

Eastern Partnership

Platform 2 "Economic Integration and Convergence with EU Policies"

Work Programme 2014 – 2017

General Remarks

Platform 2 deals with economic integration between Partner Countries and the EU and convergence with EU policies. It, thus, contributes to the goals of the Eastern Partnership (EaP). Platform 2 and its various Panels and Work Areas have the objective to contribute to the smart, sustainable and inclusive development of a free market economy in Partner Countries. Whilst, economic integration lies at the heart of Deep and Comprehensive Free Trade Agreements (DCFTAs), economic cooperation with the EU and the streamlining of sectoral policies is also of interest to Partner Countries not (yet) party to a DCFTA. Thus, Platform 2 incorporates an array of issues related to mutual trade, a flourishing business environment, a modern, social and environmentally friendly economy which provides for growth and employment.

The work done on multilateral level complements agreements and actions on bilateral level (e.g. Association Agreements and Agendas) and actions on multilateral and bilateral level should mutually reinforce each other. The Work Programme for Platform 2 will be adapted to reflect the priorities of the ENI Regional East multiannual indicative programme (2014-2017) – which is still to be approved. The newly launched Eastern Partnership Territorial Cooperation Programme is to be considered as an additional possibility to support implementation of certain activities launched under the current Platform.

Platform and Panel meetings as well as more technical seminars and workshops bring together Partner Countries and EU Member States and have the purpose to share information, exchange best practice as well as follow up on the various dedicated (pilot) projects undertaken within the framework of Platform 2. In order to reach the objectives foreseen in this Work Programme, Partner Countries and Member States representatives will seek to engage parliaments, civil society (via the EaP Civil Society Forum), local and regional authorities, International Financial Institutions (IFIs), and other non-governmental stakeholders to continue to work closely together in order to provide the necessary expertise and input to the work of the Platform. The Work Programme is providing for an increased information and communication component for each of the Panels and Working Areas.

Activities undertaken within the framework of Panels or technical seminars/workshops will be reported under the umbrella of the Platform meetings which is chaired by Directorate-General Enterprise and Industry. Panels are chaired by the responsible Directorate-General in cooperation with Directorate-General Development and Cooperation. The Platform will also provide a forum to share experience and information on the partner countries' steps towards implementation of DCFTAs and provide Partner Countries with practical information on cooperation between Commission services and Partner Countries in this regard.

The Work Programme is foreseen for a period of four years (2014-2017) with a mid-term review allowing for possible adaptation of the Work Programme. The Participants of Platform 2 adopt the following objectives, targets and planned activities (established per Panel and Work Area) of the Work Programme 2014-2017 in accordance with the General Guidelines and Rules of Procedure of the Eastern Partnership Multilateral Platform.

Panel on Transport (chaired by Directorate-General for Mobility and Transport)

The Commission Communication “The EU and its neighbouring regions: A renewed approach to transport cooperation“ (COM (2011) 415) provides a framework for and sets out the objectives of the Transport Panel. The key policy objective is to strengthen transport connections with Partner Countries. This has been taken forward through regulatory approximation and definition of priority infrastructure connections. Concrete deliverables from this work were endorsed by the EU and Eastern Partnership Transport Ministers at their second meeting in autumn 2013 – which will further guide the work of the Transport Panel.

Partner Countries will be represented at the Panel meetings at the Head of Unit or equivalent level. They will be accompanied by experts as required. Participation will vary depending on the specific subjects covered.

IFIs will be invited to participate in the Panel meetings. Other stakeholders from industry and professional organisations from Partner Countries can take part provided that they are identified by the Partner Government and attend as part of the Partner’s Delegation. The Eastern Partnership Civil Society Forum can be invited to participate in the work of the Panel where relevant and when needed.

Experts from the Member States, EU agencies, other organisations and other neighbouring countries than those covered by the Eastern Partnership can be invited to the Panel meetings to share experience, information and best practices.

The following is an overview of planned activities within the framework of the Transport Panel which will be held twice per year:

- Tangible follow-up to the 2nd Eastern Partnership Ministerial Transport Meeting (held on 9 October 2013);
- Update the list of priority actions covering all modes of transport and ensure necessary follow-up;
- Assist Partner Countries in implementing priority infrastructure projects that are located on the Eastern Partnership transport network and that could be financed from existing EU funds and by IFIs;
- Exchange of relevant information about future and on-going activities of the Eastern Partnership Integrated Border Management Panel (Platform 1) in order to ensure synergies between activities in transport and border management sectors;
- Exchange of best practice on innovative infrastructure financing, including public-private partnerships and user charging;
- Discussion on the development of efficient traffic management systems such as the European Rail Traffic Management System (ERTMS) at regional level ensuring cost effectiveness, interoperability and high quality;

- Presentations on the work of the EU Transport Agencies and related programmes.

Additionally, technical seminars/workshops (two per year) on priority topics to be identified by Partner Countries will be organised in order to further promote regulatory approximation with the EU. Partner Countries should state their interest as regards the organisation of a specific seminar at the occasion of a Transport Panel. Technical seminars can cover the following topics:

- Maritime and road transport: safety, security, environmental and social aspects;
- Multimodal ways of transport;
- Interoperability and safety in railway transport;
- Functioning of the transport market, safety conditions in inland waterway transport;
- Accident investigation in all sectors of transport.

Objectives:

- Implementation of the Commission Communication “The EU and its neighbouring regions: A renewed approach to transport cooperation “ (COM (2011) 415) with a view to further foster economic integration of interested Partner Countries into the EU and to advance the gradual opening of the EU transport market to Partner Countries taking account of relevant safety, security, environmental and social aspects
- Improving transport connections to the mutual benefit of the EU and Partner Countries

Targets to be achieved:

- Cross-sectoral cooperation in all areas of transport in line with environmental, sustainability and social concerns
- To improve the safety of maritime, road, railway and air transport
- To improve transport connections through closer market integration (connection between Eastern Partnership network and Trans-European Transport Network (TEN-T)) and balanced improvements in infrastructure
- To implement priority infrastructure projects that are located on the Eastern Partnership transport network
- To cooperate closely with the International Financial Institutions that can contribute to improved transport connections through financing

Panel on SME Policy (chaired by Directorate-General Enterprise and Industry)

The SME Panel will serve as a forum to discuss any issues related to SME policy in line with the Small Business Act for Europe (SBA) and to learn from and replicate EU best practices such as, for instance, the Network of SME Envoys. Issues to be discussed will include all ten principles of the SBA such as women entrepreneurship, regulatory impact assessment, the “Think Small First” Principle, SME internationalisation, business infrastructure, access to finance and innovation in the SME sector. The Panel will also focus on issues regarding the implementation of DCFTAs related to SMEs.

Following an initially limited duration of the SME Panel, its lifespan has been extended for an unlimited period of time and the Panel will meet at least once per year. The SME Panel meets at the level of experts. The Partner Countries have appointed a national SBA coordinator for the purposes of the Panel. Participation varies depending on the subjects covered, but consists of experts from Partner Countries’ ministries and institutions involved in the different subjects covered by the Panel.

International Financial Institutions, the main EU business organisations and partner organisations in Eastern Partner Countries associated with the East Invest project are considered as participants to the Panel. Other stakeholders from industry and professional organisations in the Partner Countries can take part provided that they are identified by the Partner Government and attend as part of the Partner’s Delegation. Representatives of the CSF will be invited to attend the SME Panel.

The Panel will continue to cooperate closely with the Panel on Environment and Climate Change with regard to the promotion of green technologies and eco-innovation. The SME Panel will serve as an important tool to assess the impact of the recommendations issued by the Panel on Environment and Climate Change on SMEs in the Partner Countries. The Panel will equally cooperate with the Anti-Corruption Panel (under Platform 1) – as SMEs are rather vulnerable to corruption – and the Panel on Agriculture and Rural Development. As regards the implementation of Association Agreements and in particular DCFTAs and as regards the improvement of the business environment, the SME Panel will work together with the Panel on Trade and Trade Related Regulatory Cooperation – amongst others through joint seminars.

Representatives of the projects that form part of the SME flagship or related SME projects (see below) will update the Panel on progress and inform on future activities. In addition to below mentioned tangible projects, the Panel will also be the forum for discussion on a sustainable continuation of the Business Forum (which was held in Sopot in September 2011 and in Vilnius in November 2013) by way of engagement and ownership of the business community. The SME Panel will also address any questions/issues around Partner Countries’ participation in COSME (Programme for the Competitiveness of Enterprises and SMEs).

Apart from regular Panel meetings it could also be envisaged to organise cross-border award ceremonies for best initiative in a certain field to further promote the activities of the SME Panel. Additionally, the idea of the creation of a Regional Resource Centre compiling

initiatives and best practices should be discussed. As a first step, it is foreseen to make greater use of CIRCABC (Communication and Information Resource Centre for Administrations, Businesses and Citizens) to share information and best practices among Partner Countries and Member States.

The following is an overview of concrete projects which will be undertaken under the umbrella of the SME Panel. Activities, discussions and meetings which take place in the framework of these projects will be reported to the SME Panel. Project meetings will also be held as much as possible back-to-back to the SME Panel to allow for synergies.

- Second round of SBA Assessment undertaken by the OECD in cooperation with the European Commission, European Training Foundation (ETF), EBRD (European Bank for Reconstruction and Development) and EIB (European Investment Bank): The second round of the SBA Assessment follows the same rationale as the first assessment and has the objective to support Partner Countries in identifying strengths and weaknesses in their SME policy frameworks and to remedy these based on the recommendation made by the project partners. The specific objective of this project is to measure progress made in SME policy implementation over time (2012–2015) based on the results of the SME Policy Index published in 2012. It also aims to support regional policy dialogue between SME policy makers in the region, notably by providing a set of recommendations for further policy reforms. A specific focus will be put on how to monitor and evaluate the impact of SME policy interventions to strengthen capacity of SME policy makers in the region and to measure impact on the ground. The SME Panel will serve as a forum to discuss the state of play of the project. Results of this project should also be disseminated to and discussed with representatives of civil society in the countries.
- Project on implementation of SME Policy (“Supporting SME Competitiveness Reforms in the Eastern Partner Countries”) undertaken by the OECD in cooperation with European Commission: This project will assist Partner Countries with the implementation of policy reforms based on policy recommendations resulting from the SBA Assessment. It aims to increase government responsiveness to SMEs’ needs and requests and an improved public private dialogue at national level. A key feature will be policy dialogue and peer review at regional level focusing on SMEs competitiveness in the Eastern Partnership region. This should provide for increased cooperation between SME stakeholders from the region and facilitate exchange of best practices.
- East Invest II: This project aims at promoting trade and investment through networking of SMEs and consolidation, sustainability and empowerment of SME and business associations in Partner Countries – also on the basis of long-term partnerships with EU organisations. It will also improve public-private dialogue in the EaP countries and enhance capacities of business associations to represent SMEs in dialogue with their governments. The project will support the participation of SMEs in the DCFTA process while ensuring the familiarisation of business associations and SMEs with the EU *acquis* and obligations deriving from the DCFTA agreements.

- Project on auditing and reporting (STAREP): STAREP will focus on building stakeholder awareness of and commitment to corporate financial reforms (CFR). It will provide senior officials from Partner Countries with technical advice on the content of CFR reforms and on the process to conduct them. It will, thus, improve the capacity of key CFR institutions, particularly the accounting profession, to fulfil their mandate effectively and be better equipped to provide business support services required by SMEs. Furthermore, it will ensure broad-based knowledge sharing activities on international and EU auditing and reporting standards and support access for SME borrowers to bank and investor finance through modernised accounting and financial reporting.
- EGP/BAS: The EGP (Enterprise Growth Programme) and BAS (Business Advisory Services) Programmes provide for individual technical assistance helping enterprises adapt to the demands of a liberal market economy and is seeking to develop capacities of local SMEs as well as local business advisory services. Technical assistance is on an individual basis and tailored to the needs of each enterprise accepted for assistance.
- SME Finance Facility: The SME Finance Facility combines EBRD, EIB and KfW loans with EU grant resources to support SME lending in the EaP region. EU support to the facility is €15mn for the period December 2010 – December 2019. The EU contribution is channelled through participating financial intermediaries (PFI) and used to enhance their lending to the SME/MSME (Micro, Small and Medium Enterprises) segments. The funds are to be used to finance institution building – technical assistance and/or credit enhancement support for PFIs.
- Export Marketing Training: The Export Marketing Training cycle will be a dedicated 5-day workshop for SMEs on how to enter the EU market and how to acquire new clients and projects. This training will be provided by CBI (Centre for the Promotion of Imports from Developing Countries – part of the Ministry for Foreign Affairs of the Netherlands).
- Entrepreneurial Learning:
 - ETF will organise a regional follow-up conference on entrepreneurial learning in order to discuss the progress as regards entrepreneurial learning and enterprise skills policy and practice. This will follow on to the second round of the SBA Assessment and has the objective to further steer national developments and promote cross-country partnerships among policy-makers, practitioners, experts and stakeholders.
 - ETF will also organise a capacity building event on entrepreneurial learning with a specific focus on women entrepreneurs and young entrepreneurs (as also set out in the Entrepreneurship 2020 Action Plan).

Objectives:

- Improvement of business environment
- Alignment with the principles and spirit of the SBA

- Implementation of DCFTAs with a focus on SMEs

Targets to be achieved:

- To enhance economic relations and to improve the business environment which is conducive to further SME development and national, regional and international investment and trade through dedicated projects
- To implement better and less regulation – including transparency in the regulatory process, public consultation, regulatory impact assessments and the reduction of the administrative burden in line with the “Think Small First” Principle
- To increase business to business contacts and to strengthen cooperation between SMEs in EU Member States and Partner Countries
- To improve the quality of financial reporting and the provision of reliable information about the financial position and performance of enterprises
- To improve entrepreneurial skills in general and of specific target groups

Panel on Environment and Climate Change (co-chaired by Directorate-General for Environment and Directorate-General for Climate Change)

The Panel on Environment and Climate Change will focus on cooperation with regard to enforcing Association Agreements and the gradual approximation with the EU *acquis* in the area of environment and climate change. This will include promoting the alignment with EU standards, exchanging information and best practices, building administrative capacities and supporting civil society development. Topics for discussion and activities will be focused on a selected number of topics, for instance, Environmental Impact Assessment (EIA)/Strategic Environmental Assessment (SEA), waste reduction and recycling, air pollution, biodiversity and water management.

The Panel will also further regional dialogue on climate change policies with a view to strengthen the visibility and negotiation capacity of Partner Countries and to cooperate with EU Member States in global climate negotiations. Two events (Panel meetings, seminars or study missions) will be organised under the umbrella of the Panel per year – one of which will be focused on climate change. The Panel will also host discussions and exchange of views and practices as regards the below mentioned projects.

The Panel will meet at the level of experts from relevant agencies/ministries. The Regional Environmental Centre established in the Partner Countries, representatives of civil society and the European Environment Agency are invited to take part in the work of the Panel. Other stakeholders may also be consulted or involved as appropriate. In particular, IFIs should be invited to participate to support policy implementation by exploring suitable investment options.

Close coordination will be sought with the activities of the Energy Security Platform in the field of sustainable energy.

The following is an overview of planned activities within the framework of the Panel for Environment and Climate Change. Activities, discussions and meetings which take place in the framework of these projects will be reported within the framework of the Panel for Environment and Climate Change:

- Shared Environmental Information System (SEIS): The project aims to promote the protection of the environment in the Eastern Partnership region by extending the principles of SEIS to this area, and developing the capacities of the relevant authorities responsible for environmental data management and reporting. The SEIS is an EU initiative to modernise and simplify the collection, exchange and use of data and information required for designing and implementing environmental policy. Cooperation among Partner Countries and with EU Member States will continue within the framework of SEIS – which is part of the Environmental Governance Flagship.
- GREEN Project: The overall aim of the GREEN project is to support Partner Countries in their efforts to shift to a greener economy by decoupling economic growth from environmental degradation and resource depletion. In the face of evidence of increasingly unsustainable consumption patterns and environmentally harmful production processes, the project aims to achieve the integration of a product life-cycle approach into decision-making, making it possible to tackle pollution at source rather than concentrating on remedial actions. The work on green economy principles will be continued with a specific focus on topics such as eco-innovation and resource efficiency. The upgrading of the GREEN project as a Flagship will also be discussed.
- Clima East Package: The Clima East Package supports climate change mitigation and adaptation in the Neighbourhood East and Russia. The package comprises two separately implemented but closely coordinated actions: (i) a policy project providing information services and technical assistance to foster improved climate change policies, strategies and market mechanisms in the Partner Countries that are more in line with the EU *acquis*, and (ii) a pilot projects based angle supporting the development of ecosystems-based approaches to climate change by financing a number of pilot projects in the region that will demonstrate the relevance of nature management techniques for climate mitigation and adaptation.

Objectives:

- Gradual approximation with the EU *acquis* in the area of environment and climate change
- Enhancing the capacity of Partner Countries as regards sustainable development and climate change and their cooperation in this regard

Targets to be achieved:

- To assist in the concrete implementation of Association Agreements as regards gradual approximation with the EU *acquis* in the area of environmental protection and climate change and to further improve administrative capacity in this regard
- To continue to improve environmental governance and data collection and management systems in the Eastern Partnership region
- To prepare Partner Countries for international discussions on climate change and to assist Partner Countries as regards climate change mitigation and adaptation
- To focus on green policy measures and to demonstrate sustainable consumption and production patterns

Panel on Trade and Trade Related Regulatory Cooperation (chaired by Directorate-General for Trade in cooperation with Directorate-General for Enterprise and Industry and Directorate-General for Health and Consumer Affairs)

The Trade Panel comprises a variety of issues ranging from setting up of appropriate quality infrastructures, over technical regulations and standards, sanitary and phytosanitary (SPS) measures to customs cooperation. These measures and actions also aim to assist with the implementation of DCFTAs. The Trade Panel will exchange information, experiences and best practices as regards the development and implementation of measures by participants and will promote the alignment with international practice and approximation to the EU *acquis* in the different areas. It will also promote consistency of measures taken by Partner Countries at national, bilateral and regional level.

The Trade Panel meets at the level of experts. Participation will vary depending on the subjects covered, but consists of experts from Partner Countries' ministries and institutions involved in the different subjects covered by the Panel. Other stakeholders from industry and professional organisations in the Partner Countries can take part provided that they are identified by the Partner Government and attend as part of the Partner's Delegation. The Member States and relevant European organisations and stakeholders are associated.

- Cooperation on the implementation of DCFTAs and Association Agreements (AAs) and cooperation within the framework of Partnership and Cooperation Agreements (PCAs): Cooperation on the implementation of DCFTAs and AAs will be based on Partner Countries' needs. Member States will share their experience as regards the implementation of the EU *acquis* and the implementation of the regulatory system in the area of industrial products (horizontal and sectoral legislation) related to the Internal Market. Panel meetings and workshops will discuss issues revolving around market surveillance, conformity assessment, accreditation, standardisation and metrology and related infrastructure. Particular focus will be put on the sharing of information on “Agreements of Conformity Assessment and Acceptance of Industrial Products”

(ACAAs). As regards horizontal and sectoral legislation, workshops will be especially dedicated to the discussion of SPS and the exchange of experience between Food Safety Agencies from EU Member States and Partner Countries' Food Safety Agencies. Participation of the business community in relevant Panel meetings and workshops will be envisaged.

- Customs Trade Facilitation Training for Young Customs Managers: The overall aim of the proposed training project is to improve the efficiency of the public service as regards customs management and the transfer of knowledge to young customs managers based on EU best practices. Potential areas for discussion and training will relate to recurring/current issues as regards trade and customs cooperation between the EU and Partner Countries and to the implementation of DCFTAs. The curriculum of the training may cover the following topics:
 - Customs valuation;
 - Classification of goods;
 - Customs declarations processing;
 - Protection of intellectual property rights;
 - Authorised economic operator scheme, fees and charges;
 - Rules of origin;
 - Common transit procedure.

Complementary topics could include:

- EU customs law overview;
 - Trade to customs cooperation;
 - Integrity and ethics;
 - Customs control based on a risk management system;
 - Processing and analysis of customs statistical data;
 - Post clearance as well as the respective EU legislation.
- Commercial Attaché Training: The Commercial Attaché Training will focus on export promotion and foreign direct investment (FDI). It is targeted at Economic Diplomats or Commercial Attachés working at a strategic and operational level as regards the promotion of the respective Partner Country, sectors and/or companies in the EU and attracting FDI to the region. This training will be provided by CBI (Centre for the Promotion of Imports from Developing Countries – part of the Ministry for Foreign Affairs of the Netherlands). CBI will also provide a presentation on the CBI Market Intelligence Portfolio (www.cbi.eu/marketintel_platform).

Objectives:

- Increasing trade between Partner Countries and the EU
- Implementation of DCFTAs

Targets to be achieved:

- To assist partners in their efforts concerning trade and trade related regulatory approximation and to further enhance the administrative capacity building process
- To support partners in their efforts to enhance economic relations in order to promote national, regional and international investment and export and to strengthen traditional trade links in particular business to business contacts in order step up trade in goods and services among partners
- To remove technical barriers to trade and to further harmonise standards as set out in the DCFTAs
- To strive towards better regulation – including transparency in the regulatory process, public consultation, impact assessments and the reduction of the administrative burden
- To assist in building the necessary administrative capacity and knowledge as regards trade and customs issues
- To ensure a smooth flow of goods between the EU and Partner Countries through cooperation on customs and trade facilitation
- To enhance the security and safety of trade lanes and the supply chain and to combat tax fraud through border management (done in cooperation with Platform 1)

Panel on Agriculture and Rural Development (chaired by Directorate-General for Agriculture and Rural Development)

The Agriculture and Rural Development Panel (ARD Panel) was established at the end of 2012 given the importance of agriculture and rural areas for further sustainable and inclusive development of Partner Countries. The Panel is linked to ENPARD (European Neighbourhood Programme for Agriculture & Rural Development) – an initiative which is aimed at assisting all EU neighbourhood countries in developing their agriculture and rural areas. The Panel will also provide further information on this initiative.

The ARD Panel participants will exchange experiences and good practices as regards policies, measures and capacities for the sustainable development of the sector. It will promote gradual approximation to the EU *acquis* in the different areas and will encourage consistency of measures taken by Partner Countries at national, bilateral and regional level. Cooperation and exchange of experience and best practices will focus on priority issues related to agriculture

and rural development which were jointly established with Partner Countries. The work of the Panel will run in parallel to the bilateral policy dialogues on the sector development cooperation between the EU and the Partner Countries under the ENI (European Neighbourhood Instrument). The Panel will provide technical background and policy recommendations for the meeting of EU and Eastern Partnership Agriculture Ministers in early 2014.

The Partner Countries and Member States participating in the Panel will be encouraged to actively participate by presenting case studies, giving illustrations of the status of their respective countries in specific areas and by submitting questions on specific problems that they have encountered. The Panel will meet at the level of experts from Partner Countries' ministries and institutions involved in the subjects covered by the Panel – these being mainly services responsible for agriculture and rural development but also, if need be, those dealing with regional/territorial development. The European Commission will invite the Eastern Partnership Civil Society Forum to participate in the Panel.

Experts from other Commission and EEAS services and bodies, from the Member States, other organisations and other neighbouring countries than those covered by the Eastern Partnership can be invited to attend the Panel meetings to share experience, information and best practices.

The Panel shall also cooperate closely with the Panel on Environment and Climate Change with regard to the promotion of green technologies, eco-innovation and bio-diversity, with the Trade Panel on SPS matters as appropriate and with the SME Panel.

The Panel will meet twice per year with the option to replace one of the meetings by a technical meeting or a study mission. Additional workshops/study visits/trainings can be organised on the basis of the Member States' and/or international partners' interest and commitment. The following is a list of issues for discussion to be addressed by the Panel for Agriculture and Rural Development over time:

- Policy responses to fragmented land holdings and ways of increasing the attractiveness of producer cooperation and integration;
- Building a rural development policy, assigning competence or budget resources;
- Practical solutions to increase the level of professionalism and training in rural communities and to develop advisory services;
- Definition of a regional codex for good agriculture practices;
- Identifying and addressing gaps in standards, regulations, legislation and comparative information;
- Developing the food safety system: phytosanitary-veterinary;

- Gradual update of technology and appropriate infrastructure and drafting of realistic investment plans in rural areas;
- Food security in strategic cereal and animal origin products;
- Potential solutions to limited finance and viable credit in rural areas;
- Community led local development;
- Diversification of activities in rural areas;
- Regulation and restructuration of agricultural markets;
- Reforming/reorganising agricultural science and education/professional development of specialists;
- Implementation of basic information systems needed to support the functioning of the food chain (needs analysis of the agri-food information system), evidence (farm/farmers' register, crops, agricultural machinery, etc.), traceability (products of animal and non-animal origin).

Furthermore, the Panel will work on the gradual approximation with relevant EU *acquis* in the area of agriculture and rural development – for example:

- Organic farming (Regulation (EC) No 834/2007 on organic production and labelling of organic products);
- Marketing standards (Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation));
- Protected designations of origin, protected geographical indications and traditional specialties guaranteed (Regulation (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs).

Objectives:

- Support Partner Countries' efforts in developing their agriculture and rural areas by benefitting from EU practice and the sector experiences of other Partner Countries participating in the Panel
- Improve rural and local development

Targets to be achieved:

- To provide expertise for formulating and implementing policies and related reforms by following best practice in EU Member States and Partner Countries

- To contribute to the preparation and, if applicable, the implementation of long-term agricultural and rural development strategies in consultation with and based on participation of all relevant stakeholders
- To build the necessary institutional capacities at national and local levels
- To promote the strategic modernisation of the agricultural sector and increase domestic production of safe and quality food in a sustainable way

Work Area: Taxation and Public Finances

The Work Area on Taxation and Public Finances deals with cooperation as regards the gradual approximation to the EU system and structure of indirect taxes (value added tax (VAT) and excise duties). This should reduce tax fraud and lead to increased good governance in the tax area. Additionally, this Work Area will also discuss issues and practices related to Public Internal Financial Control (PIFC) in order to strive towards a sound framework of public finances. For the time being, it is foreseen to address these issues through presentations within the framework of Platform meetings.

As regards taxation, the Work Area will address the following issues and Directives in order to encourage adoption of a VAT system which is based on the EU model:

- Exchange of experience on measures and procedures that ensure proper administration of excise duties, control on the movement of excisable goods and proper administration of the VAT system;
- Council Directive 2006/112/EC on the common system of value added tax;
- Council Directive 2007/74/EC on travellers allowances;
- Council Directive 86/560/EEC on the harmonisation of the laws of the Member States relating to turnover taxes – arrangements for the refund of value added tax to taxable persons not established in Community territory;
- Council Directive 2011/64/EU on the structure and rates of excise duty applied on manufactured tobacco;
- Council Directive 92/83/EEC on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages;
- Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity;
- Council Directive 2008/118/EC concerning the general arrangements for excise duty and repealing Directive 92/12/EEC;

- Thirteenth Council Directive 86/560/EEC on the harmonisation of the laws of the Member States relating to turnover taxes – arrangements for the refund of value added tax to taxable persons not established in Community territory.

As regards public finances, the Work Area will share information and exchange best practices in the field of Public Internal Financial Control. Topics for discussion could include the following:

- Capacity building of internal auditors;
- Development of an internal audit function within local governments;
- Design and implementation of an external quality assessment programme for internal audit;
- Strengthening the managerial control system within public entities in accordance with the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model;
- Development of the current financial management and control monitoring system;
- Enhancing the central harmonisation function capacity to coordinate the implementation of PIFC.

Objectives:

- Working towards good governance in the tax area and in the area of public finances

Targets to be achieved:

- To assist in the implementation of Association Agreements in the tax area in order to work towards gradual approximation with the EU system and structure of indirect taxes
- To share information on EU best practices and tools as regards PIFC in order to improve capacity and knowledge in Partner Countries

Work Area: Labour Market and Social Policies

Supporting an inclusive economic development in the EU's neighbouring countries, with an emphasis on job creation, improving social protection and reducing social inequalities is one of the focal points of the European Neighbourhood Policy (ENP) as presented in the joint European Commission and European External Action Service Communication "A new response to a changing Neighbourhood" (COM (2011) 303). The European Neighbourhood Policy calls for increasing work with civil society and social partners in the Eastern Partnership. An effective social dialogue is of crucial importance to address socio-economic challenges and supporting inclusive economic development in the Eastern neighbouring countries. Creating conditions for exchange of experience in developing the dialogue between

social partners (trade unions and employers' organisations) and governments at all levels is a key task to develop social dialogue with the Eastern Partners.

ETF will take a key role as regards the activities to be undertaken in the area of labour migration and skills matching.

- Labour migration: An EU-funded study on the costs and benefits of labour migration from EaP countries to the EU was finalised in 2013. Country and regional reports were produced, as well as recommendations papers. The following policy lessons were drawn, *inter alia*:
 - Migration issues should be incorporated in national strategies as well as sectoral action plans;
 - Institutional coordination needs to be strengthened;
 - Skills-matching mechanisms should be put in place;
 - Measures to increase the role of diasporas in promoting investment and growth should be developed;
 - A stepped-up engagement with the Partner Countries through EU level, multilateral and bilateral mobility frameworks should be adopted;
 - Complementary migrant integration policies should be enhanced.

The findings of the 2011 ETF migration surveys also suggested a strong need for policy measures to support migrants before departure in order to secure a more efficient job and skills-matching process and recognition of their qualifications. It referred to the need to facilitate their labour market reintegration and validation of new skills gained abroad upon their return. As returnees found it particularly difficult to turn their migration experience into improved living standards and reintegrate into domestic labour market in most cases, ETF has just started to make an inventory of policy measures and good practices to support migrants/returnees from skills and employment perspective. Within this framework, ETF proposes to hold two meetings to discuss successful policy measures and good practices targeted at migrants from a skills and employment perspective – in particular as regards measures for reintegrating returnees into domestic labour market. The objective is to create a discussion platform for exchanging policy actions to increase benefits of migration for all.

- Skills matching: ETF will organise three laboratories and a concluding conference which will provide the occasion to further share policies and practices on forecasting and skills anticipation in the Eastern Partnership region with the purpose to reduce the imbalance of supply and demand in the labour market. This will also address the link and interaction of the education and labour market. Topics to be discussed will include the adequacy of the legal framework and its implementing mechanisms as well as the particularities of the national and regional labour market of the Partner Countries.

Additionally, the issue of possible cooperation in the area of active and healthy aging (including life-long learning) will be discussed within the framework of a Platform meeting. Following a general presentation of the topic by the relevant Commission services, the specific interests of Partner Countries regarding active and healthy ageing will be determined as well as possible follow-up discussed.

Finally, this Work Area will also address the inclusion of disabled people in the labour market and the vocational rehabilitation of people with disabilities as well as the general policy framework (European Disability Strategy and the UN Convention on the Rights of Persons with Disabilities). Presentations and activities on these issues will, amongst others, address accessibility as a precondition for persons with disabilities to participate in society and employment, economic implications of accessibility including the role of industry and employment and social situation of persons with disabilities.

Objectives:

- Promotion of an inclusive economic development in Partner Countries

Targets to be achieved:

- To exchange information and experiences on labour market issues and good practices in this regard – particularly EU policies and developments in Partner Countries on labour market integration of returnees, skills anticipation and matching, labour migration, healthy aging and inclusion of the disabled
- To improve the capacities of relevant institutions/experts in Partner Countries to develop labour market policies that support better labour market integration, job and skills matching, in particular for certain vulnerable groups such as old-age workers, disabled people, migrants and returnees

Work Area: Macroeconomic and Financial Stability

Cooperation on questions of macro-economic and financial stability between the EU and the Partner Countries will continue. This will take the form of a dialogue which will be mainly undertaken within the framework of Platform meetings. Discussion and information points will include issues related to:

- Conduct of sound fiscal, monetary and exchange rate policies;
- Effective public finance management;
- Financial stability and oversight;
- General economic reforms to improve the investment climate and increase the economic growth potential.

At the same time, an exchange of views and sharing of experience on important economic issues of interest to Partner Countries due to the interdependence of the region with the EU is foreseen. This will, for instance, include information on recent developments in relation to the euro and the banking sector.

Objectives:

- Achieving sustainable growth and macro-economic financial stability and full recovery from the economic and financial crisis

Targets to be achieved:

- To assist Partner Countries on their path towards sustainable growth and macro-economic and financial stability by sharing the EU experience

Work Area: Information Society and Media

Given the importance of electronic communications and the media for the development of a modern economy and society, enhanced cooperation is foreseen under the Work Area on Information Society and Media.

The Network of Electronic Communication Regulators which was established in September 2012 will continue to be supported in its work which will mainly comprise meetings and workshops on relevant priority topics as agreed upon by the Network of Regulators. The following non-exhaustive list of topics can be covered:

- Universal Service;
- Roaming;
- Sharing of infrastructure for electronic communications networks;
- Latest developments in broadband technology.

A dedicated website will also continue to be available and will be kept up to date.

Additionally, regional policy workshops on various Information Society policies – such as eSignature, eGovernment, eHealth – will be organised. Representatives from Partner Countries and EU experts will be brought together to discuss the current situation in Partner Countries vis-à-vis the EU *acquis* and EU best practice. The exchange of best practices has the aim to issue policy recommendations for the sector and the region and to launch future actions for cooperation between the EU and Partner Countries.

Additionally, the following 2 actions will provide further guidance for the development of the electronic communications and media sector in the Eastern Partnership region:

- Impact analysis on electronic communication regulation: The aim of this action will be to analyse the legal and regulatory environment for electronic communications networks and services in the Partner Countries and its main impact. In particular, the impact of a revision of the national legislation in line with the EU *acquis* and the implementation of best practices on the overall economic development, competition, investment and on the consumer will be assessed. The study will consider specificities of each Partner Country and encompass the regional dimension. Among others, it will include an analysis of the potential impact of gradual approximation to the EU *acquis* as regards wholesale roaming rates between Partner Countries and the EU.
- Audio-visual and media policy study: The aim of this study will be to survey, analyse and present a comprehensive snapshot of the situation of audio-visual and media policy (including the internet) in Partner Countries. This will include an analysis of the legal framework for audio-visual and media policy in the region, as well as an analysis of the legal and economic impact due to the revision of this framework in line with the EU *acquis* and the implementation of best practices. The study will also assess how legislation is applied in everyday practice.

Objectives:

- Promoting the importance of the information society and media for a modern economy and improving institutional capacity in this regard

Targets to be achieved:

- To assist Partner Countries in gaining a better understanding as regards regulatory policy and its implementation in the area of electronic communications and media through policy workshops and the activities of the Network of Eastern Partnership Regulators for Electronic Communications
- To obtain an overview of the electronic communications and audio-visual and media landscape as regards regulatory and policy aspects in the Eastern Partnership region