

Single Support Framework

Algeria 2014-2017

SUMMARY

The legal framework for EU-Algeria relations is the Association Agreement (AA) signed in April 2002, entry into force 1 September 2005. A European Neighbourhood Policy (ENP) Action Plan is currently under negotiation.

The EU seeks to develop a close relationship to Algeria, its geographical neighbour, and to support Algeria's economic and political reforms. The key strategic priorities are as follows: support to the deepening of democracy, respect for the rule of law, human rights and fundamental freedoms, including gender equality, thus contributing to long term domestic stability; support to sustainable and inclusive economic development, reducing social and regional inequalities, promoting diversification of the economy which is important for job creation, especially for youth, enhancing standards of living, securing energy supplies to the EU; establishing a close partnership among peoples and civil societies; partnership in terms of addressing security challenges (including those in the Sahel zone) and reducing regional tensions, in order to facilitate closer cooperation and integration in the Maghreb in accordance with declared EU policy objectives.

Following comprehensive consultation with the government, civil society and other donors, and taking into account the government's reform priorities and aid effectiveness principles, a consensus has been reached regarding three priority sectors of intervention to be financed through the national envelope 2014-2017:

- **Justice reform and strengthening of citizen participation in public life**

Algeria needs to strengthen its governance in the justice sector, and the institutions which guarantee the rule of law and the democratic system. Weaknesses such as the lack of independence of the judiciary, the weak participation of citizens in public life or the poor efficiency of the public sector need to be reverted.

- **Labour market reform and employment creation**

Unemployment is a major problem in Algeria, especially for young people, higher education graduates. The unemployment rate among young people doubles the general rate, and this breach is following an increasing tendency, as new generations, especially women (which currently represent less than 20% the labour force), enter the labour market. A successful education system, which includes a thorough reform of the quality assurance system and creates clear bridges with the needs of the local and regional labour market, is the basis for professional integration of young people

- **Support to the management and diversification of the economy**

Algeria's economy is highly dependent on hydro-carbon sector. This fact, beyond current economic growth could entail high macro-economic instability. Thus, EU activities in this sector will support the government's efforts in this field by investing in the analysis of the ways to achieve a sustainable economic diversification towards a green and low-carbon economy, the strengthening of the private sector, the privatization of much of the public sector, improving the business climate and progressive genuine market economy creation.

Besides priority sectors a capacity development envelope and a civil society envelope are foreseen.

<i>Indicative allocation 2014-2020</i>	EUR 221,000,000 – €270,000,000
<i>Indicative allocation for the 1st period (2014-2017)</i>	€121,000,000 – €148,000,000
<i>Breakdown for the 1st period</i>	
<i>Justice Reform and Strengthening of Citizen Participation in Public Life</i>	25 %
<i>Labour Market Reform and Employment Creation</i>	30 %
<i>Support to the Management and Diversification of the Economy</i>	30 %
<i>Complementary Support for Capacity Development and Civil Society</i>	15 %