recommendation 1. At the design stage, consequences of the choice project's management structure should be better anticipated and more flexibility in the choice of local partners should be allowed during implementation to ensure that changes in the institutional environment can be adequately taken into account

Based on C1, C8, C9

Responsibility: DG DEVCO, EUDs

The Commission's approach to regional cooperation under the ENP has promoted regional dialogue and has established regional networks in the two ENP regions. While this orientation generates clear comparative advantage for the regional cooperation, it often suffers from an insufficient sustainability. Thus, it is recommended that:

- **More attention be paid to sustainability issues and a clear institutional achievement objective focusing on the continuation of programme activities** beyond the timeframe envisaged for EU support should be integrated and planned for ex-ante, within project design;
- Where relevant and feasible, **cooperation with well-established regional institutions** – which has proven successful in some regional interventions¹⁹² - **should be pursued**;
- If, in specific sectors, the objective of the Commission is to launch and support a dialogue / network process without having the ambition of sustainability, then it must be (more) explicitly stated in programming documents;
- **For projects overseen by government (nominated) institutions, more attention should be given to the choice of stakeholders and counterparts** and specific efforts will be required to develop more transparent criteria and processes for their selection.

For projects that aim at strengthening independent non-state actors, ownership and efficiency may be undermined by the low commitment and the lack of involvement of the government, which usually does not appreciate that independent actors act as national counterparts in international cooperation activities. In such cases, the **participation of the EUD in the implementation should be intensified**, notably to facilitate the project take off / launch and to consolidate the institutional arrangement.

In addition, in countries/regions in transition, the demography of institutions is dynamic; new organisations are frequently created while old ones become obsolete. In this context:

- **The design of Commission interventions should allow enough flexibility in the choice of local partners during implementation** to take into account (and benefit from) the renewal of the institutional environment;
- EUDs should regularly seek for the information on changes within the institutional environment and suggest adjustments to regional project management units.

Recommendation 2. Stimulate transfer of experience and best practices between the two ENP regions

Based on C3

Responsibility: DG DEVCO

The absence of institutional memory has been a traditional weakness of the Commission's cooperation policy as it reduces the potential of applying lessons learned. Past and ongoing ENP interventions have allowed the EU services to accumulate a large experience on different technical issues, which have often common points in the two ENP regions. The current lack of knowledge transfer between the two regions is thus a loss of potential efficiency improvements.

It is recommended that:

- **Structured mechanisms be put in place by DEVCO to enhance coordination and the systematic exchange of experiences between the managers of similar regional programmes** (be they managers at HQ and/or at EUD level) within the two ENP regions. These could either take the form of bi-annual or annual dialogue / discussion meetings or of more regular sharing of lessons learned in written form:

¹⁹² For example in the Energy sector: the Association of Mediterranean Regulators for Electricity and Gas (MEDREG) supported by EU funds and with significant outcomes concerning common rules, and the League of Arab States whose support to MEDEMIP has led to the approval of the Arab energy efficiency guidelines.

- **The design of every new project systematically include a reflection on actual lessons learned on similar topics** through the implementation of other projects in both regions rather than a more generic reference to the importance of lessons learnt in the past.

Recommendation 3. Foster synergies between regional and bilateral interventions

Based on C2

Responsibility: DG DEVCO, EUDs as well as PMUs

Regional and bilateral interventions have no common interface and are usually implemented in parallel without obvious tangible linkages in spite of their complementarity. Stronger linkages between bilateral and regional programmes might foster or enhance progress in areas not fully covered by regional programmes, and regional programmes could benefit from the “demand driven approach” intrinsic to bilateral programmes thereby further promoting ownership.

It is recommended that a more efficient interface between regional and bilateral programmes in the same sector be pursued through an improved and formal system of exchange of information between programme managers (including with TAs within PIUs where relevant). To this end:

- **the design of regional programmes should not only include references to the regular sharing of information on their activities, but also provide clear guidance on how to proceed**, e.g. by indicating that information be circulated in a very synthetic format, be targeted toward sector managers, in particular towards the concerned EUDs;¹⁹³
- **Simple tools such as an Excel file in a matrix format with three entries only should be used:** sector (with a closed list), country/(ies), time period be devised and updated to include each new project (regional, bilateral, other). The availability of such a simple information set, a “cooperation matrix”, would prevent anyone from ignoring the existence of related interventions in a specific sector/country.

The **meetings on common key issues/topics** between representatives from DEVCO F3/F4 and EUDs mentioned under R 2 **could also foster the strengthening of synergies** between the different levels of interventions.

Recommendation 4. Take into account the different degree of participation/commitment of partners to improve the effectiveness and sustainability of interventions

Based on C1, C7, C8

Responsibility: DG DEVCO, EUDs

At implementation level, regional interventions have produced significant outcomes in both regions but the commitment of partners has been uneven. So, while some countries have participated actively, others have intervened shyly. Political will or national priorities account for a great share of this lack of eagerness.

To enhance ownership and hence favour effectiveness and sustainability, it is recommended that **differences in the willingness and institutional and human capacities of regional partners to actively participate in given programmes be carefully assessed during the identification and formulation phases and the possibility of restricting future cooperation activities to a more limited number of countries (those with a stronger political will) and areas of cooperation (those where EU and partner countries are really committed) be assessed for each new programme / Decision.** This was done successfully in the case, for example, of EUBAM in the ENP East (see C 8).

While in both regions the EU has inclusive objectives, **in some cases there is a trade-off between inclusion of a larger set of countries and effectiveness.** Sometimes, it may be **more efficient and effective to embark on follow-up programmes** (e.g. on migration in the ENP South) **with fewer**

¹⁹³ One possible way of doing this is to: i) identify within each EUD of countries involved in regional programmes one contact point; and ii) send him/her directly a short brief (no more than one page) on the programme / project highlighting key issues and indicating contact points (programme / project manager, counterparts at national / regional level, contact points within EUDs of participating countries).

committed countries, and focus on actions that are felt as really necessary for the participating institutions with a view to establish more sustainable cooperation mechanisms. Building on the example of EUBAM in the East, support in the areas of migration and justice in the South could be provided through programmes targeting a more restricted set of 3-4 countries with common legal traditions and sensibilities, willing to strengthen their capacity and to cooperate on specific issues, with a view to establish concrete cooperation mechanisms around specific transnational issues (e.g. International corruption, transitional justice).

In addition, **to enhance likeliness of long-term sustainability of the network of experts in the migration & justice sectors in the Southern region, it is recommended that other activities be foreseen in addition to training** (e.g. implementation of relevant International Conventions; elaboration of ad-hoc memoranda of understanding; secondment of liaison officers and magistrates, exchange of experiences and legal practices along the lines of the “fiches belges”; analysis of EU judicial cooperation mechanisms; groups of countries ‘à la carte” see also R5) **and that more emphasis be placed on exchanges between ENP and EU MS judicial experts** already at the design stage. To this end, the TAIEX instrument could also be better exploited.

Recommendation 5. Increase the financial resources available for the private sector and firstly for SMEs

<i>Based on C4</i>	<i>Responsibility: DG DEVCO, in close coordination with the EIB and other IFIs</i>
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Commission support to FEMIP and the related risk-capital activities have been very relevant and effective, as have been the NIF activities both in the Southern and Eastern ENP regions. The provision of risk capital by the EIB and other IFIs increases the capital available to the private sector and contributes positively to improve the performances of financial intermediaries.

Thus, **the Commission should enlarge the scale of the programmes / projects that provide resources for risk capital investment and financing of the private sector in the two ENP regions.**

Recommendation 6. Strengthen the promotion arguments and the incentives to use the Agadir agreement in the ENP South

<i>Based on C4</i>	<i>Responsibility: DG DEVCO, EUDs</i>
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Commission support to the Agadir process has been relevant, while not very effective yet. The network of bilateral FTA agreements has amplified the incentives and the opportunities to trade vertically, between the EU and Med countries, and they have increased the opportunity cost of South-South exchanges. Entrepreneurs from ENP South do not see enough incentives to use the Agadir Agreement and, therefore, to develop their business in the “Agadir” countries. As a result intra-regional trade does not take off. In partnership with the Agadir countries, it is recommended to:

- **Increase awareness raising activities** and diffusing more information **in the four Agadir countries;**
- **Enhance focus on trade in services and investment liberalization**, since obstacles to regional integration are probably relatively lower and business opportunities significant in these fields;
- **Analyse the possibility to create new incentives to promote South-South trade** that may comprise financial incentives to be designed/envisaged in cooperation with the EIB and other IFIs;
- **Connect existing expertise and capabilities**, such as the one developed by the FEMISE project, **to prepare and assess alternative measures, rather than to produce additional studies on regional trade**, etc.... (Scientific and research institutions, among the best on both sides of the Mediterranean, have already been linked in the Commission-supported FEMISE network).

Recommendation 7. Strengthen effectiveness of transport interventions by reinforcing beneficiaries' capacities

Based on C5 *Responsibility: DG DEVCO, PIUs*

Support provided by the Commission has contributed to the achievement of significant progress in a number of areas, including the harmonisation of norms / regulations, strengthening of management capacities and progressive integration of roads and railway networks into regional transport corridors. Despite this, further efforts are required to reinforce institutional capabilities of national institutions (see C 5).

It is recommended that **future TA be targeted to improve knowledge and understanding of the legislative, economic and environmental aspects linked to transport**. More specifically:

- The practice of establishing Project Management Units for selected regional corridors should continue to be pursued together with **an increased emphasis on monitoring and assessment capacities of national stakeholders** involved particularly in relation to some selected corridors and priority projects;
- **Assistance** should be provided to increase monitoring capacities of national stakeholders within the regions and to enhance their capacity to evaluate potential projects from the financial, economic and environmental standpoints,¹⁹⁴ and **specific indicators and benchmarks should be identified to monitor on a regular basis improvements in capacity**;
- **The more advanced experiences gained in one region should be transferred and tailored to similar programmes in the other region** (e.g. practice of identifying priority projects through a ranking exercise for each country emerging from the implementation of the EuroMed Regional Transport Action Plan and the promotion of Private-Public Partnerships for the improvement of links with the EU Trans-European Networks).

Recommendation 8. Strengthen joint initiatives or participation of already established regional or sub regional institutions in the framework of energy sector interventions

Based on C1 & C6 *Responsibility: DG DEVCO*

Difficulties encountered by some interventions with the corresponding hindrances to access, interact and receive support from institutions and officials in some ENP countries are often linked to the reluctance of partners to accept legal framework reforms as well as interventions in sectors that they do not consider to be a priority.

It is therefore recommended to **increase emphasis given at the project identification and formulation phases to the selection of a single and representative institution which could assume the role of Commission counterpart during project implementation** instead of several administrations.

Where possible, the role of single counterpart should be assumed by a well-established regional or sub-regional institution. This practice has already proven to be successful in a number of regional interventions (i.e. support from the League of Arab States was instrumental in facilitating approval of Arab energy efficiency guidelines) and could facilitate reforms in common aspects of national policies.

¹⁹⁴ E.g. assessment of enforcement of specific laws and regulations for the overall transport sector and related sub-modes; cost-benefit analyses of priority projects; multi-criteria evaluations; evaluation of environmental impact, both for the short and the medium-long terms; etc..

Recommendation 9. Identify the right Civil Society stakeholders, increase focus on local authorities and NGOs and build a new dialogue in the ENP South

Based on C9

Responsibility: DG DEVCO, EUDs

The Arab Spring shows that there is a clear *momentum* to support a genuine and independent civil society in the Mediterranean region.

It is recommended that the **Commission re-enforce its commitment to civil society** in order to exploit the full potential and outreach of CSOs programmes in the field and to ensure more coherence between the EU's political commitment and the concrete implementation of its programmes. To this end:

- **a thorough and comprehensive mapping of CSOs should be continued** in order to better identify the CSOs with which the EU shall more appropriately engage in its future programmes;¹⁹⁵ as this will favour the building of a new dialogue implying partnerships with organisations that are independent from the State;¹⁹⁶
- **focus should be placed on creating an 'enabling environment for CSOs'**¹⁹⁷, on enhancing their representation, and on strengthening their capacity both as watchdogs of State institutions (through advocacy and structured dialogue) and as social services providers;¹⁹⁸
- **mechanisms to improve the representativeness and communication of CSOs from the regional, to the national and local level (and vice-versa) need to be identified and supported.** CSOs gathering around common themes (e.g. transitional justice) may also be supported, keeping in mind the perspective of the final beneficiaries of the programmes;
- the use of the **new social media** should be further exploited **to raise the awareness on CSO programmes among the youth**, and in **remote areas** where social and intercultural programmes are most needed.

Recommendation 10. Strengthen gender mainstreaming

Based on C10

Responsibility: DG DEVCO, EUDs

While at the policy level, the EU is fully committed to gender mainstreaming, at programme level, gender is rarely mainstreamed within regional interventions not targeting CSOs. With specific reference to the Southern region, the *consensus* gathered by the movements spreading in the whole Mediterranean region since the 2011 Revolution, based on the initiative of women of all ages confirm that there is a *momentum* to support women organisations and their coalitions.

To translate the political statements and discourse aimed at enhancing gender equality in the ENP regions into concrete objectives, it is recommended that:

- **In the Southern region, ad-hoc support be provided to women organisations** claiming their rights to improve their *status* and that of their children (future generations) in order to build their capacity to create alliances and better structure their dialogue with the relevant State institutions and local authorities;
- **In both regions:**

¹⁹⁵ Mapping of CSOs has already started in the East (three mapping exercises during the evaluation period). In the South a new generation of mapping exercises has been launched after the evaluation period aiming at strengthening EU's engagement with CSOs, and at expanding the scope of EuroMed cooperation at grass-root level. Comprehensive bilateral and regional mappings are taking place in the framework of the Neighbourhood Civil Society Facility, and exercises focusing on gender and youth were carried out in 2012 and will be carried out in 2014 through other regional programmes.

¹⁹⁶ The new Commission Communication COM(2012) 492 final "The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations", already provides some measures in this respect.

¹⁹⁷ This terminology has been used by the Commission itself, in the Commission Communication "The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations" of 12.09.2012 (*infra*).

¹⁹⁸ Efforts are already underway following the revision of the Commission's approach to CSOs in the South in response to the Arab Spring.

- **gender mainstreaming be further pursued** as it has an added value if conceived as complementary to Gender programmes. Available tools, such as the “Toolkit on mainstreaming gender equality in EC cooperation”, as well as other sector-specific guidelines developed by other donors and NGOs, should be better exploited in order to ensure the systematic mainstreaming of the gender dimension in programmes implemented in other sectors;
- **EUDs play a more active role** to increase ownership and facilitate discussions and communication with national stakeholders on regional programmes **to mitigate the risk** - faced specifically by EGEP in the South – **of poor understanding, little ownership, poor management and little visibility** of the very relevant gender programmes implemented by the EU.