Algeria and the EU

Relations between Algeria and the European Union (EU) are based on an Association Agreement signed as part of the Euro-Mediterranean Partnership (2005). They cover politics, the economy, trade, technical and financial cooperation and humanitarian aid.

Political relations

General background: relations between Algeria and the EU have strengthened since an Association Agreement came into effect as part of the Euro-Mediterranean Partnership (2005).

In the political area, the Agreement covers dialogue on all issues of interest to the parties. This dialogue occurs at different levels:

- Association Council (ministerial);
- Association Committee (high-level civil servants);
- ‘Political dialogue, security and human rights’ Sub-Committee (technical).

Other technical sub-committees set up under the Agreement address other areas such as migration, internal affairs, justice, social affairs, etc.

Since 2013, Algeria has also been involved in the European Neighbourhood Policy (ENP). It is under this framework that the partnership priorities between Algeria and the EU have been jointly established for the 2016-2020 period.

Priority policy themes:

- governance, rule of law and fundamental rights, including strengthening the judicial system and promoting the role of civil society;
- strategic and security dialogue aimed at promoting regional stability and security, regional cooperation and integration, and cooperation in the fight against terrorism and radicalisation;
- migration and mobility, with dialogue covering all issues connected with this (legal mobility and migration, fight against illegal migration, including readmission, the migration/development link, international protection/right of asylum);
- public and cultural diplomacy, notably through jointly organised events.
Economic relations

**General background:** support for economic transition and diversification and for economic trade constitutes a key component of the cooperation with Algeria. Under the **Association Agreement (AA)**, in force since 2005, this economic cooperation takes place for example through several mechanisms involving both parties (talks on the economy; several theme- and sector-based sub-committees). The EU also finances a range of programmes aimed at supporting Algeria’s efforts in different areas of the economy. The **first evaluation of how the AA is operating** was conducted in 2009; a second evaluation is currently underway.

In 2014, an agreement established the general principles for Algeria’s involvement in EU programmes (the agreement can be found at: ).

In terms of **economic diversification**, the current programmes aim to support the implementation of the 2005 Association Agreement and the development of the fisheries sector. The objective is to:

- bolster the Algerian economy’s performance;
- encourage its diversification in a bid to reduce its heavy dependence on the hydrocarbon sector.

Since 2014, under the Single Support Framework 2014-2017, new programmes have been under preparation, including:

- support for local social and economic development in Algeria’s North-West;
- pilot actions for rural development and agriculture in Algeria, targeting growth in the local and rural economy.

More information on projects can be found at:

These programmes are in addition to those already underway in the areas of:

- market monitoring and framework;
- improving the business environment and industry diversification;
- strengthening the capacities of those involved in local development.

In parallel, twinning programmes between public administrations together with specific targeted actions serve to boost cooperation. In addition to this extensive cooperation between the parties, there are also activities under regional projects.

More information available on the [ENPI Info Centre](#) website.

The **energy sector** is an important component of the economic relations between the EU and Algeria. Algeria is in fact the third largest supplier of natural gas to the EU. The EU and Algeria have therefore signed a ‘Memorandum of Understanding’ for the establishment of a partnership. The main priority of this partnership is to facilitate and promote European investments in the natural gas, renewable energy and energy efficiency sectors.

Since the end of 2015, two groups of EU-Algeria experts on gas, renewable energies and energy efficiency have been working in these areas. Several meetings are expected to take place to discuss and decide on new cooperation efforts to be undertaken here.
Trade relations

The EU is Algeria’s biggest trade partner and receives almost two thirds of its exports. In monetary terms, the trade between them increased 136 % between 2002 and 2014, primarily due to greater levels of petroleum and gas product exports. It reached €43 billion in 2015, down 4.6 % on 2014.

- In 2015, 99.7 % of exports from Algeria to the EU were energy and petroleum-derived products; 0.3 % were agricultural products. These exports represent €20.9 billion.
- In the same year, the EU’s exports to Algeria were made up of industrial products (85.5 %) and agricultural products (14.4 %) The majority of industrial product exports were machinery, electrical equipment and transport equipment, base metals and chemical products. These exports represent €22.3 billion.
- In 2015, Algeria exported €1.8 billion worth of services to the EU, and imported €3.4 billion.
- European investments in Algeria are estimated at €14 billion, or 40 % of foreign direct investment in the country.

Technical and financial cooperation

Algeria and the EU share a common geographical area, the Mediterranean, and are linked by close economic, trade and cultural ties. However, relations in these areas remain unbalanced:

- In trade, the total amounts traded are balanced, however what makes them up is very unbalanced, Algeria’s exports consisting almost entirely of hydrocarbons, while the EU exports a wide range of industrialised products.
- In terms of the economy, the average Algerian income remains less than a quarter of that in the EU.
- In terms of culture and people, the number of short-term trips (tourism, business) and long-term trips (migration) is significantly higher from Algeria to the EU than the other way round.

EU and Algeria cooperation therefore aims to reduce these imbalances. It depends on both Algeria’s capacities to put the funds and instruments made available to it by the EU to effective use and Algeria’s political will to move more towards European principles of development.

The cooperation instruments

- Technical assistance enables experts to contribute know-how and skills over the short and long term, and also provides opportunities for training, study trips and research. Those benefitting from this type of cooperation are public institutions and private stakeholders.
- Twinning programmes help merge the competences of the public sector in EU countries and Algeria and bring them more in line with each other.
- Budget support focuses on discussing sector policies, evaluating performances and developing capacities, as part of a partnership and in a spirit of mutual gain.
- TAIEX is a technical assistance and information exchange instrument for sharing, over the short term, know-how and good practices.
- SIGMA (support for improvement in governance and management) provides a boost to public governance systems and public sector capacities.
- Project subsidies help efforts that support respect for the rights of children, women and the environment, and a greater role for civil society.
- Cultural cooperation supports the organisation of different events aimed at enabling people
to learn about the variety of European culture in Algeria, in addition to promoting Algeria’s young talents.

**Humanitarian aid**

An estimated 90 000 Sahrawi refugees are living in five camps south of Tindouf. The climate in this region is extremely harsh. Access to basic services (food, water, healthcare, housing and education) is limited there. To survive, the Sahrawi refugees depend largely on international aid.

Since 1993, the EU has contributed €220 million (€9 million allocated for 2016) in aid to meet these basic needs:

- **Food aid** is a key component of this funding: €5 million is provided for not only basic food such as wheat flour, barley, rice, oil and sugar, but also more nutritional and varied food, including fresh food, rich in vitamins, to combat malnutrition.
- Water is one of the main concerns for refugees. The EU therefore helps ensure that there is enough **drinking water** available. Running water networks have been built, while the fleet of water tank trucks has been upgraded in a bid to reach neighbourhoods that cannot access this network.
- Campaigns to raise awareness about **hygiene rules**, especially in schools and hospitals, have also been run.
- The EU contributes to the **supply of medication** and staff training in local hospitals.
- Finally, in 2016, the EU’s humanitarian aid meant that **income-generating activities** could be launched in a bid to enhance the capacities of refugees to support their families and reduce their dependence on humanitarian aid.

**Documents**

EU-Algeria Association Agreement
EU-Algeria Association Agreement — Final Act
Association Agreement — Annex
Evaluation of the state of implementation of the EU-Algeria Association Agreement

**See also**

Association Agreement of 18 July 2005
Export helpdesk
Statistics on EU trade with Algeria
EuropeAid — Algeria
ECHO
European Neighbourhood Policy
EU Neighbourhood Information Centre — Algeria
EU Neighbourhood Library of the Information Centre — Algeria
www.eeas.europa.eu

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