The ‘Renovated’ European Neighbourhood Policy and the New European External Investment Plan for Africa and the EU Neighbourhood

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In 2017, the EU implemented the mid-term review of the European Neighbourhood Policy (ENP) and its financial instrument, the European Neighbourhood Instrument (ENI). The first elements of this new strategy, including the new Partnership Priorities (PP) were adopted after the June 2016 Global Strategy of the European Union’s Foreign and Security Policy (EUGS), which contributed to the reorientation of the EU’s external action as a whole. In September 2016, the European Commission also proposed a new European External Investment Plan (EIP) for Africa and the EU Neighborhood.

The implementation of the ENP mid-term review, the EUGS and the EIP are three indicators of the progressive reorientation of the EU’s external action in its neighbourhood. The aim of this article is, therefore, to focus on the novelties of an approach that is now based, according to the EU’s Foreign and Security Policy, on ‘principled pragmatism.’

The Implementation of the ENP Review:
Supporting Stabilization and Resilience in a Neighborhood Deeply Affected by Conflicts and Crisis

Following the November 2015 Communication on the ENP review, new frameworks for ‘bilateral engagement’ were concluded with some ENP partners through “Partnership Priorities, updated Association Agendas or existing Action Plans.” The novelty is the adoption of new Partnership priorities alongside the traditional ENP instruments. These different ‘joint bilateral documents’ are supposed to reflect ‘shared political priorities’ and to provide the “basis for the ongoing programming exercise of the new bilateral assistance programmes (Single Support Frameworks)” under the ENI, for the 2017-2020 period.

The new Partnership Priorities with Lebanon and Jordan were adopted in December 2016 notably to “help both countries address the impact of the refugees following the Syrian conflict.” Also, the so-called new ‘Compacts,’ containing “priority actions and mutual commitments were agreed and annexed to the Partnership Priorities.” As mentioned in the ‘Report on the Implementation of the European Neighbourhood Policy Review,’ “both partner countries were already receiving EU assistance to address the needs and promote the resilience and self-reliance of refugees and vulnerable host communities.” It is, therefore, more the format that has changed.

The EU-Lebanon Partnership Priorities were adopted through a decision of the Association Council on 11 November 2016. This is of importance as the decisions that were used to adopt the Action Plans are legally binding, contrary to recommendations. The preamble of the decision states that the second EU-Lebanon Action Plan “came to an end in 2015 and has not been renewed.” Therefore, the EU and

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4 Ibid., p. 5.
Lebanon have decided to “consolidate their partnership” and agreed on a “set of priorities for the period 2016-2020, with the aim of supporting and strengthening Lebanon’s resilience and stability while seeking to address the impact of the protracted conflict in Syria.” The “EU-Lebanon Partnership Priorities, including the Compact” supporting the “implementation of the Agreement” on the basis of a set of “commonly identified shared interests,” have thus been adopted simultaneously. The five PP are the following:

— Security and countering terrorism (“security sector reforms” and “institutional capacity of security actors including law enforcement, security management, oversight bodies and justice”);
— Governance and rule of law (“institutional capacity building”; promotion of the “shared values of democracy and the rule of law including good governance and transparent, stable and effective institutions, protection of free speech and an independent press”; “independence of the justice system,” and “efficient public sector”);
— Fostering growth and job opportunities (notably: municipalities; private investment infrastructure; trade, agriculture, industry; energy security, climate action and conservation of natural resources);
— Migration and mobility: (negotiating a “joint declaration to launch their Mobility Partnership”);
— Mechanisms for dialogue and mutual coordination.

For this last priority the general idea is to “rationalize and optimize the implementation of the Association Agreement.” This implies a “thorough rethinking of the dialogues and sub-committees taking place.” The current sub-committees will, for example, be re-grouped into “fewer thematic meetings.” Obviously, the search for greater efficiency is a core priority and this is true for all partners.

The EU-Lebanon Compact, annexed to the PP, sets out some mutually agreed actions and defines “priority actions to support the stabilization of the country” over the period 2016-2020. It also underlines that the “mechanism to review progress in the implementation of the Compact will draw inter alia on the policy dialogues under the general framework of the EU-Lebanon Association Agreement.” A first example of reciprocal commitments can be taken from the first PP as referred to in Table 4.

Another example of, this time, ‘mutual objectives’ can be found at the level of the PP on migration and mobility as we can see in Table 5.

The willingness to reinforce ownership is obvious in these two examples. The approach followed for

### EU-Lebanon Partnership Priorities: 1st Priority

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<tr>
<th>EU Commitments</th>
<th>Lebanon Commitments</th>
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<tr>
<td>1. Enhancing Stability: Security and Counter-Terrorism</td>
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<tr>
<td>a) Actively support the implementation of the counter-terrorism roadmap through technical assistance and financial and non-financial support.</td>
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<td>b) Provide technical assistance and financial support in countering criminal activities including the fight against the smuggling and trafficking of humans, drugs and firearms.</td>
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<td>c) Reinforce Integrated Border Management by supporting the four border agencies.</td>
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<td>d) Support to fight money laundering and the financing of terrorism.</td>
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<tr>
<td>e) Support conflict prevention and mediation as well as interventions aimed at countering violent extremism and diffusing tensions.</td>
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<tr>
<td>f) Intensify cooperation and support on aviation safety and security.</td>
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<tr>
<td>i) Improve the coordination of security services, including agencies responsible for border management.</td>
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<td>ii) Support the operational activities of the interministerial Counter-Terrorism Committee established on 26/5/2016.</td>
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<td>iii) Design and implement a comprehensive integrated counter-terrorism strategy in line with relevant UN Security Council resolutions.</td>
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<tr>
<td>iv) Agree an Integrated Border Management (IBM) strategy, including increased coordination of Lebanese security agencies and cooperation within relevant EU programmes.</td>
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<td>v) Intensify cooperation on aviation safety and security.</td>
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### EU-Lebanon Partnership Priorities: 4th Priority

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<tr>
<th>EU – Lebanon Mutual Objectives</th>
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<td>4. Migration and Mobility</td>
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<td>Once agreed, EU and Lebanon will implement fully the mutual political commitments of the Mobility Partnership after its adoption and all the actions in the related Annex, in line with the following priorities identified therein:</td>
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<td>- Promoting and facilitating well-managed legal migration and mobility</td>
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<td>- Strengthening the capacity of the relevant Lebanese authorities to manage borders and prevent irregular migration</td>
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<td>- Strengthening the nexus between migration and development</td>
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<td>- Enhancing dialogue and cooperation on matters related to refugees, allowing for thorough discussion of concerns.</td>
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the adoption, in December 2016, of the EU-Jordan Partnership Priorities and annexed Compact is similar to the EU-Lebanon one, as the PP replaces the EU-Jordan Action Plan which entered into force in October 2012. However, a specific Addendum 1 includes detailed Jordan-EU commitments concerning: enhancing macro-economic stability; private sector development, business climate, trade and investment, job creation; quality education and training for social inclusion and development; sustainable use and management of natural resources; strengthening cooperation on stability and security including counter-terrorism; well-managed refugee, migration and mobility policies; and justice and political reform, democratic elections and human rights. There is also a specific ‘Addendum 2’ containing ‘quantitative benchmarks’ proposed to “monitor progress in the implementation of the EU-Jordan compact.” It is clearly indicated that the “monitoring will occur on a regular basis and at least once a year, in the context of the foreseen review mechanisms and the meetings related to the bilateral cooperation between the EU and Jordan.” This specific addendum 2 is reproduced in Table 6.

The five Partnership Priorities with Algeria, adopted in March 2017 with the decision 1/2017 of the EU-Algeria Association Council are, up to 2020, as follows:

i) Political dialogue, governance, the rule of law and the promotion of fundamental rights;

ii) Cooperation, socio-economic development, including trade and access to the European single market;

iii) Energy, the environment and sustainable development;

iv) Strategic and security dialogue;

v) The human dimension, including cultural and inter-religious dialogue, migration and mobility.

It is worth mentioning that Algeria concluded an Association Agreement (AA) but never agreed on an ENP Action plan. No evaluation, therefore, in the form of the so-called Regular reports, has ever been adopted. Moreover, the original tariff dismantling calendar for the bilateral Free trade area of the AA has been prolonged by three years (1 September 2020). The revised ENP therefore enabled, in 2017, the evaluation of the implementation of the AA, through a “Report on the state of play of EU-Algeria relationships in the framework of the renovated ENP,” and an agreement to be reached on the new Partnership Priorities. However, no ‘Compact’ is referred to in decision n°1/2017.

The three Partnership Priorities with Egypt were adopted in July 2017, not on the basis of a decision but through recommendation n° 1/2017 of the EU-Egypt Association Council of 25 July 2017. As mentioned above, the difference is that a recommendation is not legally binding, contrary to a decision. Moreover, only three priorities have been identified: i) Egypt’s sustainable modern economy and

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social development; ii) Partners in foreign policy; iii) Enhancing stability. Compared to Jordan, Lebanon or even Algeria the general impression is that the EU-Egyptian approach is, for the time being, far less ambitious. There is no compact or any kind of addendum, and it is stressed, in the conclusion of the PP, that "in the spirit of co-ownership, the EU and Egypt have jointly defined Partnership Priorities and will develop an agreed evaluation and monitoring mechanism."

Tunisia (after the Jasmine Revolution) and Morocco have been considered as the Mediterranean front-runners of the ENP. The priority of the EU’s support to Tunisia was confirmed in a joint communication adopted in September 2016 on the ‘Strengthening of EU support to Tunisia,’10 to set out “further actions to promote long-term stability, including good governance, justice reform, socio-economic development and security.” It also provided “a basis for the creation of the EU-Tunisia Joint Parliamentary Committee.”11 On the occasion of the EU-Tunisia Association Council of 11 May 2017 the “two sides held an exchange of views on the future framework of relations between Tunisia and the EU which will replace the Action Plan for a Privileged Partnership (2013-2017).”12 It is worth noting that a “second full round of negotiation” regarding the Tunisian Deep and Comprehensive Free Trade Area (DCFTA) is planned for the first half of 2018. For Morocco, DG trade indicates that the latest DCFTA round of negotiation “took place in April 2014” and that the negotiations “were then put on hold to accommodate the plan of Morocco to carry out additional studies before continuing the negotiations.”13 In other words, the exact structure of the future EU-Morocco relationship remains uncertain, while the negotiations of the Tunisian DCFTA are still on track.

Two Mediterranean countries, given their current situations, are in a specific situation. Libya never benefited from a contractual relationship with the EU and its internal situation remains extremely unstable. Therefore, the EU adjusted its cooperation to the “very particular circumstances, including by channelling support through municipalities” and with the implementation of the December 2015 Libyan Political Agreement (LPA). The EU continues to “mediate with the objective of bringing all Libyan actors together to find a comprehensive agreement to restore law and order, enhance the rule of law, bring the armed and security forces under civilian control, avoid financial collapse, preserve the country’s unity and tackle terrorism and irregular migration.”14 Given the current situation, the EU also developed a specific Strategy for Syria.15

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In the Eastern Neighbourhood, the main changes were introduced with the conclusion of three Association Agreements, including a DCFTA (AA-DCFTA). With Ukraine, the DCFTA has been provisionally applied since 1 January 2016. EU-Georgia and EU-Moldova Association Agreements entered into force in July 2016 and reviews of their Association Agenda for the period 2017-2020 are ongoing. Consultations on Partnership Priorities have also been launched with Armenia, Azerbaijan, and Belarus. As Armenia decided to join the Eurasian Customs Union, the AA DCFTA project was replaced by a “new Comprehensive and Enhanced

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11 JOIN(2017) 18 final, p. 5.
14 JOIN(2017) 18 final, p. 5.
Partnership Agreement” signed on 24 November 2017. Azerbaijan also decided to negotiate the same type of agreement that excludes an FTA with the EU.

All in all, to replace ‘Action plans’ by ‘Partnership Priorities,’ basically means getting rid of the strict conditionality approach launched in 2011 with the so called ‘deep democracy criteria’ and to differentiate more and adapt cooperation to the political will of the partner. The simultaneous publication of the ‘Regular reports’ for all partners benefitting from an ENP action plan has been abandoned. However, due to legal constraints, ‘Association Implementation Reports’ have been adopted with regard to Moldova, Ukraine and Georgia16, whereas “Reports on the state of play of EU relations” with regard to Algeria17 and Tunisia “in the framework of the renovated ENP” have also been introduced.18

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This new approach, with regard to the cooperation modalities, has been complemented by the creation of a European External Investment Plan (EIP).

The New European External Investment Plan for Africa and the EU Neighbourhood

The European Commission adopted, in September 2016, a communication titled: “Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan.”19 The approach draws on the experience of the Investment Plan for Europe, the so-called Juncker Plan20, and extends it to the EU Neighbourhood and Africa. The EIP contains, for instance, priorities “inspired by the key principles of, and experience gained with, the Investment Plan for Europe”21 and its goal, that is to provide an EU guarantee to mobilize private investment.

The EIP includes three elements designed to attain the general objective of job creation and sustainable growth: i) mobilizing investment; ii) stepping up technical assistance; and iii) supporting economic and structural reforms to improve the business and policy environment. This is perceived, by the Commission, as being a “key factor in transforming development policy and assistance” in order to support the achievement of the Sustainable Development Goals (SDGs) and address the “multiple challenges faced in both the EU Neighbourhood and Africa.” The objectives of creating jobs and promoting sustainable growth in order to bring stability and improve “conditions on the ground in fragile countries affected by conflict” will address the migratory challenge. Still, according to the Commission, a “new approach is needed to address the factors that constitute the root causes of migration, and to support partners to manage its consequences, both in Africa and in the EU Neighbourhood, by financing investments and addressing barriers to private investment.” The diagnosis is that:

20 The Juncker Plan has three objectives: to remove obstacles to investment, to provide visibility and technical assistance to investment projects and to make smarter use of financial resources. The EU-wide results as of April 2018 are that: the “EFSI expected to trigger €284 billion in investments” and “90% of the original €315 billion target” were met, while “384 infrastructure and innovation projects” were approved, as well as “398 SME financing agreements.” Around “611,000 SMEs” are expected to benefit from the Plan. European Commission, April 2018, https://ec.europa.eu/commission/priorities/jobs-growth-and-investment/investment-plan-europe-juncker-plan/investment-plan-results_en
i) In 2015, “more than 60 million people left their places of origin (…). North African and Middle Eastern countries hosted about 40% of all displaced people worldwide, Sub-Saharan Africa accounted for another 30%”; 

ii) the EU’s “external policies, and in particular its development and Neighbourhood policies,” seek to promote prosperity but “economic growth in developing countries has now reached its lowest level since 2003”;

iii) As regards FDI “going to developing countries, only 6% goes to fragile countries, pushing down the investment per capita to a level almost five times lower than in other developing countries. Similarly, the cost to start a business is almost three times higher in fragile countries than in non-fragile countries.”

In September 2017, a Regulation “establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund” was adopted. The EFSD is one of the centrepieces of the EIP. It aims to support investments primarily in Africa and the Union’s Neighbourhood as a means to contribute to the achievement of the SDGs, particularly “poverty eradication, as well as the commitments under the recently revised European Neighbourhood Policy.” The direct link to the ENP mid-term review should be stressed. The preamble is also clear about the fact that the EFSD aims to address “specific socioeconomic root causes of migration, including irregular migration,” and to “contribute to the sustainable reintegration of migrants returning to their countries of origin and to the strengthening of transit and host communities.” The EFSD, should also “contribute to the implementation of the Paris Agreement on Climate Change.” According to Article 15 of the Regulation, a “contribution of €350 million shall be provided by the general budget of the Union” for the EFSD Guarantee Fund.

Stimulating investments in Africa and the EU’s neighbourhood will not be an easy task. At EU institutional level, the European Commission created a Secretariat of the External Investment Plan and the EU Delegations and the European Investment Bank will play a crucial role in this regard. The Juncker plan seems to have worked well in the EU, but Africa and the EU neighbourhoods are very different, from a private investor perspective. Country-risk analyses will, without doubt, remain the key indicators for them.

**Conclusion: Is ‘Principled Pragmatism’ Viable?**

Principled pragmatism, which combines pragmatism and idealism, has been attributed to Abraham Lincoln’s method of political analysis, itself inspired by Niccolo Machiavelli. Principled pragmatism looks appropriate for addressing a very volatile and complex situation, as it allows for notably quick reactions to crises and for greater flexibility in a difficult and changing geopolitical context. The fact that the EU institutions recognized the limits of the ENP is certainly positive, but the return to the Fortress Europe syndrome could affect the credibility of the European Union’s actions as a whole.

Only time will tell if this pragmatism will be more appropriate and efficient than the ‘deep and sustainable democracy’ approach developed after the so-called Arab Spring. The reinforcement of a multi-speed ENP is, in any case, obvious.

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