

**PRESENTATION TO THE INTERNATIONAL WORKSHOP  
MENA TRANSITION & INTERNATIONAL RESPONSE:  
CHALLENGES AND PROSPECTS  
2 DECEMBER 2011, VIENNA**

**CHALLENGES FOR THE EUROPEAN NEIGHBOURHOOD POLICY:  
THE EU'S RESPONSE TO THE 'ARAB SPRING'**

Since the first demonstrations in Tunisia in December 2010, a wave of popular discontent has shaken the Arab world, with people calling for dignity, democracy, and social justice. Despite the unexpected magnitude of these uprisings, the EU has been quick to recognise the challenges of the political and economic transition faced by the region as a whole. It has also recognised the need to adopt a new approach to relations with its Southern neighbours.

The EU's strategic response to the Arab Spring came as early as 8 March 2011, with the joint communication of the High Representative/Vice President Catherine Ashton and the Commission proposing "A partnership for democracy and shared prosperity with the Southern Mediterranean". This communication stresses the need for the EU to wholeheartedly support the demand for political participation, dignity, freedom and employment opportunities, and sets out an approach of "more for more", a positive conditionality rewarding those partner countries that deliver on reforms with more assistance and cooperation. This approach was further elaborated in another joint communication on 25 May which initiated the launch of the new European Neighbourhood Policy (ENP).

The EU is willing to be committed both in the short and long terms to help its partners address in particular two main challenges:

- First, build "deep democracy", i.e. not only writing democratic constitutions and conducting free and fair elections, but creating and sustaining an independent judiciary, a thriving free press, a dynamic civil society, etc.;

- Second, ensure inclusive economic growth and development, without which democracy will not take root.

Our intention is to support each country and each people on their own path; nonetheless countries in the region have in common a number of needs and requests. On that basis the EU efforts have focused on what we have called as the "**3 M's**": **Money, Mobility and Markets**.

1. As regards **Money**, the EU added in May €1.2 billion to the €5.7 billion already budgeted for the neighbourhood for the period 2011-2013. In addition, the European Investment Bank has agreed to add another €1 billion annually to its loan portfolio for the

southern neighbourhood and the European Bank for Reconstruction and Development is set to expand its geographical coverage to include the southern neighbourhood and to facilitate substantial public and private sector investment to get business moving and the infrastructure in place. I am glad that we have with us here today senior representatives of these two international financial institutions who can tell us about how these major new commitments to the region will be operationalised and delivered in the months and years to come.

Furthermore, a new package of support for the region was adopted by the European Commission in September. It includes:

- The creation of the **SPRING** (*Support for Partnership Reform and Inclusive Growth*) programme, a new €350 million umbrella for the Southern Neighbourhood which makes available support on a 'more-for-more' basis to partner countries showing sustained commitment to, and progress in, democratic reforms.
- The creation of the *Civil Society Facility* for the neighbourhood (both Southern and Eastern), with an overall budget of €22 million for 2011. This facility aims to strengthen the capacity of civil society to promote reform and increase public accountability in their countries.
- The allocation of €30 million to Erasmus Mundus specifically for the southern neighbourhood.

**2. Mobility** to the EU will be facilitated for citizens of our partner countries, in particular by:

- The launching of 'mobility partnerships', including visa facilitation and readmission agreements. Dialogues have already been launched with Tunisia and Morocco and we hope to start others (i.a. with Jordan and Egypt) sooner rather than later;
- A major expansion of youth scholarships (cf. Erasmus Mundus above) and exchanges.

**3. Access to Markets** is being promoted by the preparation of negotiating mandates for deep and comprehensive free trade agreements with Morocco, Jordan, Egypt and Tunisia. These negotiations will take time: our DG Trade aims to have the mandates approved by member states by the end of this year and launch thorough scoping exercises with partner countries in early 2012 with a view to opening negotiations with the first partners by mid-year. In the meantime, other measures are being taken to stimulate growth and development. For example, a new SME investment scheme called SANAD ('support' in Arabic) was launched in August 2011 together with German bank "Kreditanstalt Für Wiederaufbau" (KfW) for a total of €20 million. This fund targets SMEs in the Middle East and Northern Africa region, in particular the business segment which is too small for banks, but too large for micro finance. Finally, we are moving forward in developing a new "Investment Security" scheme for the Mediterranean, jointly with the Multilateral Investment Guarantee Agency, the Organisation for Economic Co-operation and Development and the Union for the Mediterranean, which could be finalised by end of this year.

**The appointment of a EU Special Representative for the Southern Mediterranean, Bernardino León**, enhances political dialogue with our Southern neighbours and helps ensure optimal coordination of efforts among the EU institutions, EU member states, relevant financial institutions such as the EIB and the EBRD, and the private sector. High-level task forces to be co-chaired by the HR/VP and respective leaders of the partner countries are a major tool in this regard. The first task force was organised in late September for Tunisia, and others are foreseen in the months to come. The EU is also a major player in the G-8 “Deauville Partnership” that has already seen €20 billion pledged for the countries of the Southern Mediterranean.

This is not just about dialogue between governments, but with and between societies. Civil society in all its components (NGOs, universities, think tanks, media), together with parliaments and Constituent assemblies, will be essential in shaping the future of the region. The EU will support civil society both through bilateral support in each country and through the reinvigoration of existing Euro-Mediterranean fora.

## **THE EU RESPONSE COUNTRY-BY-COUNTRY**

After this overview of our response at the regional level, let me now turn to a more detailed review of how we have responded to the ongoing changes, country-by-country.

### **TUNISIA**

The Tunisian revolution paved the way to the "Arab Spring". The EU's swift political support for the transition was demonstrated by a series of high-level visits, the first only a few weeks after the revolution, on 14 February 2011, by the HR/VP Catherine Ashton, followed by European Commission President Barroso, Commissioners Füle, Malmström and De Gucht, as well as European Parliament President Buzek.

All EU financial instruments have been rapidly mobilised to respond to the new challenges. Considerable humanitarian support has been made available, in particular to help Tunisia to cope with the influx of refugees fleeing war in Libya. The EU has provided immediate support for the preparation of the elections, through the provision of technical assistance to the transitional authorities as well as direct support to civil society organisations. The EU also increased the funds available for bilateral cooperation: For the period 2011 - 2013 indicative figures were raised from €240 million to €400 million. The new funds target in particular economic recovery, civil society and democratic transition.

In addition, an EU-Tunisia Task Force, the first one in the region, has been set up in order to ensure better coordination of European and international support for Tunisia's political and economic transition. Its first meeting, chaired jointly by HR/VP Catherine Ashton and Tunisian Prime Minister Béji Caïd Essebsi on 28-29 September in Tunis, was a success thanks to the wide involvement of European and international partners. In total, nearly €4 billion (including grants and loans) were pledged to support the transition in Tunisia: 3 billion from EU institutions, EU banks and international institutions (African Development Bank, Islamic Development Bank, World Bank) and one billion from EU Member States. The EU and Tunisia also expressed the joint ambition of a privileged partnership through an 'advanced status', and agreed on resuming negotiations on a number of agreements, including on trade liberalisation and for a mobility partnership.

On 23 October, Tunisian citizens have had for the first time the opportunity to choose in a free and democratic manner their representatives. An EU Electoral Observation Mission monitored the Constituent elections which have generally been seen as free and fair. HR/VP Ashton and Commissioner Füle commended the candidates and parties that took part in the democratic process and congratulated the Ennahda party which obtained the highest percentage of votes.

## **EGYPT**

Since the beginning of the uprising, the EU has defended the rights of the Egyptians to demonstrate peacefully, and condemned the use of force by the authorities. Immediately after the departure of former president Mubarak and in direct response to the Egyptian people's request for their civil, political and socio-economic rights, the EU launched a €20 million civil society package. In light of the new circumstances, the development aid foreseen for 2011-13 has been reviewed. For 2011, programmes amounting to €132 million have been approved and for 2012 initiatives amounting to €95 million are already in the pipeline. 2011 programmes will support the improvement of the living conditions in deprived areas of Cairo, trade and economic growth (and consequently job creation), agricultural SMEs, as well as the reform of the energy and water sectors.

Egypt is also a strong contender for benefitting from the new SPRING programme. The EU has also offered fully fledged electoral observation missions for both parliamentary and presidential elections. The Egyptian authorities have preferred to decline any offer from international observation missions, however they have accepted an EU support programme of €2 million under the Instrument for Stability which is presently assisting the High Electoral Commission in its work and is providing support to civil society organisations. The EU also launched preparatory talks in Cairo for a Mobility Partnership, but Egyptian authorities have pointed out that no commitment would be possible until a new elected government is in place. In order to facilitate access of Egyptian products to European markets, we are also getting prepared to start discussions on a Deep and Comprehensive Free Trade Agreement (DCFTAs) as soon as Egypt will be willing to do so.

In response to the recent unrest in Egypt and the ongoing elections, the HR/VP has expressed her deep concern about the clashes between demonstrators and security forces and called for an independent investigation into these disturbing events. She asked for the release of those detained for peacefully expressing their views and urged the Egyptian authorities to honour their promise to end military trials for civilians. Finally, she called on "All political parties to reaffirm their commitment to the democratic process that Egypt has embarked on. The swift shift of power to civilian rule is a key element of the transition and should happen as soon as possible on the basis of an inclusive dialogue."

## **MOROCCO**

HR/VP Catherine Ashton and Commissioner for the ENP Stefan Füle welcomed on 2 July 2011 the positive outcome of the referendum on the new Constitution which endorsed the reforms proposed by King Mohammed VI. They also reiterated the EU's support for Morocco's efforts to implement these far-reaching reforms. The EU sent an expert mission to assess the parliamentary elections of 25 November, which Ms Ashton and Mr Füle termed "...an important step in the on-going process of democratic reform in Morocco initiated by the King to respond to the demands and aspirations of the Moroccan people."

As regards other areas of cooperation, I would like to note that the official launch of the setting up of the Mobility Partnership with Morocco took place in Rabat in October and the EU gave a new impetus to the negotiations for the new Action Plan of the Advanced Status, which will be resumed in December. As regards financial support, the five priority areas for cooperation remain the same: development of social policies, economic modernisation, institutional support, good governance and human rights, and environmental protection. The indicative budget for 2011-2011 is €580.5 million, which represents a 20% increase in comparison with the budget of 2007-2010. Morocco also benefits from other thematic and regional programmes and will get further support under the new SPRING programme, the Civil Society Facility and Erasmus Mundus.

## **JORDAN**

Building on the EU-Jordan “advanced status” partnership agreed in October 2010, the HR/VP stated on several occasions the EU's readiness to support Jordan on its reforms path. She welcomed King Abdullah's announcement of the proposed constitutional amendments adopted by the Jordanian Parliament, which represent a positive step towards meeting the aspirations of the Jordanian people by strengthening citizens' rights and the independence of the judiciary. In order to assist the Jordanian government in addressing the current economic challenges, the EU agreed in May to frontload to 2011 an additional €40 million from the 2012/2013 programmes. This funding will support the development of SMEs with the aim of tackling poverty and unemployment in less-favoured areas, increase the contribution of research & innovation to growth and employment and further strengthen the public finance management. Ongoing programmes (including under the €71 million initial envelope for 2011) already support reforms in various sectors, including energy efficiency, education, democratic governance and local economic development. Moreover, Jordan is expected to participate in a scoping exercise to prepare negotiations for a Deep and Comprehensive Free Trade Agreement (DCFTAs), as from early 2012. The first meeting of the EU-Jordan Task Force is expected to take place in the first quarter of 2012.

## **LIBYA**

The exceptional brutality of the former regime's repression of demonstrations led EU leaders to hold an Extraordinary European Council on Libya in March, followed by a series of Foreign Affairs Councils. Libya has gone through several months of a liberation war that ended only on 23<sup>rd</sup> October, following the capture and death of Colonel Gaddafi. The EU participated in the Contact Group and the Cairo Group meetings aiming at coordinating efforts by the international community to seek a resolution to the conflict. It made numerous statements to support the human rights of the opponents and condemn the bloody crackdown of the upheavals, and was then at the forefront of recognising the legitimacy of the National Transitional Council. The EU adopted a series of sanctions against individuals and entities, aiming at preventing arms and money from reaching the

Gaddafi regime. Its Member States' activeness at the international level led to the UN Security Council resolution 1973 which called for international action to protect civilians and provided the legal basis for NATO's military intervention.

The HR/VP opened an EU office in Benghazi on 22 May and she sent a team to Tripoli late August, when the capital was liberated. She inaugurated an EU Delegation during her visit to Libya on 12 November, when she supported the democratic transition and was the first foreign dignitary to meet with the newly appointed Prime Minister, Abdurrahim al-Keib. Since the beginning of the crisis, the EU has provided more than €155 million in humanitarian support and mobilised EU civil protection teams and assets to alleviate the plight of civilians both in Libya and at its borders. In addition, the European Commission is making some €30 million available to support the immediate stabilisation priorities of the National Transitional Council (NTC), and a further €50 million will be available for longer-term support programmes. As agreed at the international conference in Paris in September, the EU is carrying out needs assessments in communications, civil society, and border management. It has already deployed experts in these fields as well as in security and procurement. Finally, substantial migration-related projects which were suspended in February 2011 are in the process of resuming.

## **SYRIA**

Popular protests in Syria started in mid-March 2011 as calls for reforms, but soon transformed into anti-regime demonstrations. These were met with a violent repression from the Syrian regime, which the EU strongly condemned in a declaration already on 22 March and repeatedly afterwards. In the face of the escalating violence against peaceful protesters the EU introduced targeted sanctions in May, including an embargo on arms and equipment used for repression, asset freeze and travel ban against those complicit in the repression (including Bashar al-Assad himself) and suspension of bilateral cooperation programmes (including new operations of the EIB). None of the reforms announced by the government translated into any improvement on the ground. Following yet another escalation and large-scale use of military against the protesters in August, the EU noted the Syrian regime's loss of credibility and legitimacy, called on Bashar al-Assad to step aside, and encouraged an inclusive national dialogue.

Seeing no progress, the EU has progressively expanded its sanctions by designating further persons and entities for travel ban and asset freeze, adding an embargo on the import of Syrian crude oil, an investment ban in the oil sector (which necessitated a partial suspension of the EU-Syria Cooperation Agreement), and further suspension of cooperation including regional and the remaining bilateral programmes. The EU has been active internationally, achieving a resolution on Syria of the UN Human Rights Council and pushing for a Security Council resolution. The EU has been actively exploring possibilities of new cooperation with civil society partners in Syria, including support for activists and human rights defenders.

The EU supports all activities aiming at an end of violence in Syria, such as the Arab League initiatives. It has also agreed internally on coordinated engagement with representatives of Syrian opposition committed to non-violence and democratic values. The HR/VP met on 22 November with representatives of the Syrian National Council and welcomed the ongoing efforts to establish a united platform and to work for a shared vision for the future of Syria and the transition to a democratic system. Finally, the HR/VP, has commented on the publication yesterday of the report of the independent commission of inquiry on Syria by condemning in the strongest terms the brutal repression by the government of Syria against its own people and welcomed the decision of the Arab League to impose a range of restrictive measures against the Syrian government, in the face of continuing violence and human rights abuses, and following the government's refusal to accept an observer mission of the League. The EU Foreign Affairs Council that will meet here the day after tomorrow is expected to adopt a further package of EU restrictive measures against Syria.

## **BAHRAIN**

From the early stage of the demonstrations in Manama, the EU called upon all parties in Bahrain to refrain from violence and engage in dialogue. After the heavy crackdowns on protestors of February and March, the High Representative sent a senior EU envoy to Manama and personally conveyed the EU's messages directly to the Bahraini Foreign Minister and King Hamad. A steady stream of public statements and diplomatic contacts with the Bahraini authorities has drawn public attention to the human rights situation, the necessity of holding perpetrators of all abuses accountable, the need to host a mission of the office of the UN High Commissioner for Human Rights, and to promote real reconciliation across Bahraini society. The High Representative has brought the situation in Bahrain to the agendas of several EU Foreign Ministers' meetings, and to the level of Heads of State and Government. This pressure, applied by the EU and by many civil society organisations, has yielded some results, among which the establishment of the Independent Commission of Inquiry in June 2011 and the reconsideration of trials and verdicts under the military courts. In commenting on the report of the commission last week, the HR/VP called upon all sides in Bahrain to do their utmost to implement the recommendations of the report in a timely and complete fashion. Furthermore, she stated that "The EU is ready to assist Bahrain in this effort, fully recognising that it must be Bahraini-led, and Bahraini-owned."

## **YEMEN**

Since the protest movement began in February 2011, the EU has exerted constant pressure on all Yemeni parties to stop violence and facilitate a peaceful transfer of power. The HR/VP has made a number of statements condemning violence, and has been in regular contact with key members of the regime and its opponents. As Yemen's political, social and economic turmoil has exacerbated an already dire humanitarian situation, the international community has maintained firm and united pressure for an orderly transition



and comprehensive reform process to begin without delay. Following action by the EU at the UN Human Rights Council, the UN Security Council unanimously adopted a resolution urging all parties in Yemen to implement the steps needed for political transition.

On 23 November, after months of political stalemate, the HR/VP welcomed the signature in Riyadh of the agreement for political transition signed by President Saleh and key representatives of Yemen's ruling and opposition parties under the auspices of the Gulf Cooperation Council. She called on all political groups to help implement the agreement in good faith so that it becomes the foundation for a reconciliation process which reaches out to all Yemenis and enables a peaceful democratic transition to take place.

This sustained political commitment is but one angle of our engagement with Yemen: the EU strives to keep development and humanitarian aid flowing to those who need it most: the people of Yemen who have been paying the price of the crisis. €20 million in additional humanitarian aid has come from EU funds since the start of 2011, with Member States adding at least €40 million more to that sum.

## CONCLUSION

To sum up, the EU has reacted to the historic events in the Southern Mediterranean through immediate, well differentiated actions to address urgent situations and by articulating a strategic response in the first Joint HR/Commission Communication<sup>1</sup> "*A partnership for democracy and shared prosperity with the Southern Mediterranean*" of 8 March 2011. It was further detailed by the Joint Communication on "*A new response to a changing Neighbourhood*"<sup>2</sup> of 25 May 2011. It outlined an incentive-based approach ('more for more') in supporting those partners that deliver on reforms for deep democracy and sustainable and inclusive economic development.

EU institutions have shown strong political commitment to the region through visits from the President of the Commission, the President of Parliament, the HR/VP and several Commissioners. Just yesterday in Brussels the EU Foreign Affairs Council met and took a number of important new decisions with regard to our relations with the Southern Mediterranean, most significantly perhaps with regard to Syria (adoption of a new package of sanctions/restrictive measures) and with regard to setting up a new European Endowment of Democracy. With the first anniversary of the Arab Spring fast approaching, there is no reason to expect that the EU, despite its current economic difficulties, will lower its level of commitment in support of the continued democratisation and promotion of inclusive economic growth in the Southern Mediterranean.

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<sup>1</sup> COM (2011) 200 final

<sup>2</sup> COM (2011) 303 final

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