

EU Neighbourhood policy: implications for public services and trade unions

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Preface

The European Union is an important actor beyond its borders. As a trade bloc, it influences negotiations in the World Trade Organisation. The EU is the world's largest donor of development aid and has an impact on many developing countries. It is a political bloc that shapes Treaties on the environment such as the Kyoto Protocol. Its biggest impact is on the countries neighbouring the European Union. EPSU has commissioned this paper from Public Services International Research Unit (PSIRU) to detail the pervasive extent of this influence on public services in the EU neighbourhood countries.

The EU seeks to shape the neighbourhood countries in its image. It exports its economic policies. Countries have to liberalise their services, including public services. There are explicit policies to limit state aid and promote privatisation that go beyond the neutrality required of the European Commission in the EU Treaty in questions of ownership. All public services are affected. The possibilities for countries to follow a different development path are limited. Is the internal market for electricity and gas really the most beneficial policy to bring more investment, promote sustainable development and ensure affordability? Competition in these industries has caused many problems in the EU, which put the whole approach into question. No impact studies have been found. The finding that the EU imposed policies do have a limited impact on unemployment and poverty levels, while undermining public services that provide for safety nets and solidarity between different groups of citizens is alarming.

If the EU seeks to shape the neighbourhood countries in its image it should also export its political and social dimension. While the paper underlines that promoting security, stability, democracy, human rights and social dialogue is part of the EU's approach, these policies hardly get the same emphasis and detail as the liberalisation policies. The most poignant example concerns the South East European Energy Treaty. It extends the EU acquis with regard to the internal market for electricity and gas to the countries concerned in a legally binding manner. It is not accompanied by the extension of the social acquis even though it is clear that these policies will have an enormous impact and bring about restructuring of the industries. The social aspects have only been taken up thanks to the sustained efforts of the trade unions and EPSU, although the form in which this happens, a Memorandum of Understanding, is indicative of the unbalanced nature of the EU's policies as the PSIRU paper explains.

The paper points to the unequal bargaining power of the countries concerned vis-à-vis the European Union. This is partly because there is little knowledge of the extent of the EU's influence in the neighbourhood countries, or in the EU itself. This means that there is very little democratic debate, resulting in the insidious way in which the economic and political environment is shaped. The paper points to the role EPSU, trade unions in the Neighbourhood countries and civil society organisations can play in contesting the EU's economic liberalism, changing its economic policies, redressing the balance and strengthening the social pillar.

We hope the paper contributes to stimulating the discussion in public service trade unions and beyond. We welcome your views and comments. Please do not hesitate to contact us.

Jan Willem Goudriaan
EPSU Deputy General Secretary

1. Introduction and summary

The EU Neighbourhood Policy (ENP) is an ambitious political and economic project affecting all neighbouring states in the Mediterranean, middle east, and former Soviet Union which are not expected to become EU members in the near future. There are a range of political, economic and security objectives for the EU.

The ENP's action plans include a range of measures which have potential impact on public services. These measures reflect economic policies pursued within the EU and in international forums such as the World Trade Organisation (WTO), including:

- The liberalisation of trade in services;
- The reduction and elimination of state aid;
- General policies of privatisation;
- Specific restructuring and privatisation in sectors including electricity, water and health.

The ENP measures are designed to deliver further liberalisation and privatisation than has been agreed either within the EU or within the negotiations on trade in services at the WTO. The likely impact of these policies on public services, the economy and employment in neighbourhood countries can take account of the experience in the Mediterranean region, where the similar Euro-med process has delivered little improvement in employment and inadequate protection of public services over the last 10 years.

The social dimension of the action plans is relatively weak, but the political elements of the action plans include proposals for extension of human rights, including trade union rights: the impact of this is related to the capacity of local organisations.

The annexes include extracts from the action plans and illustrative reports on the extent of privatisation in the water sector in Algeria, to illustrate the extent of commercial interest in these sectors in the neighbourhood countries and the potential effect on public services.

2. The neighbourhood policy: background and context

2.1. Neighbourhood policy

The EU neighbourhood policy (ENP) was introduced in 2003. It is intended to develop economic and political relationships with neighbouring countries, but without offering the prospect of future full membership.

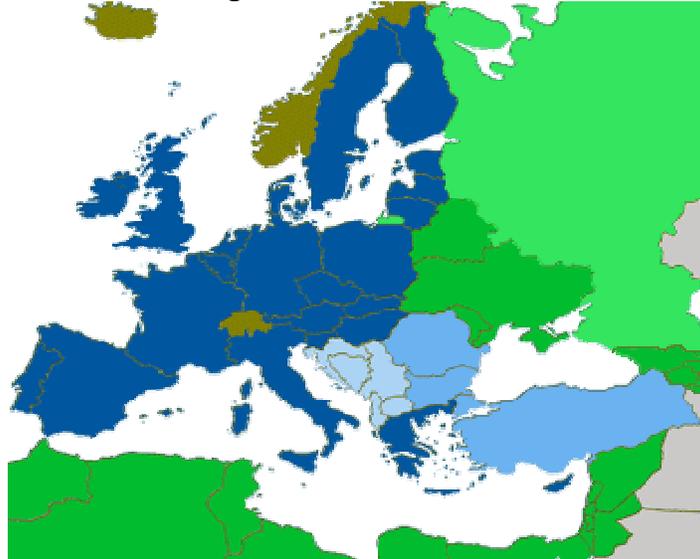
Information on the ENP is available on the website of the EC directorate for external relations, at http://europa.eu.int/comm/world/enp/index_en.htm . The key documents include:

- The original 2003 policy document, the EC [Communication on Wider Europe of March 2003](#)
- The financial element, ENPI: the [European Neighbourhood and Partnership Instrument](#)
- A more concrete policy paper in May 2004, the [Strategy Paper and Country Reports](#)
- a first set of draft Action Plans with partner countries in December 2004, the [Action Plans](#)
- a progress report in November 2005 [Implementing and promoting the European Neighbourhood Policy - Communication to the Commission \(SEC\(2005\)1521\)](#)
-

The 17 countries covered by the ENP consist of non-member and non-accession states bordering the Mediterranean, plus Jordan, the four newly independent former soviet states of Eastern Europe and (since 2004) the three countries of the Southern Caucasus. The EU is also concluding with Russia a similar agreement under a different title. The full list of countries covered is: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russia, Syria, Tunisia, Ukraine. The total

population of these countries is 417 million, about the same as the population of current member states of the EU.

Chart A. EU, accession and neighbourhood countries



Code: Dark blue=member states; mid blue = states preparing for accession; light blue = states subject to SAAs before accession discussions; dark green=ENP neighbourhood countries; mid green = Russia

Under the ENP, the EU develops action plans, with each country. Its objectives include developing EU regional security policies, encouraging good governance, and extending some of the principles of the EU, notably the internal market. The action plans are not themselves legal agreements. They supplement the existing agreements with ENP countries.

The EU is providing financial support for ENP countries with agreed action plans, through a specific budget, the ENP Instrument (ENPI), which will provide €14.9 billion during 2007-2013. It will replace the current funding programmes for Mediterranean and former Soviet Union countries.

2.2. ENP and existing programmes

The ENP countries have previously been covered by two earlier programmes of relations between the EU and neighbouring countries: the Partnership and Cooperation Agreements with former Soviet Union countries, and the European-Mediterranean partnership developed under the Barcelona process. Both of these have resulted in bilateral agreements between the partner countries and the EU. The action plans of the ENP are additional to these agreements.

- Bilateral partnership and cooperation agreements (PCA) were developed with former Soviet Union countries from 1992, supported by the TACIS budget. The eastern countries of the ENP all have agreements with the EU under this policy. The ENPI will absorb the TACIS programme from 2007. See http://europa.eu.int/comm/external_relations/ceeca/index.htm
- For the Mediterranean countries, the ENP is effectively an extension of the 'Barcelona Process', also known as Euromed, a program that aims to create a free trade zone between the EU and Mediterranean-rim nations by 2010, as well as improve political relations and security. The Euromed process generated bilateral 'Association Agreements' between the EU and the Mediterranean partners, supported by an aid programme (MEDA). All the Mediterranean countries of the ENP have association agreements with the EU under the Euromed process. The ENPI will absorb the MEDA programme from 2007. See http://europa.eu.int/comm/external_relations/euromed/index.htm

Action plans under the ENP were agreed with seven countries at the end of 2004. Discussions are in progress with another five countries, which have been the subject of country reports by the EU in 2005. The table below sets out the status of the agreements with each neighbourhood country. The action plans and the country reports are published at http://www.europa.eu.int/comm/world/enp/document_en.htm.

Table 1. ENP partners, agreements and action plans

(PCA = Partnership and Cooperation Agreement; AA = Association Agreement)

ENP partner countries	Population (m.)	Previous agreements	ENP Country Report	ENP Action Plan	Adopted by EU	Adopted by country
Algeria	33	AA – 2005	<i>Under development</i>	--	--	--
Armenia	3	PCA – 1999	March 2005	<i>Under development</i>	--	--
Azerbaijan	8	PCA – 1999	March 2005	<i>Under development</i>	--	--
Belarus	10	--	--	--	--	--
Egypt	77	AA – June 2004	March 2005	<i>Under development</i>	--	--
Georgia	5	PCA – 1999	March 2005	<i>Under development</i>	--	--
Israel	6	AA – June 2000	May 2004	Agreed end 2004	21.02.2005	11.04.2005
Jordan	6	AA – May 2002	May 2004	Agreed end 2004	21.02.2005	11.01.2005
Lebanon	4	AA - <i>imminent</i>	March 2005	<i>Under development</i>	--	--
Libya	6	--	--	--	--	--
Moldova	4	PCA - July 1998	May 2004	Agreed end 2004	21.02.2005	22.02.2005
Morocco	33	AA - March 2000	May 2004	Agreed end 2004	21.02.2005	27.07.2005
Palestinian Auth	4	Interim AA - July 1997	May 2004	Agreed end 2004	21.02.2005	04.05.2005
Russia	143	PCA – December 1997	-	-	-	-
Syria	18	AA <i>pending ratification</i>	--	--	--	--
Tunisia	10	AA – March 1998	May 2004	Agreed end 2004	21.02.2005	04.07.2005
Ukraine	47	PCA – March 1998	May 2004	Agreed end 2004	21.02.2005	21.02.2005
	417					

Source: European Neighbourhood Policy: A year of progress. Reference: IP/05/1467 Date: 24/11/2005
<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/1467&format=HTML&aged=0&language=EN&guiLanguage=en>

2.3. Russia

EU relationships with Russia have a special status, because of Russia's status in political and security issues as well as its economic size and its importance as an energy supplier. In 2004 the EC set out a paper on relations with Russia, proposing the development of relations in 'Four Common Spaces' - economic, migration, security, and research and culture.¹ The EU and Russia hold two meetings per year.²

Energy is a special dimension of relations between the EU and Russia. A special initiative, the Energy Dialogue between the European Union and Russia, has been developed with bilateral work on such issues as cross-border connections of networks.³ In October 2005 a Permanent Partnership Council meeting focussed on energy issues including: "associating private investment with public ownership in the development of infrastructure facilities", subsidies and pricing policies.⁴

2.4. Other EU relationships with neighbouring countries

- **Accession to full membership**

The ENP is an alternative to the accession process, and so excludes countries which are negotiating to become full member states of the EU. There are four countries in the region which are recognized as candidates for membership: Bulgaria, Romania, Turkey and Croatia. The accession process includes adoption of EC laws.
http://europa.eu.int/comm/enlargement/index_en.html

- **Former Yugoslavia: stabilization and association**

The other countries of former Yugoslavia and Albania –Bosnia and Herzegovina, Serbia and Montenegro, Kosovo, the Former Yugoslav Republic of Macedonia, Albania - are the subject of a special set of post-conflict Stabilisation and Association Agreements (SAA).All these countries

have “a credible prospect of membership once the relevant conditions have been met”, and so are expected to follow the accession route at some point in the future. See <http://europa.eu.int/comm/enlargement/intro/sap.htm> . In November 2005 the EC recommended that the former Yugoslav Republic of Macedonia should be accepted as a candidate country for membership of the EU.⁵ At the same time, progress reports on other countries indicated that Bosnia-Herzegovina had made good progress, Albania and Serbia and Montenegro had made some progress.⁶

- **Energy Community in South Eastern Europe (ECSEE)**

The Energy Community Treaty, signed in October 2005, effectively extends the internal market for energy to cover all the Balkan Peninsula. The signatories are all the countries of former Yugoslavia and Albania covered by the Stabilisation and Association process, and the accession countries of Croatia, Bulgaria and Romania: negotiations with Turkey are ongoing. Moldova, Ukraine and Norway have also applied to join, but for the moment are observers. Under the ECSEE the EU laws on liberalisation of electricity and gas will be implemented, in advance of accession, including market opening and investment guarantees, but without requiring implementation of other EU standards, for example on social protection. (in December 2005 the EC promised to start developing a social chapter for the ECSEE, in response to demands from unions⁷). The treaty is linked to development finance from the EU, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the World Bank, which has set up a \$1 billion dollar fund.⁸ See http://europa.eu.int/comm/energy/electricity/south_east/index_en.htm

- **European Economic Area (EEA)**

The EEA was created in 1992 as an agreement between the EU and 7 countries of western Europe which, at the time, were not member states: 4 states have now joined the EU, so the EEA now includes only Iceland, Lichtenstein, and Norway. EEA countries get access to the internal market in return for agreeing to implement relevant EU legislation – for example, internal market directives, state aid rules. The EEA has its own institutions, including a joint committee, and the three EEA countries are the most closely linked to the EU of all its neighbours. See http://europa.eu.int/comm/external_relations/eea/ .

The only state in Europe or its neighbourhood not covered by any of the above agreements and policies is Switzerland, which decided to leave the EEA. It has however recently agreed to join the EU Schengen agreement on internal borders.⁹

3. Objectives

3.1. *The objectives of the EU*

The ENP is a broad political and economic strategy for the EU in relation to neighbouring countries, similar in scope to the ambitions of the USA for the Free Trade Agreement of the Americas (FTAA). There are a number of economic, political and security objectives associated with the ENP. These include:

- A policy for limiting future membership of the EU
- Establishing an EU-centred economic zone
- Encouraging political reforms and improving regional security
- Enforcing EU policies on immigration
- Extending the EU's political influence
- Strengthening links with energy suppliers

The ENP draws an implicit boundary between countries which can expect to become members of the EU, and those which cannot. It has therefore been described as a “non-membership strategy”¹⁰, offering access to the single market plus financial and technical aid, in exchange for reforms

bringing them closer to the Union's political and economic models, but excluding free movement of labour and membership of the EU's institutions: "anything but accession."¹¹

For EU companies it thus has the same attraction as other trade liberalization mechanisms, such as the World Trade Organisation (WTO) process. The EU association of chambers of commerce, Eurochambres, sees the ENP as complementing trade liberalization under WTO rules, and as a vehicle for providing economic incentives to promote policy changes in neighbour countries which would "foster economic reforms internally and alignment with EU rules and ways of doing business".¹² In relation to Ukraine, for example, it expects the ENP to create new opportunities for private sector development: promising sectors include waste treatment and water purification. (At the same time Eurochambres is opposed to proposals of newly elected president Yushenko for the reversal of corrupt privatizations carried out by the former regime in Ukraine).¹³

The general political objective of the EU is to improve regional security by creating "a ring of well-governed countries around the EU, offering new perspectives for democracy and economic growth, in the interests of Europe as a whole".¹⁴ The European Security Strategy, adopted at the end of 2003, warned that expansion had brought the EU closer to troubled areas, and so it is desirable to promote "close and cooperative relations" with countries to the East of the European Union and on the borders of the Mediterranean.¹⁵ The ENP is intended to have an impact on the political structures and policies of the neighbourhood countries, because access to the EU's internal market is offered in return for political and economic reforms. For example, the EC deferred reaching agreement on the action plan with Ukraine in 2004 until "developments in Ukraine make it possible to envisage implementation of its provisions...[including]the holding of free and fair Presidential elections".¹⁶

Immigration is another important dimension of EU policy. The ENP countries are sources of migrants to the EU, or countries through which migrants travel, and the EU aims to get cooperation in enforcing border policies and immigration restrictions, while facilitating legal migration.¹⁷

The ENP is, more generally, part of the EU's policy to extend its political influence in the region, as part of a regional security policy. The agreement with Israel for example "opens Europe's economic, cultural and scientific doors to Israel in exchange for an enhanced EU involvement in the Middle East diplomatic process."¹⁸

Finally, the whole of the neighbourhood region is important for the EU's future energy policy. The inclusion of Russia and the Caucasian republics is related to the importance of the region as a source of energy for Europe, in respect of oil, gas and even electricity.¹⁹ Russia, Algeria and Libya supply half the EU's oil imports, while Russia and Algeria supply two-thirds of the EU's gas imports.²⁰ The EC is also interested in consolidating the transit route for natural gas supplies from Iran, which it estimated could supply 10% of future EU gas needs, through the Arab gas pipeline project.²¹ The neighbourhood is also a potentially huge market for electricity, both as a market opportunity to be developed, and to extend the potential suppliers of electricity into the EU. A 'Mediterranean ring' of interconnected electricity grids is nearly possible: the Mashreq grid between Egypt, West Bank/Gaza, Jordan Syria and Lebanon is being completed and linked to the existing Maghreb grid, and then to Turkey, which is itself linking with the south-east Europe energy market and the rest of the EU.²² The grid of Russia and former Soviet Union states is also in the process of being connected to the EU system.²³

Chart B. Oil and gas supplies to the EU

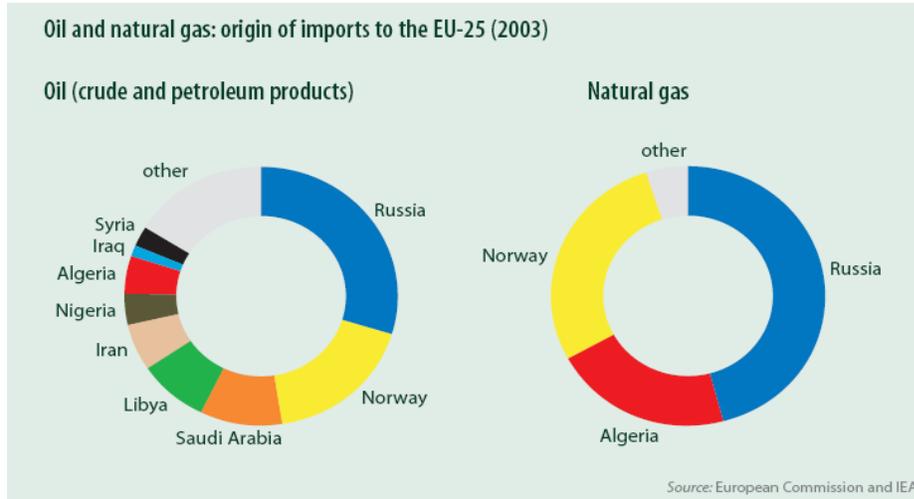
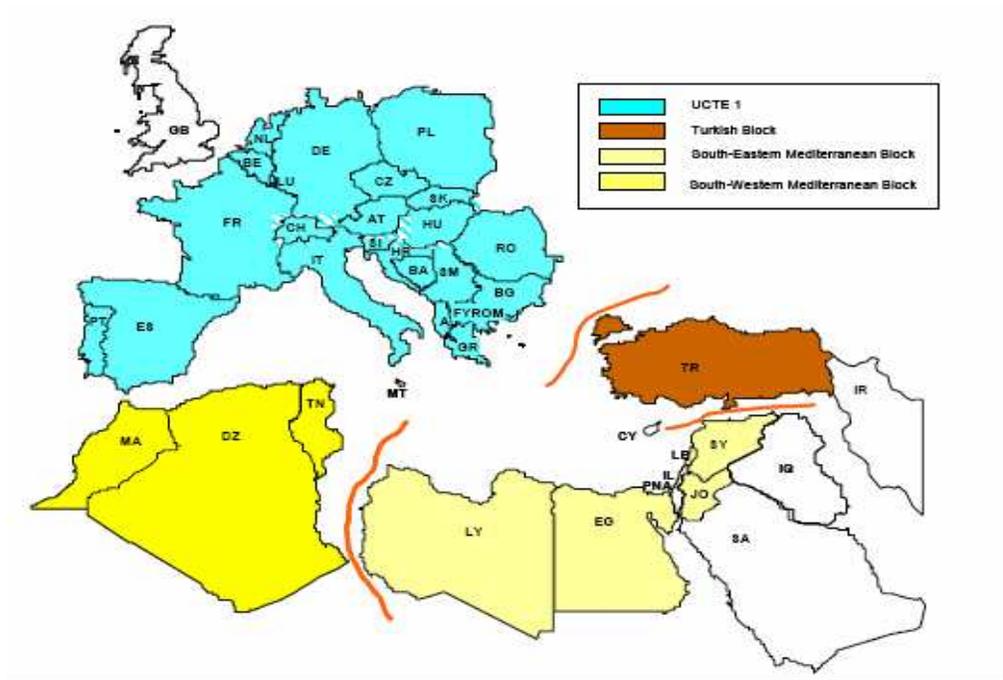


Chart C. Interconnection of electricity grids in neighbourhood and accession countries



3.2. Objectives for neighbourhood countries

The ENP neighbourhood countries are, by definition, not expected to become members of the EU for the foreseeable future, and so the prospect of accession, which created a real incentive for major restructuring in the transition countries of central and eastern Europe, does not operate as an incentive under the ENP. The incentives for neighbourhood countries seem to fall into four categories.

Firstly, the ENP and the action plans imply that economic reform through liberalization, private sector development, and opening of markets to international trade and investment are desirable objectives in themselves. However, this may not be universally accepted (see section 6 below on impact) and in any case is an incentive independent of the ENP agreements.

Secondly, especially for the eastern and Caucasus countries which were part of the former soviet union, there is an incentive to join the political sphere of influence of the EU.

Thirdly, neighbourhood countries will have access to the EU internal market. Most generally, this is presented as improved access to the huge market represented by the EU: "Commissioner Benita Ferrero-Waldner said in December 2004 the neighbours will qualify for easy access to the EU's 450 million consumers, 'the biggest single market in the world,' if they bring their laws in line with EU rules and regulations."²⁴ More specifically, it is presented as consisting of "enhanced preferential trade relations" and "the most novel and far-reaching feature of the ENP, a 'stake' in the EU's internal market. This means gradual participation in our internal market through approximating legislation and gradual integration of transport, energy and telecommunication networks."²⁵ The liberalisation of network industries is thus a core aspect of this access to the internal market.

Finally, there is a direct financial incentive. Neighbourhood countries will get grants and loans, on favourable terms, from the EU, through public spending and public borrowing.. Countries which agree to the action plans will receive grants from the EU budget totalling €15 billion for 2007-2013 – nearly double the amount provided to the same countries in 2000-2006.²⁶ They will also receive a greater volume of lending by the European Investment Bank (EIB), a development bank owned and underwritten by the EU. This financial support will, in effect, include conditionalities that the liberalisation policies should be implemented.

4. International financial institutions associated with the ENP

4.1. European Investment Bank (EIB)

The original ENP paper highlighted the role of the European Investment Bank (EIB) in financing infrastructure in the neighbourhood countries: "The [financial bodies] have a key role to play in reducing poverty, helping to mitigate the social consequences of transition, assisting accelerated reform and increased investment as well as developing infrastructure and the private sector. Community financial instruments and the EIB should continue to support infrastructure investment in the Mediterranean...While the central role played by the EBRD should continue to be supported, the EU could also consider the progressive and targeted increase of EIB lending to Russia and its extension to Ukraine, Moldova and, eventually, Belarus."²⁷

In 2005 the EIB has sought and been given the authority to develop its own policies.²⁸ So far it has been limited to carrying out work as 'mandated' by policy decisions of the EU bodies. The EIB argued that it should be able to develop its own policies in relation to 'partner Countries', and set its own conditions for financing them: "Better serving the development objectives and policies of the Union would call for a more coherent and staff-intensive approach to EIB activity in Partner Countries that would put more emphasis on country and sector intervention strategies and involve more risk-taking coupled with greater availability of subsidies, and closer cooperation with all actors (the Member States who are the Bank's shareholders, the Commission, bilateral aid agencies)... [the EIB] would devote more attention to the developmental impact of the projects it finances...[with] a more strategic attitude towards project acquisition, shifting from the current demand-driven approach to one built on country and sector intervention policies...Of course, while taking into account sectoral reform commitments made by Partner Countries to other IFIs, the Bank would nevertheless maintain flexibility in setting its own conditionality".²⁹

4.2. Facility for Euro-Mediterranean Investment and Partnership (FEMIP)

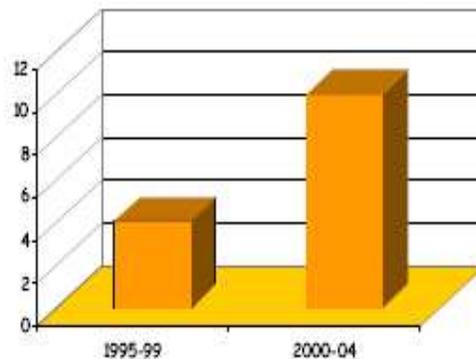
In the Mediterranean, the main vehicle through which the EIB has operated has been the Facility for Euro-Mediterranean Investment and Partnership (FEMIP). This was set up in 2002 as an vehicle to increase European lending to finance investment in countries in the Euro-Med partnership, specifically to encourage economic liberalization and the development of the private sector, by "focusing on sectors that offer the greatest leverage in order to encourage structural

reform and promote private initiatives, whether local or foreign.”³⁰ FEMIP is implemented by the EIB in close cooperation with the European Commission, the banking community in Europe and the beneficiary countries, World Bank, and other development finance institutions.³¹

FEMIP provided €2.2 billion Euros in loans in 2004, compared with €710 million funding from MEDA.³² The summary of projects for 2004 shows the particular impact of FEMIP's lending:³³

- investment in private sector businesses including FDI (Algeria, Egypt), and SMEs financing (Egypt, Lebanon, Morocco, Tunisia and Turkey);
- infrastructure projects, including energy, transport and environment, underpinning private sector
- development in Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia and Turkey;
- power generation and transport/distribution were financed in Egypt, Jordan, Morocco and Syria;
- improvement of transport infrastructure in Egypt, Tunisia and Turkey;
- water supply and water treatment in Lebanon, Morocco and Tunisia;
- social housing in Morocco.

Graph 3: Loans granted by the EIB to the Mediterranean (millions of Euros)



Source: EIB, 2005

It also operates a Technical Assistance Fund which in 2004 signed 20 consultancy contracts for a total of euro 13.8 million for studies on increasing the efficiency of investment in the environment (€6.7 million, 48%), the private sector (€5.8 million, 42%), infrastructure (€1.2 million, 9%) and human capital (€0.1 million, 1%) in the MPCs.

Apart from its financial role FEMIP can also operate as a policy forum. A FEMIP meetings in Morocco in June 2005 was chaired by the EIB and attended by “the 25 EU Member States and the 10 Mediterranean Partner Countries, as well as by representatives of the European Commission, the European Central Bank, the European Economic and Social Committee, the International Monetary Fund, the World Bank group and the African Development Bank), and the Arab Monetary Fund”. It discussed and agreed highly specific measures in relation to the water and sanitation sector in north Africa:

“Regarding water, sanitation and transport the participants called for:

- A further improvement of coordination between donors for achieving higher efficiency.
- The publication of more open tender documents in the case of privatisation or concessions, to reinforce the attractiveness of the countries, particularly when seeking foreign direct investments and to optimise financing costs. FEMIP is to organise a workshop on this issue in Luxembourg in autumn.
- The development of local currency lending to eliminate exchange risk. Significant progress has been made in discussions with the Kingdom of Morocco to set in place the appropriate framework for a first capital market issuance in Dirham.”³⁴

4.3. Other organisations

In addition to the EU neighbourhood policy, countries in these regions are also subject to activities of other multilateral institutions promoting privatisation and liberalisation.

- In May 2004, the European Commission, the EIB and the World Bank signed a memorandum of understanding aimed at strengthening their coordination in the Euro-Med region; the joint WB/EC Program on Private Participation in Mediterranean Infrastructure (PPMI) fosters private participation and competition in infrastructure in the countries of the Middle East and North Africa, e.g. Algeria. PPMI is based in the Bank's office in Brussels.
- The IMF managing director, Rodrigo de Rato, stated in February 2005 that Algeria had succeeded in reducing its government deficit, and urged continuing reforms and liberalization, including privatization of public enterprises: "In addition, restructuring and privatizing the viable public enterprises will enable them to grow again."³⁵
- A wide range of international bodies have collaborated in promoting water privatisation in Ukraine and Russia. These include the OECD, the World Bank, the EBRD, the EC – through the EU water initiative, EUWI – and UN agencies including UNECE, UNEP, and UNDP.³⁶ For example, a major 'Market development study' for a conference on water in Moscow in 2004 was prepared by the OECD, the World Bank, and the World Bank-Netherlands Water Partnership: it surveyed the wishes of private companies – but not of municipalities – for the future development of the sector.³⁷

5. Action plans

5.1. General

The ENP is based on a set of bilateral agreements, the Action Plans, between the EU and each of the 17 neighbourhood countries. This country-by-country approach reinforced the principle of differentiation, under which countries which are more advanced with their plans can move ahead without being held back by a need to achieve a common objective. There is no general agreement between all the partner countries, which leaves each country relatively alone in its dealings with the EU, unlike the earlier expectations of the Euro-med Barcelona process: "some would hold that the new neighbourhood policy to some extent hollows out the 'spirit of Barcelona' by undermining the notion of a regional 'economic partnership.'"³⁸ The Euromesco group of academics warns: "If the partnership fails to work towards the constitution of a Euro-Mediterranean Community between democratic states, the bilateral nature of the Neighbourhood Policy will gradually destroy the regionally focused partnership."³⁹

The Action Plans are additional to existing agreements requiring reforms in partner countries. Firstly, they are additional to the bilateral association or partnership agreements between the EU and each country, which already exist as binding agreements and are frequently referenced in the Action Plans. Secondly, there are a number of other specific agreements covering similar subjects between the EU and/or neighbourhood countries, for example the Euro-Med protocol on services liberalization, or the creation of an integrated Maghreb electricity grid. Thirdly, some of the areas covered by the Action Plans are already covered by international conventions, for example basic labour rights set out in ILO conventions. Fourthly, many of the partner countries are already subject to Country Assistance Strategies (CAS) of the World Bank, and/or programmes agreed with the IMF as a condition of IMF support, and/or bilateral agreements with other countries, such as the USA.

This web of agreements imposes difficult administrative burdens and political restrictions on countries whose administrative capacities are underdeveloped. According to a recent study: "the proliferation of bilateral investment agreements (BITs) ... has led to a "spaghetti bowl" of rules, arbitrary definitions, unclear competences and responsibilities, and many developing countries are

overburdened by requirements of bilateral negotiations and non-transparent, sometimes conflicting, rules and overlapping obligations.”⁴⁰

The ENP action plans consist of long list of priorities for action, which include specific short and medium term objectives. Each action plan has an opening summary highlighting the most important objectives. They cover a range of issues concerned with security, migration, human rights, and political reform, as well as economic reform and market liberalization. Each has the same set of headings, including ‘competition policy and state aid’, and action in specific sectors, including transport, energy, environment, healthcare and education.

Some of the plans include specific commitments in relation to security and migration issues which are of obvious interest to the EU: for example, the action plans with Moldova, Morocco, Tunisia and Ukraine require the countries to reach agreements with the EU on readmission of migrants rejected by EU countries; the plan for Ukraine includes continuing discussion of “the possible EU use of Ukraine’s long haul air transport capacities”.⁴¹ The plans themselves should thus be seen as the result of negotiations concerning a wide range of economic and non-economic issues, reflecting the relative bargaining power of the neighbourhood countries, and also some differences in starting points.

The Action Plans require, overwhelmingly, action by the neighbourhood countries, with very little specifically required of the EU.

The following analysis focuses on the economic policy provisions of the action plans which have an impact on public services, and on the human rights provisions concerning trade union rights and protection of workers’ rights. These can be considered under 5 headings:

- Liberalisation of services
- State aid
- General privatisation and liberalisation
- Sectoral reform: energy, environment, healthcare
- Trade union rights and worker protection

Under each heading, the wording is sometimes almost identical in the action plans of two or more countries, sometimes different, and there is variation in coverage. These variations may reflect different bargaining strengths – for example, the only high-income country in the area, Israel, has much lower levels of commitment to liberalisation of services than other countries.

Annexe 1 sets out relevant extracts from the Action Plans themselves.

5.2. Liberalisation of services

The Action Plans contain a number of commitments to liberalise trade in services, an area which has proved controversial both in the EU and in international trade negotiations, because of the potential impact on public services.

The most specific obligations are placed on Moldova and Ukraine, which are expected to deliver “Gradual abolition of restrictions to progressively allow the supply of services between the EU and Moldova/Ukraine in certain sectors, in line with WTO and [partnership and cooperation agreement] commitments in Title IV, Chapter III (Cross-border supply of services). Both countries are required “... to complete a review of national legislation ... so as to identify barriers to the provision of services” – for Moldova “with the aim of abolishing them.....”, for the Ukraine, with the objective of “Removal of obstacles identified, taking into account WTO services commitments”. Ukraine has the even more specific task to “Ensure co-ordination between all relevant administrative entities in order to facilitate the supply of services and to eliminate barriers to trade in services.... [and] Ensure effective implementation of legislation that sets out basic principles of non-discrimination, introducing more detailed secondary or sector-specific legislation as necessary.”

The objectives for Morocco also include “negotiation of an agreement on liberalising the market in services” [*“La négociation d’un accord de libéralisation des échanges dans le domaine des services”*], and “review Moroccan legislation with a view to reaching an agreement on trade in services;contribute to finalising a protocol on services, and open bilateral negotiations in the services sector in line with article V of GATS” [*“Examen de la législation marocaine dans la perspective de la conclusion d’un accord sur le commerce des services. Contribuer à la finalisation du protocole euromed sur les services; ouvrir des négociations bilatérales dans le domaine des services sur la base de l’article 31 de l’accord d’association et en accord avec l’article V du GATS”*].

Tunisia is required to “progressively eliminate restrictions of trade in services between the EU and Tunisia in a significant number of sectors and to negotiate an agreement on liberalisation of trade in services in line with article V of GATS” [*“Éliminer progressivement les restrictions aux échanges de services entre l’UE et la Tunisie dans un nombre significatif de secteurs et négocier un accord de libéralisation du commerce des services conforme à l’article V de l’AGCS”*] and to contribute to the Euromed discussions on services “with the objective of concluding a free trade zone for services in line with article V of GATS” [*‘...contribuer à finaliser le protocole cadre sur la libéralisation des services dans le cadre du groupe de travail euro-med services ; – entamer les négociations bilatérales en vue de conclure une zone de libre échange dans le domaine des services conformément à l’article V de l’AGCS ’*]. Tunisia also has to consider its national priorities and work out an appropriate calendar for negotiations with the EU on the service sector [*“identifier les priorités nationales et établir un calendrier approprié de négociations dans le secteur des services avec l’Union européenne”*]

Israel is expected to “Increase economic integration particularly with the EU, inter alia, by developing trade and investment flows, by liberalising trade in services, in particular financial services...”, and to “Promote the opening of bilateral negotiations on liberalisation of services with Israel. This will be done taking into account the specific nature of the Israeli economy, the overall objectives set in the conclusions of the Euro-Med Ministerial meetings and the objectives set in the draft Framework Protocol for Liberalisation of Services among Euro-Mediterranean partners (known as “the Istanbul Protocol”), notably mutual recognition of professional services.....”

The plan for Jordan requires “Deepening trade and economic relations, extending them progressively to cover agriculture and the service sector,” and the country is expected to “Take steps to prepare for a progressive liberalisation of trade in services.....[and] Establish the Euromed framework protocol to enable the possibility of open bilateral negotiations.”

The action plans also contain repeated commitments to harmonise public procurement practices in line with EU rules, and enable EU companies to bid for these contracts (and for companies in the neighbourhood to bid for EU contracts). The action plan for Ukraine is typical in requiring the country to “Facilitate the effective, reciprocal and gradual opening of the public procurement markets”. Again, these commitments go beyond what has been agreed through the WTO, where government procurement is exempted from the scope of the agreements on trade in both goods and services, and planned discussions on a multilateral agreement on government procurement have not yet started.⁴²

5.3. State aid

The EU’s own rules on state aid are themselves controversial. The relationship with public services, in particular, is a matter of widespread concern in EU countries. They are currently the subject of complex reform proposals, partly in response to rulings of the European Court of Justice.⁴³ EU law provides for various exemptions, including the general possibility that state aid for (non-economic) services of general interest is exempt, and the latest proposals from the EC would exempt all state aid for hospitals and social housing, and all state aid for any other public service below the threshold of Euros €30 million per annum. The EC still retains flexibility in approving state aid, which does not appear to be subject to any constraints under the

neighbourhood policy: in June 2005 it approved state aid by France to invest in a new international TV channel, aimed principally at north African and east Mediterranean neighbour countries, by reference only to the impact on competition in France.⁴⁴

Requirements to reduce or eliminate state aid feature in nearly all the ENP action plans, but do not reflect the complexity of the EU law on this subject. Specific requirements to adopt state aid rules also featured in pre-accession and association agreements, as well as the EEA agreement: the association agreements with the former accession countries omitted to mention the exemption from state aid rules given by the EC treaty (article 86) for services of general economic interest.⁴⁵ By contrast, the EU trade agreement with South Africa has a broad provision exempting all state aid which supports a specific public policy objective.⁴⁶

There is a sharp difference in the ENP action plans between two sets of countries on the question of the definition of state aids. Israel, Morocco and Tunisia are required to exchange information on state aid definitions with a view to “agreement of a common definition. Other countries – Jordan, Moldova, Ukraine - do not discuss a joint definition, but are required to “Establish a binding, uniform definition of State aid which is compatible with that of the EU” .

For sectors involved in the internal market, a number of countries – Jordan, Tunisia, Ukraine - also have to introduce legislation which prohibits state aid which distorts trade between the EU and the country concerned. This goes well beyond the EU's own laws, which provide for various exemptions, even for aid which distorts trade: the action plans make no mention of any such exemptions. It is also less flexible than at least one other agreement by the EU, the bilateral agreement with South Africa, which says that public aid which distorts competition is incompatible with the agreement unless it supports “a specific public policy objective or objectives of either party”⁴⁷. Israel is committed only to defining, with the EU, how “sectors, which are to participate in the Internal Market, are compatible with the EU state aid system.”

Countries are also required to introduce various administrative measures. Moldova, Tunisia and Ukraine have to establish a complete list of public authorities which can grant aid. Jordan, Moldova, Tunisia, and Ukraine have to create a central mechanism for monitoring state aid, and produce annual reports on state aid. Jordan, Tunisia and Ukraine are required to set up mechanisms, like the EC, for ex ante authorisation of state aid. Jordan also has to establish “A procedure between the EU and Jordan, to settle cases that distort competition.” which would involve the EU in some form of co-determination of decisions which could restrict Jordan's ability to finance public sector organisations. There is no reference to the cost of these measures, nor to the difficulty encountered by the EC itself in creating and operating such mechanisms: in 2005 the European Commission elaborated a complex package of proposed legislation and guidance in an attempt to deal with the impacts of the state aid clause introduced 40 years previously.⁴⁸

5.4. General privatisation

The EU treaty includes the development of the internal market as a central objective, but there is no commitment to privatization as an objective: on the contrary, the treaty requires the EU to be neutral on the question of public or private ownership of any organization. The EC does encourage and support public-private partnerships, but not privatization per se, inside the EU. However, the action plans go beyond the limits of the EU treaty, and include a number of references to encouraging privatization as an objective in neighbourhood countries, both in general and in relation to specific sectors..

For Ukraine, there is a strong general commitment to : “Implement privatisation programme, including large-scale privatisation, and increase transparency of privatisation process”. This reflects the policies of the EU's 2003 country strategy paper for Ukraine, which says it will: “support the de-monopolisation and privatisation of municipal services in selected cities in co-operation with interested IFIs by funding the preparation and management contracts which outsource the provision of services to private enterprises.”⁴⁹ The action plan for Moldova has

similar requirements: "Implementation of privatisation programme, covering in particular outstanding largescale privatisation as a priority and the energy sector....accelerate and increase transparency of privatisation programme, covering in particular large scale privatisation in key sectors."

The action plan for Israel includes as an objective "– Develop EU-Israel co-operation on structural economic reforms, including privatisation and pensions..."; Jordan is expected to "Continue progress with the privatisation program" and specifically "Further advance in restructuring/privatising the electricity sector". Tunisia is expected to draw up a plan for opening infrastructure to private investments, and specifically to adopt a framework law for concessions ("*– adopter un Plan d'action pour ouvrir le secteur des infrastructures à la participation privé.... Elaborer une loi cadre sur les concessions*")

5.5. Sectoral reform: electricity, health, education

The EU has extended the internal market by a series of directives covering specific sectors, including electricity, gas, and telecoms (but not water). The impact and viability of these programmes, especially in the electricity sector, are a matter of critical debate within the EU: the actual extent of competition, after 7 years of liberalization, is low, and there is evidence of damaging effects on employment and security of electricity supply. The action plans nevertheless include unconditional commitments to move towards liberalization in these sectors.

Moldova and Ukraine are expected to deliver "*Gradual convergence towards the principles of the EU internal electricity and gas markets*". For Israel, the action plan only requires the country to "Explore the possibility of legal and regulatory convergence towards the principles of the EU internal electricity and gas markets". Jordan gets an explicit promise of EIB funding for infrastructure investment, as part of a requirement for sector liberalization and "interconnection with EU networks....."

Morocco too gets a promise of EIB funding for infrastructure investment to support private sector development as part of the FEMIP project ("La BEI apportera également un soutien à l'investissement en infrastructures et le développement du secteur privé et du partenariat dans le cadre de la FEMIP"; and is required not only to move towards liberalisation of electricity and gas in line with the EU internal market, but also to make the technical preparations for integration with the European markets. Tunisia has a more explicit commitment to develop the unified electricity market for the Maghreb and its future integration with the EU electricity market, in line with the protocol agreed in 2003 ("*Mettre en oeuvre le protocole d'accord pour l'intégration progressive des marchés d'électricité de l'Algérie, du Maroc et de la Tunisie dans le marché intérieur de l'électricité de l'Union européenne (Rome, 2 décembre 2003)*").

Healthcare and education are not covered explicitly by EU internal market directives, though various EU countries have been reforming their healthcare systems to enable more contractual trading relations between various bodies, and reforming higher education on a more commercial basis. These reforms are frequently controversial.

Nevertheless, Moldova's action plan includes the remarkably specific commitment on "– Reform of health system: – Health services autonomy, especially for hospitals". Morocco is required to "develop the private sector in education, vocational training and higher education" ("*Développer le secteur privé de l'éducation, de la formation professionnelle et de l'enseignement supérieur*"). Neither of these commitments occur in other action plans.

5.6. Trade union rights and worker protection

The action plans include human rights provisions on a number of dimensions, including sections on women's rights, and the development of women's social and economic roles. They also include provisions concerning trade union rights, protection of workers, and rights to assembly - many of which refer to implementation of existing ILO standards - but without explicit provision for

enforcement, or for strengthening of local trade union organisations, or for sanctions if no progress is made.

The action plan for Jordan includes a general objective to “*Promote Freedom of association and Development of Civil Society*”, and also specific commitments to “Develop a dialogue on the fundamental social rights and labour rules to identify potential measures in this field. ...” and to “Ensure adherence and effective implementation of Jordan’s commitments to the core labour standards contained in the 1998 ILO Declaration on Fundamental Principles and Rights at Work and related core ILO Conventions.” Tunisia is also required to respect the fundamental rights in ILO conventions,

Moldova and Ukraine are required specifically to protect trade union rights and develop social and employment policies: “*Ensure respect for Trade Unions’ rights and core labour standards – Continue efforts to ensure Trade Unions’ rights and core labour standards in accordance with European Standards and ILO conventions.....*”.

Both Moldova and Morocco and Tunisia are expected to “*Strengthen dialogue and co-operation on social matters. Ensure a closer approximation of the country to EU standards and practices in the area of employment and social policy – Engage in a dialogue on employment and social policy with a view to develop an analysis and assessment of the situation and to identify key challenges and policy responses (social and civil dialogue, health and safety at work, gender equality, labour law, employment policy, social protection and inclusion) gradually moving towards EU standards in this field.*”. The plan for Morocco includes more specific commitments to develop policies on health and safety at work, sickness insurance, and training.

The action plans for Morocco and Tunisia also include provisions which place obligations on the EU as well as Morocco in respect of a dialogue on the working and living conditions of Moroccans working in the EU, to ensure equality of treatment and improve social integration. [“*Poursuivre le dialogue sur les conditions de vie et de séjour des travailleurs marocains et de leurs familles légalement résidents dans l’Union en vue de la recherche des voies et des conditions de progrès à réaliser pour assurer l’égalité de traitement et améliorer l’intégration sociale.*”]

There is also a general requirement to “*Ensure respect for the freedom of association and foster the development of civil society*” and to “Amend law on assemblies to bring it in line with the requirements of the European Convention on Human Rights”.

6. Commentary

6.1. Context

Earlier EU policies in relation to neighbouring countries had different contexts. The EEA created a set of relations with other developed European countries which were the economic equals of the EU member states: the ENP however covers developing and transition countries which are far poorer and face far greater challenges to developing stable democratic systems than the EEA countries.⁵⁰ The relations with the former communist states of central and eastern Europe were based on a consensus on the necessity for a complete restructuring of the economies, despite high economic and social costs, and on a clear goal of EU membership for the countries. The neighbourhood countries by contrast are being told they cannot expect membership, nor do they form a unified block with a common history.

The ENP most clearly resembles an extended version of the Euromed process, covering developing countries with low expectation of membership. The experience of the Euromed partners is thus most relevant for assessing the potential impact of the ENP approach.

6.2. Foreign Direct Investment (FDI)

One of the expected benefits to the countries' economies from the reform measures demanded under the ENP is an increase in foreign direct investment (FDI), as a result of European and other companies investing in the newly liberalized country. The FEMISE group of academics argue that this is a key role for the EU in relation to neighbourhood countries, and that the lack of such commitment in the early 1990s explains why Mediterranean countries received less FDI compared with the countries of central and eastern Europe, where these sectors had been "privatised and restructured under the impulse and with the help of Europe"⁵¹

However, there are general doubts about the benefits of foreign direct investment (FDI) for countries in development and transition (which includes all the ENP countries), and doubts about the efficacy of bilateral agreements (BITs), such as the action plans, in delivering FDI.⁵² Some studies in developing countries have found evidence that multinational activity has negative effects on local companies in the same sector (although local suppliers may benefit).⁵³ An UNCTAD study on FDI in African countries concluded that "openness has not resulted in poverty reduction. Thus, the conventional wisdom that persistent poverty is due to the low level of trade integration with the global economy must be reassessed".⁵⁴

More generally, where FDI is in sectors which export little but supply overwhelmingly a the domestic market - which is invariably true of public services - then the effect will be to worsen the country's trade balance: "A negative relationship between inward foreign direct investment and the trade balance is to be expected if the subsidiaries primarily supply the domestic market"⁵⁵.

In the Euro-med countries of north Africa, the results since the 1999 agreements have been unimpressive. The FDI delivered since 1999 the agreements has been mostly delivered through privatisation and investment in gas and oil: "... its sectoral destination does not so far correspond to the real needs of the recipient economy, as they have neither stimulated local production capacity and supply nor resulted in employment creation and revenue generation outside the oil and gas sector."⁵⁶ In these countries, where industries are inefficient and not competitive, "the essential policy issue is not simply integration into the global market but how to improve the composition of the exports, building competitive and dynamic export capability through improved productive and supply capacities."⁵⁷

FEMISE refers to the World Bank's observation "that many countries which have succeeded in recent years (such as China, India, VietNam) have often undertaken what look like incomplete (or unorthodox) reforms to liberalise trade and investment. But they often obtained better results than those obtained in other cases where reform was more complete and orthodox (such as Argentina and Brazil)"⁵⁸

6.3. Public services

After 10 years of the Euro-med partnership, inequality and lack of social cohesion in many Mediterranean countries remains a serious problem. In the north African partner countries expenditure on education has declined, and although spending on health has increased, in Egypt and Algeria the increase is small. One indicator of the inadequacy is women's health: in Egypt, Morocco, Algeria and Turkey the life expectancy of women is lower than that of men. The MEDA funding from the EU, part of the bilateral agreements, has been inadequate compared with what is needed in these services.⁵⁹ In practice, EU funds have been used less for public services and more for economic liberalisation: "The large bulk of the MEDA budget has gone into bilateral financial support to structural adjustment and private sector development as well as transborder cooperation"⁶⁰

The economic policies required of partner countries have created further pressure on public services because of their emphasis on the reduction of the public deficits and public spending, and the "disengagement of the state".⁶¹ Public revenues have also been affected, because trade

liberalisation reduces the use of customs duties on trade, traditionally a major source of taxation income: the income lost has not been adequately replaced by indirect taxation on consumption.⁶²

In a 2001 paper on the MEDA programme, the EC itself acknowledged that “Respect for social cohesion is another decisive factor of economies development that must not be neglected; otherwise there is a risk of creating even more internal inequalities and thus aggravating a situation of exclusion which is often at the basis of popular rejection of reform”.⁶³ This acknowledgement is contained in some of the action plans also, but lacking the force of the liberalisation provisions.

The Neighbourhood Policy offers an opportunity to redress this balance: “as long as the EU uses it to forge the kind of solidarity that allowed European populations to become more socially cohesive. Thus, it is essential that the importance of solidarity and supporting Southern social cohesion is recognised, as a way to ensure the success of this collective experiment in sustainable and peaceful economic social and political development.”⁶⁴ One way of doing this would be to encourage the use of social provisions in public procurement procedures, for example, which has been a traditional method for developing higher labour standards: however, the liberalisation of services and the opening of government procurement may mitigate against this (see next section).

6.4. Liberalization of trade in services

Attempts to liberalise trade in services face strong resistance within Europe and globally. Within the EU, the Commission has been unable to formulate a proposal that the European parliament can agree to, not least because of concerns over the impact on public services. The WTO discussions on a General Agreement on Trade in Services (GATS) are also highly controversial, again partly over the relationship to public services: proposals from the EC to subject water and electricity to liberalization under GATS are being resisted by many countries.

Liberalization of trade in services is already one of the EU's central priorities for the Euromed partnership in developing the Euro med free trade area (EMFTA), through a protocol agreed in 2004 in Istanbul on the liberalisation of services. In May 2005 the EC placed the liberalisation of services as a priority of the Euromed partnership: “The liberalisation of trade in services and establishment is an objective that is provided for by the Association Agreements with all the EU's Mediterranean partners.....Services liberalisation, in requiring comprehensive domestic reforms, also contributes to domestic economic adjustment and reform.....”⁶⁵ The Istanbul Framework Protocol on Services sets out requirements on market access, national treatment, regional most-favoured nation treatment, domestic regulation and mutual recognition which are similar to GATS requirements, and covering the same range of services as covered in . GATS, including educational services, environmental services, health-related and social services, and transport services.⁶⁶ The possible social implications are acknowledged, with the statement that the impact analysis being carried out at Manchester University will help guide future policy – how this will happen is not specified.⁶⁷

A paper produced in 2005 by a joint World Bank-EC project on Private Participation in Mediterranean Infrastructure⁶⁸ makes clear that the Euro-Med partnership, and more broadly the ENP, are seen as ways of accelerating liberalisation of trade in services which the WTO has failed to achieve in the region, and of achieving liberalisation and privatisation of the public sector.⁶⁹ The commitments made by Arab countries so far under GATS are said to be limited', with four countries not even members of the WTO: the paper states that regional trade liberalisation “might be easier to negotiate”, and mentions the North American Free Trade Area (NAFTA) as an example that can be followed. Services liberalisation is seen as important not only for economic growth but also because it demands restructuring of the public sector: “liberalization of trade in services require very similar reforms as those needed for the sake of domestic economic adjustment (e.g. liberalization of market access, elimination of red tape, breakup of state-owned monopolies)”.⁷⁰

In December 2005 a meeting of members of parliament from EU and Neighbourhood countries expressed concern about the ENP provisions for liberalisation of services, and warned that they “should not undermine the Mediterranean partners’ negotiating position within the WTO and called for a study into the impact on employment and on the economy of the partner countries.”⁷¹

Finally, the requirement for reciprocal opening of government procurement, in the most general terms, could limit the ability of countries to use government contracts as an instrument of development policy, and may also worsen trade deficits with the EC further.

Table 2. GATS commitments in Euromed countries

Sector	Egypt	Jordan	Morocco	Tunisia	Total	Israel	Turkey	WTO*
Business		x	x		2	x	x	71%
Communications		x	x	x	3	x	x	68%
Construction	x	x	x		3		x	51%
Distribution		x			1			36%
Education		x			1		x	32%
Environmental		x	x		1	x	x	37%
Financial	x	x	x	x	4	x	x	73%
Health / Social		x			1		x	33%
Tourism	x	x	x	x	4	x	x	88%
Recreational		x			1			43%
Transport	x	x	x		3		x	58%
Total	4	11	7	3	24/77	5	9	

* percentage of WTO members with sector commitments. Algeria, Lebanon, Syria and West Bank and Gaza are not yet members.
 Source: World Trade Organization.

6.5. Employment

FEMISE’s 2004 review of the Euro-med experience notes that structural adjustment had worsened unemployment and inequalities: “The structural adjustment programmes which guided the reforms of the 80s in the Middle East and North Africa (MEDA) achieved important results with regard to stabilizing the macroeconomic indicators but at the same time caused a significant increase in unemployment and poverty, generating “new poor” in various social groups as “direct victims” of the structural adjustment measures. The results achieved by many MED countries on the economic plane, and sometimes with regard to the reduction of poverty too, conceal the strong social imbalances which still persist and which are not reflected in an equally satisfactory improvement in the effective living conditions of the inhabitants.”

The impact has been quantified: the estimates for the increased unemployment resulting from Euro-med policies range from around 3% in Morocco to 9% in Tunisia and to more than 12% in Algeria and, Egypt.⁷² The expected long-term economic gains are estimated to be only 2% increase in GDP growth.⁷³

FEMISE notes that the experience of the transition process in central and eastern Europe shows a similar conflict with objectives of reducing poverty and improving employment,: “The experience of transition since the early 1990s shows that the compatibility between trade liberalisation and the reduction in poverty is more difficult to achieve than the quest for these principles lead us to believe. In the case of [the new member states] and more specifically countries such as Poland, transition was possible at the price of an important continuing trade deficit largely financed by international public funds, a considerable increase in unemployment (in an environment of stability of the active population) and of poverty (in the Eastern and central Asian countries, the number of poor people on under \$1/day has grown from 1 million in 1987 to 24 million in 2004)”⁷⁴

6.6. Human, political and labour rights

The political reforms expected from the ENP depend on the development of human and political rights. The explicit references to trade union rights in the action plans are unusual: most bilateral investment treaties and regional trade agreements (and the WTO) have generally no provision for labour rights nor for consultation with trade unions. As with other human and political rights, the key to enforcement of these rights is strong local trade union organisation: "Outside pressure can support, but not substitute for, domestic efforts to strengthen labour rights."⁷⁵

The experience with the Euromed partnership is not encouraging. In April 2005 the Euromed civil society forum expressed profound scepticism as to the real results of the Partnership in terms of progress in the areas of democratization, human rights, peace, development and the protection of the environment in the region", but called for "a revival and a restructuring of this Partnership at the political, economic, social, cultural and environmental levels" and proposed new permanent consultation mechanisms with civil society for both the Euro-med Partnership and the ENP.⁷⁶

A report from the Euromesco group supports this view, and criticises the assumption that political rights will develop as an automatic consequence of economic liberalisation: "An overview of the last ten years shows that reality lags far behind the aims, and that the causal and sequential link between economic reform and political liberalisation has failed to materialise. If there has been any progress in human development terms, it has been neither uniform nor sufficient to respond to the grave social problems of the region. Economic reforms have largely failed to encourage political reform. The Partnership failed to address seriously political issues, not only in the realm of security but also as regards human rights, not least because of the assumption of a causal sequential link to economic reform."⁷⁷

The Euromesco report also notes that the Euromed human rights provisions have brought some specific benefits where organised groups exist to make use of them "The acquisition of office spaces for human rights organisations has been highly important to ensure continuity of their work in unfavourable environments, for example. Trade unions trained by EU-funded training centres have become particularly active in advocating the rights of their members."⁷⁸

7. Conclusions

The ENP and its action plans contain requirements for liberalisation and privatisation which not only reflect but go beyond policies within the EU itself and pursued under GATS within the WTO. The impact in neighbourhood countries could be to restrict future development strategies to a set of policies which are increasingly questioned, which have little prospect of improving the problems of unemployment and poverty, but risk making a damaging impact on the social solidarity provided through public services.

The political impact of the ENP remains uncertain. The economic policies of liberalisation and privatisation could be carried out by undemocratic regimes, and it is not clear whether the EU would withhold aid under the ENPI from such regimes.

The structure of the ENP clearly reflects the economic and political reality of the unequal bargaining power between the EU and neighbourhood countries, the continuation of liberalisation and privatisation as central economic policies, and the relative unimportance of the political and social dimensions. The scepticism of the Euromed civil society forum about the prospects is well-founded on the experience with Euro-med, but it nevertheless also judges that the ENP provides an opportunity.⁷⁹ In effect the ENP creates an international public space for contesting the liberalisation policies, which are in effect the same policies being pursued in the EU and the WTO, in which civil society and political organisation in the EU and the neighbourhood can develop stronger organisation and policy links.

The ENP may thus be an opportunity for civil society organisations, including trade unions, to pursue demands for rights and effective voice under the ENP. This could be done by:

- coordination between organisations in the EU and organisations in neighbourhood countries;
- demanding a stronger role as agents of political rights progress;
- exploiting the opportunities for organisational activity and funding under the ENP⁸⁰ ;
- developing critiques and alternatives to the current liberalisation policies in the action plans.

Annexe 1. Action plans: extracts

	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Algeria Armenia Azerbaijan Belarus Egypt Georgia Israel	<p><i>2. Facilitate transparency and control of state aid</i></p> <ul style="list-style-type: none"> – Exchange of information regarding state aid (including exploration of EU and Israeli definitions and agreement of common definition on which information-exchange will be based) – Exchange information on state monopolies, public enterprises and enterprises with special or exclusive rights – Support the work carried out on state aid in the framework of the Barcelona Process – Define the modalities through which sectors, which are to participate in the Internal Market, are compatible with the EU state aid system. 	<p><i>2. Develop co-operation on economic reforms</i></p> <ul style="list-style-type: none"> – Widen and deepen the economic dialogue framework existing under the Association Agreement and incorporate a platform for action where the parties jointly explore and exchange experience and views on economic and policy issues of mutual interest, both on the macro-economic and structural fronts – Develop EU-Israel co-operation on structural economic reforms, including privatisation and pensions..... <p>Transport</p> <p>1. Co-operation on transport and infrastructure policy</p> <ul style="list-style-type: none"> – While underlining the importance of a national sustainable transport policy, Israel will examine the possibility for further approximation of legislative and regulatory frameworks with European and international standards, in particular for safety and security – Participate in the planning exercise for transport infrastructure in the Mediterranean – Participate in the identification of priority regional infrastructure projects – Participate in initiatives and programmes for sustainable transport 	<p>☐ Increase economic integration particularly with the EU, inter alia, by developing trade and investment flows, by liberalising trade in services, in particular financial services with a view to preparing for participation in the EU market, as well as deepening and enhancing the existing economic dialogue and identifying areas relevant for regulatory approximation with EU legislation based on shared objectives.....</p> <p>Services</p> <p><i>2. Promote liberalisation of trade in services</i></p> <ul style="list-style-type: none"> – Promote the opening of bilateral negotiations on liberalisation of services with Israel. This will be done taking into account the specific nature of the Israeli economy, the overall objectives set in the conclusions of the Euro-Med Ministerial meetings and the objectives set in the draft Framework Protocol for Liberalisation of Services among Euro-Mediterranean partners (known as “the Istanbul Protocol”), notably mutual recognition of professional services <ul style="list-style-type: none"> – Closer co-operation in policy and regulatory 		<p><i>1. Promote best practices on social problems of post-industrial societies</i></p> <ul style="list-style-type: none"> – Promote dialogue, co-operation and formulation of policies between relevant bodies on social issues of mutual interest such as poverty alleviation, domestic violence, drug abuse and alcoholism and social exclusion – Exchange experience on pension and welfare policies including health care and care for the elderly – Exchange experience on labour policies and labour relations, including disabilities issues – Explore avenues of co-operation in international fora – Promote the participation of Israeli experts in selected European fora

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement issues.....	Rights TU	Other
		<p>– Exchange information and cooperate on issues of infrastructure financing (e.g. Public/Private Partnerships, shadow-tolling, etc.); establish financing strategies for priority infrastructure projects</p> <p><i>6. Further develop competitive markets through working towards the principles of the EU internal electricity and gas markets</i></p> <p>– Explore the possibility of legal and regulatory convergence towards the principles of the EU internal electricity and gas markets</p> <p>– Promote the exchange of experiences in pursuit of the electricity market reform in Israel</p> <p>– Identify the scope for providing advice regarding the legal and regulatory framework in the electricity and gas sectors</p>	<p>Public Procurement</p> <p><i>4. Enhance access to one another's public procurement markets</i></p> <p>– Ensure effective and regular communication by tasking the relevant sub-committee to identify obstacles to public procurement access, inter alia, through seminars and dialogue with relevant operators and authorities</p> <p>– Act on the information provided in the above action aiming at improving effective access to one another's public procurement markets and expand the scope of respective commitments.</p> <p><i>5. Increase the level of health security and epidemiological safety in Israel based on global standards taking into account EU legislation and in co-operation and with the support of the WHO. Relate the information system of Israel to the health indicator process underway in the EU. Integrate Israel in the EUPHIN health information and knowledge system.</i></p> <p>– Exchange of information and know-how on health indicators and data collection regulations</p> <p>– Encourage dialogue on health policy issues</p> <p>– Invite relevant Israeli authorities as observers in the meetings of the Network of Competent Authorities</p> <p>– Take measures to integrate Israel in the EUPHIN system</p> <p>– Examine scope for Israeli participation through umbrella organisations in the EU Health Forum</p>		

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Jordan	<p>(32) <i>Development of the mechanisms to monitor state aid grants</i></p> <ul style="list-style-type: none"> – Establish a binding, uniform definition of State aid which is compatible with that of the EU and a national mechanism for collecting information on state aid. – Exchange with the EU of an annual report on the total amount and distribution of state aid, as foreseen by Article 53 of the Association Agreement. <p>....</p> <p>(34) <i>Ensure non-discrimination on the part of state monopolies of a commercial character.</i></p> <ul style="list-style-type: none"> – Exchange of information, insofar as this does not prejudice national security, on state monopolies and public enterprises which have been granted special rights. <p><i>For any sectors which should participate in the internal market, Jordan would have to put into place a State aids control regime and legislation compatible with that of the EU including:</i></p> <p>Medium Term:</p> <ul style="list-style-type: none"> – Prohibition of state aid which distort trade between the EU and Jordan. – A system of prohibition and ex-ante control of state aid. – A procedure between the EU and Jordan, to settle cases that distort competition. 	<p>There will also be infrastructure investment support through the European Investment Bank;....</p> <p>.... Develop the transport, energy and information society sectors and networks through sector liberalisation, investment in infrastructures and interconnection with EU networks.....</p> <p>Functioning of Market Economy</p> <p>(13) <i>Continue progress in the establishment of fully functioning market economy through structural reforms.</i></p> <ul style="list-style-type: none"> – Continue progress with the privatisation program. <p>(53) <i>Gradual convergence towards the principles of the EU internal electricity and gas markets.</i></p> <ul style="list-style-type: none"> – Establish a list of measures for gradual convergence towards the principles of the EU internal electricity and gas markets. – Cooperate, in the context of the Declaration of Intent of 2 December 2003 on the Euro-Mashrek cooperation in the field of natural gas. – Effective electricity price developments towards the elimination of distortions. – Develop the Electricity Regulatory Commission towards an energy sector regulator independent from market operators. – Further advance in restructuring/privatising the electricity sector. 	<p>Deepening trade and economic relations, extending them progressively to cover agriculture and the service sector, and to provide the conditions for increasing investment and exports;</p> <p>.....</p> <p>Take steps to prepare for a progressive liberalisation of trade in services.....</p> <p>2. Actions 2.1 Enhanced Political dialogue and reform</p> <p>(1) Medium Term</p> <p>.....<i>Promote the stability and effectiveness of institutions strengthening democracy and the rule of law including good governance and transparency</i></p> <p>..... Implement Government plans for preparing a comprehensive national programme for public sector reform.</p> <p>(25) <i>Gradual abolition of restrictions on supply of services</i></p> <ul style="list-style-type: none"> – Establish the Euromed framework protocol to enable the possibility of open bilateral negotiations. 	<p>(4) <i>Promote Freedom of association and Development of Civil Society</i></p> <ul style="list-style-type: none"> – Implement the government's plans for development of civil society <p>(6) <i>Promote Equal Treatment of women</i></p> <ul style="list-style-type: none"> – Incorporate into national legislation international Conventions to which Jordan is party concerning women's rights, including implementation of measures strengthening punishment of crimes. – Exchange information and develop reliable statistics on these matters. <p>Medium Term</p> <ul style="list-style-type: none"> – Increase the participation of women in economic and political life by developing and implementing a plan to increase the propo <p>(7) <i>Promotion of fundamental social rights and core labour standards</i></p> <ul style="list-style-type: none"> – Develop a dialogue on the fundamental social rights and labour rules to identify potential measures in this field. <p>Medium Term</p> <ul style="list-style-type: none"> – Implement the relevant International Labour Conventions to which 	<p>It covers a timeframe of three to five years. Its implementation will help fulfil the provisions in the Association Agreement (AA) and will encourage and support Jordan's national reform objectives and further integration into European economic and social structures. Implementation of the Action Plan will significantly advance the approximation of Jordanian legislation, norms and standards to those of the European Union. It will also build solid foundations for further economic integration based on the adoption and implementation of economic and trade-related rules and regulations with the potential to enhance trade, investment and growth.</p> <p>.....</p> <p>Social situation employment and poverty reduction</p> <p>(15) <i>Enhance Social Development and co-operation</i></p> <ul style="list-style-type: none"> – Implement the strategy of social development and poverty reduction in accordance with the socio-economic transformation plan – Develop and implement market driven strategies for addressing the problem of unemployment.

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Lebanon Libya Moldova	<p>(37) Implement commitments on State aid under Article 48/2.2 of the Partnership and Cooperation Agreement, by developing full transparency in the field of state aid.</p> <ul style="list-style-type: none"> – Establish a binding, uniform definition of State aid which is compatible with that of the EU (either by legislation or autonomous government act); – Establish full transparency as regards State aid granted in Moldova, in particular by (i) drawing up a complete list of aid grantors, (ii) creating a national mechanism for centralising all information on state aid granted in Moldova, with a view to drawing up annual reports on the amounts, types and recipients of aid; 	<p>(21) Implementation of privatisation programme, covering in particular outstanding largescale privatisation as a priority and the energy sector.</p> <ul style="list-style-type: none"> – Continue to improve the interface between Public and Private sector in line with WB recommendation – Accelerate and increase transparency of privatisation programme, covering in particular large scale privatisation in key sectors. <p>Transport</p> <p>(57) Elaborate and start implementing a national transport strategy, including transport infrastructure development</p> <ul style="list-style-type: none"> – Creation of a long-term and transparent system of road financing in order to ensure continued maintenance of the existent public road network. – Address issues of infrastructure financing (e.g. Public/Private Partnerships, tolls, shadow-tolling, user charges etc.) Possibly, EIB mandate extension. 	<p>(32) Gradual abolition of restrictions to progressively allow the supply of services between the EU and Moldova in certain sectors, in line with WTO and PCA commitments in Title IV, Chapter III (Cross-border supply of services).</p> <ul style="list-style-type: none"> – Complete a review of national legislation by Moldova so as to identify barriers to the provision of services with the aim of abolishing them..... <p>(40) Develop conditions for open and competitive award of contracts between the parties, in particular through calls for tenders, in line with Article 54 of the PCA</p> <ul style="list-style-type: none"> – Improve the functioning of the current system through increased transparency, information provision, training and the strictly limited use of exceptions. – Convergence with and effective implementation of key principles in the EU legislation on public procurement (e.g. transparency, non-discrimination, competition and access to legal recourse)..... 	<p>Jordan is party.</p> <ul style="list-style-type: none"> – Ensure adherence and effective implementation of relevant Jordan's commitments to the core labour standards contained in the 1998 ILO Declaration on Fundamental Principles and Rights at Work and related core ILO Conventions. <p>(8) Ensure equal treatment</p> <ul style="list-style-type: none"> – Continue efforts to ensure the equality of men and women in society and economic life, based on non-discrimination <p>(10) Ensure respect for the freedom of association and foster the development of civil society</p> <ul style="list-style-type: none"> – Amend law on assemblies to bring it in line with the requirements of the European Convention on Human Rights; – Effective dialogue between the different political forces of the country, following recommendations by the Council of Europe and making full use of the opportunities offered under their auspices; – Facilitate and support 	<ul style="list-style-type: none"> – Engage in a dialogue on employment and social issues with a view to identify potential measures in this field. <p>☐ resuming cooperation with IFIs; implementing actions aimed at poverty reduction, to strengthen private sector led growth and for fiscal sustainability;</p>

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
		<p>Energy</p> <p>.....</p> <p><i>(63) Gradual convergence towards the principles of the EU internal electricity and gas markets.</i></p> <p>– Establish - on the basis of Moldova's experience in the Regional Energy Market in South East Europe initiative ("Athens Memorandum") - a list of measures for gradual convergence towards the principles of the EU internal electricity and gas markets, accompanied by time schedules and a financing plan.</p> <p>Reciprocity issues to be addressed appropriately (market opening, environmental norms).</p> <p>– Energy price developments and tariff reforms towards the elimination of distortions; improvement of bill collection rates.</p>	<p>Public health</p> <p><i>(80) Increase the level of health security and epidemiological safety in Moldova in line with EU legislation and in cooperation and with the support of the WHO. Relate the information system of Moldova to the health indicators process underway in the EU.</i></p> <p>.....</p> <p><i>Communicable Disease Surveillance and Health Security:</i></p> <p>.....</p> <p>– Reform of health system:</p> <p>– Health services autonomy, especially for hospitals</p>	<p>civil society development, enhanced dialogue and cooperation.</p> <p><i>(11) Ensure respect for Trade Unions' rights and core labour standards</i></p> <p>– Continue efforts to ensure Trade Unions' rights and core labour standards in accordance with European Standards and ILO conventions.....</p> <p><i>23) Strengthen dialogue and co-operation on social matters. Ensure a closer approximation of the country to EU standards and practices in the area of employment and social policy</i></p> <p>– Engage in a dialogue on employment and social policy with a view to develop an analysis and assessment of the situation and to identify key challenges and policy responses (social and civil dialogue, health and safety at work, gender equality, labour law, employment policy, social protection and inclusion) gradually moving towards EU standards in this field.</p>	
Morocco	<p>Aides d'État</p> <p><i>(34) Pour faciliter la participation éventuelle du Maroc au marché intérieur, ce qui</i></p>	<p><input type="checkbox"/> Un soutien financier accru: une assistance financière renforcée sera accordée par l'UE au Maroc pour accompagner la mise en oeuvre de l'accord d'association dans</p>	<p><input type="checkbox"/> La négociation d'un accord de libéralisation des échanges dans le domaine des services</p>	<p><i>(6) Accroître la promotion et la protection des droits des femmes et des enfants</i></p> <p>– Application des</p>	

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State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
<p><i>nécessite au préalable le respect de l'acquis communautaire sur les aides d'Etat, il est prévu, comme première étape :</i></p> <ul style="list-style-type: none"> – L'échange d'informations sur les aides d'état, basée sur une définition commune à convenir, en vue de mettre en oeuvre l'article 36.4 (b) de l'accord d'association. – L'échange d'expériences et d'expertise sur les préalables à réunir en matière d'aides d'Etat entraînant des distorsions à la concurrence <p>.....</p>	<p>tous ses volets et soutenir la réalisation des actions identifiées dans le plan d'action. La BEI apportera également un soutien à l'investissement en infrastructures et le développement du secteur privé et du partenariat dans le cadre de la FEMIP.</p> <p>.....</p> <p><i>(67) Intégration progressive du marché électrique marocain au marché européen de l'électricité, en application du Protocole d'accord (du 2 décembre 2003 à Rome) pour l'intégration progressive des marchés électriques des pays maghrébins au marché intérieur de l'électricité de l'UE</i></p> <ul style="list-style-type: none"> – Mise en oeuvre des conditions organisationnelles, institutionnelles, réglementaires et techniques nécessaires à l'intégration du marché électrique marocain au marché intérieur de l'électricité de l'UE – Restructuration du secteur électrique et mise en oeuvre des conditions de sa libéralisation progressive. 	<p><i>(27) Libéralisation progressive des échanges de services entre le Maroc et l'Union européenne</i></p> <ul style="list-style-type: none"> – Examen de la législation marocaine dans la perspective de la conclusion d'un accord sur le commerce des services – Dans le cadre du Plan de Palerme : – Contribuer à la finalisation du protocole euromed sur les services – Ouvrir des négociations bilatérales dans le domaine des services sur la base de l'article 31 de l'accord d'association et en accord avec l'article V du GATS <p>.....</p> <p><i>(37) Développer les conditions pour une attribution ouverte et concurrentielle des contrats des marchés publics conformément à l'article 41 de l'AA.</i></p> <ul style="list-style-type: none"> – Consolider (y compris par le biais d'ajustements législatifs ou réglementaires appropriés) le processus de réformes garantissant l'ouverture, la transparence, l'information des parties intéressées et la concurrence. – Compléter le système de règlement de recours judiciaire par un système de règlement amiable des différends liés à l'exécution des marchés. – Prendre en compte, dans la mesure du possible, le principe de non-discrimination dans la perspective d'une libéralisation réciproque et progressive conformément à l'article 41 de l'accord d'association. – Améliorer l'accès réciproque aux marchés publics des deux parties. <p>.....</p>	<p>réformes récentes du Code de la Famille</p> <ul style="list-style-type: none"> – Lutte contre les discriminations et la violence envers les femmes, en application de la Convention des Nations Unies sur l'élimination de toutes formes de discrimination à l'égard des femmes <p>.....</p> <p><i>(7) Mettre en oeuvre les droits sociaux fondamentaux et les normes fondamentales du travail</i></p> <ul style="list-style-type: none"> – Engager un dialogue sur les droits sociaux fondamentaux et les normes essentielles du travail en vue d'analyser la situation et d'identifier les défis et les mesures possibles, notamment à la lumière de la Déclaration de l'OIT de 1998 <p>.....</p> <p>Coopération en matière d'emploi et de politique sociale</p> <p><i>(16) Mettre en oeuvre les articles 69 à 72 de l'accord d'association et rapprocher la législation marocaine des normes et pratiques de l'UE dans le domaine social et celui de l'emploi.</i></p> <p>Court terme</p> <ul style="list-style-type: none"> – Poursuivre le dialogue sur l'emploi et la politique sociale en vue de développer l'analyse 	

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			<p>(78) <i>Améliorer les systèmes d'éducation et formation professionnelle au Maroc en vue de promouvoir la compétitivité, l'employabilité et la mobilité, notamment en rapprochant le Maroc de l'espace européen de l'enseignement supérieur</i></p> <p>– Développer le secteur privé de l'éducation, de la formation professionnelle et de l'enseignement supérieur.</p>	<p>commune de la situation et d'identifier les défis et mesures possibles (dialogue social, droit du travail, égalité entre femmes et hommes, santé et sécurité au travail, politique d'emploi, protection et inclusion social).</p> <p>– Poursuivre le dialogue sur les conditions de vie et de séjour des travailleurs marocains et de leurs familles légalement résidents dans l'Union en vue de la recherche des voies et des conditions de progrès à réaliser pour assurer l'égalité de traitement et améliorer l'intégration sociale.</p> <p>– Poursuivre le dialogue en vue d'améliorer l'échange d'informations sur les programmes et initiatives visant à faciliter l'inclusion sociale, l'intégration des groupes désavantagés dans le milieu du travail, la lutte contre la discrimination et la xénophobie.</p> <p>– Assurer l'égalité entre femmes et hommes, y compris dans le domaine du travail; promouvoir le rôle de la femme dans le progrès économique et social ; coopérer dans la lutte contre le travail des enfants</p> <p>– Santé et sécurité sur le lieu de travail :</p>	

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				<p>prévention des risques professionnels: extension des services de santé au travail en conformité avec la nouvelle législation; appui à la mise en oeuvre de conventions de l'OIT relatives à l'utilisation du benzène et de l'amiante. – Favoriser la coopération en matière de régimes de sécurité sociale (échange d'expériences, appui à la réforme et à la mise en oeuvre des systèmes de protection sociale, notamment l'Assurance maladie obligatoire (AMO) et le régime des retraites</p> <p>Moyen terme</p> <p>– Droit du travail: appui à la mise en oeuvre des nouvelles dispositions du Code du Travail. Poursuite de l'adoption des décrets d'application du nouveau Code de travail et appui à la mise en oeuvre du Code y compris par l'aide aux programmes de formation, d'information et de communication et le renforcement des capacités institutionnelles de l'inspection du travail. – Rapprochement, autant que possible, de la législation marocaine des normes communautaires dans le domaine social – Poursuivre le dialogue</p>	

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Palestinian Authority		<p>(19) <i>Take steps to promote good environmental governance, to aim for prevention of deterioration of the environment, and to enhance co-operation on environmental issues</i></p> <ul style="list-style-type: none"> – Review the PA environment policy and prioritise activities included in the Palestinian Environmental Law – Strengthen administrative capacity and clarify responsibilities between different authorities – Work towards improvements in the overall water and sanitation management system – Promote enhanced regional cooperation with neighbouring countries, including on the sharing and management of water resources <p>EN 10 EN</p> <ul style="list-style-type: none"> – Pursue efforts to improve water supply and quality, especially in rural areas, with a view to meeting WHO standards – Assess possibilities for participation in selected European Environment Agency activities – Explore scope for strengthening capabilities for the safe disposal of hazardous waste <p>(20) <i>Enhance cooperation on energy and transport issues</i></p> <ul style="list-style-type: none"> – Strengthen institutional capacity in the field of energy – Develop regional cooperation on, <i>inter alia</i>, electricity and gas; energy and renewable energy sources and networks (in particular Euro-Mediterranean, and on the basis of relevant agreements, e.g. 	<p>Public health</p> <ul style="list-style-type: none"> – Upgrade the Palestinian Public health system, and examine ways to improve sustainability beyond the conflict – Strengthen the administrative capacity of the Ministry of Health – Strengthen coordination with relevant international organisations and health service providers, including NGOs 	<p>social à tous les niveaux (bipartite et tripartite).</p> <ul style="list-style-type: none"> – Promote women's rights and ensure equal treatment and opportunities for women 	<ul style="list-style-type: none"> □ More targeted financial support: EU financial assistance for the Palestinian Authority will be better targeted to support the actions identified in the present document. The Commission is furthermore proposing a new European Neighbourhood and Partnership Instrument (ENPI), for this purpose, also covering the very important aspect of transnational cooperation. There may also be infrastructure investment support through the European Investment Bank;

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Russian Federation Syria Tunisia	<p>Aides d'Etat (34) <i>Mettre en oeuvre les engagements pris sur les aides d'Etat, article 36 de l'accord d'association.</i></p> <p>Moyen terme – Créer des conditions de pleine transparence en ce qui concerne les aides d'Etat, en particulier: a) une définition uniforme des aides d'Etat (à convenir entre les deux parties), b) une liste complète des organismes accordant des subventions et c) un mécanisme national de centralisation des informations relatives aux aides d'Etat accordées en Tunisie, en vue de rédiger le rapport mentionné à l'article 36.4 (b) de l'accord d'association.</p> <p>(35) <i>Pour que la Tunisie participe à un secteur spécifique du marché intérieur, elle doit mettre en place un régime de contrôle des aides d'Etat et une législation compatible avec celle de l'UE:</i></p> <p>Moyen terme – Le principe juridique d'interdiction des aides d'Etat qui ont un effet de distorsion sur les échanges entre l'UE et la Tunisie ; – un système de contrôle ex-ante</p>	<p>EC-Israel-Palestinian Authority) – Strengthen cooperation on transport and promote Palestinian participation in Trans Euro-Mediterranean networks, and on other regional issues – Promote participation of the PA in regional transport programmes, including satellite navigation</p> <p>(12) <i>Améliorer la performance et la compétitivité de l'économie tunisienne</i></p> <p>Court terme – Mettre en oeuvre le Plan d'action du gouvernement tunisien pour la promotion de l'investissement privé; – appliquer la réforme récente de la procédure judiciaire pour permettre une réalisation plus rapide des garanties; – examiner les meilleures pratiques concernant la notification aux agents commerciaux des modifications apportées à la réglementation; – adopter un Plan d'action pour ouvrir le secteur des infrastructures à la participation privée et mettre en oeuvre le plan d'action adopté par le gouvernement; – en vue d'assurer la qualité du service et l'efficacité des nouvelles concessions, au cas par cas, prendre toutes les mesures nécessaires y compris éventuellement au moyen de l'adaptation progressive des prix</p> <p>Moyen terme – Poursuite de la rationalisation et de la simplification des procédures administratives et juridiques, y compris les procédures du guichet unique et son déploiement dans les principaux centres économiques du pays;</p>	<p>Services (26) <i>Éliminer progressivement les restrictions aux échanges de services entre l'UE et la Tunisie dans un nombre significatif de secteurs et négocier un accord de libéralisation du commerce des services conforme à l'article V de l'AGCS.</i></p> <p>– Contribuer à finaliser le protocole cadre sur la libéralisation des services dans le cadre du groupe de travail euro-med services ; – entamer les négociations bilatérales en vue de conclure une zone de libre échange dans le domaine des services conformément à l'article V de l'AGCS ; – échange d'expériences et d'expertise en matière de réglementation d'application générale ou sectorielle existante au sein de l'UE ; – identifier les priorités nationales et établir un calendrier approprié de négociations dans le secteur des services avec l'Union européenne.</p> <p>.....</p> <p>Marchés publics (37) <i>Faciliter la mise en oeuvre complète et efficace de l'article 41 de l'accord d'association, qui prévoit une</i></p>	<p>☐ la coopération en matière d'emploi et de politique sociale et le rapprochement progressif de la législation tunisienne des normes de l'UE ;</p> <p>(5) <i>Promotion et protection des droits des femmes et des enfants</i> – Renforcer le rôle de la femme dans le progrès économique et social (art 71 Accord d'association); – poursuivre les actions entreprises en matière de lutte contre la discrimination à l'égard des femmes en application des conventions internationales pertinentes ;</p> <p>(6) <i>Respecter et mettre en oeuvre les principes, les droits fondamentaux, les normes et les conventions fondamentales du travail en vertu de la Déclaration de l'OIT de</i></p>	<p>La BEI permettra également de soutenir l'investissement en infrastructures et le développement du secteur privé et du partenariat dans le cadre de la FEMIP.</p>

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State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
<p>auquel sont associées les autorités compétentes.</p>	<p>– poursuivre le programme de privatisation et de désengagement de l'Etat;</p> <p>– Elaborer une loi cadre sur les concessions.</p> <p>.....</p> <p>Transports <i>(55) Élaborer et mettre en oeuvre une politique nationale de transports et d'infrastructure.</i> – Adopter une politique nationale durable des transports pour le développement de tous les modes de transport, notamment pour la sûreté et la sécurité (tous les modes de transport) ; – identifier et donner la priorité aux besoins d'investissement; et oeuvrer pour leur mise en oeuvre progressive. Adopter les stratégies de financement, y compris des solutions financières innovantes, en particulier le partenariat public-privé.</p> <p>.....</p> <p><i>(58) Mettre en oeuvre les mesures et les réformes sélectionnées dans le secteur de l'aviation.</i> – Mettre en oeuvre une politique d'aviation nationale pour le développement du secteur, renforcer encore la capacité administrative; – introduire la concurrence entre les opérateurs et poursuivre la libéralisation des services en escale; libéraliser les régimes d'autorisation afin de permettre l'entrée des concurrents privés; mettre en oeuvre une politique visant à favoriser les investissements privés dans l'infrastructure aéroportuaire;</p>	<p><i>ouverture réciproque et progressive des marchés publics.</i> – Améliorer le fonctionnement du système actuel par une transparence accrue, une meilleure information, une formation plus étendue et des modifications législatives appropriées ; – s'aligner sur les principes fondamentaux qui régissent les marchés publics à tous les niveaux (transparence, non-discrimination, concurrence et l'accès au recours judiciaire) ; – instaurer un mécanisme de recours contre les décisions prises par les commissions statuant en matière de marchés publics ; – Echange d'expériences et d'expertise sur la possibilité d'un examen indépendant/judiciaire en cas de litiges ; – faciliter l'accès réciproque au secteur des marchés publics y compris l'examen des modalités d'élimination des clauses des préférences nationales ; – renforcer les structures et institutions chargées des marchés publics, notamment dans le domaine de la formation / information, et de l'échange d'expérience / expertise.</p> <p>.....</p> <p><i>(78) Accroître le niveau de santé publique et de sûreté épidémiologique, conformément à la législation de l'UE et en coopération avec l'OMS, par la participation aux réseaux d'information.</i> Information et connaissance : – Encourager la participation de la</p>	<p>1998 – Engager un dialogue sur les droits sociaux fondamentaux et les normes du travail en vue d'analyser la situation et d'identifier les défis et les mesures possibles. </p> <p><i>(13) Mettre en oeuvre les articles 69 à 73 de l'accord d'association et rapprocher la législation tunisienne des normes et pratiques de l'UE dans le domaine social et celui de l'emploi.</i> – Poursuivre le dialogue sur l'emploi et la politique sociale en vue de développer l'analyse commune de la situation et d'identifier les défis et mesures possibles (dialogue social et civil, droit du travail, égalité entre femmes et hommes, santé et sécurité au travail, politique d'emploi, protection et inclusion sociale) y compris l'appui aux politiques tunisiennes visant la réduction des disparités sociales (éducation, santé, logement sociaux) et la lutte contre la pauvreté et la précarité; – poursuivre le dialogue sur les conditions de vie et de séjour des travailleurs tunisiens légalement résidant dans l'Union, en</p>	

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	<p>.....</p> <p><i>(61) Dans la perspective d'une future intégration progressive des marchés maghrébins dans le marché intérieur de l'énergie de l'UE, établir un marché maghrébin de l'électricité et du gaz en vue de la convergence vers les principes du marché intérieur de l'électricité et du gaz de l'UE.</i></p> <p>– Mettre en oeuvre le protocole d'accord pour l'intégration progressive des marchés d'électricité de l'Algérie, du Maroc et de la Tunisie dans le marché intérieur de l'électricité de l'Union européenne (Rome, 2 décembre 2003).</p>	<p>Tunisie comme observateur au Réseau</p> <p>d'autorités compétentes; capacité administrative et technique d'intégration au système d'information sur la santé communautaire et prendre les mesures pour intégrer la Tunisie dans le même système (EUPHIN) ;</p> <p>– procéder à des échanges d'informations et de savoir-faire sur les indicateurs de santé et la collecte des données, en particulier pour les 50 indicateurs prioritaires retenus par l'UE ;</p> <p>– organiser des séminaires et des réunions d'échange d'informations dans le domaine de la sécurité sanitaire;</p>	<p>vue de la recherche des voies et des conditions des progrès à réaliser pour assurer l'égalité de traitement et améliorer l'intégration sociale;</p> <p>– engager un dialogue en vue d'échanger des informations sur les programmes et initiatives existants pour faciliter l'inclusion sociale, l'intégration des groupes vulnérables dans le marché du travail et lutter contre la discrimination, le racisme et la xénophobie;</p> <p>– renforcer la collecte de données sur l'emploi, et en particulier sur la productivité.</p> <p>Moyen terme</p> <p>– Renforcer le dialogue social à tous les niveaux (bipartite et tripartite) ;</p> <p>– favoriser la coopération en matière de sécurité sociale (échange d'expériences, appui à la réforme des régimes d'assurance maladie et de retraite, extension de la couverture sociale à des catégories ou à des branches de sécurité sociale non couvertes), y compris le renforcement des institutions de la sécurité sociale ;</p> <p>– rapprochement de la législation tunisienne des normes communautaires dans les domaines sociaux et du</p>	

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
Ukraine	<p>(39) Implement, and build upon, commitments on state aid under Art.49.2.2 and 49.2.3 of the PCA, and develop legislation and control regime compatible with that of the EU</p> <ul style="list-style-type: none"> - Draft and adopt state aid legislation, including in particular: <ul style="list-style-type: none"> - a definition of state aid compatible with that of the EU; - a principle of prohibition of state aids which distort trade between Ukraine and the EU. - the establishment of transparency as regards state aid granted in Ukraine (particularly by establishing a list of all aid grantors and an independent surveillance body, a regular report on the amounts, types and recipients of aid). 	<p>(16) Continue progress in the establishment of a fully functioning market economy, including price-formation, control of state aid, and a legal environment that ensures fair competition between economic operators.</p> <p>.....</p> <p>(20) Undertake consistent and far-reaching structural reform programme to further consolidate the functioning of market economy.</p> <ul style="list-style-type: none"> - Implement privatisation programme, including large-scale privatisation, and increase transparency of privatisation process. - Reduce the involvement of state in setting prices with a view to avoiding trade and economic distortions. <p>.....</p> <p>(46) Elaborate and start implementing a national transport strategy, including transport infrastructure development</p> <p>....</p> <ul style="list-style-type: none"> - Develop an infrastructure policy in order to identify and evaluate the priority infrastructure projects in various sectors and continue participation in the joint development of the Pan-European Corridors and Areas as well as in the TRACECA programme. - Identify and commit sources of financing and adopt financing strategies, also in light of the decision for the extension of EIB lending. Address issues of infrastructure financing (e.g. Public/Private Partnerships, shadow-tolling, etc.). <p>.....</p>	<p>(34) Gradual abolition of restrictions to progressively allow the supply of services between the EU and Ukraine in certain sectors, in line with PCA commitments in Title IV, Chapter III (Cross-border supply of services).</p> <ul style="list-style-type: none"> - Preparation for the implementation of Ukraine's commitments on services in WTO accession negotiations. - Complete a review of national legislation by Ukraine to identify barriers to the provision of services. Removal of obstacles identified, taking into account WTO services commitments. - Ensure co-ordination between all relevant administrative entities in order to facilitate the supply of services and to eliminate barriers to trade in services. - Ensure effective implementation of legislation that sets out basic principles of non-discrimination, introducing more detailed secondary or sector-specific legislation as necessary. <p>(42) Develop conditions for open and competitive award of contracts, in particular through calls for tenders, in line with the provisions of Article 55 of the PCA.</p> <ul style="list-style-type: none"> - Improve the functioning of the current system through increased transparency, information and training, limited use of exceptions, access to judicial review and appropriate legislative adjustments. - Continue approximation to EU legislation on public procurement in order to ensure effective implementation of the key principles of transparency, 	<p>(9) Ensure equal treatment</p> <ul style="list-style-type: none"> - Continue efforts to ensure the equality of men and women in society and economic life; <p>.....</p> <p>(11) Ensure respect for trade unions' rights and core labour standards</p> <ul style="list-style-type: none"> - Continue efforts to ensure trade unions' rights and core labour standards, based on European standards and in accordance with relevant ILO conventions. 	<p>travail d'intérêt commun.</p> <p>There will also be support through the European Investment Bank for projects involving infrastructure investment;</p> <p>.....</p>

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	State aid	Liberalisation/privatisation of sectors	Liberalisation of services/ procurement	Rights TU	Other
		<p><i>(52) Gradual convergence towards the principles of the EU internal electricity and gas markets.</i></p> <ul style="list-style-type: none"> – Establish a list of measures for gradual convergence towards the principles of the EU internal electricity and gas markets, including regarding the regulator, accompanied by time schedules and a financing plan. Reciprocity issues to be addressed appropriately (market opening, environmental norms, internationally accepted nuclear safety standards) – Price developments towards convergence of the Ukrainian and the EU markets. – Adopt and implement a law developing the National Electricity Regulatory Commission. – Further develop an internal gas sector restructuring plan. – Further restructure the electricity sector including debt restructuring and adoption of the relevant debt law. – Participation in EU related energy events as appropriate, including gradual involvement in the European Gas and Electricity Regulatory fora. 	<p>nondiscrimination, competition and access to legal recourse. These principles should apply to procurement for goods, services and works across all relevant public bodies at all levels.</p> <ul style="list-style-type: none"> – Ensure the possibility of independent/judicial review in the event of disputes. – Ensure that contracting authorities and the business community are well informed about public procurement procedures, including through the publication of all relevant legislation and administrative rulings. – Effective dissemination of tendering opportunities and time-limits (above agreed thresholds), which allow EU as well as domestic suppliers to prepare and submit tenders. – Enhanced co-operation through exchanging of experience, information about best practice and regulatory frameworks. – Co-operation with the EU in the application of modern E-tendering technologies in public procurement. – Facilitate the effective, reciprocal and gradual opening of the public procurement markets 		

Annexe 2. Algeria: international private interests in water

[The following press reports indicate the potential interest by EU multinationals in privatised and liberalised markets in public services, using the example of water services in Algeria].

Dans un rapport "strictement confidentiel" daté de juillet 2004, et dont Maghreb Confidentiel s'est procuré une copie, le gouvernement français analyse l'enjeu - stratégique - du traitement des **eaux** usées (et du dessalement) en **Algérie**, un marché évalué à plusieurs centaines de millions d'euros... Avec une population prévue de 38 millions d'habitants en 2020, contre 31 millions actuellement, et des besoins d'irrigation en plein boom dans le secteur agricole, l'**eau** va devenir plus recherchée que le pétrole... Les ressources en **eau** par habitant vont chuter de 665 m³/an/habitant aujourd'hui à 430 en 2020, alors que le "seuil de rareté" fixé par les normes internationales est de 1 000 m³/an/hab. Alger doit s'attaquer à deux grands dossiers: la pollution et la mise à niveau des réseaux de distribution. Selon le document, "la région d'Alger est victime de l'utilisation intensive d'engrais dans la plaine de la Mitija, l'Oranie est touchée par l'industrie pétrochimique et chimique, tandis que l'Est est pollué par plusieurs produits y compris des substances radioactives". Une douzaine de barrages sont contaminés par les rejets urbains et industriels et par l'activité des entreprises de détergents ENAD (Lakhal, Beni Amrane) et pharmaceutique Saïdal (Harbil). Côté distribution, les réseaux sont archi-vétustes avec "des pertes fluctuant entre 30 et 70%", en raison de la "faible tarification de l'**eau** qui obère les capacités des établissements à assurer une exploitation et une maintenance correctes". Le rapport conclut sur l'impératif de révision du tarif de l'**eau**, la réhabilitation des stations de traitement et la construction de onze nouvelles stations, et sur la relance du programme de mise en concession des systèmes de distribution et traitement des grandes agglomérations. **Suez** est positionné sur Alger, la SAUR sur Oran et la SEM, déjà active à Alger, a entamé des négociations pour la ville de Constantine. A qui reviendra Annaba? ⁸¹

In June 2005 parliament passed a law allowing for foreign companies to be awarded management contracts for urban **water**-supply systems, as part of a policy to tackle chronic waste in **Algeria's** main **water** systems. The management contracts will focus on the distribution network which accounts for most of the losses from the system as well as on training and on the introduction of new technology. The first such scheme is likely to go ahead in Algiers, where the government has proposed setting up a joint venture between Algerienne des eaux. Office nationale d'assainissement and France's **Suez** group. It will be named Societe des eaux d'Alger (SEAL). Similar structures are envisaged for the other cities, including Oran, Constantine and Annaba. The **water** resources minister, Abdelmalek Sellal, said that the foreign partner will receive a management fee for an initial period of five years, after which the question of developing the relationship into a full concession may be broached. ⁸²

Up to now, Britain's Biwater and Vatech of Austria have won most of the contracts for the treatment of waste **water** in **Algeria**. Biwater landed the contract for **water** treatment stations in Constantine, Guelma, Souk Ahras, Algiers and Oran. In addition to building the treatment station at Jijel, Vatech won the contract to operate the stations of Baraki, Reghaia and Beni Messous which are to recycle most of the waste **water** of Algiers. Vatech is to work on behalf of France's **Suez**, which will also help management waste **water** treatment in partnership with state-owned ONA. ⁸³

Onde Degremont (**Suez** group) is vying with Condotti-Lind (Italy/Germany) and Vatech (Austria) for a contract to build a **water** purification station, several pumping stations and **water** mains for a project involving the cities of Mostaganem, Arzew and Oran in **Algeria**. ⁸⁴

The government is extending the outsourcing of **water** supply management in Algiers to three other cities: Oran, Constantine and Annaba. France's **Suez** group has won the concession to manage Algiers' **water** supply alongside ADE and ONA. The Societe des Eaux de Marseilles, which won a contract in May with Sogreah and the China Geo-Engineering Cooperation firm to

rehabilitate Constantine's waterworks, is well placed to land the concession in that city. SAUR is also in the running.⁸⁵

Yves Tibault de Silguy, head of the **Algeria** committee at the French employers association MEDEF and chief of the international department at France's **Suez** group, was in Algiers on Feb. 8-9 with nearly 120 businessmen in tow. The visit was a success - and **Suez** itself will make a mint out of managing the **water** supply in Algiers - even if French "investors" in **Algeria** were hard to find in the delegation. French misgivings about investing in **Algeria** haven't changed. The French complain about an "obsolete" banking system, the difficulty of acquiring industrial real estate, the inadequacy of basic infrastructure, the black market and widespread counterfeiting of goods. In short, a great country to sell your goods (6.7 billion euros (\$8.5 billion) in trade between the two nations in 2003) but not to set up shop.⁸⁶

Societe des Eaux de Marseille (SEM), a joint subsidiary of Veolia, the French **water**, waste management, energy and transportation group, and **Suez**, the French utilities group, is aiming to expand abroad. The company supplies **water** to the city of Marseilles, and has gradually expanded to the rest of the administrative department since it was set up around 60 years ago. SEM has now won a 60m-euro contract to renovate the drinking **water** system in Constantine, a town in eastern **Algeria**. This town has a population of 800,000, the same as Marseilles. The contract will have a duration of three years and is likely to be extended. SEM has also won a contract to put in place a drinking **water** system for the city of Marrakesh. Last year, the company achieved a turnover of 420m euros, a rise of 2.3% on the previous year, while the net profit remained stable at 18.4m euros.⁸⁷

La Société des **eaux** de Marseille (SEM), filiale commune de Véolia et de **Suez**, lorgne sur les marchés internationaux. Créée il y a une soixantaine d'années pour assurer le ravitaillement de la citée phocéenne, la société a peu à peu étendu son activité au reste du département mais n'a jusqu'à ce jour aucune activité à l'étranger. Cela pourrait changer rapidement car la SEM vient d'emporter un contrat de 60 millions d'euros sur trois ans pour la réhabilitation du réseau d'**eau** potable de Constantine, une ville de l'est de l'**Algérie**, comptant 800 000 habitants comme Marseille. Pour Loïc Fauchon, président de la SEM, le contrat est intéressant car «il aura probablement des extensions et pourrait déboucher sur une gestion déléguée. Le gouvernement aurait l'intention de lancer un appel d'offres international», auquel la SEM répondra. Le groupe vient en outre d'emporter le contrat pour la mise en place du schéma directeur d'**eau** potable de la ville de Marrakech. Mais, pour passer de l'ingénierie à l'exploitation, Loïc Fauchon n'est pas prêt à tout. Ainsi, le contrat de 30 millions d'euros pour la réhabilitation du réseau d'**eau** du centre d'Alger emporté en 2001 est en train de se terminer. La ville va lancer un appel d'offres pour une délégation de service public mais la SEM ne soumissionnera pas car la ville totalise cinq millions d'habitants. Trop gros pour la SEM qui ne veut pas «déshabiller Marseille pour habiller Alger». Mais Loïc Fauchon se dit conscient de devoir préparer l'avenir de l'entreprise qui a réalisé l'an dernier un chiffre d'affaires de 420 millions d'euros (+ 2,3%) et un résultat net stable de 18,4 millions. La SEM devra un jour solutionner son problème d'actionariat, ce qui l'exposera plus à la concurrence. Le Conseil de la concurrence avait épinglé il y a trois ans Véolia et **Suez**, pour exploitation abusive de leur «position dominante collective» sur les marchés «très concentrés» de la distribution et de l'assainissement de l'**eau**. Il avait recommandé au ministre des Finances un décroisement de ces participations. Mais depuis rien n'est intervenu. La situation devrait vraisemblablement être dénouée d'ici à 2012, date de l'expiration du contrat de la SEM avec la Ville de Marseille.⁸⁸

Le groupe **Eaux** de Marseille, filiale de Veolia Environnement et de **Suez** (à hauteur de 48 % chacun), vient de remporter, avec la société française Sograch et la chinoise Geo-Engineering Corporation, un appel d'offres concernant la réhabilitation du réseau d'**eau** potable de Constantine (800.000 habitants), dans l'est algérien. Le contrat porte sur 60 millions d'euros, dont **Eaux** de

Marseille devrait capter 40 %. Le groupe a réalisé en 2004 près de 420 millions d'euros de chiffre d'affaires (+ 2,3 %), générés par 2.600 salariés. Le résultat net est resté stable à 18,38 millions d'euros malgré une progression de 19 % des investissements (à 36 millions d'euros) en 2004. Un effort qui sera poursuivi en 2005 avec une trentaine de millions d'euros d'investissements prévus. L'eau et l'assainissement représentent 80 % de l'activité d'**Eaux** de Marseille, le solde se répartissant entre le traitement des déchets et les services (éclairage, informatique...). Gérard Tur, à Marseille.⁸⁹

Notes

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² EU/Russia: The four "Common Spaces" Memo 103, 18 March 2005
http://europa.eu.int/comm/external_relations/russia/intro/memo05_103.htm

³ The Energy Dialogue between the European Union and the Russian Federation between 2000 and 2004 COM(2004) 777 final. http://europa.eu.int/comm/energy/russia/reference_texts/doc/2004_0777_en.pdf

⁴ Joint EU Presidency and European Commission Press release on the EU - Russia Permanent Partnership Council on Energy, 3 October, London
http://europa.eu.int/comm/external_relations/russia/summit_10_05/ip05_1218.htm

⁵ Commission Opinion on the application from the former Yugoslav Republic of Macedonia for membership of the European Union Brussels, 9 November 2005 COM (2005) 562
http://europa.eu.int/comm/enlargement/report_2005/pdf/package_v/com_562_final_en_opinion_fyrom.pdf

⁶ See reports at http://europa.eu.int/comm/enlargement/report_2005/index.htm

⁷ South East Europe energy ministers commit to social pillar. EPSU press release 13 December 2005
<http://www.epsu.org/a/1628>

⁸ Memo: South East Europe connects the internal market for electricity and gas

http://europa.eu.int/comm/energy/electricity/south_east/doc/treaty/2005_10_25_energy_treaty_memo_en.pdf

⁹ See http://europa.eu.int/comm/external_relations/switzerland/news/050605.htm

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¹¹ The International Herald Tribune 11 February 2005 EU and U.S. compete for economic clients; Letter from Syria

¹² Eurochambres. The European New Neighbourhood Policy (ENP) Time To Deliver July 2005
[http://www.eurochambres.be/PDF/pdf_position_2005/EUROCHAMBRES%27%20position%20on%20the%20European%20New%20Neighbourhood%20Policy%20\(ENP\).pdf](http://www.eurochambres.be/PDF/pdf_position_2005/EUROCHAMBRES%27%20position%20on%20the%20European%20New%20Neighbourhood%20Policy%20(ENP).pdf)

¹³ Europe Information Service European Report 11 June 2005 Eu/Ukraine: Eurochambres President Sheds Light On Changing Business Environment

¹⁴ Beyond Enlargement: Commission shifts European Neighbourhood Policy into higher gear EC Press release IP/04/632 Date: 12/05/2004
<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/04/632&format=HTML&aged=0&language=EN&guiLanguage=en>

¹⁵ A Secure Europe In A Better World. European Security Strategy. Brussels, 12 December 2003
<http://ue.eu.int/uedocs/cmsUpload/78367.pdf>

¹⁶ Europe Information Service European Report 11 December 2004 Eu/Ukraine: Closer 'Neighbourhood' Ties To Hinge On Successful Elections

¹⁷ See for example Implementing and promoting the European Neighbourhood Policy. SEC(2005) 1521.
http://europa.eu.int/comm/world/enp/documents/sec_2005_1521_en.pdf

¹⁸ The Jerusalem Post 23 December 2004 EU to help Israel in UN, Dutch envoy says

¹⁹ Guardian 8 Feb 2005

²⁰ Report on Green Paper : Towards a European strategy for the security of energy supply. June 2005.
http://europa.eu.int/comm/energy_transport/doc/2005_green_paper_report_en.pdf

²¹ World Markets Analysis **October** 20, 2005 South-Eastern Europe Poised to Sign Landmark Energy Treaty with EU to Deregulate Gas and Power Markets from 2008; Turkey Still Undecided

²² The Development of Trans-Border Energy Supply To the south Mediterranean coast particularly Electricity and Natural Gas DR. AWAD, MOHAMED. Paper given to 19th World Energy Congress, Sydney, Australia September 5-9, 2004. <http://www.worldenergy.org/wec-geis/congress/papers/awadm0904.pdf>

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²⁵ Europe's Neighbours – Towards Closer Integration. Dr. Benita Ferrero-Waldner, Commissioner for External Relations and European Neighbourhood Policy. Brussels Economic Forum. Brussels, 22 April 2005.
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- ³⁴ <http://www.eib.eu.int/news/press/press.asp?press=2949>
- ³⁵ IMF Press Release No. 05/49 March 2, 2005 IMF Managing Director Rodrigo de Rato's Statement at the Conclusion of his Visit to Algeria <http://www.imf.org/external/np/sec/pr/2005/pr0549.htm>
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- ³⁹ Euromesco. April 2005. Towards a Euro-Mediterranean Community of Democratic States http://www.euromesco.net/imgupload/barcelonaplus_eng.pdf
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- ⁴² See http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm
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