



EUROPEAN EXTERNAL ACTION SERVICE

EUROPEAN COMMISSION DIRECTORATE GENERAL FOR DEVELOPMENT AND COOPERATION - EUROPEAID

Programming of the European Neighbourhood Instrument (ENI) - 2014-2020

Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)

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European Neighbourhood Instrument (ENI) Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)

1. AIM

The aim of this Strategy paper is to present the objectives¹ for multi-country cooperation (including regional and sub-regional policies and priorities) for the EU's Eastern Neighbourhood which will be implemented under the European Neighbourhood Instrument (ENI) over the period 2014-20 and identify a 2014-2017 multiannual indicative programme (MIP). The Strategy and MIP define the priorities for EU support towards the wider Eastern European region, indicate expected results as well as provide an indicative level of funding broken down by priority.

This Strategy paper benefitted from a consultation process which involved EU Member States, partner countries' administrations, international financial institutions and civil society organizations.

After an introduction on the relevant legal framework, the paper presents an analysis of the Eastern Neighbourhood and reviews past cooperation. The document then elaborates on the policy framework, defines the overall 2014-2020 Strategy as well as policies and objectives that could be considered for support under the MIP 2014-2017.

2. LEGAL FRAMEWORK

The broader policy objectives of EU cooperation are set out in Article 2 of the ENI Regulation N° 232/2014 of 11.03.2014:

- Promoting human rights and fundamental freedoms
- Achieving progressive economic integration and enhanced sector cooperation
- Creating conditions for well managed mobility of people and promotion of people to people contacts
- Sustainable and inclusive development
- Promoting confidence building contributing to security and conflict prevention
- Enhancing regional and sub-regional cooperation as well as cross-border cooperation (CBC).

All these priorities are relevant to this regional programming exercise which complements bilateral strategies and European Neighbourhood-wide cooperation. Coherence and consistency between these various documents has been secured.

On the basis of priorities identified in this strategy document, the regional MIP presents the EU's commitment in terms of policy response, technical cooperation and financial support.

¹ The ENI Regulation defines "multi-country" programmes as programmes aimed at addressing challenges common to all or a number of partner countries, based on the priorities of the Eastern Partnership and regional and sub-regional cooperation, primarily between two or more partner countries.

The MIP also outlines the activities planned and, whenever possible, their expected results. Gender, environment and climate change issues have been mainstreamed whenever possible into the design of the Regional East Strategy and MIP.

3. ANALYSIS OF THE EASTERN NEIGHBOURHOOD REGION

3.1. Description of the region

The countries of the Eastern European Neighbourhood region Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine (partner countries) share a common history as young independent countries. The partner countries are in very different stages of transition, comprising economies still dominated by a large state-owned sector, economies dependent on natural resources, countries which have already implemented intensive reforms to their economic system, and countries continuing with ongoing reform efforts.

The **Eastern Partnership** aims to create the necessary conditions to accelerate political association, deepen economic integration between the European Union and interested partner countries, as well as promote people-to-people contacts. It will seek to further support political and socio-economic reforms in the partner countries, facilitating comprehensive approximation towards the European Union standards and norms, leading progressively to economic integration in the EU internal market. In the case of Georgia, Moldova and Ukraine, the implementation of Association Agreements including Deep and Comprehensive Trade Areas is a key goal. Furthermore, the Eastern Partnership will seek to strengthen people-to-people contacts through visa liberalisation, as well as through cooperation in the fields of education, youth and culture.

Democracy, good governance and stability trends

Despite progress in some countries and in some fields, the rule of law and human rights remain critical priorities across the Eastern Neighbourhood. Political will continues to be the key factor determining the development of democracy in partner countries, and in maintaining and deepening cooperation with the EU. The participation of civil society in the design and implementation of public policies is uneven and has still great potential for improvement. Furthermore, the peaceful resolution of protracted conflicts in the region constitutes a basic prerequisite for stability, sustainable and inclusive growth and job creation, complementing bilateral cooperation, increased integration as well as people-to-people contacts between the EU and partner countries.

Economic development trends

The 2008-2009 economic crisis strongly affected the Eastern Neighbourhood, in particular by reduced external demand, especially from the EU and Russia, and compressed commodity prices. This contributed to growing unemployment rates, higher migration flows and a sharp decline in remittances and in foreign direct investment (FDI). After strong rebound of the economic activity in the region in 2010 and 2011, the pace of recovery slowed down significantly in several countries due to the deteriorating external environment and unfavourable domestic factors, including ill-conceived economic policies, weak institutions and unattractive business climate that deter foreign investments. The region's access to international capital markets remains limited and policies in support of private sector development are unevenly implemented. The dependence of certain countries in the Eastern Neighbourhood on external energy resources is sometimes high, costly in terms of budgetary resources and social policies and has increased over the time due to a lack of policies to improve energy efficiency. External imbalances in some of the countries remain elevated, requiring international assistance and necessitating sound macro-economic policies accompanied by structural reforms. Such policies are also needed to cushion the negative impact from potential escalation of the geopolitical risks in the region.

Climate change and environment trends

The region suffers from inadequate administrative capacity and poor enforcement of environmental and risk reduction provisions, the limited implementation of multilateral environmental and climate change agreements, as well as lack of cooperation on environmental issues among the partner countries. Air pollution, transboundary management of water resources and the management of hazardous waste are among the most urgent environmental challenges to be tackled in the region. These challenges as well as unsustainable production and consumption patterns are increasing the pressure on biodiversity and natural resources.

Beyond the Eastern Partnership, two policies, namely the **Northern Dimension and the Black Sea Synergy**, promote effective cooperation with the broader Eastern Neighbourhood region. The Northern Dimension is a joint policy of the EU with Russia, Norway and Iceland. It provides the policy framework for realising the objectives of the EU's Strategy for the Baltic Sea Region together with non-EU countries, such as Russia and Belarus, and is the regional expression of the EU-Russia four common spaces and strategic partnership. The Black Sea Synergy aims at bringing together different EU policies to support regional cooperation in the Black Sea Region.

3.2. Challenges to be addressed

The main regional challenges can be outlined as follows: maintain partner countries' stability and independence under a complex geo-political context and resisting external pressures; address democracy and governance shortcomings, including constitutional and electoral reforms; ensure democratic law enforcement through deep security sector reforms; tackle economic development through market-based principles, ensure inclusive growth and development, enhancement of quality of education and employability of graduates and better matching labour market and skills needs, ensure the environmental sustainability of development, reform energy and transport sectors, enhance energy security, spur, where appropriate, integration with the EU, facilitate enhanced mobility in a secure and well-managed environment, promote regional cooperation among partner countries, contribute to limiting and gradually solving of protracted conflicts and enhance the role of civil society and of local authorities as active contributors to policy design and reform processes. For those partners having concluded and signed AAs including DCFTAs, a key challenge is their correct implementation and the administrative capacity to draw maximum of benefits for trade and economic development.

3.2.1. Democracy, good governance and stability

While progress varies from country to country, the consolidation of deep and sustainable democracy and respect for human rights is still to be achieved. Linked issues are poor governance and corruption, while elections do not always meet the relevant internationally accepted standards.

Challenges are to:

- Address democratic and human rights deficit in the Eastern neighbourhood
- Confront governance issues and the rule of law
- Enhance mobility of citizens in a secure and well-managed environment, in line with the EU's Global Approach to Migration and Mobility (GAMM), including by ensuring adequate operational capacity for migration and border management.
- Increase cooperation among law enforcement agencies, notably in addressing crossborder crime.
- Tackle frozen conflicts by securing credible and sustained efforts by partner countries concerned towards their earliest possible peaceful settlement to allow the region to take the full benefit of what the Eastern Partnership has to offer.
- Promote stakeholder involvement and consultation at all levels, in the policy development and the decision-making process.

3.2.2. Economic development

The challenges for the region are to:

- Design and implement sound macro-economic policies and strategies based on reliable statistical data;
- Pursue economic diversification to diminish external vulnerabilities;
- Improve business environment to attract investments, including FDI, and encourage job creation;
- Better match labour market and skills needs and further develop education and training systems promoting development of skills that correspond to the needs of modern business;
- Address policy and institutional issues in order to foster entrepreneurship in support of growth and jobs creation;
- Expand the SME sector to create jobs and boost national income and tax revenues;
- Strengthen institutions, including to fight corruption, and avoid policy reversals to make reforms permanent;
- Create a reliable regulatory framework that is enforced under the primacy of the rule of law;
- Ensure inclusive growth and development, notably by addressing income inequality and poverty;
- Tackle the development challenge faced by rural populations, in particular farming, where incomes are low and poverty above the national average;
- Open access to public educational, innovation and research resources through ICT (information and communication technology) infrastructures;

3.2.3. Energy and transport cooperation

The EU and the Eastern neighbourhood face common challenges in the energy and transport areas. These include:

- Addressing incomplete energy market integration and, in many cases, improving the governance of the energy sector (legal framework, enforcement, tariffs). Establishing a transparent and enforceable legal framework is particularly important to facilitate the investments required to upgrade the aging energy infrastructure;
- Increasing security of energy supply and reducing the environmental impact of the energy sector; reducing energy intensity to sustainable levels, increasing energy efficiency and diversification of energy supplies through the use of renewable energy sources;
- Tackling inadequate transport links between the EU and the region as well as between the partner countries themselves;
- Enhancing regional and international trade facilitation through an efficient and harmonized transport and logistics system;
- Strengthening market integration in transport by ensuring a similar level of safety and security standards of transport modes in the EU and in the Eastern European region;
- Supporting the implementation of transport Agreements' provisions.

3.2.4. Environmental sustainability

The challenges are to:

- Ensure the environmental sustainability of economic development, improve the state of the environment and approximate progressively with EU environmental legislation;
- Mainstream environment and climate change in sectoral policies;
- Translate the results of the United Nations Conference on Sustainable Development (Rio+20) in national and regional policies and strategies;
- Ensure capacity for participating in the development and implementation of a global agreement on climate change;
- Provide full implementation of multilateral environment agreements;
- Provide for adequate administrative capacity to enforce provisions of environmental and climate change policies and strategies;
- Improve preparedness and capacity to face man-made and natural disasters.

3.2.5. Role of civil society

Civil society's role at large as a vector for change under the Eastern Partnership has been enhanced in recent years.

The challenge for the future will consist in making sure that civil society becomes part of policy design and implementation monitoring by:

- Ensuring the effective involvement of civil society under a regional perspective in policy shaping;
- Facilitating participation of civil society in decision-making processes in the partner countries;
- Promoting the role of other societal elements (such as, business and professional organizations, representative trade-unions and employers' organisations, educators, researchers, youth and women organisations, cultural operators) to contribute as partners in dialogues with authorities also from a regional perspective.

3.2.6. Resolution of protracted conflicts in the region

Protracted conflicts hinder the development of each partner country concerned as well as relations between partners and the EU. The fulfilment of partner countries' and the region's potential to the fullest depends on the achievement of medium to long-term stability and predictability. The EU's offer of political association, economic integration and citizens' mobility helps address conflicts indirectly by creating a climate of confidence. In this respect, the EU attaches great importance to partner countries concerned pursuing credible and sustained efforts towards the earliest possible peaceful settlement of protracted conflicts in the region.

4. PAST COOPERATION, COMPLEMENTARITY AND CONSISTENCY

4.1. Evaluation of past, ongoing cooperation and lessons learned

Lessons learned show that regional cooperation should focus on common challenges that can best be tackled through a regional approach and capitalize on the common goal of partner countries wishing to get closer to the European Union, while at the same time taking into account the regional diversity.

Proper communication between policy design and project implementation and between projects covering the same/similar areas, the choice of implementation modalities and the effective sequencing of the various stages of the project cycle have proved to be crucial for success.

Due to the large number of stakeholders and the wide geographical coverage, strong and efficient coordination mechanisms, ownership by the countries and an adequate level of involvement of the various actors have proved to be indispensable in ensuring successful implementation of regional programmes.

The requirements and specificities of regional programmes have also to be taken into account when involving international financing institutions in programmes. In this regard, a robust political backing for a regional initiative can provide sufficient credibility to attract this type of funding. In this context, the Neighbourhood Investment Facility (NIF) has demonstrated that blending is a flexible and powerful tool for achieving strategic objectives in the region and to deliver on flagship initiatives and key policy initiatives.

4.2. EU policy mix and coherence with other EU policies

A number of EU policies in the "policy mix" have a bearing on the region, including the Common Foreign and Security Policy (CFSP), justice, freedom and security, trade, migration, energy, transport and environment. Issues related to Information and Communication Technology remain highly relevant.

Given the specificities of each Eastern European country and its relations with the EU, the regional approach needs to take into account national specificities. A detailed discussion and presentation of the "policy mix" considerations for each country can be found in the respective ENI bilateral Single Support Frameworks. When ensuring coherence, the principle of policy joint ownership with the region will be fully respected.

5. BASIC PRINCIPLES AND ADDED VALUE OF MULTI-COUNTRY COOPERATION

This Strategy has a regional, multi-country dimension and aims to support partner countries' reform and approximation efforts as well as foster links and collaboration between partner countries.

The basic principles provide that regional cooperation reflects compliance with four prerequisites: added value, comparative advantage of EU intervention, economies of scale and subsidiarity. As highlighted in the Agenda for Change, EU cooperation needs to be focused on a limited number of objectives to ensure that effectiveness and impact can be maximised. Concerning the Eastern Neighbourhood, the specific value-added of this multi-country Strategy is that it allows the EU to:

- Foster dialogue and co-operation between the countries and between the EU and partner countries multilaterally;
- Improve coherence of sectoral approaches across the region, thus supporting long term aid effectiveness;
- Secure coherence between regional cooperation and bilateral cooperation with each of the partner countries;
- Support regional economic integration by facilitating regional market integration for goods and services;
- Promote regional cooperation on themes which cannot be sufficiently addressed by countries individually (common public goods; cross-border threats, trade and investment, SME internationalisation, broadband infrastructures, energy security, environment and climate change, enhanced mobility in a secure and well-managed environment, including integrated border management, law enforcement cooperation, strengthening asylum and migration systems, including trafficking in human beings etc.) and/or can be more effectively addressed at regional level thus generating economies of scale;
- Raise awareness on, and focus activities in policy areas where sharing of experience and peer review are important for advancing reforms. Typically, regional cooperation in the Eastern Neighbourhood has been and will continue to provide a tool for enhanced dialogue with the EU on issues linked to approximation to the EU *acquis*.

6. THE EU RESPONSE STRATEGY (2014-2020)

6.1. Policy framework

The policy framework for EU multi-country cooperation in this Strategy for the period 2014-2020 is twofold: the **Eastern Partnership** and **regional cooperation frameworks** in the broader Eastern Neighbourhood region.

In addition, in the energy and transport sector, cooperation extends beyond the Eastern Neighbourhood to encompass Central Asia in view of the energy and transport links between both regions as reflected in the Baku Initiative for energy and the Transport Corridor Europe-Caucasus-Asia (TRACECA) multilateral agreement.

6.1.1. The Eastern Partnership

The **Partnership** launched in 2009 at the Prague Summit is a joint policy endeavour by the EU and its Eastern European partners to create the conditions to accelerate political association, deepen economic integration between the EU and its partners and encourage people-to-people contacts, thereby assisting them in **moving closer to the EU**. The Eastern Partnership should further promote stability and multilateral confidence building.

Under the **Eastern Partnership** umbrella, the EU will pursue its commitment to deeper **bilateral engagement** and further development of an **effective multilateral dimension** involving all EU Member States and partner countries, as confirmed by the November 2013 Vilnius Summit Declaration.

Progress on EU bilateral relations with partner countries depends on the latter's commitment to common values such as a shared commitment to international law and fundamental freedoms, including democracy, the rule of law, respect for human rights and fundamental freedoms, as well as to market economy, sustainable development and good governance. Partner countries' determination to implement ambitious reforms is also a key element in strengthening relations with the EU.

The multilateral dimension of the Eastern Partnership strengthens and complements the bilateral track and facilitates the development of common positions and joint activities. It supports and reinforces the bilateral objectives of the Partnership. The multilateral dimension provides a forum for sharing information on, and experience of the partner countries' progress towards reform and modernisation. As a tool to advance integration with the EU, the multilateral dimension allows partners to benefit from an instrument complemenary to bilateral support to accompany reform efforts and facilitate legal approximation. Closer integration through enhanced mobility in a secure and well managed environment is a central element of the EaP.

The EU financial cooperation to promote human rights, democracy and the rule of law will continue in the 2014-2020 framework. These values and principles are in fact the only non-negotiable issues underpinning our Eastern Partnership. The Council of Europe expertise in this area of cooperation and its role in defining the relevant normative and institutional systems in the Eastern European partner countries could be instrumental in fostering democratic consolidation and respect for human rights in the Eastern partner countries and support these countries' effort to comply with commitments stemming from their Council of Europe membership.

Although not all the Eastern European partner countries are involved in the Energy Community, two of them (Republic of Moldova and Ukraine) are members and two other are observers (Armenia and Georgia, the latter having opened negotiations for accession to the Energy Community). The Eastern Partnership will promote the exchange of experience on activities carried out in the Energy Community to foster energy cooperation and integration in the region.

The Eastern Partnership can also further promote stability and multilateral confidencebuilding where protracted conflicts still impede cooperation efforts. The EU and the OSCE share a strong interest to co-operate on security-related discussions and conflict prevention in Europe, including on promoting security and stability as well as protection of the human rights and the rule of law in the Eastern Neighbourhood. Cooperation with the OSCE in the context of the regional ENI programme could be considered notably in areas where the OSCE can provide specific expertise and added value.

6.1.2. Support to regional cooperation frameworks

While the Eastern Partnership aims primarily at bringing partner countries closer to the EU, the **regional cooperation frameworks** in the Eastern neighbourhood are of a different nature and promote cooperation in the respective regions.

6.1.2.1. The Northern Dimension (ND)

The ND is a framework to promote dialogue and cooperation between the EU, Russia, Norway and Iceland. Practical project cooperation takes place in the Partnerships and other ND structures. The principle of co-financing is a general rule. The ND's objective is to contribute to development and cooperation in northern Europe in certain sectors (environment, transport and logistics, health and social well-being, culture, academic cooperation). The ND sectoral Partnerships and the strong commitment of stakeholders form a valuable link with the EU-Russia common spaces. The ND further contributes to the aims of the EU Strategy for the Baltic Sea Region. Northern Dimension activities will also continue to be eligible for financing under the CBC Programme provided they fit with the geographical eligibility and priorities identified in each Operational Programme. The ND also has a role in supporting the EU Arctic policy.

6.1.2.2. The Black Sea Synergy (BSS)

Enhancing cooperation in the Black Sea constitutes a formidable challenge in a region where traditionally cooperation has been difficult to achieve. The Black Sea Synergy initiative aims to bring together different policy elements at EU's disposal including sectoral partnerships with Black Sea states, the EU's Danube Strategy, the EU Integrated Maritime Policy promoting sea-basin wide cooperation on maritime issues, cooperation with the Black Sea Commission in order to maximise the potential of EU's contribution to cooperation in the region. The EU will pursue its engagement in view of becoming a full member to the Bucharest Convention for the protection of the Black Sea against pollution, and by further enhancing dialogue with the Organisation of the Black Sea Economic Cooperation (BSEC), as an active observer. The Black Sea Basin CBC Programme will continue to directly support this regional objective.

6.1.3. Energy and transport cooperation in the wider region

Two other regional initiatives are relevant for EU support to the wider region as they focus on the support to the integration of transport and energy networks. The Transport Corridor Europe-Caucasus-Asia (TRACECA) is an EU programme and also a political initiative of most of the countries involved in the programme, focusing on the development and integration of transport networks between the EU, Eastern partner countries and Central Asia. In the energy sector, INOGATE is the EU regional technical cooperation programme involving the countries of the Eastern Partnership and Central Asia supporting market convergence based on the EU principles, energy security, sustainable energy and energy investments.

6.2. Strategic objectives

6.2.1. Eastern Partnership

In line with the aims of the ENI Regulation, the following strategic objectives will be pursued in enhancing EU's cooperation with the Eastern neighbourhood by supporting the Eastern Partnership:

Objective 1: Support the political association process;

Objective 2: Contribute to economic integration and sector cooperation;

Objective 3: Enhance civil society's role as a vector for reform.

These three main objectives have been identified taking into account ENI comprehensive multi-annual single support frameworks developed to steer country programmes, on-going and planned support from the EU Member States and the European Union.

6.2.2. Support to regional cooperation frameworks

The overall goal is to contribute to the enhancement of EU's participation in and support for regional cooperation frameworks in the EU's neighbourhood (Northern Dimension and Black Sea Synergy). The following strategic objectives will be pursued:

Objective 1: Sustainable development and improvement of the environment

Objective 2: Support for the development of infrastructure and network interconnections

6.3. Instruments and means

In order to support the EU's strategic objectives, the financial instruments intervening in the region need to be used in the most effective manner. The definition of the right "instrument mix" is of the utmost importance when providing EU financial cooperation.

In this respect, this Regional Strategy is complementary to other instruments foreseen by the **ENI Regulation**: the Single Support Frameworks for each partner country, the European Neighbourhood-wide programme and the cross-border cooperation.

The activities and initiatives described in this Strategy and in the MIP 2014-2017 will be complemented by the **European Neighbourhood-wide programme** which will focus on activities that are best implemented at inter-regional level, for reasons of coherence or administrative efficiency. The EN-wide programme includes as priorities inter alia: a) Building a partnership for sustainable and inclusive economic development and integration, via the Neighbourhood Investment Facility; b) Building a partnership between people, via the "Erasmus+" programme for the activities relating to higher education and youth; c) Targeted capacity building, via TAIEX, SIGMA and other similar multicountry support to enhancing public governance systems.

Cross-Border Cooperation programmes address cooperation between one or more Member States on the one hand and one or more partner countries and/or the Russian Federation on the other hand taking place along their shared part of the external border of the EU.

Other EU external instruments will complement EU support to the region.

The European Initiative for Democracy and Human Rights (EIDHR) and other thematic instruments like the Instrument for Nuclear Safety Cooperation (INSC) are particularly important. The activities funded under thematic programmes must be fully consistent with the implementation of the present Multiannual Indicative Programme.

Within the **Development Cooperation Instrument** (DCI), the "Global public goods and challenges" thematic programme and the "Civil Society and Local Authorities" programme are of particular relevance.

Certain measures, particularly in the area of conflict prevention and crisis management and resolution, may also be supported under the **Instrument contributing to Stability and Peace (IcSP)**, which aims at providing an effective, timely, flexible and integrated response to situations of crisis, emerging crisis or continued political instability. The IcSP may also support preventive long-term actions to build capacity both to address specific global and trans-regional threats having a destabilizing effect and to ensure preparedness to address pre- and post-crises situations.

The **Partnership Instrument (PI)** will also be of relevance to regional cooperation activities under this Strategy involving the Russian Federation.

In addition, **EU internal instruments and programmes** with external cooperation windows will also complement activities supported by this Strategy, namely Home Affairs Funds (Asylum, Migration and Integration Fund and Internal Security Fund), Connecting Europe, Creative Europe, COSME, Horizon 2020 and Erasmus +, the EU programme for education, training, youth and sport.

7. ENI REGIONAL EAST MULTIANNUAL INDICATIVE PROGRAMME (2014-2017)

Indicative allocation foreseen (2014-2020)

Indicative allocation 2014-2020	€741,000,000- €906,000,000
Indicative allocation for the 1^{st} period (2014-2017)	€418,000,000 -
	€511,000,000
Eastern Partnership including Flagship Initiatives	75%
Regional cooperation frameworks	10%
<i>Energy and transport initiatives involving the wider region</i>	5%
Horizontal and sectoral support to regional cooperation	10%

7.1. Eastern Partnership priorities including Flagship Initiatives

The Eastern Partnership (EaP) provides a long-term strategy to support partner countries' reform processes with a view to accelerating their political association and economic integration with the European Union. The ENI Regional East Strategy addresses horizontal and sectoral issues that are common to two or more partner countries by cooperating in the areas outlined below.

The main objective will be focused on sharing experiences and best practice by cooperating in a range of areas where regional cooperation can provide a clear added value.

7.1.1. Accelerating political association

Cooperation priorities will support political decisions taken at the Summits in Prague, Warsaw and Vilnius in the area of deeper political association with the Eastern European partners. The focus of this area will be on **sustainable democracy**, **stability**, **human rights**, **good governance and the rule of law as a complement to bilateral actions**.

Priorities will include among others:

- Support to democracy and good governance: freedom of expression and association; media freedom; judicial and electoral reform; support to public administration reform; support to local self-government; fight against corruption; ombudsman, support to minority rights, promote equality of all citizens in front of the law and fight all types of discrimination;
- Support for migration management systems, border management, security sector reform and law enforcement cooperation, notably: strengthen migration and asylum management systems, including addressing smuggling and trafficking in human beings; promote enhanced mobility of citizens in a secure and well managed environment, including Integrated Border Management (IBM) and through missions linked to border assistance operations (EU Border Assistance Mission); collaboration among law enforcement agencies will be reinforced (e.g. on cybercrime, cross-border organised crime, including fight against drug trafficking).
- Strengthen where appropriate EaP partner countries' capacities to participate in EU led CFSP missions and operations.

These priorities will be pursued in close cooperation with activities carried out in and the further development of the relevant Eastern Partnership multilateral thematic Platform 1 on democracy, good governance and stability whose objectives are set in its work programmes. Platform meetings attended by senior officials from EU Member States and the partner countries engage in policy dialogue and complement the bilateral agenda of EU-partner country relations. Expert work on policy approximation will be entrusted to the relevant multilateral Panels.

Moreover, support for abovementioned priorities will be provided through concrete multicountry projects, including Flagship Initiatives.

7.1.2. Deepening sustainable economic development and integration and sector cooperation, including environment, climate change and energy security

Priorities will include:

- Support to SME development including the creation of a climate conducive to trade, investment and regional integration, fostering entrepreneurship, innovation and creativity, with a particular focus on promoting sustainable business models and green growth, promotion of access to finance, support to public-private cooperation;
- Convergence with EU policies and regulatory approximation notably via regional fora such as the regulators networks including partner countries and activities undertaken within the framework of dedicated Panels;
- Enhancing cooperation on environmental issues among the partner countries and policy reforms, with priority on water resources management and green economy, i.e. sustainable consumption and production as well as environmental mainstreaming in sectoral policy-making based on reliable information and evidence;
- Support to implementation at national and regional level of climate change adaptation and mitigation commitments
- Improving further integration of the energy markets based on the EU principles and addressing energy security, sustainable energy and investments.
- Support to transport development, including the improvement of transport links between the EU and the partner countries and among the partner countries themselves as defined in the Eastern Partnership transport network; convergence with EU norms and standards, notably on safety, security, interoperability and market operations of transport modes. Support to the implementation of the transport related agreements between EU and partner countries.
- Specific measures to enhance trade facilitation (customs, tariffs, policies, permits and licences);
- Continue supporting the Panel on agriculture and rural development, by exchanging on best practices, reinforcing and complementing, as appropriate, bilateral activities under the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD)²;

² in the Eastern partner countries having defined this as priority sector

As a cross-cutting theme, cooperation will support the statistical systems in the region with the aim of building up the necessary capacity to assure the appropriate governance of statistics production (ensuring high quality and professional independence) and produce data in the relevant sectors of intervention in accordance with European standards and enhanced policy dialogue. This may be tackled, inter alia, via a new dedicated Panel on Statistics to be established under the Platform 2, as well as workshops and seminars meant to support the partner countries' efforts on harmonising with European standards and best practice, with a special focus on economic statistics (macroeconomic data, trade and investment, employment, market etc).

These priorities will be pursued through activities carried out in the framework of the relevant Eastern Partnership multilateral thematic Platforms 2 and 3 dealing with economic integration, convergence with EU policies and energy security respectively; in line with their jointly approved work programmes; and through their dedicated expert panels as well as through flagship initiatives.

The Neighbourhood Investment Facility (NIF) will support investment under these priorities, as appropriate. Indeed blending is a flexible tool to support infrastructure projects related to energy, transport, water/sanitation, agriculture, environment and social sectors, as well as to SME and private sector development. The above priorities have been well represented in the operations of the Neighbourhood Investment Facility (NIF) and will be addressed by this instrument.

7.1.3. Enhancing support to civil society, local authorities and people to people contacts

Civil society and local authorities' inputs and their cooperation at regional level are crucial in terms of building a consensus for reform while monitoring the implementation of the Eastern Partnership. The Strategy also allows other stakeholders of the Eastern Partnership to contribute to its objectives by providing the non-governmental dimension of cooperation with the necessary means to achieve agreed goals in terms of supporting democratisation, economic transformation and the promotion of sustainable and inclusive development through deepened sector cooperation in energy, agriculture and rural development, transport, environment and climate change, information and communication technology, culture and creativity, with a view to achieving concrete results by 2020.

Priorities will include:

- Increasing people-to-people contacts including students, academic staff, researchers, youth, professional and trade associations, representative employers' organisations and trade unions;
- Strengthening cooperation with the partner countries on bridging the gap between research and innovation, including by connecting them to EU's ICT infrastructures for research and education;
- Strengthening capacities of Civil Society networks and organisations at regional level, including through support to the Eastern Partnership Civil Society Forum as well as regional associations of local authorities.
- Strengthen local authorities, communities and civil society and business organisations as well representative social partners to help develop joint solutions to common social and economic development challenges in the EaP municipalities.

• Developing dialogue and exchanges between youth and strengthening the capacity of youth organizations.

These priorities will be pursued in close cooperation with activities carried out in and the further development of the relevant Eastern Partnership multilateral thematic Platform 4 Contacts between people.

Support to higher education will be provided through European Neighbourhood-wide programme funding the external dimension of the Erasmus + programme.

7.1.4. Flagship initiatives

Further to the review of the Flagship Initiatives released in the framework of the European Neighbourhood Policy package on 22 March 2013, the following areas could be considered as priorities:

- Integrated Border Management and other measures aiming at enhancing migration management and mobility of citizens in a secure and well managed environment, including measures against trafficking in human beings and other forms of cross-border organised crime
- Small and Medium Sized Enterprises
- Regional Gas, Oil and Electricity Markets, Energy Efficiency, Nuclear Safety and Renewable Energy Sources
- Sustainable Municipal Development also encompassing the Eastern Europe Energy Efficiency and Environment Partnership (E5Ps)
- Promote Good Environmental Governance and Prevent Climate Change
- Prevention, Preparedness and Response to natural and man-made Disasters

New **Flagship initiatives** may be designed to underpin practical projects that demonstrate that the Eastern Partnership brings tangible benefits for citizens.

Consideration will be given, notably in the context of joint programming, as to how initiatives put forward by EU Member States or EU Member State-Eastern European partner country projects could be incorporated into EaP flagship initiatives.

7.2. Priorities under the regional cooperation frameworks

The priorities under the ENI Regional East Strategy in support of regional cooperation frameworks are presented here below. The respective sectoral Partnerships established or to be established under these two regional cooperation frameworks will provide reference points for EU support. In this context, the Regional Programme will work in close synergy with support provided through other ENI instruments notably the CBC programme and the NIF as well as other EU policy instruments such as the Connecting Europe Facility. In particular, blending through the NIF is an important tool to leverage substantial additional investments. It will continue under the EU's 2014-20 Multiannual Financial Framework. The NIF will also be an important tool to support the Northern Dimension and the Black Sea Synergy in the transport, environment and energy sectors.

The EU will actively seek to mobilise interested Member States so as to broaden support to other sectors prioritised under the regional frameworks.

7.2.1. Promote sustainable development and the improvement of the environment

Under the Northern Dimension (ND) policy, EU cooperation priorities will focus on environmental protection (including <u>water and wastewater treatment</u>, waste management <u>and nuclear safety as appropriate</u>), and energy efficiency (including district heating). Measures in other sectors that contribute to the implementation of the external aspects of the EU Strategy for the Baltic Sea Region may be supported through the appropriate thematic instruments. Cooperation activities will take place in the framework of the relevant Northern Dimension Partnerships.

As the current mandate of the ND Environmental Partnership (NDEP) ends in 2017, future needs and the balance of NDEP environmental priorities should be reviewed during the validity of this document.

Concerning the Black Sea Synergy, priorities will focus on protecting biodiversity and the Black Sea ecosystems, fighting against marine pollution, promoting sustainable growth from marine and maritime activities including maritime spatial planning and sustainable fishing activities, collecting and exchange of data as well as joint research on marine and coastal environment, fisheries, transport and education. Coordination will be ensured with the Black Sea Commission, the regionally accepted forum for the protection of marine and costal environment, the Organisation of the Black Sea Economic Cooperation which can play a role in mainstreaming environmental aspects in sectoral policies and regional or cross border infrastructure projects and the General Fisheries Commission for the Mediterranean for conservation and fisheries management working group for the Black Sea.

7.2.2. Infrastructure development and network interconnections

The Northern Dimension Partnership on Transport and Logistics (NDPTL) fosters EU's infrastructure priorities and support measures in line with the revised TEN-T priorities, focusing on activities that have cross-border effect at the EU's external borders. Connecting the TEN-T network with the network developed in the NDPTL aims at stimulating sustainable economic growth at regional level by focusing on a number of priorities mutually beneficial for the EU countries and the non-EU countries of the region.

Under the Black Sea Synergy, cooperation priorities may focus on: interconnecting the surveillance systems and databases in the maritime transport field; inland waterway transport corridors and new integrated transport systems (intermodal hubs), maritime transport safety and security. All activities will be aligned and compatible with the TEN-T network and sectoral initiatives involving the wider region.

7.3. Energy and Transport initiatives involving the wider region

Within the framework of the ENI regional East Strategy and MIP, in addition to supporting the Eastern Partnership Energy Flagship Initiative, the INOGATE programme may continue to contribute to coordinating and where possible enhancing the existing cooperation between the EU, partner countries and Central Asia in the field of energy. Likewise, the TRACECA transport programme would support the activities of the future Eastern Partnership transport Flagship and could contribute to enhancing existing cooperation between the EU, partner countries and Central Asia in the field of transport.

Wider region energy cooperation priorities are as follows:

- Support energy markets convergence on the basis of EU internal energy market principles taking into account partner country markets' particularities
- Enhance energy security by addressing exports/imports, supply diversification, energy transit and energy demand
- Contribute to sustainable energy development (including compliance with environmental regulations) and support to energy efficiency and renewable energies
- Facilitate investment attraction towards energy projects of common and regional interest in particular via the NIF with full respect of environmental regulations.

Wider region transport cooperation priorities are as follows:

- Support the continued development of an international transport corridor Europe-Caucasus-Central Asia to ensure efficient multi-modal transport with a gradual integration of the corridor into the TEN-T to further enhance trade liberalization and address transport barriers.
- Enhance transport market convergence on the basis of EU and international safety and security standards of transport modes
- Facilitate investment attraction towards transport projects of common and regional interest in particular via the NIF.

7.4. Horizontal and sectoral support

The ENI Regional East Strategy will also provide horizontal and sectoral support to the Eastern Partnership multilateral cooperation processes, including the organisation and functioning of thematic Platforms and related expert meetings and support to stakeholder cooperation. Similar support will be provided to the other regional cooperation frameworks, namely the Northern Dimension and the Black Sea Synergy.

Capacity building in national administrations of partner countries will continue to be supported through the TAIEX, and "Support to enhancing public governance systems" European Neighbourhood-wide programmes.

Under this Strategy, support to investment in infrastructure, environment and private sector development will be further expanded. Activities supported by this Strategy in these areas can serve to prepare actions by the Neighbourhood Investment Facility (NIF) which is the preferred instrument of intervention. The NIF operates Neighbourhood-wide and successfully complements the range of available tools for cooperation with partner countries.

To enhance the visibility of the Eastern Partnership and ensure citizens properly perceive its activities, the EU may support communication and information activities aimed at disseminating its policies and achievements.

Support for identification and formulation of programmes as well as information and communication activities as defined in Article 3 of Regulation 236/2014 (Common Implementing Rules) which refers to support measures, may be provided.

8. RISKS AND ASSUMPTIONS

This Strategy and its 2014-2017 MIP will require a high level of commitment to multilateral cooperation from partner countries, continuous support by the EU, Member States and other stakeholders, particularly civil society.

In this respect, encouragement is provided by the high degree of support that the Eastern Partnership and its multilateral dimension has enjoyed so far in partner countries.

The risk is that existing support may weaken over time. As a result, existing differences between partner countries in terms of commitment to EU approximation, political will and drive for policy reforms may increase substantially. The risk associated is assessed as medium.

The onus is on the EU to keep the Eastern Partnership a viable and inclusive proposition for all partner countries.

Concerning EU support to regional cooperation frameworks, the challenge will consist in revitalizing the Black Sea Synergy drawing on lessons for cooperation developed by the Northern Dimension partners and their sectoral Partnerships.

The impact of the state of EU-Russia relations as a result of Russia's illegal annexation of Crimea on regional cooperation activities involving Russia will need to be kept under review.

Finally, risks linked to the implementation of the Strategy will be mitigated through carrying out in 2017 a mid-term review, to be preceded by a similar evaluation in 2016 of the MIP. Such reviews will provide opportunities to adjust the EU response in terms of Strategy and MIP, in the light of changing circumstances.

Annex 1. Sector of intervention framework

Sector 1: Eastern Partnership priorities including Flagship Initiative		
Specific objective 1: Accelerating political association		
Expected Results	Indicators	Means of verification
- Accelerated political association through well- functioning Eastern partnership Platforms and panels in the respective sectors of cooperation	- Number of regional Eastern Partnership Platforms, Panels and seminars organized annually in each sector of political association and attended by most Eastern partner countries	 ENP annual progress reports Minutes of Eastern Partnership Platforms and Panels and seminars meetings
- Improved democracy and good governance throughout the region	- Number of Council of Europe reports in different countries showing progress in democracy and good governance	 ENP annual progress reports Council of Europe reports on the implementation of Conventions to which Eastern European partner countries are a party
	- Number of actions and of participants in TAIEX, SIGMA and similar	- Evaluation forms and participation lists of TAIEX, SIGMA and similar activities
- Strengthened cooperation on migration management systems, border management and law enforcement	- Number of cooperation agreements and practical arrangements between border and migration authorities and law enforcement agencies (e.g. on cybercrime and cross-border crime)	 Ministries and bodies in charge of border management Ministries and bodies dealing with cybercrime and cross-border crime
- Strengthened Eastern European partner countries' capacity to participate in EU led missions and operations	- Number of Eastern Partnership Panels, seminars and training sessions on Common Security and Defence Policy	- Minutes of Eastern Partnership Panels, seminars and training sessions on CSDP

Specific objective 2: Deepening sustainable economic development and integration and sector cooperation, including environment and climate change

Expected Results	Indicators	Means of verification
SME Flagship: -Improved development of SMEs including the creation of a climate conducive to trade, investment and regional integration	 Number of SMEs increasing their trade flows with other countries of the Eastern Partnership region Number of SMEs receiving access to finance through EU funded projects 	- SME Facility reports
- Fostering entrepreneurship, innovation, creativity	- Streamlining of SME policies in Eastern partner countries in line	Outcome of the SBA Assessment (SME Policy

- Access to finance, public-	with the Small Business Act (SBA)	Index report)
private cooperation are promoted	- Results of the East Invest project	- Success stories of East Invest
- Convergence with EU policies and regulatory approximation	- Number and regularity of Eastern Partnership Panels, seminars and training sessions on policy convergence and legal approximation in line with the Work Programme of Platform 2	 ENP progress reports Regional regulators and other expert networks in Eastern Partnership countries participate
Flagship on Promoting good environmental governance and climate change:- Enhanced cooperation on environment issues among partner countries- Enhanced cooperation on policy reforms, with priority on water management and green economy,	 Number of progress reports on compliance with Multilateral Environmental Agreements by MEA Secretariats and UN Agencies Number of sectoral policy documents mainstreaming environment issues and using reliable environmental information and evidence in line with what is produced by the European Environment Agency 	- Sectoral Ministries' policy documents
- Climate change adaptation and mitigation commitments are implemented at regional and national level	- Number of National Climate Change Adaptation and Mitigation Plans, actions taken to implement them	Minutes of climate change projects Steering Committees
Flagship on Regional gas, oiland electricity markets,nuclear safety, energyefficiency and renewableenergy:- Further integration of EasternEuropean partner countries andEU energy markets	 Number of Platform meetings, workshops and seminars organized under Platform 3 attended by most partner countries Number of cities having joined the Covenant of Mayors and drawing up Sustainable Energy Action Plans at municipal level 	 Platform 3, workshops and seminar reports and participation lists Covenant of Mayors Reports
 Improved transport links between the EU and the partner countries and between partner countries Improved convergence with EU norms and standards Transport related agreements between EU and partner countries are signed and implemented 	- Number of priority projects on the Eastern Partnership transport network financed, implemented and successfully finalised	 List of priority projects of the Eastern Partnership transport network Transport projects' implementation reports
- Specific measures taken to enhance trade facilitation	- Number of meetings and workshops on customs, tariffs, trade policies, permits and licences to	

	trade	
- Enhanced cooperation on	- Number of Eastern Partnership	- Panel and Platform 2
Agriculture and Rural	Agriculture and Rural Development	reports
Development	Panels, seminars in line with the Work Programme of Platform 2	- ENP progress reports
		- Level of participation in activities

Specific objective 3: Enhancing support to civil society, local authorities and people to people contacts

Expected Results	Indicators	Means of verification
- Increased people to people contacts	- Number and regularity of Platform 4 meetings, number of events and meetings, activities and dialogues established involving civil society actors (students, academic staff, researchers, youth and women organisations, cultural operators, professional and trade associations , representative employers' organisations and trade unions)	 Platform 4 reports Reports e.g. from EACEA on youth cooperation Statements/conclusions of meetings and events reports on activities undertaken and dialogues established
- Strengthened cooperation on bridging the gap between research and innovation	- Number of research and education institutions in Eastern European partner countries connected to the EU's ICT infrastructure for research and education	- Eastern Partnership and EU education and research institutions
- Strengthened capacity of regional civil society networks and organisations	- Number of activities * involving the Eastern Partnership Civil Society Forum	- Eastern Partnership Civil Society Forum reports
	- Number of activities * involving regional associations of local authorities	- Regional associations of local authorities
	- Number of activities* aimed at strengthening the capacity of civil society organisations	- Civil society organisations reports
- Local authorities, communities, civil society, business associations and representative employers' organisations and trade-unions are strengthened in developing solutions for municipal development	- Number of activities * to find joint solutions for social and economic development challenges in Eastern European partner countries' municipalities	- Municipal development documents signed by local authorities, communities, civil society and business associations

Specific objective 4: Flagship Initiatives

NB: detailed results, indicators and means of verifications are detailed under respective sector objective provided in reference

Expected Results	Indicators	Means of verification
- Improved integrated border management and mobility of	- Number of mobility dialogues and visa	- Ministries and agencies in charge of

citizens (see under objective 1)	 liberalization processes launched Number of cases of trafficking in human beings and other cross-border crime Improved infrastructure and equipment at specific border crossing points 	border management and visa liberalisation - Ministries and bodies in charge of combating trafficking in human beings and other forms of cross-border crime
SMEs development (see under objective 2)	Number of SMEs increasing trade flowsNumber of new jobs created	SME Facility reports
Regional Energy Initiative (see under objective 2)	Increased supply securityEnhanced regulators independence	- Energy security reports
- Enhanced sustainable municipal development, also encompassing the Eastern Europe Energy Efficiency and Environment Partnership (E5P)	 Number of energy efficiency and environment projects supported by the E5P fund Amount of CO2 and greenhouse gas emissions 	 E5P and IFI reports Eastern Partnership country reports on greenhouse gas emissions
Promote Good Environmental Governance and Prevent Climate Change (see under objective 2)	 Increased compliance with multilateral environment agreements Climate change adaptation and mitigation plans and actions 	 ENP and specialised progress reports Minutes of Climate Change projects
- Improved prevention, preparedness and response to natural and man-made disasters	 Number of events organised to strengthen the partner countries' civil protection capacities for disaster prevention, preparedness and response Number of partnership agreements between the partner countries and the EU on joining the Civil Protection Mechanism 	 Minutes of Eastern Partnership Platform 1 Project reports

* Activities may include: training, seminars, technical support to the regulatory framework, technical support to strategy development, pilot projects.

Sector 2: Priorities under the regional cooperation frameworks

Specific objective 1: Promote sustainable development and the improvement of the environment

Expected Results	Indicators	Means of verification
- Improved cooperation on environmental protection and energy efficiency in the Northern Dimension region	- Number of environment (including water and waste water treatment, waste management and nuclear safety) and energy efficiency (including district heating) projects funded in the framework of the Northern Dimension Environmental Partnership	- EBRD reports on the Northern Dimension Environmental Partnership Support Fund

- Improved environmental situation of the Black Sea	- Number of activities * aiming at: protecting biodiversity and ecosystems; fighting pollution; promoting sustainable marine and maritime growth; data collection and exchange; joint research; management of maritime space.	- Projects' reports
Specific objective 2: Infrastr	ucture development and interconnections	
Expected Results	Indicators	Means of verification
- Improved transport links between the TEN-T network and the network developed by the Northern Dimension Partnership on Transport and Logistics	- Number of transport projects supported by the Northern Dimension Partnership on Transport and Logistics Support Fund	- Reports from the Nordic Investment Bank on the Northern Dimension Partnership on Transport and Logistics Support Fund
- Improved transport cooperation in the Black Sea region	- Number of activities * focusing on: interconnecting maritime surveillance systems and databases; enhancing inland waterway transport corridors and intermodal hubs; maritime transport and shipping safety.	- Projects' reports

* Activities may include: training, seminars, technical support to the regulatory framework, technical support to strategy development, pilot projects.

Sector 3: Energy and transport initiatives involving the wide region

Specific objective 1: Wider region energy cooperation **Means of verification Expected Results** Indicators - Improved energy markets - Number of activities * addressing - Reports from convergence, energy exports/imports, supply diversification, projects within the security, development and energy transit and energy demand **INOGATE** framework efficiency and other regional - Number of activities * supporting programmes in the energy efficiency and renewable energy energy sector - Investment attraction - Number of energy projects funded by - Reports on the towards energy projects is the Neighbourhood Investment Facility Neighbourhood facilitated **Investment Facility** - Number of national banks trained on supporting investments in energy efficiency

* Activities may include: training, seminars, technical support to the regulatory framework, technical support to strategy development, pilot projects

Specific objective 2: Wider region transport cooperation		
Expected Results	Indicators	Means of verification
- Improved development of the transport corridor Europe-Caucasus-Central	- Number of activities * to further enhance trade liberalisation and reduce transport barriers	- Reports from TRACECA programme projects

Asia and transport market convergence	- Number of activities * implemented to enhance the use of EU and international safety and security standards of transport modes	
- Investment attraction towards transport projects is facilitated	- Number of transport projects funded by the Neighbourhood Investment Facility	- Reports on the Neighbourhood Investment Facility

* Activities may include: training, seminars, technical support to the regulatory framework, technical support to strategy development, pilot projects

Sector 4: Horizontal and sectoral support

Expected Results	Indicators	Means of verification
- Supported Eastern Partnership multilateral cooperation process	- Number of Eastern Partnership activities and involving most Eastern European partner countries and a significant number of EU Member States	- Minutes of Eastern Partnership Platforms, Panels, seminars and activities; attendance lists
		- Documents jointly agreed
- Supported Northern Dimension and Black Sea Synergy cooperation processes	- Number of activities in the framework of the Northern Dimension	- Minutes of meetings and activity reports
	- Number of activities in the framework of the Black Sea Synergy	-Minutes of meetings and activity reports
Specific objective 2: Eastern	n Partnership visibility	
Expected Results	Indicators	Means of verification
- Enhanced visibility of the Eastern Partnership	- Number of communication and information notes, media actions (e.g. seminars, background briefings for journalists, talk shows on TV), lectures on Eastern Partnership	- Communication and information notes, media actions, lectures
		- Brochures and information material
	- Number of brochures and information material produced	- Online communication and
	- Number of online communication and social media activities	social media; web sites kept up to date

Speene objeente et Support for fuendation und for manufor of programmes		
- Support for identification and formulation of programmes and information activities provided	 Number of programmes identified and formulated Number of information activities supported 	 Preparatory studies needed for project identification and formulation Information activities