

ENP Country Progress Report 2012 – Egypt

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package”, consisting of a joint communication (“Working Towards a Stronger Partnership”) making an assessment of the ENP implementation in 2012, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean, an Eastern Partnership progress report, 12 country reports (on developments in 2012 and with a set of recommendations for the future), including one on Egypt, and a statistical annex.

During 2012, Egypt continued its democratic transition to which the Egyptian authorities had committed following the democratic revolution in January 2011 and the subsequent ouster of ex-President Mubarak. In this process of transition some significant milestones were achieved, in particular the orderly organisation of elections and the expiration of the state of emergency and the smooth transition from military to civilian rule. However, it has not been without serious setbacks either, such as the dissolution of the People's Assembly and lack of progress on human rights.

In 2012 Egypt addressed only some of the key recommendations contained in the last year's ENP progress report. Power was handed over to a civilian government, and the state of emergency was lifted. A constitution was drafted and adopted by popular referendum, although the process was controversial and heavily criticised by the opposition, and led to a deeply divisive political crisis. Many other key recommendations still need to be addressed. On the basis of this year's report and to sustain implementation of the ENP Action Plan in 2013, Egypt is invited to:

- Ensure an inclusive dialogue with all political parties and other actors including religious leaders to ensure that the Constitution is co-owned by all Egyptians and enshrines respect for human rights and fundamental freedoms, notably preserving the freedom of religion and protecting minorities.
- Organise within the set timetable fair and transparent parliamentary elections with the participation of foreign election observation missions.

- Completely halt the use of military courts to judge civilians.
- Create conditions conducive to an active and independent NGO community and adopt NGO legislation in line with international standards.
- Pay particular attention to the protection of women's rights and gender equality.
- Implement the Economic Reform Programme that ensures macroeconomic stability and strengthens public finance management in line with international standards.
- Ensure and implement social safety net systems to protect the most vulnerable from the impact of commodities subsidy reductions.
- Engage in the Deep and Comprehensive Free Trade Area (DCFTA) preparatory process in line with the EU-Egypt task force conclusions.
- Sign and ratify the regional Convention on pan-Euro-Mediterranean preferential rules of origin.

Reforms initiated, carried out successfully, or delayed during 2012 in the different areas of cooperation between the EU and Egypt are described in the annual country report. Some of the issues reported deserve special attention. In the political area, significant milestones were achieved, in particular the orderly organisation of Presidential **elections**, the end of the state of emergency and the smooth transition from military to civilian rule. However, there were some serious set-backs, such as the dissolution of the People's Assembly and the lack of progress on human rights. The constitutional process pushed forward by President Morsi and call for referendum on the draft Constitution - subsequently adopted by a slight majority and low voter turn-out - pitched the nation into a deeply divisive political crisis.

In the area of **trade**, very few developments took place. Preparations for the EU-Egypt Agreement on Conformity Assessment and Acceptance of industrial products (**ACAA**) did not progress significantly. Negotiations on the liberalisation of **services** and **establishment** made no progress, and the preparatory process for the Deep and Comprehensive Free Trade Area with Egypt has yet to be launched. Concerning **human trafficking**, the situation in Sinai remains a matter of concern. In the education area, an increasing number of Egyptian students and researchers benefited from different European programmes.

In 2012, Egypt has remained an active partner in the **Middle East Peace Process**, and has been a key player on the Palestinian reconciliation. Egyptian efforts to find a solution to the Syrian crisis have been enhanced. Egypt has furthermore increased its engagement with its African partners in general.

EU-Egypt – BACKGROUND

THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Egypt.

2004: EU-Egypt Association Agreement entered into force.

2007: EU-Egypt Action Plan was approved.

2008: Launch of the Union for the Mediterranean.

FACTS AND FIGURES

2009: Neighbourhood Investment Facility (NIF) - two projects in Egypt were being implemented in 2009, in the environment and energy sectors. The European Investment Bank signed lending operations for EUR 130 million, of which EUR 120 million are linked to NIF projects.

2007-2010: The ENPI envelope for Egypt is EUR 558 million.

2011-2013: The new National Indicative Programme (NIP) 2011-13 for Egypt was adopted in March 2010 and has a budget of EUR 449.3 million. The programme is geared towards supporting the achievement of key policy objectives as outlined in the EU-Egypt ENP Action Plan and pursues three priorities: (1) political reform and good governance, (2) competitiveness and productivity of the economy, and (3) socio-economic sustainability of the development process.

2011: Egypt declined the offer made by the EU to start a Dialogue on Mobility, Migration and Security, leading towards the conclusion of a Mobility Partnership.

2012: President Morsi visited Brussels on 13 September and the High Representative/Vice President of the Commission Catherine Ashton chaired the EU-Egypt Task Force on 13-14 November in Cairo.

More info at:

http://ec.europa.eu/world/enp/documents_en.htm

http://eeas.europa.eu/egypt/index_en.htm

http://eeas.europa.eu/enp/index_en.htm