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5.1. EXTERNAL RELATIONS POLICIES

5.1.1. FOREIGN POLICY: AIMS, INSTRUMENTS AND ACHIEVEMENTS

The EU's Common Foreign and Security Policy (CFSP) was established in 1993 and has since been strengthened by subsequent treaties. Today, Parliament regularly contributes to the development of the CFSP, in particular by scrutinising the activities of its institutional actors and bodies: the High Representative of the Union for Foreign Affairs and Security Policy, who also serves as Vice-President of the European Commission; the European External Action Service (EEAS); the EU Special Representatives (EUSRs) and the EU delegations. Parliament's budgetary powers can also shape the scale and scope of the CFSP.

CFSP: DEVELOPMENT THROUGH THE TREATIES

The Common Foreign and Security Policy (CFSP) of the European Union was established by the Treaty on European Union (TEU) in 1993 with the aim of preserving peace, strengthening international security, promoting international cooperation and developing and consolidating democracy, the rule of law and respect for human rights and fundamental freedoms.

The TEU introduced the 'three-pillar system', with the CFSP as the second pillar. The 1997 Treaty of Amsterdam established a more efficient decision-making process, including constructive abstention and qualified majority voting. In December 1999, the European Council established the role of the High Representative for the CFSP. The 2003 Treaty of Nice introduced further changes to streamline the decision-making process and mandated the Political and Security Committee, which had been established under a Council decision in January 2001, to exercise political control and strategic direction of crisis management operations.



The Treaty of Lisbon, which entered into force on 1 December 2009, provided the Union with legal personality and an institutional structure for its external service. In addition, it eliminated the pillar structure introduced by the TEU in 1993. The Treaty created a range of new CFSP actors, including the High Representative of the Union for Foreign Affairs and Security Policy, who also serves as Vice-President of the European Commission, and the new permanent President of the European Council. Moreover, it created the European External Action Service (EEAS) and upgraded the Common Security and Defence Policy (CSDP), which forms an integral part of the CFSP (for more details <u>5.1.2</u>).

The legal basis for the CFSP was set out in the TEU and revised in the Lisbon Treaty. Articles 21–46, Title V, of the TEU establish the 'General Provisions on the Union's External Action and Specific Provisions on the Common Foreign and Security Policy (CFSP)'. Articles 205–222, Part 5, of the Treaty on the Functioning of the European Union (TFEU) cover the Union's external action. Articles 346 and 347, Part 7, also apply.

Looking to the future, the <u>final report of the EU's Conference on the Future of Europe</u>, presented to the Presidents of Parliament, the Council and the Commission on 9 May 2022, proposed 'that the EU improve its capacity to take speedy and effective decisions, notably in CFSP, speaking with one voice and acting as a truly global player, projecting a positive role in the world and making a difference in response to any crisis'.

PARLIAMENT'S FOREIGN POLICY POWERS AND INSTRUMENTS

Despite its limited formal role in foreign policy decision-making, Parliament has supported the concept of the CFSP from its inception and sought to extend its scope.

Article 36 of the TEU requires the High Representative to consult Parliament regularly on the principal aspects of and choices made under the CFSP and to inform Parliament of the policy's evolution. Parliament holds twice-yearly debates on CFSP progress reports and puts questions and recommendations to the Council and the High Representative.

Parliament's right to be informed and consulted about the CFSP/CSDP was further strengthened by the High Representative's declaration of political accountability in 2010, attached to Parliament's resolution on the creation of the EEAS. The declaration provided, among other things, for:

- Enhancing the status of the 'Joint Consultation Meetings', which allow a
 designated group of Members of the European Parliament to meet counterparts
 from the Council's Political and Security Committee, the EEAS and the
 Commission to discuss planned and ongoing civilian CSDP missions;
- Affirming the right of Parliament's 'special committee' to have access to confidential information relating to the CFSP and the CSDP, which is based on an interinstitutional agreement of 2002;
- Holding exchanges of views with heads of mission, heads of delegation and other senior EU officials during committee meetings and hearings of committees of Parliament, including exchanges of views in the Committee on Foreign Affairs



(AFET) with selected newly appointed heads of EU delegations or EU Special Representatives (EUSRs) which Parliament considers strategically important, before they take up their posts;

Mandating the High Representative to appear before Parliament at least twice a
year to report on the current state of affairs regarding the CFSP/CSDP and to
answer questions.

In addition to this political dialogue, Parliament exercises its authority through the budgetary procedure. As one arm of the EU's budgetary authority, Parliament must approve the annual CFSP budget. An interinstitutional agreement of December 2020 on budgetary discipline sets the framework for the annual approval and the basic structure of the CFSP budget, as well as reporting mechanisms. Parliament and the Council adopt legislation setting the framework for financing the EU's international cooperation and aid, based on a Commission proposal.

Parliament regularly scrutinises the operations of the EEAS and provides it with suggestions on structural issues, ranging from its geographical and gender balance to its interaction with other EU institutions and the diplomatic services of the Member States. Parliament also holds regular discussions with the High Representative and the EUSRs appointed for certain regions or issues.

Parliament also has a role to play in monitoring the negotiation and implementation of international agreements. Parliament's consent is required before the Council can conclude such agreements (for more details <u>5.2.1</u>, <u>5.2.3</u>).

INTERNAL PARLIAMENT STRUCTURES INVOLVED IN THE CFSP

Much of Parliament's work on the CFSP is done in specialised committees, in particular AFET and its two subcommittees (on Security and Defence (SEDE) and on Human Rights (DROI)). Their work is complemented by the Committee on International Trade (INTA) and the Committee on Development (DEVE). These committees shape the CFSP through the reports and opinions they issue, by providing recommendations, exchanging views with counterparts in non-EU countries during missions, and by means of parliamentary democracy. They also regularly exchange views with representatives of global and regional multilateral organisations (including the United Nations), other EU institutions, the Council presidencies and Member States' national parliaments.

CFSP-related work is also undertaken by parliamentary delegations, whose role is to maintain and develop Parliament's international contacts (especially through interparliamentary cooperation), promoting the Union's founding values, including liberty, democracy, human rights, fundamental freedoms and the rule of law. There are currently 45 standing interparliamentary delegations, including joint parliamentary committees, parliamentary cooperation committees, other parliamentary delegations, joint parliamentary assemblies and delegations to multilateral assemblies.

PARLIAMENT'S IMPACT ON THE CFSP

Parliament's involvement in the CFSP helps to enhance the policy's democratic accountability. Parliament has strongly supported the post-Lisbon institutional



landscape, advocating an enhanced role for the High Representative, the EEAS, the EU delegations and the EUSRs, as well as a more coherent policy and a more effective CFSP, including sanctions. It has pushed for greater coherence among the EU's political and financial instruments for external policies, in order to avoid duplication and inefficiency.

Parliament is consulted on CFSP, exercises scrutiny over it and provides strategic policy input. Its involvement is centred on regular debates on key foreign policy topics with the High Representative in the plenary session or in the AFET committee, in particular on the annual report on the implementation of the CFSP.

In its <u>annual resolution on the implementation of the CFSP</u>, adopted on 28 February 2024 regarding the year 2023, Parliament offered guidance to the next EU executive on setting foreign policy priorities for the next term, highlighting the 'evervolatile international environment'. It recognised several foreign policy challenges, such as the continuing Russian aggression in Ukraine; escalating competition among great powers, potentially redefining the global power balance; continuous efforts to destabilise the established multilateral, rules-based order; and the growing overlap of external and internal crises. In response to this, Parliament underscored the necessity for the EU to leverage collective political will, collaborate with allies and offer tangible benefits to the Global South, emphasising the need for a proactive and bold approach. To better guide the CFSP, four objectives were proposed:

- Addressing the consequences of Russia's war of aggression against Ukraine;
- Progressively adapting EU structures, instruments, capabilities, funds and decision-making procedures;
- Reinforcing and defending a rules-based multilateralism; and
- Asserting the EU's interests through the development of robust strategic alliances and like-minded partnerships.

Moreover, Parliament's latest annual <u>resolution on the implementation of the CSDP</u> (for more details $\underline{5.1.2}$) and annual <u>resolution on human rights and democracy in the world</u> (for more details $\underline{5.4.1}$) set out further positions in these areas.

In its most recent expression of political guidance with regard to the EU's institutional framework for external action, Parliament proposed, in its recommendation of 15 March 2023 on the functioning of the EEAS and a stronger EU in the world, that the Council, the Commission and the High Representative 'improve the coordination and integration of EU foreign policy and the external dimension of EU internal policies'. It also asked for the reinforcement of 'the strategic coordination structure composed of all relevant commissioners, the High Representative and the Commission and EEAS services to ensure coherence, synergy, transparency and accountability of the EU's external action'. Parliament also advocated meaningful revisions of both the 2010 Council Decision establishing the EEAS and the High Representative's 2010 declaration on political accountability. Parliament repeatedly recommended the full use of qualified majority voting for certain foreign policy areas, such as the EU Global Human Rights Sanctions Regime, except for the creation of military missions or operations with an executive mandate, and advocated the use of constructive abstention in line with Article 31(1) TEU in the meantime.



In addition, it asked for effective delivery of foreign assistance under the brand of <u>'Team Europe'</u>. Team Europe was established as a response to the global consequences of COVID-19 and is composed of EU institutions and Member States' and European external funding agencies and banks.

THE EU'S FOREIGN POLICY STRATEGIC FRAMEWORK AND THE EUROPEAN PARLIAMENT

The High Representative presented the <u>Global Strategy for the European Union's Foreign and Security Policy</u> to the European Council on 28 June 2016. With its emphasis on security, its ambition for strategic autonomy and its principled yet pragmatic approach to Europe's environment, the EU Global Strategy signifies an important change of philosophy from the 2003 European Security Strategy. Together with Member States, national parliaments, experts and the wider public, the European Parliament was involved in the Global Strategy consultation process.

The EU Global Strategy's security and defence aspects were substantially complemented by the <u>EU Strategic Compass</u> endorsed by the European Council on 24 and 25 March 2022. As a consequence of the strategic challenge to European security and global stability posed by the Russian invasion of Ukraine, the EU has recently undergone a paradigm shift and launched several new initiatives on CSDP and the defence industry (for more details 5.1.2).

Furthermore, in order to provide for a sustainable option for global infrastructure investment and to rise to the geopolitical challenge posed by China's investment and governance model, the EU came up with a Global Gateway strategy in 2021. This initiative aims to raise up to EUR 300 billion in public and private investment in various sectors of connectivity around the world, promoting EU values and a global rulebook at the same time. Parliament also highlighted the Global Gateway as an 'instrument to increase the EU's presence and visibility worldwide' in its recent resolution on the implementation of the CFSP in 2023. This initiative relies partly on money from the EU budget's 'Neighbourhood, Development and International Cooperation Instrument - Global Europe' (NDICI - Global Europe), worth approximately EUR 80 billion in 2021-2027. In its resolution of 12 December 2023 on the implementation of the NDICI – Global Europe, Parliament welcomed the consolidation of most of the EU's external action into a single instrument. However, even if this has made the external action simpler and more flexible and efficient, Parliament expressed regret that the process was not accompanied by enough accountability and transparency.

For more information on this topic please see the website of the <u>Committee on Foreign Affairs (AFET)</u>.

Michal Malovec 04/2024



5.1.2. COMMON SECURITY AND DEFENCE POLICY

The common security and defence policy (CSDP) is an integral part of the EU's common foreign and security policy (CFSP). The CSDP is the main policy framework through which Member States can develop a European strategic culture of security and defence, address conflicts and crises together, protect the Union and its citizens, and strengthen international peace and security. As a result of the tense geopolitical context, the CSDP has been one of the fastest developing policies over the last 10 years. Since 24 February 2022, the Russian war of aggression against Ukraine has acted as a geopolitical reset for Europe and created further impetus for what should become an EU Defence Union.

LEGAL BASIS

The CSDP is described in the Treaty of Lisbon, also known as the Treaty on European Union (TEU), which entered into force in 2009.

More specifically, the workings of the CSDP are explained in Title V (General provisions on the Union's external action and specific provisions on the common foreign and security policy), Chapter 2 (Specific provisions on the common foreign and security policy) and Section 2 (Provisions on the common security and defence policy) of the Treaty of Lisbon. Section 2 comprises five articles: Articles 42 to 46.

The role of the European Parliament in the CFSP and the CSDP is defined in Title V, Chapter 2, Section 1 (Common provisions) and Article 36, and the funding arrangements for both policies are set out in Article 41.

The CSDP is further described in annexes to the Treaty of Lisbon, mainly Protocols No 1 (on the role of national parliaments in the European Union), 10 (on Permanent Structured Cooperation established by Article 42 TEU) and 11 (on Article 42 TEU), as well in Declarations 13 and 14 (Declarations concerning the common foreign and security policy).

ORGANISATION

The High Representative of the Union for Foreign Affairs and Security Policy, who also acts as the Vice-President of the European Commission (VP/HR), occupies the central institutional role. Since December 2019, Josep Borrell has been the VP/HR. He chairs the Foreign Affairs Council in its Defence Ministers configuration, which is the decision-making body for the CSDP. He is in charge of presenting CSDP proposals to Member States. The VP/HR is the head of the European External Action Service and the director of the European Defence Agency (EDA).

The European Council and the Council of the European Union take decisions relating to the CSDP by unanimity (Article 42 of the TEU). Some notable exceptions are decisions relating to the EDA (Article 45 of the TEU) and Permanent Structured Cooperation (PESCO, Article 46 of the TEU), for which qualified majority voting applies.



The Treaty of Lisbon introduced a European capabilities and armaments policy (Article 42(3) of the TEU) and established that the EDA and the Commission work in liaison when necessary (Article 45(2) of the TEU), most notably when it comes to the EU's research, industrial and space policies.

In addition, Article 21 of the TEU recalled that multilateralism is at the core of the EU's external action. Accordingly, EU partners can participate in CSDP missions and operations. The EU is committed to deeper coordination and cooperation within various multilateral frameworks, in particular with the United Nations and the North Atlantic Treaty Organization (NATO), but also with other regional bodies such as the African Union.

EVOLUTION

Since the Treaty of Lisbon, the CSDP has evolved significantly, both politically and institutionally.

In June 2016, VP/HR Federica Mogherini presented the 'EU Global Strategy on Foreign and Security Policy' (EUGS) to the European Council, a document setting out the CSDP strategy. Five priorities were identified: the security of the Union; state and societal resilience to the East and South of the EU; the development of an integrated approach to conflicts; cooperative regional orders; and global governance for the 21st century.

In November 2016, the VP/HR also presented to the Council an 'Implementation Plan on Security and Defence' to operationalise the EUGS's vision. The plan set out 13 proposals, including a coordinated annual review on defence (CARD) and a new arrangement for Permanent Structured Cooperation (PESCO) for Member States willing to commit further on security and defence.

In parallel, Ms Mogherini presented a European defence action plan to the Member States, with key proposals relating to the creation of a European Defence Fund (EDF) that focuses on defence research and capability development. These have been implemented over the last few years.

In June 2021, the EU launched a reflection on the future of European security and defence. This process led to the creation of the Strategic Compass on Security and Defence, a policy document which lays down the EU's security and defence strategy for the next 5-10 years. The Strategic Compass provides a framework of action for the development of a shared vision in the field of security and defence. The document was developed in three steps: a threat analysis, a structured strategic dialogue, and further development and revision before adoption. Its main objective is to provide political guidance for implementing the EU's 'strategic autonomy' in four key areas: crisis management, resilience, capabilities and partnerships. The process is designed to address the growing need for the EU to be able to act as a security provider. In November 2021, VP/HR Borrell presented the initial version of the document to a joint session of EU Foreign Affairs and Defence Ministers.

In the context of the Russian war of aggression against Ukraine (which began on 24 February 2022), the paper had to be significantly altered to take into account the destabilisation of the European security order and the subsequent change in the EU's



stance, ambitions and tools in the realm of defence. On 24 and 25 March 2022, during the French Presidency of the Council, the European Council endorsed the final version of the Strategic Compass.

As a consequence of the war, Denmark abolished its opt-out with regard to the EU's defence policy, which it obtained in 1992. The Danes agreed to join the CSDP via a referendum organised on 1 June 2022 (with 66.9% voting in favour). All 27 Member States therefore now contribute to the CSDP.

Crisis management missions and operations are the most visible and tangible expressions of the CSDP. The Strategic Compass addresses the EUGS's gaps in crisis management tools and institutions, for example by creating a new EU Rapid Deployment Capacity. In the 2021 report on the implementation of the CSDP, Parliament expressed support for the proposed 'rapid entry force'. The Strategic Compass also aims to provide coherent goals and objectives for other initiatives and relevant processes (such as PESCO, the EDF and CARD).

While Parliament did not have a direct role in the establishment of the Strategic Compass, it must be kept regularly informed of the level of implementation and given opportunities to express its opinions on the process, in particular during briefings to the Subcommittee on Security and Defence (SEDE). Through its own annual reports on the CSDP, the SEDE subcommittee assumes a de facto advisory role on the CSDP.

THE CSDP TOOLBOX

Since 2016, the CSDP has achieved a number of successes, including the launch of PESCO; a permanent command and control structure for planning and conducting non-executive military missions; the EDF; the Civilian CSDP Compact; a strategic review of the civilian dimension of the CSDP; and an off-budget European Peace Facility (EPF). In addition, the Commission and the VP/HR presented the European Defence Industrial Strategy (EDIS) on 5 March 2024, aimed at strengthening the competitiveness and readiness of the European Defence Technological and Industrial Base (EDTIB).

The first CARD report was presented to EU Defence Ministers in November 2020, with the EDA acting as the penholder. It identified 55 collaborative opportunities across the entire capability spectrum.

In December 2020, the Council reached a provisional political agreement with Parliament representatives on a regulation establishing the EDF, in the context of the multiannual financial framework for 2021–2027. The allocated budget for seven years is EUR 8 billion. The EDF will stimulate European defence industry cooperation. The 2024 EDF Work Programme includes 32 different topics on which projects can be proposed.

Through the European Peace Facility (EPF), an off-budget instrument, the EU funds the common costs of the military CSDP missions and operations, thereby enhancing burden sharing between the Member States. The EPF can also be used to finance the provision of training and military equipment (including lethal equipment) for EU partner countries' security and defence sectors. By reinforcing the capacities of peace support operations and the capacities of non-EU countries and partner organisations



in military and defence matters, the EU will increase the effectiveness of its external action. Between 2022 and 2024, the EU mobilised EUR 11.1 billion under the EPF to support the Ukrainian armed forces.

On 19 July 2022, the Commission put forward a proposal for a regulation on establishing the European Defence Industry Reinforcement through common Procurement Act (EDIRPA) after being given a mandate for this at the Versailles Summit in March 2022. The EDIRPA is a short-term joint defence procurement instrument worth EUR 500 million. It seeks to address the most urgent and critical defence capability gaps and to incentivise Member States to procure defence products jointly. Following interinstitutional negotiations, Parliament adopted the regulation in plenary on 12 September 2023. Similarly, on 3 May 2023, the Commission put forward a proposal for an act in support of ammunition production, which aims to provide Ukraine with ammunition, increase common procurement and augment production capacity. Following brief interinstitutional negotiations, Parliament adopted the act on 13 July 2023.

On 5 March 2024 by way of follow-up to the more short-term emergency measures (the Act in Support of Ammunition Production, or ASAP, and EDIRPA) ending in 2025, the Commission proposed a draft regulation on the European Defence Industrial Programme (EDIP) to provide financial support of EUR 1.5 billion from the EU budget over the period 2025–2027. The EDIP will seek to be a more structural and longer-term regime based on collaborative EU-based investment and production, ensuring the availability and supply of defence products on a steady basis.

Aiming to increase the competitiveness and readiness of the European Defence Technological and Industrial Base (EDTIB) and incentivise Member States' cooperation on joint procurement, the goal is to procure at least 40% of defence equipment collaboratively and 50% from within the EU by 2030, rising to 60% by 2035.

To this end, in its draft regulation the Commission proposes a Fund to Accelerate defence Supply chains Transformation (FAST) to support small and medium-sized enterprises, the establishment of a modular and gradual EU Security of Supply regime, a Structure for European Armament Programme (SEAP) to enhance cooperation through a VAT waiver; and a European Military Sales Mechanism focused on the availability of EU equipment.

CSDP MISSIONS AND OPERATIONS

Since 2003 and the first intervention in the Western Balkans, the EU has launched and run 40 operations and missions on three continents. As of October 2023, there are 24 ongoing CSDP missions and operations. About 4 000 EU military and civilian staff are currently deployed abroad. EU decisions to deploy missions or operations are normally taken at the request of the partner country and/or based on a UN Security Council resolution. The most recent mission, the European Union's Naval Force (EUNAVFOR) operation ASPIDES was launched to protect the freedom of navigation and safeguard maritime security in the Red Sea, the North-West Indian Ocean and the Gulf. With a defensive mandate, ASPIDES escorts vessels and increases maritime situational awareness against sea or air attacks.



ROLE OF THE EUROPEAN PARLIAMENT

The European Parliament is supportive of EU defence integration and cooperation. Parliament scrutinises the CSDP and can take the initiative of addressing the VP/HR and the Council (Article 36 TEU). It also exercises scrutiny over the CSDP's budget (Article 41 TEU). Twice a year, Parliament holds debates on the implementation of the CFSP and the CSDP and adopts reports: one on the progress of the CFSP, drawn up by the Committee on Foreign Affairs, and one on the progress of the CSDP, written by the SEDE subcommittee.

The 2023 annual report on the implementation of the CSDP was adopted in Parliament's plenary session on 28 February 2024. The report focuses on enhancing the EU's support for Ukraine; the reinforcement of partnership with like-minded partners and allies to ensure the successful implementation of the CSDP; boosting the EU's security and defence capabilities, in particular through the EPF; the importance of complementing EU security and defence policy with other civilian tools; enhancing complementarity with NATO while ensuring European strategic autonomy; and sets out the ambition to render the EU a strategic international security provider by boosting EU defence integration.

In particular, it calls for 'the joint procurement of defence products' and to 'ramp up the European defence industry's production capacity, replenish depleted stocks and reduce fragmentation in the defence-procurement sector'. Emphasising EU-NATO cooperation in coordinating weapon deliveries to Ukraine, the reports underlines further that 'the 2% spending goal should represent a minimum for EU-NATO countries and not a ceiling for defence spending'.

Since 2012, on the basis of Protocol 1 to the Treaty of Lisbon, the European Parliament and the Member States' national parliaments have also organised two interparliamentary conferences per year to debate matters relating to the CFSP.

In general, the Treaty enables Parliament to play a full role in the development of the CSDP, thereby making it a partner in shaping the EU's external relations and addressing security challenges. In order to fulfil this role, Parliament holds regular deliberations, hearings and workshops devoted to topics such as civilian and military CSDP deployments, international crises with security and defence implications, multilateral frameworks for security, arms control and non-proliferation issues, counter-terrorism and organised crime, good practices to improve the effectiveness of security and defence, and EU legal and institutional developments in these fields.

Following the VP/HR's 2010 declaration on political accountability, Parliament has participated in joint consultation meetings organised on a regular basis to exchange information with the Council, the European External Action Service and the Commission.

Parliament also asks questions and makes oral suggestions to the European External Action Service on the CSDP, in particular during SEDE subcommittee meetings.

Oliver Krentz 04/2024



5.2. EXTERNAL TRADE RELATIONS

5.2.1. THE EUROPEAN UNION AND ITS TRADE PARTNERS

Over the years, the EU has been moving away from the production of labour-intensive, low-value products in order to specialise in higher-value, branded goods. With its open economy, trade is essential to the EU, which is a founder of and key player in the World Trade Organization (WTO). In addition, to overcome barriers to trade and level the playing field for its businesses, the Union negotiates a number of free trade agreements (FTAs).

LEGAL BASIS

Article 207 of the <u>Treaty on the Functioning of the European Union</u> establishes the common commercial policy as an exclusive competence of the European Union.

THE EU'S CENTRAL POSITION

The EU, China and the United States are the world's <u>largest economies</u>, accounting respectively for about 17.5%, 17% and 25.7% of global gross domestic product (GDP) in 2023. Thanks to its GDP of around EUR 17 trillion and the openness of its market, the EU has played a central role in shaping the global trading system, among other things, by supporting the WTO. Economic openness has brought significant advantages to the EU, given that more than 30 million jobs in the EU depend on external trade and that global economic growth is expected to be generated mainly outside Europe. New economic players and technological innovation, in particular digitalisation, have changed the structure and patterns of international trade. Today's global economy is highly integrated, and global supply chains have largely replaced the traditional trade in finished goods.



Although the 2009 global financial crisis had a negative impact on the EU's economic performance, the EU has been able to preserve a relatively strong position in trade in goods while reinforcing its leading role in trade in services. The COVID-19 pandemic slowed down economic growth, triggering discussion about relocating industries back to Europe (referred to as 'reshoring'). Reshoring is likely to be applied selectively in critical sectors, while global supply chains experience a degree of fragmentation because of increasingly separate providers of goods and services.

ROLE OF THE EUROPEAN COMMISSION AND THE EUROPEAN PARLIAMENT

International trade was one of the first sectors in which Member States agreed to pool their sovereignty. Consequently, they mandated the Commission to handle trade matters, including negotiating international trade agreements, on their behalf. In other words, the EU, acting as a single entity, negotiates, on behalf of all its Member States, both bilateral and multilateral trade agreements. As is demonstrated by its record in the WTO dispute settlement system, the EU has been able to defend its own interests in international trade disputes. The EU has also used international trade tools to promote its values and policies and has been trying to extend its regulatory practices to the rest of the world, traditionally favouring an open and fair international trading system.

In 2009, the Treaty of Lisbon enhanced Parliament's role by making it a co-legislator on matters involving trade and investment on an equal footing with the Council. In addition, the Treaty conferred on Parliament a more active role in the negotiation and ratification of international trade agreements, since its consent is now mandatory. However, some elements of trade policy remain within the remit of the Member States. On 16 May 2017, the Court of Justice of the European Union (CJEU) published an opinion that gave clarity about the division between national and EU competences.

TRADE POLICY AND ORIENTATION

When the multilateral negotiations within the WTO on the Doha Development Agenda stalled in the first decade of the 21st century, the EU had to find alternative ways to guarantee better access to non-EU countries' markets. To this end, a new generation of comprehensive FTAs, which go beyond tariff cuts and trade in goods, was introduced. The first such 'new-generation' FTA was concluded with South Korea and, following ratification by Parliament, formally entered into force in December 2015. The Multiparty Trade Agreement between the EU and Peru, Colombia, and later Ecuador (since 2016), in force since 2013, the Association Agreement with the countries of Central America (Honduras, Nicaragua, Panama, Costa Rica, El Salvador and Guatemala), whose trade pillar has been provisionally applied since 2013, the EU-Canada Comprehensive Economic and Trade Agreement (CETA), provisionally applied since September 2017, the EU-Singapore FTA, in force since the end of 2019, and the EU-Viet Nam FTA, in force since mid-2020, are all testimony to the new policy. An Economic Partnership Agreement with Japan entered into force on 1 February 2019. On 13 December 2023, the Union and Chile signed the modernised EU-Chile Advanced Framework Agreement which was approved by the



European Parliament on 29 February 2024. The EU-New Zealand free trade agreement was approved by European Parliament on 22 November 2023.

Since negotiations with the United States on the Transatlantic Trade and Investment Partnership (TTIP) were suspended in 2016, the EU has focused on agreements with the United States in specific areas, such as tariffs on industrial goods or conformity assessment. Negotiations on a trade agreement with the founding members of Mercosur were completed in 2019, and the draft agreement is awaiting ratification. The EU has also opened FTA negotiations with Indonesia, Tunisia, the Philippines and Australia. Negotiations were relaunched with India in 2021 and with Thailand in 2023, and negotiations with Malaysia will be resumed as soon as conditions are favourable.

The COVID-19 pandemic substantially reduced the international trade in goods in 2020 and 2021, including that of the EU with its main trading partners. Russia's unjustified and unprovoked war against Ukraine has impacted energy and food markets.

In February 2021, the Commission presented its Trade Policy Review (TPR), entitled 'An Open, Sustainable and Assertive Trade Policy', which aims to set the course for trade policy until 2030. The TPR is the successor to the 2015 'Trade for All' strategy and reflects the geopolitical changes that have taken place since then, by introducing terms such as 'assertiveness' and 'resilience' into the trade vocabulary, in addition to the well-known concepts of 'fairness' and 'sustainability'. It intends to make trade policy meet current challenges and facilitate the green and digital transitions through 'Open Strategic Autonomy'.

MAIN EU TRADE PARTNERS

Europe is the world's largest exporter of manufactured goods and services. In 2023, the United States was the top destination for EU goods with a 19.7% share of the total exports, followed by the UK (13%) in second place, overtaking China (8.8%). Other important trade partners for goods in 2022, in descending order, were Switzerland (7%) and Türkiye (4%).

As regards trade in services, in 2022, <u>the United States was the EU's main trading</u> partner, followed by the UK and Switzerland.

INVESTMENT

The EU is the world's largest investor and a major recipient of other countries' foreign direct investment (FDI). The entry into force of the Treaty of Lisbon in 2009 further extended the EU's exclusive competences in international trade matters, which now include FDI. To clarify the exact scope of its competences on investment, the Commission asked the CJEU for an opinion on the EU-Singapore FTA. The CJEU's Opinion 2/15 of 2017 on the EU-Singapore FTA confirmed that most aspects of FDI fall under exclusive EU competence, with some exceptions, in particular dispute settlement^[1].

Share of world FDI in 2022 (in USD billion and % of total)

[1]UNCTAD World Investment Report 2023. Outward and inward stock shown in USD million, changed in this table into USD billion and shares calculated as: (country value/world value)*100.



	Inward stock	Outward stock
World in USD billion	44 252.759 (100%)	39 852.940 (100%)
EU	11 170.459 (25.24 %)	12 726.307 (31.9%)
United States	10 461.684 (23.64 %)	8 048.114 (20.19%)
China	3 822.449 (8.64 %)	2 931.653(7.4%)
Canada	1 439.848 (3.25%)	2 033.032(5.1%)
Japan	225.367 (0.5%)	1 948.555 (4.9%)
UK	2 698.563(6.1%)	2 203.114 (5.5%)

Source: European Parliament Directorate-General for External Policies of the Union calculations based on European Commission/Eurostat figures

The EU concluded in principle the negotiations for a Comprehensive Agreement on Investment (CAI) with China in December 2020, which is awaiting ratification. Investment protection agreements with Singapore and Viet Nam were ratified in 2019 and 2020 respectively. The EU also launched negotiations on investment with Myanmar and will explore the possibility of following suit with Taiwan and Hong Kong. Negotiations with Iran will be considered after the latter's accession to the WTO. In December 2020, the EU also concluded a Trade and Cooperation Agreement (TCA) with the UK, to which Parliament gave its consent in May 2021. The EU-UK agreement provides for zero tariffs on trade in goods and also covers investment and several other policy areas.

Visit the European Parliament homepage on trade and globalisation.

Wolfgang Igler 04/2024



5.2.2. THE EUROPEAN UNION AND THE WORLD TRADE ORGANIZATION

The World Trade Organization (WTO) works to guarantee a rules-based international trading system. Despite the impasse in trade negotiations, ways to modernise WTO rules and address new global challenges are being explored. Under the Lisbon Treaty, Parliament legislates jointly with the Council, has to approve any changes or new WTO agreements and has an important scrutiny role on international trade policy.

In the early decades of the 20th century, trade issues prompted countries to engage in increasingly complex interactions, creating the need for a platform to facilitate and regulate trade relations. The resulting 1947 General Agreement on Tariffs and Trade (GATT) not only provided a round-table discussion forum, creating a multilateral approach to trade, but also established a system of internationally recognised rules on trade. The underlying idea was to create a level playing field for all members through the 'substantial reduction of tariffs and other barriers to trade and the elimination of discriminatory treatment in international commerce'[1].

As international trade moved beyond the exchange of tangible goods to include services and ideas, the GATT was transformed and institutionalised as the World Trade Organization (WTO). It was established in 1995 as a result of the Uruguay Round of trade negotiations and it incorporated earlier trade agreements, such as the GATT itself, the Agreement on Agriculture and the Agreement on Textile and Clothing, as well as other general agreements. The most significant new agreements were the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). In February 2017, the Trade Facilitation Agreement – the first multilateral agreement completed since the WTO was created - entered into force. In 2022, after having been postponed twice due to the restrictions resulting from the COVID-19 pandemic, the 12th Ministerial Conference in Geneva reached an agreement on fisheries subsidies and an amendment to TRIPS for COVID-19 vaccines. In order to keep up with recent developments in a rapidly changing trade environment, the 13th Ministerial Conference (MC13) in Abu Dhabi (United Arab Emirates) in 2024 set out a forwardlooking reform agenda, including a renewal of the commitment to establish a fully and well-functioning dispute settlement system by 2024 and to improve use of the special and differential treatment provisions for developing and least developed countries (LDCs), which currently form two thirds of the WTO membership.

THE TRADE DISPUTE SETTLEMENT MECHANISM

One of the WTO's most important achievements has been to consolidate its Dispute Settlement Body, which has the power to rule on trade disputes and to enforce its decisions. This dispute settlement mechanism works on the basis of predefined rules

[1]GATT Agreement (1947), introductory paragraph.



enabling WTO members, regardless of their political weight or economic clout, to lodge complaints over alleged breaches of WTO rules and to seek reparation. This mechanism has led to a reduction in unilateral defence measures, to which countries previously resorted and which often provoked retaliation by the countries targeted, at times leading to fully fledged trade wars.

So far, the WTO dispute settlement system has served to guarantee that stronger members do not prevail over weaker ones and has provided clear rules on retaliatory measures. However, the Appellate Body is now effectively defunct as its members have reached the end of their mandates and vacant positions have not been filled. To overcome this situation, the EU and its Member States, together with 25 other WTO members, have started an initiative for an alternative mechanism called the multiparty interim appeal arrangement (MPIA), consisting of 10 arbitrators who will hear appeals of WTO panel reports under the MPIA.

Since the creation of the WTO, the EU has been one of the biggest users of its dispute settlement system. Between 1995 and 2022, the Union was involved in 203 dispute settlement cases, 110 as complainant and 94 as defendant^[2]. In 217 other cases, it has requested third-party status, which allows WTO members to monitor disputes involving other parties. The EU, which is represented by the European Commission, has also often sought to improve and clarify WTO agreements by requesting rulings from its panels and its Appellate Body.

The European Parliament closely monitors the evolution of disputes involving the EU. Parliament's Committee on International Trade presents its views on trade disputes through reports, public hearings, and oral questions to the Commission and the Council.

THE DOHA ROUND AND BEYOND

Since 2001, the WTO's members have been engaged in a broad round of multilateral trade negotiations known as the Doha Round, or Doha Development Agenda (DDA), the main goal of which is to place development at the heart of the world trade system. The Doha talks seek to give developing countries an increasing role and to strengthen their capacity to benefit from international trade and help them combat poverty.

The DDA was based at the outset on the principle of a 'single undertaking'[3], and is still open.

Although the EU supported the launch of a broad and ambitious round, the negotiations have stalled over major issues, mainly related to market access. The most significant differences are between the positions of major emerging countries and those of industrialised countries or blocs concerning the way the international trading system should be reshaped.

At the 11th Ministerial Conference in December 2017, like-minded groups of WTO members issued joint statements on advancing discussions on e-commerce, on developing a multilateral framework on investment facilitation, on launching a working group on micro, small and medium-sized enterprises (MSMEs) and on



^[2] Figures as of 1 April 2024, WTO website.

^[3]The 'single undertaking' principle essentially means that 'nothing is agreed until everything is agreed'.

advancing ongoing talks on domestic regulation of trade in services. These plurilateral negotiations of the <u>joint statement initiative</u> are open to all WTO members.

At the 12th Ministerial Conference in June 2022, a historic agreement on ending unsustainable fisheries subsidies was reached, after over 20 years of negotiations. This is the first ever multilateral agreement focused on sustainability and the first new WTO agreement since 2013. The agreement is a crucial step in ensuring that fisheries subsidies pursue sustainability as their core objective and avoid harming oceans and fish stocks, as these are indispensable for the livelihoods of coastal communities around the world.

At the 13th ministerial meeting (MC13) from 26 February to 1 March 2024 in Abu Dhabi, members tried to revitalise the WTO at a time of rising geopolitical tensions through negotiations on a comprehensive agreement on global fisheries subsidies, agriculture reform, and meaningful progress on dispute settlement. However, some members blocked progress on agriculture and on the adoption of a text to fulfil the mandate set by UN Sustainable Development Goal 14.6 to ban harmful fisheries subsidies worldwide, complementing the agreement reached in 2022. On the positive side, members at MC13 committed to taking specific next steps towards a reform of the WTO, including restoring a fully functioning dispute settlement system by the end of 2024.

In February 2024, the joint statement initiative on a domestic regulation for services became binding for 45 members. The joint statement initiative negotiations on the Investment Facilitation for Development (IFD) were also successfully concluded in February 2024, and are supported at present by 120 proponents, which are mainly developing countries and LDCs. This initiative aims to develop a global IFD agreement to improve the investment and business climate and make it easier for investors in all sectors of the economy to invest, conduct their day-to-day business and expand their operations. The next step will be to incorporate this agreement into the WTO rulebook. This will require a decision by consensus, which some members still oppose. Finally, an agreement was reached at MC13 to extend the moratorium on customs duties on e-commerce until the next WTO Ministerial Conference.

Following the EU's initiative, most members reiterated their solidarity with Ukraine.

The Parliamentary Conference on the WTO, co-organised by the European Parliament and the Inter-Parliamentary Union, regularly offers an opportunity for constructive participation (see below for more information on this conference). On several occasions, Parliament has called for negotiations to resume, emphasising the importance of the Doha Round for world trade and economic development.

Parliament has also been closely associated with negotiations for more limited agreements, such as the ongoing negotiations on e-commerce. It attends the WTO Ministerial Conferences, as part of the EU Delegation.



THE EU AND THE WTO

The EU has played a central role in developing the international trading system since World War II. Currently, the EU is exploring the possibility of modernising the WTO^[4].

Like the GATT (and later the WTO), the EU was itself originally designed to remove customs barriers and promote trade between its Member States. The EU single market was partly inspired by GATT principles and practices. The Union has always been among the main promoters of effective international trade based on the rule of law. Such a system helps ensure that its businesses enjoy fair market access abroad, and thus supports economic growth, both domestically and in third countries, particularly less developed ones.

The EU's common commercial policy is one of the areas in which the Union as such has full and exclusive competency. In other words, the EU operates as a single actor at the WTO and is represented by the Commission rather than by the Member States. The Commission negotiates trade agreements and defends the EU's interests before the WTO Dispute Settlement Body on behalf of all 27 Member States. The Commission regularly consults and reports to the Council and Parliament on the content and strategy for the multilateral discussions. Under the Lisbon Treaty, the Council and Parliament are co-legislators with an equal say on international trade matters.

Through the WTO, the EU has also sought to promote a multilateral framework for trade negotiations, intended to complement bilateral negotiations. However, the stalemate in the Doha Round and the fact that other trading partners have turned to bilateral agreements have compelled the EU to partly reconsider its long-standing strategy and return to regional and bilateral negotiations.

The current impasses at the WTO are also a sign that the international trading system has changed dramatically in the past 30 years. The system has evolved, with new actors — essentially transition and developing countries — playing a central role. The liberalisation of the international trading system has benefited some developing countries, which have experienced an unprecedented phase of sustained economic growth. The EU is well aware of these new dynamics. It has pointed to the need to move beyond the negotiation approach of the past years and try innovative approaches to address the increased importance of regulatory issues, as compared to tariffs. In February 2023, the EU proposed three key areas for focused deliberation at MC13, namely trade policy and state intervention to support industries, trade and global environmental challenges, and trade and inclusiveness.

THE PARLIAMENTARY CONFERENCE ON THE WTO

The Parliamentary Conference on the WTO is jointly organised by the European Parliament and the Inter-Parliamentary Union (IPU) and is intended to strengthen democracy internationally by bringing a parliamentary dimension to multilateral trade cooperation.

The first formal meeting of parliamentarians at the WTO dates back to the December 1999 WTO Ministerial Conference held in Seattle. In 2001, Parliament and

[4]Press release on the European Commission's comprehensive approach for the modernisation of the WTO.



the IPU agreed to pool their efforts and sponsor a parliamentary meeting during the WTO Conference in Doha. This meeting laid the foundations of what has become the Parliamentary Conference on the WTO.

This conference provides a forum in which parliamentarians from all over the world exchange opinions, information and experiences on international trade issues. Participants monitor WTO activities; promote the effectiveness and fairness of the WTO; advocate transparency in WTO procedures; work to improve the dialogue between governments, parliaments and civil society; influence the direction of discussions within the WTO; and build up national parliaments' capacity in international trade matters.

The Parliamentary Conference on the WTO meets during WTO Ministerial Conferences and sometimes in between. The Parliamentary Conference last met on 24 and 25 February 2024, ahead of the MC13.

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5.2.3. TRADE REGIMES APPLICABLE TO DEVELOPING COUNTRIES

The EU's development policy stresses the importance of trade, and focuses on the countries most in need. The Generalised Scheme of Preferences gives some goods from developing countries preferential access to the EU market. Economic Partnership Agreements ensure preferential commercial treatment for African, Caribbean and Pacific countries, while the Everything But Arms scheme applies to least developed countries. These schemes are in line with World Trade Organization rules.

LEGAL BASIS

The legal basis for the common commercial policy (CCP) is Article 207 of the Treaty on the Functioning of the European Union (TFEU). Article 207 of the TFEU stipulates that the ordinary legislative procedure, requiring Parliament's approval, applies to the implementation of the CCP.

Under Article 218 of the TFEU, Parliament's consent is required for the conclusion of international trade agreements such as Economic Partnership Agreements (EPAs).

EU TRADE AND DEVELOPMENT

The 2012 Commission communication entitled 'Trade, growth and development: Tailoring trade and investment policy for those countries most in need'[1] marked a significant change in the EU's 'trade and development' paradigm. Although it still put trade at the centre of development strategies, it stressed the growing need to differentiate between developing countries in order to focus on those most in need. The Commission sought to enhance synergies between trade and development policies, such as the EU principle of policy coherence for development and the 2011 Agenda for Change communication^[2], in addition to restating the importance of respecting EU core values such as human rights.

At the multilateral level, the EU supports the World Trade Organization (WTO) Development Agenda launched in Doha in 2001. In October 2015, it ratified the Trade Facilitation Agreement concluded at the Ninth WTO Ministerial Conference in Bali, which is particularly important for developing and landlocked countries. At the 10th WTO Ministerial Conference in Nairobi, the EU – together with a few other WTO members – was active in promoting other issues of interest for developing countries. At the 13th WTO Ministerial Conference in Abu Dhabi (2024), a decision was taken about facilitating the process of graduating from 'least developed country' status and ensuring a smooth transition period. Furthermore, a declaration was adopted

[2]'Increasing the impact of EU Development Policy: an Agenda for Change' (COM(2011)0637).



^[1]COM(2012)0022.

on the special and differential treatment of least developed countries regarding the implementation of sanitary and phytosanitary measures^[3].

In 2007, the EU adopted a dedicated <u>strategy on aid for trade</u>. The strategy was subsequently updated to comply with the <u>UN's 2030 Agenda for Sustainable Development</u>, the <u>European Consensus on Development</u> and the <u>EU Global Strategy</u>. The latest, 2022 EU Aid for Trade progress report confirms the EU and its Member States are the world's leading Aid for Trade providers, having contributed EUR 23 billion in 2020, an increaseover the EUR 17.9 billion provided in 2019. Some 140 countries and territories are eligible for official development assistance. The EU's share represents about 38% of the global Aid for Trade funds.

THE GENERALISED SCHEME OF PREFERENCES

The purpose of the <u>Generalised Scheme of Preferences</u> (GSP) is to facilitate access for developing countries and territories to the EU market by reducing tariffs on their goods. Originally, the EU granted unilateral tariff preferences to generate additional export revenue for developing countries so it could be reinvested in their own sustainable development. Under the 2012 reform^[4], the GSP scheme was more targeted towards those countries that are most in need — the least developed countries (LDCs) — while retaining the scheme's three components. The first of them is the standard GSP: an autonomous trade arrangement whereby the EU offers certain foreign goods non-reciprocal preferential access to the EU market in the form of reduced or zero tariffs. The second element, GSP+, is a specific incentive arrangement offering tariff reductions to vulnerable countries that have ratified and implemented international conventions relating to human and labour rights, the environment and good governance. The third component is the Everything But Arms (EBA) initiative, which guarantees duty-free and quota-free access to the EU for all products except arms and ammunition for 48 LDCs.

The eligibility criteria for the standard GSP – which offers a reduction in duties for approximately 66% of all tariff lines – were tightened to include only the most vulnerable countries with low and lower-middle incomes. As a result, the group of beneficiaries was substantially reduced from 176 to 23 during the 2016-2017 period, and comprised only 15 in 2020, while countries classified by the World Bank as high-income or upper-middle-income countries were progressively taken out of the scheme.

GSP+, the special arrangement for sustainable development and good governance, still provides for zero duties on approximately 66% of all tariff lines designated under the standard GSP for developing countries considered to be vulnerable. However, it has been made conditional on the ratification and implementation of 27 international conventions relevant to sustainable development, including basic human rights conventions, labour rights conventions, certain conventions relating to environmental protection and conventions relating to the fight against illegal drug production and

^[4]Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008, OJ L 303, 31.10.2012, p. 1.



^[3]Declaration on the precise, effective and operational implementation of special and differential treatment provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade – ministerial declaration, adopted on 2 March 2024 (WT/L/1191; WT/MIN(24)/36).

trafficking. Failure to comply with these requirements results in suspension of the tariff concession. The list of beneficiaries covers eight countries. These two GSP schemes were originally set to expire in December 2023, but have been extended until December 2027, as a new GSP regulation is currently under discussion between Parliament and the Council. The new regulation should continue to pursue the same policy of fostering the sustainable economic, social and environmental development of beneficiary countries, including respect for good governance and human rights, with the primary goal of eradicating poverty.

The EBA initiative grants duty-free and quota-free access for an unlimited period for all products, except arms and ammunition, imported from 48 LDCs. Of these, 34 are African countries, eight are Asian countries, five are Pacific countries and one is in the Caribbean (Haiti). All the countries that have signed and ratified free trade agreements (FTAs) with the EU will automatically cease to enjoy preferential treatment, irrespective of their level of development.

ECONOMIC PARTNERSHIP AGREEMENTS

EPAs became the principal instruments for promoting trade between the EU and the African, Caribbean and Pacific (ACP) regions under the Cotonou Agreement of 2000. The importance of these instruments was reaffirmed in the 2023 Samoa Agreement. As the building blocks of EU-ACP trade relations, EPAs are designed to be WTO-compatible, and are progressively replacing the EU's unilateral preferential trade regime.

Negotiations on EPAs, which commenced in 2002, were expected to be concluded by 2008. As the negotiation process took much longer than anticipated, the EU adopted a market access regulation to ensure temporary market access arrangements until 2014. This deadline was extended for two more years. On 28 July 2016, the market access regulation was repealed and replaced by Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8 June 2016^[5].

STATE OF PLAY

The first regional EPA was the <u>Caribbean Forum</u> (Cariforum) EPA, signed in October 2008, and approved by Parliament on 25 March 2009. It is currently in force provisionally, with the EPA joint institutions meeting regularly since 2010, and was first reviewed in 2015. Both sides are setting up a joint monitoring system to measure the implementation and impact of the EPA. Negotiations on the agreement to protect particular geographical indications are ongoing, as is an ex post evaluation study concerning the first 10 years of implementation.

<u>West Africa</u>: the negotiations on a regional EPA between the EU and 16 West African countries were concluded in February 2014. All EU Member States and 15 West African countries, except for Nigeria, have signed the EPA. On 9 August 2017, Mauritania and the Economic Community of West African States (ECOWAS) signed an Association Agreement to define the country's participation in ECOWAS's trade policy, including

[5]Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8 June 2016 applying the arrangements for products originating in certain states which are part of the African, Caribbean and Pacific (ACP) Group of States provided for in agreements establishing, or leading to the establishment of, economic partnership agreements, OJ L 185, 8.7.2016 p.1.



the EPA. Meanwhile, Côte d'Ivoire and Ghana signed bilateral 'interim' EPAs on 26 November 2008 and 28 July 2016 respectively. On 1 December 2016, Parliament gave its consent and both interim agreements have since been provisionally applied. Ghana and the EU endorsed the full market access offer and schedule proposed by Ghana. Ghana started to liberalise its market for EU products in 2020, a process due to be concluded by 2029. The parties also agreed on the final version of the Protocol on Rules of Origin.

Central Africa: Cameroon was the only country in Central Africa to sign the EPA with the EU and did so on 15 January 2009. Parliament gave its consent in June 2013. In July 2014, the Parliament of Cameroon ratified the agreement, which entered into provisional application on 4 August 2014. In the meantime, contacts are ongoing between the region and the EU on the accession of other Central African countries, but no regional EPA has yet been signed.

Eastern and Southern Africa: in 2009, four countries in the region (Mauritius, Seychelles, Zimbabwe and Madagascar) signed an EPA which has been provisionally applied since 14 May 2012. Parliament gave its consent on 17 January 2013. The agreement is open to other countries and Comoros signed it in July 2017. Its provisional application started on 7 February 2019. Negotiations to extend the scope of the EPA, including all trade-related issues, such as the link between trade and sustainable development, and to establish consultative bodies for civil society and parliaments are ongoing, and the 12th negotiation round took place in Brussels from 26 to 30 June 2023.

East African Community: on 16 October 2014, the negotiations for the regional EPA were successfully concluded. On 1 September 2016, Kenya and Rwanda signed the EPA along with the EU Member States and the EU. However, the regional EPA was never provisionally applied. This is because not all EAC members signed and ratified the agreement, which was a requirement for its application. In February 2021, the EAC Ordinary Summit of Heads of State decided to allow individual EAC countries to implement the EU-EAC EPA bilaterally, under the principle of 'variable geometry'. Negotiations between the EU and Kenya, aimed at making the necessary adjustments for the bilateral implementation of the provisions of the EU-EAC EPA, were concluded at political level on 19 June 2023. Parliament gave its consent to the conclusion of the EPA on 29 February 2024. It will remain open for the accession of other EAC Partner States.

Southern African Development Community (SADC): after 10 years of negotiations, the EPA negotiations were successfully concluded in July 2014. The agreement was signed in June 2016 by the EU and the SADC EPA group, which consists of 6 of the 15 members of the SADC (Botswana, Lesotho, Mozambique, Namibia, Eswatini and South Africa), and entered into force provisionally in October 2016 after Parliament gave its consent in September 2016. Mozambique ratified the agreement in April 2017, and it has now been provisionally applied since 4 February 2018. South Africa officially withdrew from the SADC Protocol in 2019. Angola has observer status. On 22 June 2021, the EU and Angola launched negotiations on a Sustainable Investment Facilitation Agreement. These negotiations were concluded on 18 November 2022,



after four rounds. Parliament gave its consent to the conclusion of the agreement on 7 February 2024.

Pacific: the EPA was signed by the EU and Papua New Guinea (PNG) in July 2009, and by Fiji in December 2009. Parliament gave its consent in January 2011. The Parliament of PNG ratified the EPA in May 2011, and in July 2014, Fiji decided to start provisionally applying the EPA. More recently, Samoa completed the process of accession to the EPA in December 2018, as did the Solomon Islands in May 2020. Accession agreements with Tuvalu, Niue and Tonga were concluded in late 2023 and early 2024. They have been referred to Parliament for consent.

Wolfgang Igler 06/2024



5.3. DEVELOPMENT POLICY

5.3.1. A GENERAL SURVEY OF DEVELOPMENT POLICY

Development policy lies at the heart of the European Union's external policies. It aims to reduce and ultimately eradicate poverty and it is central to the EU's response to the UN 2030 Agenda for Sustainable Development (the 2030 Agenda). Its objectives include fostering sustainable growth, defending human rights and democracy, achieving gender equality, promoting peace and inclusive societies and tackling environmental and climate challenges. The EU works on a global scale and is the world's largest donor of development assistance. Cooperation with EU Member States and alignment with the 2030 Agenda facilitate the efficient delivery of aid.

LEGAL BASIS

- Article 21(1) of the <u>Treaty on European Union</u> (TEU): Overall mandate and guiding principles in the field of EU development cooperation;
- Articles 4(4) and 208 to 211 of the <u>Treaty on the Functioning of the European Union</u> (TFEU);
- Articles 312 to 316 of the TFEU: Budgetary matters;
- The <u>Samoa Agreement</u> (for the African, Caribbean and Pacific (ACP) group of states^[1]), which has been <u>applied provisionally</u> since January 2024. It will fully enter into force upon consent by the European Parliament and ratification by the Parties, i.e. all EU Member States and at least two thirds of the OACPS Members. It replaces the <u>Cotonou Agreement</u>.

[1]The group changed its name to the Organisation of African, Caribbean and Pacific States in April 2020



POLICY FRAMEWORK

The European Union supports developing countries by promoting sustainable development and stability. The long-term objective is to eradicate poverty, a goal that has been central to the EU's external policies since the establishment of the European Development Fund (EDF) under the 1957 Treaty of Rome. The EDF was set up to support a special relationship with former colonies in the ACP regions. Since 1 January 2021, EU development assistance has been delivered through the broad Neighbourhood, Development and International Cooperation Instrument, NDICI-Global Europe (see details below). The instrument merged several former EU external financing instruments, including the EDF.

The EU and its Member States taken together are the <u>world's leading aid donor</u>, providing EUR 70.2 billion in official development assistance in 2021. Development cooperation is a shared competence of the EU: it is able to carry out a common development policy, provided it does not prevent Member States from exercising their own competences in the matter. The level of cooperation is such that Member States' development agencies often implement EU-funded programmes.

The EU committed to policy coherence for development (PCD) in 2005, meaning that it must mainstream development goals into all of its policies that affect developing countries. In 2009, this commitment was grouped into five areas: (1) trade and finance; (2) addressing climate change; (3) ensuring global food security; (4) making migration work for development; and (5) strengthening the links and synergies between security and development in the context of a global peacebuilding agenda. A previously two-yearly (now less frequent) Commission report tracks the EU's progress in the area of PCD; the most recent was published in January 2019. The European Parliament's Committee on Development has had a standing rapporteur for PCD since 2010. This role is currently carried out by Janina Ochojska (European People's Party, Poland). In March 2023, Parliament adopted a resolution on PCD that calls on the Commission, the European External Action Service and the Member States to increase their efforts on PCD. Stressing that PCD needs to remain a key part of the EU's external relations, Parliament asked the Commission to clarify the application of PCD in the context of the Sustainable Development Goals (SDGs).

Development aid is a limited resource. For this reason, the EU is committed to aid effectiveness, and promotes close relationships with partner countries in the programming and implementation of development actions. The EU's 2007 'Code of Conduct on the Division of Labour in Development Policy' and the 2011 'Operational Framework on Aid Effectiveness' were both adopted with this in mind. These efforts are consistent with international actions responding to the OECD's 2005 Paris Declaration, which promotes five key concepts for development aid: ownership of development strategies by developing countries, alignment of donor countries with locally defined strategies, harmonisation of international development aid, monitoring of results and mutual accountability of donors and partners for development results. The international framework for aid effectiveness has undergone revisions through the Accra Agenda for Action (2008) and the Busan Partnership for Effective



Development Cooperation (2011). After the adoption of the UN SDGs, further commitments were made in the Nairobi Outcome Document (2016).

A. The UN 2030 Agenda for Sustainable Development

The EU actively participated in drawing up the 2030 Agenda, which establishes a new global paradigm to help eradicate poverty and achieve sustainable development, and includes the principles of 'leaving no one behind' and 'address[ing] the needs of those furthest behind first'. Approved in New York in September 2015, it follows on from the Millennium Development Goals with a new set of 17 SDGs, focused on economic, social, environmental and governance objectives to be achieved by 2030. The EU and its Member States presented a joint synthesis report to the UN High-Level Political Forum on Sustainable Development for the first time in 2019. The document focuses on the EU's actions to achieve the 2030 Agenda and will be issued every four years. In July 2023, the EU presented its first voluntary review on the implementation of the 2030 Agenda at this year's UN High-Level Political Forum on Sustainable Development.

B. New European Consensus on Development and the EU Agenda for Change

Following the approval of the 2030 Agenda, the EU agreed on a revised version of the 2005 European Consensus on Development. The new consensus sets out the main principles of the SDGs and an approach that will guide the EU and its Member States' pursuit of them in relation to developing countries. While mainly focusing on development policy, the consensus also touches on action through other policies while applying the PCD principle. Eradicating poverty remains the primary objective of EU development policy. The consensus was signed on 7 June 2017 by the President of the European Parliament, the Prime Minister of Malta on behalf of the Council of the EU and the Member States, the President of the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy. Parliament has been critical of the EU's efforts to achieve the SDGs by 2030, particularly given that the COVID-19 pandemic, Russia's invasion of Ukraine and other crises have undone some of the progress made since 2015. Parliament has repeatedly called on the Commission to increase its efforts to achieve the SDGs, most recently in a 2023 resolution.

The Commission communication of 2016 entitled 'Next steps for a sustainable European future: European action for sustainability' integrates the SDGs into the EU's policy framework and current EU priorities. Looking beyond its borders, the EU has recommitted to the target of spending 0.7% of its gross national income (GNI) on development aid, now by 2030 and with a component for least-developed countries of 0.15-0.20% of GNI. This reflects the commitments made in the Addis Ababa Action Agenda on financing for development (which was agreed at a UN conference in 2015), and is an integral part of the 2030 Agenda. In 2021, collective EU official development assistance (from the EU and from EU Member States) stood at 0.49% of the EU's GNI.

C. Legislative and financial framework

The EU's financing approach to external action (see the table below) has changed as a result of the creation of NDICI-Global Europe. Following the Commission's proposal for a regulation establishing this instrument of 14 June 2018 and three years of



subsequent negotiations with the Council and Parliament, the <u>regulation</u> entered into force on 14 June 2021. It applies retroactively from 1 January 2021.

A major innovation, NDICI-Global Europe is currently the main financial instrument for the EU's external action, with an overall allocation of EUR 79.5 billion for 2021–2027. The instrument simplifies the EU's external funding architecture (merging predecessor programmes including the Development Cooperation Instrument, the European Neighbourhood Instrument, the Partnership Instrument, the European Instrument for Democracy and Human Rights, the European Fund for Sustainable Development and the Instrument contributing to Stability and Peace). It covers cooperation with all non-EU countries, with the exception of countries linked to EU pre-accession, overseas territories and territories falling under geographic programmes.

NDICI-Global Europe is organised around three key pillars:

- a. Geographic, consisting of programmes for countries in the (eastern and southern) European neighbourhood, sub-Saharan Africa, Asia and the Pacific, the Americas and the Caribbean. These programmes focus on areas of cooperation such as good governance, poverty eradication, migration, environment and climate change, growth and employment or security and peace, among other cross-cutting issues. Most of the NDICI-Global Europe funds go to this pillar;
- Thematic, consisting of programmes with worldwide coverage on human rights and democracy, civil society organisations, stability and peace, and global challenges;
- c. Rapid response, allowing the financing of quick capacity for crisis management, conflict prevention and peacebuilding. Such actions aim, for instance, to link humanitarian and development efforts, increase the resilience of crisis-affected countries or address foreign policy priorities.

Also designed as a flexible instrument, NDICI-Global Europe includes an additional 'cushion' for funding emerging challenges and priorities (for example responses to unforeseen circumstances, migratory pressures, crisis/post-crisis situations or new EU/international initiatives).

D. Breakdown of NDICI-Global Europe expenditure

NDICI-Global Europe channels the biggest share of the EU's external action funds, with an overall budget of EUR 79.5 billion (for the period 2021–2027). Geographic programmes get roughly 75% of the funds and thematic programmes 8%. In addition, 12% is reserved for the emerging challenges and priorities 'cushion' and 4% for 'rapid response actions'. The remainder, about 2%, is for support expenditure.

More details can be found in the <u>EU budget</u> for 2024.

The financial allocations for NDICI-Global Europe's threepillar structure are the following. Figures are given in millions.

Geographic programmes	8 432.2
Thematic programmes	990.8
Rapid response actions	437.8



Emerging challenges and priorities cushion 1 323.6

NDICI-Global Europe also supports large-scale projects financed under Team Europe initiatives, which pull together financial contributions from the EU, its Member States and financial institutions such as the European Investment Bank and the European Bank for Reconstruction and Development. Launched on 8 April 2020, Team Europe assistance has helped EU partner countries to deal with the COVID-19 pandemic.

NDICI-Global Europe is also a central element of the EU's new Global Gateway strategy, a key project that seeks to mobilise up to EUR 300 billion in investment for sustainable digital, energy and transport infrastructure around the world. Global Gateway is intended as both the EU's contribution to narrowing the global investment gap and the EU's answer to the geopolitical challenge posed by China's global investment strategy. Investments made through Global Gateway are used to fund sustainable infrastructure to fight climate change, protect the environment and foster sustainable development around the world. A key example is the EU-Africa Global Gateway investment package, which promises to mobilise EUR 150 billion in investments in Africa by 2030. These investments aim to accelerate the green and digital transitions, create sustainable growth, strengthen national health systems and improve education and training in African countries. NDICI-Global Europe will contribute to the strategy through its funds and guarantee capacities.

ROLE OF THE EUROPEAN PARLIAMENT

- Legal framework: Article 209 TFEU states that Parliament and the Council, 'acting
 in accordance with the ordinary legislative procedure, shall adopt the measures
 necessary for the implementation of development cooperation policy'.
- Parliamentary scrutiny over policy implementation: Parliament has the right to question the Commission and to object to implementing decisions whenever it finds that the Commission is exceeding its powers. Parliament also seeks to have an influence by regularly discussing policies with the Commission, in both formal and informal settings. Under NDICI-Global Europe, Parliament engages twice per year in a geopolitical dialogue with the Commission.
- Budgetary authority: Parliament and the Council are the joint budgetary authority of the EU. For the EU's seven-year multiannual financial framework, the Council retains the primary power of decision, but Parliament's consent is required for its adoption (Article 312 TFEU). For the annual budget, Article 314 TFEU lays down a procedure that includes one reading each by Parliament and the Council. Once these readings are concluded, Parliament can approve or reject the budget. In the field of international cooperation, Parliament's Committee on Development follows budgetary deliberations and makes concrete suggestions concerning the budget lines falling within its remit.

Malte Frederik Hergaden 04/2024



5.3.2. HUMANITARIAN AID

Humanitarian aid is an area of EU external action that responds to needs in the event of man-made or natural disasters. The Commission's <u>Directorate-General for European Civil Protection and Humanitarian Aid Operations</u> funds relief operations and coordinates Member States' policies and activities. Parliament and the Council act as co-legislators in shaping the EU's humanitarian aid policy and take part in the global debate on more effective humanitarian action.

LEGAL BASIS

Article 21 of the <u>Treaty on European Union</u> (TEU) sets out the principles for all EU external action (Article 21(2)(g) covers humanitarian action).

Article 214 of the <u>Treaty on the Functioning of the European Union</u> (TFEU) is the legal basis for humanitarian aid.

Article 214(5) TFEU is the legal basis for the creation of a European Voluntary Humanitarian Aid Corps.

REGULATORY AND POLICY FRAMEWORK

The rules for the provision of humanitarian aid, including its financing instruments, are set out in <u>Council Regulation (EC) No 1257/96</u> of 20 June 1996 (the Humanitarian Aid Regulation). This regulation was not amended when other instruments were overhauled in preparation for the 2007–2013 multiannual financial framework.

The overall policy framework for humanitarian assistance is outlined in the <u>European Consensus on Humanitarian Aid</u> (2007), signed by the three main EU institutions (the Commission, the Council and Parliament). The Consensus defines the EU's common vision, policy objectives and principles on a number of topics, including international humanitarian cooperation, good donorship, risk reduction and preparedness, civil protection, and civil-military relations. The Consensus also reconfirms the four humanitarian aid principles: humanity, neutrality, impartiality and independence. The text provides for a more coordinated and coherent approach to aid delivery, linking humanitarian and development aid in order to enable the EU to respond more effectively to growing needs.

The 2019 <u>decision on a Union Civil Protection Mechanism</u> governs EU action in this area. It modifies a 2013 decision that dealt with prevention, preparedness, response and financial provisions. <u>Council Regulation (EU) 2016/369</u> of 15 March 2016 on the provision of emergency support within the Union establishes the circumstances under which Member States may apply for EU support. It sets out the eligible actions and types of financial intervention.

The 2021 Commission communication entitled 'the EU's humanitarian action: new challenges, same principles' (COM(2021)0110) aims to strengthen the EU's global humanitarian impact in order to meet the increasing demand for humanitarian aid, a problem that has been exacerbated by the COVID-19 pandemic.



COMMISSION DIRECTORATE-GENERAL FOR EUROPEAN CIVIL PROTECTION AND HUMANITARIAN AID OPERATIONS (ECHO)

A. Overview and impact

Under the multiannual-financial framework, EUR 11.6 billion were allocated to the EU's humanitarian aid instrument for the period 2021–2027. As such, the EU is one of the world's leading humanitarian aid donors, providing a major proportion of global funding for emergency relief to victims of man-made and natural disasters. Part of this funding comes from Member States, but a significant share derives from the EU budget.

Within the Commission, the Directorate–General for European Civil Protection and Humanitarian Aid Operations (ECHO) is responsible for humanitarian assistance and civil protection. The current Commissioner for Crisis Management is Janez Lenarčič. Under him, ECHO focuses the EU's humanitarian aid on food and nutrition, shelter, healthcare, water and sanitation, and education in emergency scenarios. Having grown significantly since its creation, DG ECHO now fulfils its mandate with staff in 40 field offices around the world.

Most of the EU's humanitarian aid budget is used indirectly. ECHO does not implement humanitarian assistance programmes itself. Rather, it funds operations implemented by its <u>partners</u> — namely non-governmental organisations (NGOs), UN agencies and international organisations such as the International Red Cross/Red Crescent. ECHO's main tasks are to provide funds, verify that finances are managed soundly and ensure that its partners' goods and services reach the affected populations effectively and rapidly in order to respond to real needs.

Following the onset of a natural disaster or other event requiring humanitarian assistance, ECHO's humanitarian aid experts carry out an initial assessment of the situation on the ground. Funds are then rapidly disbursed on the basis of this assessment – this is the 'needs-based approach' that defines ECHO's work. Aid is channelled through more than 200 partners with which ECHO has signed ex ante contractual agreements. ECHO's structure ensures that funds are used transparently and that partners remain accountable. While in general, the EU's humanitarian aid will continue to be delivered by the EU's humanitarian partners, the Civil Protection Mechanism and the European Humanitarian Response Capacity allow ECHO to offer limited direct aid to countries in need after disasters when traditional humanitarian delivery mechanisms via EU partners or their capacities may be insufficient or ineffective.

For 2024, ECHO can commit <u>EUR 1.8 billion</u> to address the exceptionally high global needs. In recent years, the initial humanitarian budget of the EU has regularly increased through additional transfers, with money coming primarily from the EU Solidarity and Emergency Aid Reserve (SEAR) and redeployment from other budget lines.

In its 2021 communication, the Commission warned of a widening gap between the increasing level of humanitarian needs and the financial resources available globally. This trend has only continued. In 2023, the <u>UN</u> reported that 363.3 million people were



in need of assistance and that only 38.4% of the estimated EUR 52.8 billion needed to finance its humanitarian assistance for 2023 had been met. Another problem is the very limited global donor base for humanitarian assistance. In $\underline{2022}$, the three largest donors — the US, Germany and the EU — accounted for 64% of the globally available funds.

B. Policy priorities and the reaction to the COVID-19 pandemic

ECHO is working to improve its response to emergencies and provides non-EU countries with assistance to strengthen their own capacities to respond to crises and contribute to long-term development. Coordinating humanitarian and development aid and breaking the vicious cycle of climate change, hunger and poverty are key objectives for the EU.

<u>Disaster preparedness</u> activities are also part of ECHO's emphasis on resilience. The EU is a significant actor in shaping the international community's disaster risk management efforts. The EU supports the 2015 Sendai Framework for Disaster Risk Reduction and issued its Sendai Action Plan for disaster risk reduction in 2016. It streamlines a disaster risk-informed approach to policy making and proposes concrete activities pertaining to risk knowledge, risk investments, disaster preparedness and resilience. The Commission issued a communication on resilience in 2012, which was revised in 2017. It aims to define a strategic approach to resilience that can increase the impact of EU external action.

Given the large number of refugees and displaced persons in situations that often become protracted, the EU agreed in 2016 to devise a stronger development-oriented approach to forced displacement. The EU puts more emphasis on supporting the socio-economic inclusion of forcibly displaced persons and addressing the root causes of long-term displacement in the framework of the United Nations High Commissioner for Refugees' Comprehensive Refugee Response Framework and the World Bank's engagement on displacement.

The EU and the Member States played an important role at the World Humanitarian Summit held in May 2016 in Istanbul. The EU itself made 100 commitments in order to contribute to the 'Agenda for Humanity', which was presented at the summit by the UN Secretary-General, and to implement the 'Grand Bargain', an innovative new deal between different humanitarian actors to increase financial efficiency and effectiveness. Modified to the 'Grand Bargain 2.0' in 2021, the deal emphasises the importance of equitable and principled partnerships with local organisations and the accountability of aid to affected people.

Gender integration and the fight against gender-based violence continue to be priorities for ECHO, which has introduced a gender marker for humanitarian aid operations. In line with the need to prioritise the most vulnerable groups, supporting children's education in emergencies is another focal area.

From the outbreak of the COVID-19 pandemic, the European Commission steadily increased its humanitarian response, which amounted to EUR 420 million as of October 2020. This included the mobilisation of funds for the work of the World Health Organization; the adaptation of operations in countries such as Colombia, Nigeria and Ukraine to factor in pandemic-related needs; funds to support needs identified by the



UN Global Humanitarian Response Plan; and additional funds to reinforce the EU's humanitarian response in different countries.

The Committee on Development held several meetings with Commissioner Lenarčič to scrutinise the Commission's humanitarian work in fighting the impact of the pandemic in developing countries. In 2023, the focus of the EU shifted towards programmes to assist with the global recovery from the economic consequences of the pandemic, a key focus of that year's High Level Political Forum on Sustainable Development.

- **C.** Other instruments and the EU's response to the 2022 floods in Pakistan EU assistance includes three further structures: the <u>European Union Civil Protection Mechanism</u>, the European Solidarity Corps and a new legal framework for providing emergency support within the Union.
- Originally created in 2001, the EU Civil Protection Mechanism now involves the EU Member States plus six other participating states: North Macedonia, Iceland, Montenegro, Norway, Serbia and Türkiye. The EU mechanism builds on a series of tools: (1) the European Civil Protection Pool provides a voluntary pool of pre-committed response assets from the participating states and a structured process to identify potential capacity gaps; (2) the <a>Emergency Response Coordination Centre functions as the operational core, facilitating coordination in protection interventions 24/7; (3) the Common Emergency Communication and Information System seeks to improve emergency communication through a web-based alert and notification application and (4) a network of trained experts available at short notice. The Civil Protection Mechanism was strengthened in 2019 through the creation of rescEU, a new capacities reserve that was already operational during the 2019 forest fire season. It is expected to expand its scope to other fields such as medical emergencies and chemical, biological, radiological and nuclear incidents. It will be used as a last resort mechanism, employed when a Member State has exhausted its own means and cannot be helped by other Member States, because, for example, they are facing disasters of the same nature;
- The <u>European Humanitarian Response Capacity</u> (EHRC) is the newest tool for humanitarian aid of the EU. The EHRC, in essence, boosts the capacity of the Civil Protection Mechanism. First proposed by the Commission in 2021 and established in 2022, the EHRC is composed of a set of operational tools for swift assistance in crises when traditional humanitarian delivery mechanisms via EU partners or their capacities may be ineffective or insufficient. The EHRC has three tools: the common logistics services, pre-positioned stockpiles of humanitarian aid supplies, and health and logistics experts. They are mobilised through the coordination of the Emergency Response Coordination Centre based on a prior evaluation and assessment of the crises. Since its inception, the EHRC has responded to more than a dozen crises.
- The European Solidarity Corps (2021 to 2027) is a new programme that creates volunteering opportunities in the field of humanitarian aid. It includes the previous EU Aid Volunteers initiative launched in March 2014 (set up as a result of Article 214(5) TFEU calling for the establishment of a European Voluntary



Humanitarian Aid Corps). The Commission provides funding in the form of grants to organisations, who then select young people (aged 18 to 30) for volunteering opportunities through the European Solidarity Corps portal. Strengthening the EU's capacity to respond to humanitarian crises, the European Solidarity Corps allows both young people and organisations holding grants to help address societal and humanitarian challenges in Europe and beyond. The budget for the period from 2021 to 2027 is EUR 1 billion;

The Council adopted a regulation on emergency support within the Union on 15 March 2016 with a view to responding to the difficult humanitarian situation caused by the refugee crisis. The new regulation enables the EU to help Greece and other affected Member States to address the humanitarian needs of refugees. The regulation could also be used in future to respond to other exceptional crises or disasters with severe humanitarian consequences, such as nuclear accidents or terrorist attacks. ECHO is responsible for its implementation.

The EU's response to the 2022 floods in Pakistan serves as a good example to illustrate how some of these instruments are used in cases of acute crisis. From June to October 2022, Pakistan was affected by severe flash flooding. The EU responded in three ways:

- a. It released emergency funds, which reached a total of EUR 30 million in October 2022. These were channelled into different humanitarian programmes, providing emergency shelter, food and clean water, emergency cash transfers and basic healthcare services in affected areas.
- b. It coordinated the incoming assistance from EU Member States through the Civil Protection Mechanism, to facilitate the more efficient delivery of aid to Pakistan.
- c. It mobilised EUR 87 million as a contribution to international efforts to rehabilitate and reconstruct Pakistan in the long term. These funds are being used to improve agricultural chains, provide access to clean energy, and strengthen green inclusive growth in Pakistan.

Another major focus of the EU's humanitarian aid has been to provide assistance to Ukraine to address some of the hardships caused by Russia's 2022 invasion. Since February 2022, the EU has allocated more than EUR 650 million to help civilians affected by the war. These funds have been spent on meeting people's food and basic needs, offering shelter, providing health services and more. The emergency assistance to Ukraine is the largest operation coordinated by the EU Civil Protection Mechanism to date.

ROLE OF THE EUROPEAN PARLIAMENT

In the field of humanitarian aid policy, Parliament acts as co-legislator with the Council. The legal basis of the humanitarian aid policy proposed by the Commission (in the form of regulations) is negotiated with – and approved (or not) by – both the Council and Parliament, in accordance with the EU's ordinary legislative procedure. The Commission's implementation measures are also submitted to Parliament, which has oversight powers. Within Parliament, humanitarian aid falls within the remit of the



<u>Committee on Development</u> (DEVE), and civil protection within that of the <u>Committee</u> on the <u>Environment</u>, <u>Public Health and Food Safety</u> (ENVI).

In addition, Parliament monitors the delivery of humanitarian aid and seeks to ensure that budgetary provisions come closer to matching global humanitarian needs. Parliament has regularly highlighted the need to increase funding for humanitarian aid and has insisted on closing the widening gap between global humanitarian needs and available funding, most recently in November 2023 in its <u>resolution on how to build an innovative humanitarian aid strategy: spotlight on current and forgotten crises</u>.

The DEVE Committee, and Parliament in general, have also sought – through opinions and resolutions, including own–initiative reports – to influence the strategic decisions and policy orientations of the Commission, for example on the EU's contribution to the World Humanitarian Summit, education in emergencies and the response to the Ebola outbreak. Parliament reviews the Commission's annual work programme and ECHO's operational strategy. The Commissioner for Crisis Management is regularly invited to exchange views with the DEVE Committee. The European Consensus on Humanitarian Aid adopted in 2007 responded in no small part to the firm positions adopted by Parliament. Parliament has also been an active advocate of other policy issues, such as resilience, food security and linking humanitarian and development assistance.

To strengthen Parliament's oversight of humanitarian aid, the DEVE committee has appointed a standing rapporteur for humanitarian aid every two and a half years since 2006. The current rapporteur is Carlos Zorrinho (S&D, Portugal). His mandate includes defending humanitarian aid budget interests, monitoring humanitarian aid programmes and maintaining close contacts with the humanitarian aid community.

Malte Frederik Hergaden 04/2024



5.4. HUMAN RIGHTS AND DEMOCRACY

5.4.1. HUMAN RIGHTS

The European Union is committed to supporting democracy and human rights in its external relations, in accordance with its founding principles of liberty, democracy and respect for human rights, fundamental freedoms and the rule of law. The EU seeks to mainstream human rights concerns into all its policies and programmes, and has different human rights policy instruments for specific actions — including financing specific projects through its financing instruments.

LEGAL BASIS

- Article 2 of the Treaty on European Union (TEU): EU values. The EU's founding values are 'human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities';
- Article 3 TEU: EU objectives. In 'its relations with the wider world', the EU contributes to the 'eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter';
- Article 6 TEU: the Charter of Fundamental Rights and the European Convention on Human Rights. Although the Charter of Fundamental Rights of the European Union (Article 6(1)) only explicitly refers to the implementation of Union law, the EU's institutions and bodies and its Member States must also respect the Charter in the EU's external relations. Countries joining the EU must also comply with the Charter. Article 6(2) requires the EU to accede to the European Convention on Human Rights (4.1.2);



- Article 21 TEU: principles inspiring the Union's external action. These principles are democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, equality and solidarity, and respect for the principles of the United Nations Charter of 1945 and international law. In Article 21, the EU endorses the principle of the 'indivisibility of human rights and fundamental freedoms', committing itself to considering economic and social rights to be as important as civil and political rights;
- Article 205 of the Treaty on the Functioning of the European Union (TFEU): general provisions on the Union's external action. This article determines that the EU's international actions are to be guided by the principles laid down in Article 21 TEU.

EU HUMAN RIGHTS POLICY

In 2012, the Council adopted a <u>Strategic Framework on Human Rights and Democracy</u>, accompanied by an action plan to implement the framework. The framework defines the principles, objectives and priorities for improving the effectiveness and consistency of EU policy over the next 10 years. These principles include mainstreaming human rights into all EU policies (as a 'silver thread'), including when internal and external policies overlap, and adopting a more tailored approach. Following a proposal from the Commission and the Vice-President / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR), in November 2020 the Council adopted the third <u>EU Action Plan on Human Rights and Democracy</u>. It sets out the EU's ambitions and priorities for the 2020-2024 period, structured around five main areas of action:

- Protecting and empowering individuals;
- Building resilient, inclusive and democratic societies;
- Promoting a global system for human rights and democracy;
- New technologies: harnessing opportunities and addressing challenges;
- Delivering by working together.

The Council has adopted a series of thematic <u>guidelines on human rights</u>. They provide practical instructions for EU representations around the world on:

- Action against the death penalty;
- Dialogues on human rights;
- The rights of the child;
- Action against torture and other cruel treatment;
- Protecting children in armed conflicts;
- Protecting human rights defenders;
- Complying with international humanitarian law;
- Combating violence against women and girls;
- Promoting freedom of religion and belief;



- Protecting the rights of LGBTI people;
- Promoting freedom of expression both online and offline;
- Non-discrimination in external action;
- Safe drinking water and sanitation.

The EU's human rights and democracy country strategies follow a bottom-up approach aimed at integrating EU human rights guidelines and priorities into a single, coherent policy document. They are adapted to each country and establish goals for a period of three years.

The EU regularly includes human rights in political dialogues with non-EU countries or regional organisations. It also holds dialogues and consultations specifically dedicated to human rights with some 60 countries.

Bilateral trade agreements and the various association and cooperation agreements between the EU and non-EU countries or regional organisations include a human rights clause defining respect for human rights as an 'essential element'. This clause serves as an access point for engagement and dialogue, but also as a basis for imposing appropriate measures, such as reducing or suspending cooperation, in the event of grave violations of human rights and democratic principles. Incentives for ratifying and implementing human rights and labour rights conventions are provided for in the preferential EU trade schemes for developing countries (5.2.3).

A strong conditionality mechanism has been established for enlargement countries (5.5.1). Before joining the EU, these countries have to develop stable institutions guaranteeing democracy, the rule of law, human rights and respect for and the protection of minorities, a process actively supported by the EU. The European Neighbourhood Policy (5.5.5) is also based on common values of democracy, the rule of law and respect for human rights. The EU supports partner countries in implementing reforms and applies a 'more-for-more' approach (more integration and money to reward progress).

EU election observation missions also aim to improve human rights by discouraging intimidation and violence during elections and strengthening democratic institutions.

The EU promotes human rights through its participation in multilateral forums such as the UN General Assembly's Third Committee, the UN Human Rights Council, the Organization for Security and Co-operation in Europe and the Council of Europe. The EU also actively promotes international justice, for example through the International Criminal Court.

With a budget of EUR 1.511 billion allocated for the 2021–2027 period, the thematic programme on human rights and democracy under the Neighbourhood, Development and International Cooperation Instrument – Global Europe mainly supports and protects civil society actors that promote human rights and democracy. An important feature of this instrument is that the consent of the government of the partner country is not necessary. In addition, the EU has committed to progressively integrating a rights-based approach into all its development programmes, based on a toolbox developed by the Commission in 2014, and updated in 2021.



In December 2020, the Council adopted a <u>regulation establishing a global human</u> <u>rights sanction regime</u>. It allows the EU to target individuals, entities and bodies – including state and non-state actors – responsible for, involved in or associated with serious human rights violations and abuses worldwide. On 22 March 2024, in the light of the ongoing Russian war of aggression against Ukraine and the death of Alexei Navalny, the Council imposed <u>restrictive measures against an additional 33 individuals and 2 entities</u>. As of April 2024, the Council has imposed <u>restrictive measures (asset freezes and, where relevant, travel bans) on a total of 104 individuals and 26 entities</u>.

In the light of increasing evidence and awareness of human rights violations occurring in global value chains, since February 2022 the EU co-legislators have been working on a <u>directive on corporate sustainability due diligence</u>. This directive will legally require companies to identify and, where necessary, prevent, end or mitigate adverse impacts of their activities on human rights and the environment. The directive has been formally adopted by Parliament and the Council.

A complementary <u>proposal for a regulation prohibiting products made with forced labour on the EU market</u> has been <u>endorsed</u> by Parliament's Committees on International Trade and on Internal Market and Consumer Protection, and awaits formal adoption by the EU co-legislators.

An <u>annual report on human rights and democracy in the world</u>, prepared by the VP/HR and adopted by the Council, provides an overview of the human rights situation in the world, as well as of the EU's actions during the year.

ACTORS

The European Council defines the EU's strategic interests and the general guidelines of the common foreign and security policy (CFSP) (5.1.1).

The Foreign Affairs Council generally deals with human rights issues related to the CFSP or the EU's trade or development policies. The Council's Human Rights Working Party, which carries out preparatory work for high-level discussions and decisions on human rights issues, is composed of human rights experts from the Member States and representatives from the European External Action Service (EEAS) and the Commission.

Every EU delegation has a human rights 'focal point'. The EU delegations have a key role in developing and implementing the human rights and democracy strategies for each country, preparing human rights dialogues, engaging with human rights defenders and civil society, and identifying priorities for EU financial assistance.

The Commission negotiates international agreements, oversees the enlargement process and neighbourhood policy, and manages development programmes and financing instruments (in close cooperation with the EEAS).

The role of the EU Special Representative for Human Rights is to enhance the effectiveness and visibility of EU human rights policy. The special representative has a broad, flexible mandate and works closely with the EEAS. The position is currently held by Olof Skoog, who took up his duties on 1 March 2024.



Parliament contributes to the development of the EU's policies and monitors the work of the other EU institutions.

Under Articles 207 and 218 TFEU, most international agreements need Parliament's consent to enter into force. For example, in 2011, Parliament blocked the textile protocol to the Partnership and Cooperation Agreement between the EU and Uzbekistan, mainly on the grounds of child labour issues. It only gave its consent in 2016 following significant improvements in the use of child and forced labour.

Article 36 TEU obliges the VP/HR to consult Parliament on the main aspects and basic choices of the CFSP, and to inform it on the evolution of those policies. Parliament may ask questions or make recommendations to the Council or the VP/HR.

Parliament's resolutions aim to raise awareness of human rights abuses, support human rights defenders and shape the EU's human rights policy through concrete policy proposals. Resolutions may be a part of the legislative process, an outcome of parliamentary committees' own-initiative reports, or the result of the <u>urgency debates</u> that usually take place on the Wednesday of each Strasbourg plenary session to highlight flagrant violations of human rights across the world. Parliament's annual resolution on <u>human rights and democracy in the world and the European Union's policy on the matter</u> analyses the achievements of the EU's policy and the challenges facing it.

Parliament's <u>Subcommittee on Human Rights (DROI)</u>, attached to the Committee on Foreign Affairs (AFET), is responsible for issues concerning democracy, the rule of law, human rights – including the rights of minorities – in non-EU countries and the principles of international law, and for ensuring coherence between all the EU's external policies and its human rights policy. The subcommittee also handles the day-to-day management of human rights dossiers, while its delegations regularly visit relevant countries and institutions. The subcommittee monitors the follow-up to Parliament's urgency resolutions and holds frequent exchanges with the EEAS about the EU's human rights dialogues.

Human rights issues in the EU's external relations are also dealt with by the following committees: the Committee on Foreign Affairs (AFET), the Committee on International Trade (INTA), the Committee on Development (DEVE) and the Committee on Women's Rights and Gender Equality (FEMM). Human rights are equally an essential element of the work of Parliament's standing delegations, which interact with non-EU parliaments bilaterally and in the context of parliamentary assemblies.

Thanks to its budgetary powers (under Article 14 TEU and Article 310(1) TFEU), Parliament has a say in the allocation of funds to Global Europe and other financing instruments used for the promotion of human rights. Furthermore, Parliament is colegislator for the external financing instruments.

Every year, Parliament awards the <u>Sakharov Prize for Freedom of Thought</u> to human rights activists around the world. On 19 October 2023, Jina Mahsa Amini and the Woman, Life, Freedom Movement in Iran won the Sakharov Prize for 2023. The 2022 laureates were the brave people of Ukraine, represented by their president, elected leaders and civil society. Ukrainian President Volodymyr Zelenskyy spoke via video



link at the award ceremony on 14 December 2022 in Strasbourg. In 2021, the Sakharov Prize was awarded to Alexei Navalny, Russia's most prominent opposition figure, known for his fight against corruption and human rights abuses. Navalny died on 16 February 2024 and was commemorated by the President of the European Parliament Roberta Metsola as a fighter whose courage will echo through generations. Previous laureates include Nelson Mandela, Malala Yousafzai, Raif Badawi and the democratic opposition in Belarus. Parliament has created the Sakharov Prize Network to support Sakharov laureates, develop contacts between them and encourage joint activities.

Parliament promotes human rights as part of its broader democracy support activities, which include election observation, pre- and post-election actions, parliamentary capacity building, mediation and dialogue on promoting democracy (5.4.2).

The President of Parliament actively supports human rights through statements and letters and by discussing human rights issues when meeting important actors.

Rasma Kaskina 04/2024



5.4.2. PROMOTING DEMOCRACY AND OBSERVING ELECTIONS

Supporting democracy worldwide is a priority for the European Union. Democracy remains the only system of governance in which people can fully realise their human rights, and is a determining factor for development and long-term stability. As the only directly elected EU institution, the European Parliament is particularly committed to promoting democracy.

LEGAL BASIS

- Articles 2 and 21 of the Treaty on European Union (TEU);
- Article 205 of the Treaty on the Functioning of the European Union (TFEU).

POLICY FRAMEWORK AND POLICY TOOLS

The EU's approach to democracy complements its work on human rights (see fact sheet <u>5.4.1</u>). It is grounded in the Universal Declaration of Human Rights and other international and regional standards on human rights, democratic institutions and elections. Since 2015, the EU has also been basing its support for democracy on the 2030 Agenda for Sustainable Development, in particular Goal 16 on accountable institutions and inclusive and participatory decision-making, and Goal 10 on reducing inequality.

On 17 November 2009, the Council adopted conclusions on democracy support in the EU's external relations, which outlined a new strategy for supporting democracy by means of a country-specific approach, greater coherence and the involvement of all stakeholders. The Commission's 2011 Agenda for Change subsequently highlighted the importance of supporting human rights, democracy and good governance within the EU's development policy. In 2012, the EU agreed on a strategic framework on human rights and democracy, and has since adopted three action plans for its implementation. Following the Arab Uprisings of 2011, the EU updated its European neighbourhood policy to adopt a 'more for more' approach, with support being linked to democratic transition and 'deep democracy'. Incentives – including deeper economic integration, greater financial assistance, enhanced mobility of people and access to the EU's internal market – were offered to the countries willing to undertake political reforms.

In October 2019, the Council adopted conclusions on democracy, which reconfirm the principles of its 2009 conclusions, while identifying new challenges that the EU needs to counter urgently and comprehensively through external action. These include the undermining of democratic processes and institutions; low levels of trust in institutions and politicians; a shrinking democratic space for civil society; increased violations of human rights and fundamental freedoms; and manipulation using online technologies.



The EU's commitment to stepping up its efforts to promote democracy was reiterated in the <u>third EU Action Plan on Human Rights and Democracy</u>, adopted by the Council in November 2020. The plan, which defines priorities for the period 2020–2024, mainstreams democracy support across the five lines of action, one of which is entitled 'Building resilient, inclusive and democratic societies'.

The Council emphasised the role of civil society in its 2012 conclusions entitled 'The roots of democracy and sustainable development: Europe's engagement with civil society in external relations'. Its conclusions of 19 June 2017 on EU engagement with civil society in external relations reaffirmed the EU's commitment to an empowered and resilient civil society as a crucial way of supporting good governance and the rule of law in any democracy.

Several elements of the EU's policy, which developed over time, address both human rights and democratic principles. This includes country-specific strategies on human rights and democracy, which define priorities for action and objectives to be pursued by the EU in partner countries. It also includes the human rights and democracy clauses in international agreements, which allow the EU to suspend trade or cooperation if a country commits grave violations of human rights and democratic principles. Another element is a specific funding instrument for supporting civil society actors in the area of democracy and human rights (see below).

Election observation is a central EU tool for supporting democratic developments in non-EU countries, promoting human rights and the rule of law, and contributing to peacebuilding and conflict prevention. The EU's long-term election observation missions (EOMs) assess events that take place throughout the electoral process. The host country must extend an invitation before an EU EOM can be deployed. Long-term observers usually begin operating two months before the elections and follow the entire electoral process through to the announcement of the official results and the appeals procedure. Short-term observers monitor polling day and the tallying of votes. The chief observer is, as a rule, an MEP. After the mission, the EOM publishes a final report containing conclusions and recommendations, which give guidance for electoral reform and possible future assistance by the EU. In addition to election observation, the EU can provide technical and material electoral assistance to partner countries, enhancing the conditions for democratic elections, increasing the capacity of state and non-state actors, and supporting necessary reforms, taking into account the full electoral cycle.

In November 2021, the EU and its Member States launched the <u>Team Europe Democracy</u> (TED) initiative. To increase the impact of support for democratisation worldwide, TED consists of three pillars: research on democratic support best practices and policies; a TED Network (at global level); and providing expertise on democracy support at country level.

The EU and its Member States also engage in multilateral forums, such as the UN, the Council of Europe or the Organization for Security and Co-operation in Europe (OSCE), to promote and protect democracy. The Presidents of the European Council and the European Commission participate in the yearly US-led <u>Summit for Democracy</u> aimed at promoting democratic renewal and encouraging leaders to respond together to the global trend of democratic backsliding.



FINANCING INSTRUMENTS

The EU's main financing instruments to support democracy abroad are the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe and the Instrument for Pre-Accession assistance (IPA III) 2021–2027. The IPA III supports EU candidate countries and potential candidates in fulfilling the relevant membership criteria. The NDICI –Global Europe finances geographical programmes in the remaining countries not covered by the IPA III, as well as thematic programmes with a global reach. Its general objectives include consolidating, supporting and promoting democracy, the rule of law and respect for human rights. The thematic programme on human rights and democracy focuses on civil society organisations and democracy and human rights defenders. With a budget of EUR 1.511 billion, it operates independently from the consent of the partner countries' governments. The programme also finances EU EOMs and complementary actions on elections, as well as cooperation with key international partners in the field of democracy and human rights.

In 2013, the <u>European Endowment for Democracy</u> was established. Operating autonomously as a private law foundation, it aims to support political and civil society actors striving for democratic change by providing tailored financial assistance in a quick, flexible and non-bureaucratic way, with a focus on the EU's eastern and southern neighbourhoods. Its governing board includes representatives of the EU Member States and institutions, including up to nine MEPs, and other experts.

ROLE OF THE EUROPEAN PARLIAMENT

The European Parliament, the only EU institution elected directly by the citizens of the EU, is strongly committed to promoting sustainable democracies around the world. It has highlighted this commitment in a number of resolutions. Every year, Parliament adopts a resolution on human rights and democracy in the world and the EU's policy on the matter, analysing the main challenges and achievements of the EU's approach to democracy support, and making recommendations for the future. On 9 November 2023, Parliament adopted a <u>recommendation</u> on strengthening the right to participate: legitimacy and resilience of electoral processes in illiberal political systems and authoritarian regimes.

Parliament has also developed a range of tools for engaging directly in global democracy support. Parliament is continuously involved in election observation activities, working to strengthen the legitimacy of national electoral processes and to increase public confidence in the protection of elections and human rights. Each year, it sends several parliamentary delegations to observe elections or referendums in non-EU countries. Parliament may decide to send such delegations of MEPs on condition that the elections are held at national level, that the national authorities have invited the EU or the European Parliament, and that a long-term mission is present. Parliament delegations are always integrated into EU EOMs or the long-term missions of the Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe. The European Parliament is consulted on the identification and planning of EU EOMs and follow-up activities.



Guided by its comprehensive democracy support approach, Parliament links election observation to complementary activities including pre-election actions and election follow-up, human rights actions, and initiatives to support parliamentary work. Special focus is placed on the enlargement countries and the European Neighbourhood. The European Parliament assists parliaments beyond the EU's borders in strengthening their institutional capacity through conferences and seminars, joint training programmes and study visits for members and officials, as well as fellowships for staff of non-EU-country parliaments. It supports partner parliaments in mainstreaming human rights into legislation and connecting to civil society. Parliament facilitates capacity building for agents of democratic change, including human rights defenders, and promotes media freedom and independent journalism. Parliament's Sakharov Prize for Freedom of Thought and the activities of the Sakharov Prize community of laureates are integrated into this approach.

The <u>Simone Veil programme</u> is specifically designed to support women politicians and parliamentarians. Parliament also provides support and expertise in the field of mediation and dialogue, through targeted activities with partner parliaments and international events focused on mediation and conflict prevention. The <u>Jean Monnet Dialogue for Peace and Democracy</u> is a mediation tool developed by Parliament to bring political leaders together in order to promote inter-party communication and consensus building. The <u>Young Political Leaders Programme</u> is one of the flagship initiatives designed to promote dialogue and understanding among future leaders outside the EU, and thus to contribute to building trust and peace. The European Parliament <u>resolution</u> on building EU capacity on conflict prevention and mediation adopted in March 2019 recognises the importance of mediation and dialogue processes and Parliament's role therein.

The Democracy Support and Election Coordination Group (DEG) gives political guidance for Parliament's different activities. It consists of 16 MEPs and is co-chaired by the chairs of Parliament's Committees on Foreign Affairs and on Development. The DEG decides on European Parliament election observation missions and adopts an annual work programme for the other activities. For 2024, the DEG re-confirmed the six priority countries and regions (Ukraine, Georgia, Moldova, Tunisia, the Western Balkans region and the Pan-African Parliament, and Belarus as an ad hoc political priority), as well as thematic areas (pre- and post-election activities, parliamentary mediation and dialogue, human rights actions, including the Sakharov Prize community and fellowship, and parliaments and democratic innovation).

Rasma Kaskina 04/2024



5.5. THE UNION'S ENLARGEMENT AND NEIGHBOURHOOD

5.5.1. THE ENLARGEMENT OF THE UNION

On 1 July 2013, Croatia became the 28th (now 27th) Member State of the European Union. Since then, no other countries have joined the EU, and the UK left the EU on 31 January 2020. Accession negotiations and chapters have been opened with Montenegro, Serbia and Türkiye. Albania and North Macedonia opened accession negotiations in July 2022, and Bosnia and Herzegovina in March 2024. Kosovo submitted its application for EU membership in December 2022. In December 2023, the EU decided to open accession negotiations with Moldova and Ukraine and to grant candidate country status to Georgia. (5.5.6 and 5.5.7).

LEGAL BASIS

- Article 49 of the Treaty on European Union (TEU) establishes which states may apply;
- Article 2 TEU describes the EU's founding values.

OBJECTIVES

The EU's enlargement policy aims to unite European countries in a common political and economic project. Guided by the Union's values and subject to strict conditions, enlargement has proved to be one of the most successful tools in promoting political, economic and social reforms, and in consolidating peace, stability and democracy across the continent. Enlargement policy also enhances the EU's presence on the global stage.



BACKGROUND

A. Conditions for accession

Any European state may apply to become a member of the Union if it respects its common values and is committed to promoting them (Article 49 TEU). The Copenhagen criteria, established by the European Council in 1993 in Copenhagen, are essential in any candidate or potential candidate country's EU integration process. They include:

- The stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- A functioning market economy and the ability to cope with competitive pressure and market forces within the EU;
- The ability to take on the obligations of membership, including by adhering to the aims of political, economic and monetary union, and adopting the common rules, standards and policies that make up the body of EU law (the acquis communautaire).

In December 2006, the European Council agreed on a 'renewed consensus on enlargement', based on 'consolidation, conditionality and communication' and on the EU's capacity to integrate new members.

B. The EU's integration capacity: institutional arrangements

Successive enlargements formed a substantial part of the institutional negotiations that led to the adoption of the Treaty of Lisbon. The EU had to adapt its institutions and decision-making processes to the arrival of new Member States and ensure that enlargement would not come at the expense of efficient, accountable policymaking. The Treaty of Lisbon introduced profound changes to the composition and work of the main EU institutions. Some of these changes reflected the need for a sustainable set of rules that do not require new amendments with every new enlargement.

C. Process

A country that wishes to join the EU addresses its application to the Council, which asks the Commission to submit an opinion. Parliament is notified of this application. If the Commission's opinion is favourable, the European Council may decide — by unanimity — to grant the country candidate status. Following a recommendation by the Commission, the Council decides — again by unanimity — whether negotiations should be opened. The sum of EU legislation (the acquis communautaire) is divided into more than 30 policy chapters. Before actual negotiations start, the Commission delivers a 'screening' report for each chapter. On the basis of the Commission's recommendation, the Council decides by unanimity whether or not to open more negotiation chapters or clusters of chapters. Whenever progress is judged satisfactory, the Commission may recommend 'provisionally closing' a chapter or cluster of chapters. The Council again decides by unanimity, taking into account the overall progress in the area of the rule of law. When negotiations on all the chapters or clusters of chapters are completed, the terms and conditions — including possible safeguard clauses and transitional arrangements — are incorporated into an accession



treaty between the Member States and the acceding country. Only after Parliament's consent and the Council's unanimous approval can the accession treaty be signed. It is then submitted by all contracting states — including the acceding country — for ratification, in accordance with their constitutional requirements (i.e. ratification by parliament or referendum).

PAST ENLARGEMENTS

Country	Member since	Particularities
Belgium France		
Germany	1958	Original signatories to the 1957 Treaty of Rome.
Italy	1500	original signatories to the 1907 freaty of Norie.
Luxembourg The Netherlands		
Denmark		
Ireland	1973	
United Kingdom ^[1]		
Greece	1981	Greece's accession consolidated democracy in the country.
Portugal Spain	1986	This enlargement consolidated democracy in Portugal and Spain.
Austria		
Finland	1995	
Sweden		
Cyprus Czechia		
Estonia		Intended to reunite the continent after the fall of the
Hungary		Berlin Wall and the collapse of the Soviet Union, this
Latvia	2004	enlargement was launched by the European Council
Lithuania	2004	meeting of December 1997. Negotiations were
Malta		conducted separately with each country, based on
Poland		a single negotiating framework.
Slovakia Slovenia		
Siovenia		The pace of reform in Bulgaria and Romania did not
Bulgaria Romania	2007	allow these countries to join in 2004. A 'cooperation
		and verification mechanism' in key areas – judicial reform, the fight against corruption and the fight
		against organised crime (the latter applying only to
		Bulgaria) – was put in place to monitor progress
		after accession.
Croatia	2013	The accession negotiations with Croatia were subject to the stricter conditionality established

[1]The United Kingdom left the EU on 31 January 2020 (at 11 pm GMT).



ļ	n	December	2006	by	the	European	Council's	
•	'renewed consensus on enlargement'.							

FUTURE ENLARGEMENT

A. Western Balkans

Relations with the Western Balkans fall within the framework of the Stabilisation and Association Process, launched in 1999. It is based on bilateral stabilisation and association agreements.

Croatia's accession to the EU on 1 July 2013 constitutes a significant incentive for other countries in the region. Building on the experience with Croatia, the Commission proposed further improvements to its negotiating approach in its 2011-2012 'Enlargement Strategy', including a stronger emphasis on rule of law issues. This means that negotiating chapters on judicial reform and fundamental rights (chapter 23) and on justice, freedom and security (chapter 24) are opened at an early stage in all future negotiations and that they are the last to be closed. This approach was reaffirmed and reinforced in the Commission communication of 5 February 2020 entitled 'Enhancing the accession process - A credible EU perspective for the Western Balkans', which introduced a revised methodology for enlargement to the Western Balkans. It is also part and parcel of the Economic and Investment Plan for the Western Balkans, which was published as part of the Commission's 2020 enlargement package. On 8 November 2023, the Commission adopted a new EUR 6 billion growth plan for the Western Balkans, based on four pillars and covering the 2024-2027 period. The plan intends to bring some of the benefits of EU membership to the region in advance of accession, with strong ex ante conditionality for payments.

Russia's war of aggression against Ukraine and the EU's decision to grant candidate country status to Georgia, Moldova and Ukraine and to open accession negotiations with Moldova and Ukraine have also led to a renewed focus on the EU integration process of the Western Balkan candidate and potential candidate countries.

To date, all 33 screened negotiating chapters with Montenegro have been opened, but only three have been provisionally closed. Serbia has opened 22 out of 35 negotiating chapters, of which two have been provisionally closed. Despite the considerable number of opened chapters, EU integration-related reforms in both countries have largely stalled over the past years.

In March 2020, the Council finally gave the green light to open accession negotiations with Albania and North Macedonia (with a set of conditions for Albania). In July 2020, the Commission presented the draft negotiating frameworks — the first to take into account the 'revised methodology for enlargement to the Western Balkans' — to the Member States. Accession negotiations with both countries were formally opened in July 2022 following long delays mainly stemming from issues between North Macedonia and Bulgaria related to identity, language and history.

The Stabilisation and Association Agreement between the EU and Bosnia and Herzegovina (BiH) entered into force on 1 June 2015. In February 2016, BiH submitted its membership application. In its opinion of May 2019, the Commission listed 14 key priorities that BiH must fulfil in order to open accession negotiations. Despite its



failure to deliver on most of these priorities, BiH was granted candidate country status in December 2022. Following a positive recommendation by the Commission, the European Council decided in March 2024 to open EU accession negotiations with BiH without further preconditions.

The Stabilisation and Association Agreement between the EU and Kosovo entered into force on 1 April 2016. In December 2022, Kosovo applied for EU membership. Following a decisive vote in Parliament in April 2023, Kosovo has benefited from visa-free travel to the Schengen area since January 2024. Kosovo is also conducting an EU-facilitated dialogue with Serbia that should lead to a legally binding comprehensive agreement on the normalisation of their relations. Both Kosovo and Serbia need to step up efforts to deliver on their obligations, stemming from a revamped agreement of early 2023 to rekindle the stalled dialogue.

B. Türkiye

Turkey applied for EU membership in 1987 and was declared a candidate country in 1999. Negotiations were opened in October 2005. Eight chapters are blocked, and no chapter will be provisionally closed until Türkiye applies the 'Additional Protocol to the Ankara Association Agreement' to Cyprus. Opening other chapters has been opposed by individual Member States. After a standstill of more than three years, a new negotiating chapter was opened in November 2013. Another was opened in December 2015. On 18 March 2016, Turkey and the EU reaffirmed their commitment to implementing their joint action plan to stem the flow of irregular migrants to the EU and to re-energise the accession process. This led to the opening of an additional chapter in June 2016, bringing the total number of opened chapters to 16 out of 35, of which one has been provisionally closed. However, in the light of the dramatic deterioration of the rule of law in Türkiye, in particular in the aftermath of the July 2016 attempted coup, the accession process with Türkiye is de facto frozen. EU-Türkiye relations are further strained by Türkiye's foreign policy choices and its promotion of a 'two-states-on-one-island' solution to the Cyprus issue.

ROLE OF THE EUROPEAN PARLIAMENT

Under Article 49 TEU, Parliament must give its consent to any new accession to the EU. It also has a significant say over the financial aspects of accession: its budgetary powers give it direct influence over the amounts allocated to the Instrument for Preaccession Assistance.

Parliament's Committee on Foreign Affairs appoints standing rapporteurs for all candidate and potential candidate countries. Parliament expresses its positions on enlargement in the form of annual resolutions responding to the Commission's latest annual 'country reports'. On 23 November 2022, it adopted recommendations on a new EU strategy for enlargement, including the recommendation to conclude negotiations with accession countries by the end of the current decade at the latest. On 29 February 2024 it adopted a <u>resolution on deepening EU integration in view of future enlargement</u>. Parliament also maintains bilateral relations with the parliaments of all enlargement countries through its delegations, which regularly discuss with their counterparts issues that are relevant to their respective EU integration paths. It has



observed elections in all enlargement countries except Türkiye, which has yet to invite Parliament to do so.

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5.5.2. THE WESTERN BALKANS

The European Union has developed a policy to support the gradual integration of the Western Balkan countries with the EU. On 1 July 2013, Croatia became the first of the seven countries to join, and Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia have candidate country status. Accession negotiations and chapters have been opened with Montenegro and Serbia, negotiations were opened with Albania and North Macedonia in July 2022 and with Bosnia and Herzegovina in March 2024, and Kosovo submitted its application for EU membership in December 2022.

LEGAL BASIS

- Title V of the Treaty on European Union (TEU): EU external action;
- Article 207 of the Treaty on the Functioning of the European Union (TFEU): international trade agreements;
- Article 49 TEU: criteria for application and membership.

OBJECTIVES

The EU aims to promote peace, stability and economic development in the Western Balkans and open up the prospect of EU integration.

BACKGROUND

In 1999, the EU launched the Stabilisation and Association Process (SAP), a framework for relations between the EU and countries in the region, and the Stability Pact, a broader initiative involving all key international players. The Stability Pact was replaced by the Regional Cooperation Council in 2008. The 2003 European Council in Thessaloniki reaffirmed that all SAP countries were potential candidates for EU membership. This 'European perspective' was reaffirmed in the Commission's February 2018 Western Balkans strategy and in the declarations following successive EU-Western Balkans Summits.

INSTRUMENTS

A. The Stabilisation and Association Process (SAP)

Launched in 1999, the SAP is the strategic framework supporting the gradual rapprochement of the Western Balkan countries with the EU. It is based on bilateral contractual relations, financial assistance, political dialogue, trade relations and regional cooperation.

Contractual relations take the form of stabilisation and association agreements (SAAs). These provide for political and economic cooperation and for the establishment of free trade areas with the countries concerned. Based on common democratic principles, human rights and the rule of law, each SAA establishes



permanent cooperation structures. The Stabilisation and Association Council, which meets annually at ministerial level, oversees the application and implementation of the agreement concerned. It is assisted by the Stabilisation and Association Committee. Finally, a Stabilisation and Association Parliamentary Committee (SAPC) — a Joint Parliamentary Committee in the case of North Macedonia — ensures cooperation between the Western Balkan countries' parliaments and the European Parliament.

Since the entry into force of the SAA with Kosovo in April 2016, SAAs are now in force with all Western Balkan candidate and potential candidate countries. In the case of Kosovo, the SAA is an EU-only agreement, which the Member States do not need to ratify (five Member States do not recognise Kosovo as an independent state). Trade and trade-related aspects of SAAs are included in interim agreements. They generally enter into force swiftly after they have been signed, as trade is an exclusive EU competence.

B. The accession process

Applicants for EU membership must fulfil the Copenhagen political criteria (see fact sheet on the enlargement of the Union 5.5.1). Once a country has been recognised as a candidate, it moves through the various stages of the process at a rate largely dependent on its own merits and progress.

A candidate country must adopt and implement all EU legislation (the acquis communautaire). The Commission reports on progress in its annual country reports. Every important decision is taken by the Council, acting by unanimity, from the opening of negotiations to their closure. The accession treaty has to be endorsed by Parliament and the Council before being ratified by all contracting states, including the acceding country, through the relevant parliamentary procedure or a referendum.

Candidate and potential candidate countries receive financial assistance to carry out the necessary reforms. Since 2007, EU pre-accession assistance has been channelled through a single, unified instrument: the Instrument for Pre-accession Assistance (IPA).

Most candidate and potential candidate countries may also participate in EU programmes.

C. Regional cooperation

European integration and regional cooperation are closely intertwined. One of the key aims of the SAP is to encourage countries of the region to cooperate among themselves across a wide range of areas, including the prosecution of war crimes, border issues, refugees and the fight against organised crime. A specific component of the IPA is dedicated to regional cooperation and cross-border programmes.

The Sarajevo-based Regional Cooperation Council (RCC) operates under the guidance of the South-East European Cooperation Process. The RCC aims to support the European and Euro-Atlantic aspirations of its non-EU members, and to develop cooperation in such fields as economic and social development, energy and infrastructure, justice and home affairs, security, building human capital, and parliamentary relations. The EU and many individual Member States support and participate in the RCC.



Another important regional initiative is the Central European Free Trade Agreement. In addition, countries of the Western Balkans participate in a number of regional frameworks.

D. Visa-free travel

Visa-free travel to the Schengen area was granted to citizens of the former Yugoslav Republic of Macedonia (now the Republic of North Macedonia), Montenegro and Serbia in December 2009, and to citizens of Albania and Bosnia and Herzegovina in November 2010. In January 2012, a visa liberalisation dialogue was launched with Kosovo. In July 2018, the Commission confirmed that Kosovo had fulfilled all criteria. As of January 2024, following protracted interinstitutional negotiations and a final European Parliament vote in April 2023, Kosovo benefits from visa-free travel to the Schengen area.

CURRENT STATUS

A. Albania

Albania applied for EU membership on 28 April 2009. In October 2013, the Commission unequivocally recommended granting Albania the status of candidate for EU membership, which it obtained in June 2014. In light of Albania's progress, the Commission repeatedly recommended opening accession negotiations. In June 2018, the Council agreed to the possible opening of accession negotiations with Albania in June of the following year, provided that the necessary conditions had been fulfilled. In March 2020, the Council finally decided to approve the opening of accession negotiations, pending the fulfilment of a set of conditions. In July 2020, the Commission presented the draft negotiating framework – the first to take into account the 'revised methodology for enlargement to the Western Balkans', which was published in February 2020 – to the Member States. Accession negotiations with Albania and North Macedonia, treated jointly because of a shared positive recommendation from the Commission, were formally opened in July 2022 following long delays that were mainly caused by issues between North Macedonia and Bulgaria relating to identity, language and history.

B. Bosnia and Herzegovina

Although an SAA with Bosnia and Herzegovina (BiH) was negotiated and signed in June 2008, its entry into force was frozen, mainly owing to the country's failure to implement a key ruling of the European Court of Human Rights. The EU's 'renewed approach' to the country, which put more focus on economic governance, allowed the long overdue entry into force of the SAA on 1 June 2015. The country submitted its membership application on 15 February 2016. In May 2019, the Commission published its opinion, including a list of 14 key priorities to be fulfilled by BiH in order for accession negotiations to be opened. These included ensuring the proper functioning of the SAPC, the parliamentary dimension of the SAA (key priority 3). On 30 and 31 October 2023, almost eight years after the first failed meeting of the SAPC in November 2015, a fully fledged third EU-BiH SAPC meeting was successfully held in Sarajevo. This led the Commision to conclude in its 2023 country report on BiH that key priority 3 had been completed. In the wake of the Russian war of aggression against



Ukraine and the EU's decision in June 2022 to grant candidate country status to Moldova and Ukraine, the European Council decided to also grant candidate country status to BiH in December 2022. Accession negotiations with BiH were formally opened in March 2024 following a positive recommendation by the Commission earlier that month.

C. The Republic of North Macedonia

The former Yugoslav Republic of Macedonia (now the Republic of North Macedonia) applied for EU membership in March 2004 and was granted EU candidate country status in December 2005. However, the country was unable to open accession negotiations for many years, mainly owing to the dispute with Greece over its use of the name 'Macedonia'. This dispute was successfully resolved through the Prespa Agreement on the country's new name – the Republic of North Macedonia (or simply North Macedonia for short) – which entered into force in February 2019. Since 2009, the Commission, with the unwavering support of the European Parliament, had invariably recommended that accession negotiations be opened. In June 2018, the Council agreed to the possible opening of accession negotiations with North Macedonia in June 2019, provided that the necessary conditions were fulfilled. In March 2020, the Council finally decided to approve the opening of accession negotiations without setting any further conditions. In July 2020, the Commission presented the draft negotiating framework - the first to take into account the 'revised methodology for enlargement to the Western Balkans' – to the Member States. Accession negotiations with North Macedonia and Albania, treated jointly because of a shared positive recommendation from the Commission, were formally opened in July 2022 following long delays that were mainly caused by issues between North Macedonia and Bulgaria relating to identity, language and history.

D. Kosovo

Kosovo is a potential candidate for EU accession. It unilaterally declared its independence in February 2008. Five EU Member States (Cyprus, Greece, Romania, Slovakia and Spain), two countries in the region (Serbia and Bosnia and Herzegovina), the three 'new applicants' (Georgia, Moldova and Ukraine) and two permanent members of the UN Security Council (China and the Russian Federation) have not recognised Kosovo's independence. In July 2018, six years after a visa liberalisation roadmap was issued, the Commission confirmed that Kosovo had fulfilled all the criteria. As of January 2024, following protracted interinstitutional negotiations and a final European Parliament vote in April 2023, Kosovo benefits from visa-free travel to the Schengen area. After a landmark agreement on normalising relations was reached in April 2013 by Belgrade and Pristina (the Brussels Agreement), the European Council decided in June 2013 to open negotiations on an SAA with Kosovo, which entered into force on 1 April 2016. Kosovo's future EU integration — like Serbia's — remains closely linked to the EU-facilitated dialogue between Kosovo and Serbia, which should lead to a legally binding comprehensive agreement on the normalisation of their relations. Kosovo (like Serbia) needs to step up efforts to deliver on its obligations stemming from a revamped agreement of early 2023 that is meant to rekindle the stalled dialogue.



E. Montenegro

Montenegro, which gained independence in 2006, applied for EU membership in December 2008. It was granted candidate country status in December 2010 and accession negotiations were opened in June 2012. In line with the EU's 'new approach' to the accession process, the crucial chapters on the rule of law — Chapter 23 on judicial reform and fundamental rights and Chapter 24 on freedom, security and justice — were opened at an early stage in the negotiations, in December 2013. To date, all 33 screened negotiating chapters have been opened, of which only three have been provisionally closed. The last remaining key chapter (on competition policy) was opened in June 2020. However, political turmoil and instability in Montenegro has led to the stalling of its EU integration process in recent years.

F. Serbia

Serbia submitted its application for EU membership in December 2009 and was granted candidate country status in March 2012 after Belgrade and Pristina reached an agreement on Kosovo's regional representation. Accession negotiations were formally opened on 21 January 2014. The first two chapters, including the one on the normalisation of relations with Kosovo, were opened in December 2015. The key chapters on the rule of law, Chapters 23 and 24, were opened on 18 July 2016. To date, 22 out of 35 negotiating chapters have been opened, two of which have been provisionally closed. The four chapters that constitute 'Cluster Four' (on the green agenda and sustainable connectivity) were opened in December 2021 after a twoyear period without new chapters being opened. No new chapters or clusters have been opened since then. Serbia's future EU integration — like Kosovo's — remains closely linked to the EU-facilitated dialogue between Serbia and Kosovo, which should lead to a legally binding comprehensive agreement on the normalisation of their relations. Serbia (like Kosovo) needs to step up efforts to deliver on its obligations stemming from a revamped agreement of early 2023 that is meant to rekindle the stalled dialogue.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament is fully involved in the SAP and its consent is required for the conclusion of all SAAs (Article 218(6) TFEU). It must also consent to any new accession to the EU (Article 49 TEU). In addition, through its budgetary powers, it has direct influence over the amounts allocated to the IPA. Parliament's Committee on Foreign Affairs appoints standing rapporteurs for all candidate and potential candidate countries. Parliament expresses its positions on enlargement in the form of annual resolutions responding to the Commission's latest annual country reports.

In June 2020, following the EU-Western Balkans Zagreb Summit (held online), Parliament also issued a set of recommendations on the Western Balkans. On 23 November 2022, it adopted additional recommendations on a new EU strategy for enlargement, including the conclusion of negotiations with accession countries by the end of the current decade at the latest. On 29 February 2024, it adopted a resolution on deepening EU integration in view of future enlargement.



Parliament also has bilateral relations with the parliaments of the Western Balkan countries through its delegations, which regularly meet their Western Balkan counterparts to discuss issues relevant to the SAPs and EU accession processes, on average twice a year. When invited, Parliament observes most elections in the six Western Balkan countries and has already done so in all of them. It has also developed a series of activities and programmes on parliamentary democracy and capacity-building that are tailor-made to the needs of Western Balkan partner parliaments. In recent years, Parliament has also been facilitating rapprochement between political parties in North Macedonia and Serbia.

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5.5.3. THE EUROPEAN ECONOMIC AREA (EEA), SWITZERLAND AND THE NORTH

The European Economic Area (EEA) was set up in 1994 to extend the EU's provisions on its internal market to the European Free Trade Area (EFTA) countries. The EEA's parties are Norway, Iceland and Liechtenstein. Switzerland is a member of EFTA but not of the EEA. The EU and Nordic EEA EFTA partners (Norway and Iceland) are also linked by various 'northern policies' and forums that focus on the rapidly evolving northern reaches of Europe and the Arctic region as a whole.

LEGAL BASIS

For the EEA: Article 217 of the Treaty on the Functioning of the European Union (Association Agreements).

For Switzerland: Insurance Agreement of 1989, Bilateral Agreements I of 1999, Bilateral Agreements II of 2004.

THE EEA

A. Objectives

The purpose of the European Economic Area (EEA) is to extend the EU's internal market to countries in the European Free Trade Area (EFTA). The current EFTA countries do not wish to join the EU. EU legislation relating to the internal market becomes part of the legislation of the EEA EFTA countries once they have agreed to incorporate it. The administration and management of the EEA is shared between the EU and the EEA EFTA countries in a two-pillar structure. Decisions are taken by joint EEA bodies (the EEA Council, the EEA Joint Committee, the EEA Joint Parliamentary Committee and the EEA Consultative Committee).

B. Background

In 1992, the then seven members of EFTA negotiated an agreement to allow them to participate in the ambitious project of the European Community's internal market, launched in 1985 and completed at the end of 1992. The EEA Agreement was signed on 2 May 1992 and entered into force on 1 January 1994.

The EEA EFTA members, however, soon saw their numbers reduced: Switzerland chose not to ratify the agreement following a negative referendum on the matter, and Austria, Finland and Sweden joined the EU in 1995. Only Iceland, Norway and Liechtenstein remained in the EEA. The 10 new Member States that joined the EU on 1 May 2004 automatically became part of the EEA, as did Bulgaria and Romania when they acceded to the Union in 2007. The same was true for Croatia in 2013, although in this case, the agreement on its participation in the EEA has been provisionally applied since April 2014. It will formally enter into force once ratification by all the Member States has been completed.



In June 2009, Iceland applied for EU membership as a way out of the global financial crisis of 2007-2008. The Council accepted Iceland's application on 17 June 2010, and the negotiations started in June 2011. However, in March 2015, the Icelandic Government stated in a letter to the Council of the EU that 'Iceland should not be regarded as a candidate country for EU membership'. Although the government did not officially withdraw the application, the EU does not currently treat Iceland as a candidate country.

C. Scope of the EEA

The EEA goes beyond traditional free trade agreements by extending the full rights and obligations of the EU's internal market to the EEA EFTA countries (with the exception of Switzerland). The EEA incorporates the four freedoms of the internal market (free movement of goods, persons, services and capital) and related policies (competition, transport, energy, and economic and monetary cooperation). The agreement includes horizontal policies strictly related to the four freedoms: social policies (including health and safety at work, labour law and the equal treatment of men and women); policies on consumer protection, the environment, statistics and company law; and a number of flanking policies, such as those relating to research and technological development, which are not based on the EU acquis or legally binding acts, but are implemented through cooperation activities.

D. The limits of the EEA

The EEA Agreement does not establish binding provisions in all sectors of the internal market or in other policies under the EU Treaties. In particular, its binding provisions do not concern:

- The common agricultural policy and the common fisheries policy (although the agreement contains provisions on trade in agricultural and fishery products);
- The customs union;
- The common trade policy;
- The common foreign and security policy;
- The field of justice and home affairs (although all the EFTA countries are part of the Schengen area);
- The economic and monetary union.
- **E.** EEA institutions and mechanisms
- **1.** Incorporation of EU legislation

New EU internal market texts are examined by the EEA Joint Committee, composed of representatives of the EU and the three EEA EFTA states. Meeting once a month, this body decides which EU legislation and acts (actions, programmes, etc.) should be incorporated into the EEA. Legislation is formally incorporated by including the relevant acts in lists of protocols and annexes to the EEA Agreement. Several thousand acts have been incorporated into the EEA Agreement in this way. The EEA Council, made up of representatives of the Council of the EU and the Foreign Ministers of the EEA EFTA states, meets at least twice a year to draw up political guidelines for the Joint Committee. The EEA Agreement contains provisions for facilitating input



from EEA EFTA countries at various stages of the EU legislative procedure before new legislation is adopted (decision shaping).

2. Transposition

Once an EU act has been incorporated into the EEA Agreement, it must be transposed into the national legislation of the EEA EFTA countries (if this is required under that national legislation). This may simply require a governmental decision, or it may require parliamentary approval. Transposition is a formal task, and the acts can only be adjusted technically at this point.

3. Monitoring

After internal market legislation has been extended to the EEA EFTA countries, transposition and application are monitored by the EFTA Surveillance Authority and the EFTA Court. The EFTA Surveillance Authority maintains an internal market scoreboard that tracks the implementation of legislation in the EEA countries.

4. Role of the parliaments

Both the European Parliament and the national parliaments of the EEA EFTA states are closely involved in monitoring the EEA Agreement. Article 95 of the agreement establishes an EEA Joint Parliamentary Committee (JPC), which meets twice a year. The European Parliament and the EEA EFTA national parliaments take turns hosting this committee, whose chair alternates annually between a Member of the European Parliament and an EEA EFTA national parliamentarian. Each delegation is composed of 12 members. Parliamentarians from the Swiss Federal Assembly attend the meetings as observers. All EU legislation that applies to the EEA is scrutinised by the EEA JPC, whose members have the right to put oral and written questions to representatives of the EEA Council and the EEA Joint Committee and to express their views in reports or resolutions. The same procedure holds for scrutinising the implementation of legislation. Every year, the JPC adopts a <u>resolution</u> on the Joint Committee's annual report on the functioning of the EEA Agreement, stating its views on the progress made in the incorporation of EU law and the existing backlog, and making recommendations for the proper functioning of the internal market.

SWITZERLAND

As an EFTA member, Switzerland took part in the negotiations for the EEA Agreement and signed the agreement on 2 May 1992. Immediately after that, the Swiss Government submitted an application for accession to the EU on 22 May 1992. However, following a referendum held on 6 December 1992 that yielded a vote against participating in the EEA, the Swiss Federal Council stopped pursuing the country's EU and EEA membership. Since then, Switzerland has developed its relations with the EU through bilateral agreements in order to safeguard its economic integration with the EU. Bilateral relations were strained following the February 2014 anti-immigration initiative in Switzerland, the outcome of which called into question the principles of free movement and the single market that underpin those relations. On 16 December 2016, the Swiss Parliament adopted the Federal Act on Foreign Nationals and Integration, implementing the result of the 2014 referendum in a manner that



limited its effect, which paved the way for the beginning of the normalisation of EU-Swiss relations.

The EU and Switzerland have signed over 120 bilateral agreements, including a free trade agreement in 1972, and two major series of sectoral bilateral agreements that aligned a large portion of Swiss law with that of the EU at the time of signing. The first set of sectoral agreements (known as Bilateral I) was signed in 1999 and entered into force in 2002. These seven agreements (on the free movement of persons, air transport, land transport, trade in agricultural products, technical trade barriers, public procurement and research cooperation) cover the issues of free movement and mutual market opening. A further set of sectoral agreements (Bilateral II) was signed in 2004 and entered into force gradually over the 2005–2009 period. These agreements relate to strengthening economic cooperation and extending cooperation on asylum and free travel within the Schengen borders. They also cover Switzerland's participation in the Dublin system, the EU's MEDIA programme and the European Environment Agency, as well as the taxation of savings, processed agricultural products, statistics, combating fraud and Swiss financial contributions to economic and social cohesion in the new EU Member States.

While the agreements deepened economic relations, they also created a complex and sometimes inconsistent network of obligations. Bilateral agreements have to be updated regularly and do not have the dynamic character of the EEA Agreement. They also lack monitoring arrangements or effective dispute settlement mechanisms. In order to resolve these problems, EU-Swiss negotiations for an Institutional Framework Agreement (IFA) were launched on 22 May 2014. The negotiations sought to solve several difficult issues, ranging from conditions for EU service providers in Switzerland to the role of the Court of Justice of the EU in dispute settlement. Negotiations for the IFA concluded at political level on 23 November 2018. The Swiss Federal Council then launched a broad internal consultation with the relevant Swiss Federal Assembly committees, parties, cantons, social partners and academics/the research community, which will serve as the basis for making a decision about whether or not to submit the agreement for approval to the Swiss Federal Assembly. During the consultation, which concluded in April 2019, a number of issues were raised on which the Swiss side required further clarification.

On 27 September 2020, Switzerland held a popular vote, sponsored by the Swiss People's Party (SVP), on the termination of the agreement with the EU on the free movement of persons. Nearly 62% of voters rejected the SVP's initiative.

After the popular vote and once the COVID-19 related conditions allowed, discussions on the IFA clarifications resumed in January 2021. However, on 26 May 2021, the Swiss Federal Council informed the European Commission of its decision to terminate the negotiations.

On 23 February 2022, the Swiss Federal Council adopted a set of guidelines for a new negotiating package with the EU, including institutional elements to be included in each existing and future bilateral agreement related to the internal market.

Exploratory talks between the European Commission and representatives of Switzerland's Federal Council followed on the basis of this alternative approach. On



15 December 2023, the Commission and the Federal Council published a <u>Common Understanding</u> that provides a written record of the outcome of the exploratory talks.

On 8 March 2024, on the basis of the Common Understanding, the Federal Council approved the Swiss negotiating <u>mandate</u> to negotiate with the EU on a broad package of measures to deepen EU-Swiss relations. The Council of the EU <u>authorised</u> the Commission to negotiate on behalf of the EU and approved the negotiating mandate on 12 March 2024. Negotiations were officially launched on 18 March by Commission President Ursula von der Leyen and Swiss President Viola Amherd.

NORTHERN POLICIES

The EU is actively involved in a number of policies and forums that focus on the rapidly evolving northern reaches of Europe and on the Arctic region as a whole. Notably, following Russia's invasion of Ukraine on 24 February 2022, all cooperation with Russia in this regard was halted. The EU is active in several relevant forums.

- The Northern Dimension, which has served since 2007 as a common policy for the EU, Russia, Norway and Iceland. This policy has led to effective sector partnerships for cooperation in the Baltic and Barents regions. The Northern Dimension includes a parliamentary body – the Northern Dimension Parliamentary Forum – of which the European Parliament is a founding member.
- The Council of the Baltic Sea States (CBSS), launched in 1992 by the EU and the riparian states following the dissolution of the USSR. All CBSS member states participate in the Baltic Sea Parliamentary Conference, of which the European Parliament is also a member.
- Cooperation in the Barents region, which brings together the northern regions of Finland, Norway and Sweden and the north-west regions of Russia. It is conducted through the sub-state Barents Regional Council, the interstate Barents Euro-Arctic Council (of which the EU is a member), and a parliamentary conference (of which the European Parliament is a member).
- Circumpolar Arctic affairs: the EU's Arctic policy is based on Commission/ European External Action Service (EEAS) communications (2008, 2012, 2016 and 2021), Council conclusions (2009, 2014, 2016 and 2019) and European Parliament resolutions (2011, 2014, 2017 and 2021). On 16 March 2017, the European Parliament adopted a resolution on an integrated EU policy for the Arctic, and its most recent resolution in this area, entitled 'The Arctic: opportunities, concerns and security challenges', was adopted in plenary on 7 October 2021.
- On 13 October 2021, the European Commission and the EEAS unveiled the new EU policy for the Arctic. Since 2013, the EU has been attending meetings of the Arctic Council, which, however, has still not decided on the EU's 2008 request for formal observer status. The European Parliament is a member of the Conference of Arctic Parliamentarians.
- The European Parliament is regularly invited to, and participates in, the annual sessions of the Nordic Council. On 6 October 2020, Parliament's Conference of Presidents approved the request from the Nordic Council to start more formal



relations between the two institutions; EU-Nordic Council interparliamentary meetings are held annually. In addition to this, delegations from the European Parliament and the West Nordic Council (made up of parliamentarians from the Faroe Islands, Greenland and Iceland) meet once a year.

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5.5.4. THE UNITED KINGDOM

The United Kingdom (UK) joined the European Union in 1973, having maintained a long-standing relationship with the bloc since its founding. In 2016, following a referendum, it became the first Member State to end its EU membership. The UK's exit from the EU was governed by a withdrawal agreement signed on 17 October 2019. The trade and cooperation agreement signed on 30 December 2020 defines the framework for the future relationship.

On 23 June 2016, the UK held a referendum in which 51.9% of voters opted to leave the EU. In March 2017, the British Government notified the President of the European Council of its intention to withdraw from the EU, thereby triggering the withdrawal procedure set out in Article 50 of the Treaty on European Union.

The UK formally left the EU on 1 February 2020, but remained in the EU's single market and customs union until 31 December 2020. The withdrawal agreement signed on 17 October 2019 set out the rules for the UK's orderly departure from the EU. In particular, it covered:

- Citizens' rights;
- The financial settlement;
- The governance structure of the withdrawal agreement;
- A protocol on Ireland and Northern Ireland to avoid the reintroduction of a hard border on the island of Ireland, protecting the all-island economy and the Good Friday Agreement while also safeguarding the integrity of the EU's single market;
- Specific arrangements for Gibraltar.

The withdrawal agreement came into force on 1 February 2020.

On 1 January 2021, the UK left the EU's single market and customs union. On the same date, a trade and cooperation agreement (TCA) governing the new relationship between the EU and the UK took effect provisionally until 1 May 2021, when the TCA formally came into force after receiving the European Parliament's approval.

The withdrawal agreement and the TCA are two distinct agreements, negotiated separately and governing different areas, although there is a degree of interdependence.

The TCA provides a comprehensive framework for the future relationship between the EU and the UK and rests on four main pillars:

- A free trade agreement (with zero tariffs and zero quotas on all goods that comply with the relevant rules of origin);
- Cooperation on other economic issues, such as investments, competition, State aid, tax transparency, air and road transport, energy and sustainability, social security coordination and fisheries;



- A new partnership for citizens' security through police and judicial cooperation, including data protection and data exchange;
- A comprehensive governance system.

Central to the governance of the TCA is a 'partnership council', co-chaired by a representative of the European Commission and a representative of the UK Government. The partnership council oversees the implementation of the TCA and is supported by 19 specialised committees.

The TCA also gives civil society a say in the implementation of the agreement through domestic advisory groups, which play a key role in providing direct feedback from citizens and stakeholders.

The TCA provides an institutional framework for future agreements, as these two agreements do not cover some trade-relevant areas (such as standards for financial services or adequate levels of data protection). Since the UK is now a third country, it is subject to third-country equivalence approvals in certain specific domains.

The agreements provide a solid framework for cooperation, and give legal certainty in an unprecedented situation. Nevertheless, implementation challenges have arisen, particularly concerning the implementation of the Ireland and Northern Ireland Protocol.

THE PROTOCOL ON IRELAND AND NORTHERN IRELAND

Although under the Protocol Northern Ireland is part of the customs territory of the UK, goods circulating freely in Northern Ireland can enter the EU's single market without restrictions or checks. Ultimately, the aim of the Protocol is to avoid border controls on the island of Ireland and to safeguard the 1998 Good Friday (Belfast) Agreement. In order to preserve the EU's single market, goods from Great Britain to Northern Ireland are subject to EU border checks when they cross the Irish Sea, because the EU's <u>Union Customs Code</u> continues to apply to Northern Ireland. The Northern Ireland Protocol therefore eliminates the need for customs checks on the island of Ireland, but lays down rules for goods going from Great Britain into Northern Ireland. In other words, under EU law, all goods entering Northern Ireland from outside the EU, including those from Great Britain, are subject to customs declarations.

The implementation of the Protocol has been extremely challenging since its entry into force. The UK has taken unilateral measures to disapply parts of the Protocol several times, culminating in the tabling of the <u>Northern Ireland Protocol Bill</u> on 14 June 2022.

On 27 February 2023, after months of intense negotiations, the President of the European Commission, Ursula von der Leyen, and the UK Prime Minister, Rishi Sunak, presented a political agreement on the implementation of the Protocol on Ireland/Northern Ireland, referred to as the Windsor Framework.

The Windsor Framework encompasses a comprehensive set of joint solutions to address the challenges and concerns of all the communities in Northern Ireland regarding the implementation of the Protocol, while safeguarding the integrity of the EU's Single Market. These solutions are within the framework of the withdrawal Agreement, of which the Protocol is an integral part.



The joint solutions include new arrangements on customs/free movement of goods between Great Britain and Northern Ireland, agri-foods, medicines, VAT and excise, tariff rate quotas for certain categories of steel, and conditions ensuring UK State aid does not affect trade between Northern Ireland and the EU, among others.

These solutions are accompanied by measures enabling the EU to analyse and assess the risk of goods not staying in Northern Ireland, given the absence of a physical border. If, in practice, goods are found to be crossing into Ireland, structural safeguards are available to remedy this situation. In its resolution of 15 March 2023, on the implementation of the Withdrawal Agreement, the European Parliament welcomed the Windsor Framework.

On 22 March 2023, the House of Commons voted in favour of one of the elements of the Windsor Framework, the so-called Stormont brake, although the vote has been perceived as a vote on the framework as a whole. The vote passed by 515 votes to 29. During the debate at the House of Commons, Prime Minister Rishi Sunak stated the government's intention to drop the Northern Ireland Protocol Bill.

THE PARLIAMENTARY PARTNERSHIP ASSEMBLY

Article 11 of the TCA provides for the possibility of establishing a Parliamentary Partnership Assembly (PPA) and the two parliaments agreed to set up this body.

The PPA meets twice a year, alternating between the European Parliament, in one of its usual places of work, and the Parliament of the United Kingdom. It is a forum for an exchange of views on issues arising out of the TCA, including supplementing agreements, and any other matters of mutual interest. The first meeting of the PPA took place from 12–13 May 2022 in Brussels.

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5.5.5. THE EUROPEAN NEIGHBOURHOOD POLICY

The European neighbourhood policy (ENP) applies to Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine. It aims to strengthen the prosperity, stability and security of all. It is based on democracy, the rule of law and respect for human rights and is a bilateral policy between the EU and each partner country, with regional cooperation initiatives: the Eastern Partnership (EaP) and the Union for the Mediterranean^[1].

LEGAL BASIS

- Article 8 of the Treaty on European Union (TEU);
- Title V of the TEU (external action);
- Articles 206-207 (trade) and 216-219 (international agreements) of the Treaty on the Functioning of the European Union.

GENERAL OBJECTIVES

Through the ENP, the EU offers its neighbours a privileged relationship, building on a mutual commitment to common values (democracy and human rights, the rule of law, good governance, market economy principles and sustainable development). The ENP includes political coordination and deeper economic integration, increased mobility and people-to-people contacts. The level of ambition of the relationship depends on the extent to which these values are shared. The ENP remains distinct from the process of enlargement, although this does not prejudge how relations between neighbouring countries and the EU may develop in the future. In 2011, the EU reviewed the ENP and, responding to developments in Arab countries, strengthened its focus on promoting deep and sustainable democracy and inclusive economic development. Deep and sustainable democracy includes in particular free and fair elections, efforts to combat corruption, judicial independence, democratic control over the armed forces, and the freedoms of expression, assembly and association. The EU also stressed the role that civil society plays in the democratic process and introduced the 'more for more' principle, under which the EU develops stronger partnerships with those neighbours that make greater progress towards democratic reform. In March 2015, the Commission and the European External Action Service (EEAS) launched a consultation process for a new review of the ENP. One of its main aims was to adapt the policy's tools to take better account of the specific aspirations of partner countries. In this context, Parliament adopted a resolution on 9 July 2015 underlining the need for a more strategic, focused, flexible and coherent ENP. A communication from the EEAS and the Commission along these lines and based on the results of the consultation was published on 18 November 2015.



On 18 May 2017, the EEAS and the Commission published a <u>report on the implementation of the ENP</u> review. The report highlighted the more flexible and sensitive approach demonstrated by the EU in its cooperation with the ENP partners and the more efficient use of resources. On 27 March 2019, Parliament passed a <u>resolution on the post-Arab Spring and the way forward for the MENA region</u>, which acknowledged some democratic gains in the region but also called for further economic, democratic and social reforms. On 19 June 2020, Parliament adopted a <u>recommendation to the Council</u>, the Commission and the Vice-President of the <u>Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR) on the Eastern Partnership, in the run-up to the June 2020 Summit, which called for 'a continuous impetus towards effective cooperation, intense dialogue and close partnership within the [Eastern Partnership]'.</u>

The <u>joint communication</u> entitled 'Renewed partnership with the Southern Neighbourhood – A new Agenda for the Mediterranean' and the 'Accompanying Investment Plan for the Southern Neighbours', published on 9 February 2021 by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy and adopted by the European Council on 19 April 2021, aims at setting out a renewed agenda for the relaunching and strengthening of the strategic partnership between the EU and its Southern Neighbourhood partners.

A joint statement issued on 24 February 2021 by the Chairs of all the European Parliament Delegations dealing with the Southern Neighbourhood countries suggests holding a summit between the EU and all its southern neighbours, to which civil society representatives and national parliaments should be invited, in order to collectively define the best ways to implement this agenda in a spirit of genuine partnership and shared ownership.

INSTRUMENTS

The ENP builds upon the legal agreements in place between the EU and its partners – Partnership and Cooperation Agreements and, more recently, Association Agreements.

Central to the ENP are the bilateral action plans and partnership priorities that have been drawn up between the EU and most of the partner countries. These establish political and economic reform agendas with short- and medium-term priorities (three to five years). ENP action plans and partnership priorities reflect the needs, interests and capacities of the EU and each partner. They seek to develop democratic, socially equitable and inclusive societies, to promote economic integration and to improve the movement of people across borders.

The EU supports the fulfilment of the ENP objectives through financial support as well as political and technical cooperation. The European Neighbourhood Instrument (ENI) was the key EU financing instrument for bilateral cooperation between 2014 and 2020, with an allocation of EUR 15.4 billion for that period. The Neighbourhood, Development and International Cooperation Instrument (NDICI) — 'Global Europe' frames the EU's cooperation for the period 2021–2027. The instrument's approach includes grant funding, as well as blending grants with loans from European and international financing institutions. With an overall allocation of EUR 79.5 billion,



the new instrument covers EU cooperation with EU neighbourhood countries and other countries in Africa, Asia, the Americas, the Pacific and the Caribbean. In addition to a focus on sustainable development, Global Europe is advancing key thematic aspects of EU external policy, including programmes promoting human rights, democracy and civil society. Funding from the instrument also goes towards global challenges, including climate change, migration, peace and stability, as well as cooperation with strategic partners and the promotion of the EU's own foreign policy initiatives. On 12 December 2023, Parliament adopted a resolution on the implementation of the Neighbourhood, Development and International Cooperation <u>Instrument – Global Europe</u>. Parliament welcomed the Commission's proposal for a revision of the multiannual financial framework (MFF) 2021-2027 with additional funding for the Neighbourhood and the World. It also underlined the need to review the EU's external and development policies in the light of the funding gap, the increasing inequalities between and within countries and global food insecurity and asked for an assessment whether the instrument's objectives of reducing poverty and inequalities and promoting human rights and the long-term sustainable development of partner countries are being met.

In addition, tools have been developed under the ENP to advance market access, in particular through the negotiation of deep and comprehensive free trade areas, and to enhance mobility and the management of migration. As such, mobility partnerships and visa facilitation and/or liberalisation have been offered and concluded with some partners, while a dedicated financial instrument — the Migration Partnership Facility — was launched in 2016. In the southern region, a number of regional and bilateral initiatives on migration and mobility are being funded under the North of Africa window of the EU Emergency Trust Fund for Africa.

While the ENP has been designed as a common policy toolbox, it also allows the EU to adapt and differentiate its policy according to the specific features of each partner.

REGIONAL DIMENSIONS

A. Eastern Partnership

The Eastern Partnership (EaP) was formed to upgrade the EU's relations with most of its eastern neighbours: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP was agreed in 2008 and inaugurated in 2009, and builds on the ENP.

1. Objectives

The main goal of the EaP is to 'accelerate political association and deepen economic integration' between the EU and its eastern neighbours. The level of integration and cooperation reflects each partner country's commitment to European values, standards and structures and its progress towards them. The EaP aims to promote democracy and good governance, strengthen energy security, encourage sectoral reforms (including environmental protection), encourage people-to-people contacts, support economic and social development and offer additional funding for projects to reduce socio-economic imbalances and increase stability^[2].

[2]For more information, please refer to the section of the **EEAS** website on the EaP.



2. Structures

EaP summits are held every two years, with the participation of EU and partner countries' heads of state or government and representatives of Parliament, the Commission and the EEAS.

Flagship initiatives have also been launched and include: an integrated border management programme; a facility for small and medium-sized enterprises; regional electricity markets; and efforts to improve energy efficiency, increase the use of renewable energy sources, promote good environmental governance and prevent, prepare for and respond to natural and human-induced disasters.

As 2019 marked the 10th anniversary of the Eastern Partnership, the Commission carried out a broad and extensive consultation with all interested stakeholders to define the future priorities of this policy and thereby ensure that it continues to deliver tangible benefits to people across Europe.

On 18 March 2020, the Commission and the VP/HR released a joint communication entitled 'Eastern Partnership policy beyond 2020: Reinforcing resilience – an Eastern Partnership that delivers for all'. This document highlights five long-term policy objectives for future cooperation:

- A partnership that creates: the EU and the partner countries will work together towards resilient, sustainable and integrated economies;
- A partnership that protects: the EU and partner countries will renew their commitment to the fundamentals of the partnership, in particular to accountable institutions, the rule of law and security;
- A partnership that greens: the EU and partner countries will work together towards a resilient and sustainable future;
- A partnership that connects: the EU will invest further in the digital transformation of partner countries and will aim to extend the benefits of the digital single market;
- A partnership that empowers: the EU and partner countries will work together towards resilient, fair and inclusive societies.

Following this, <u>post-2020 Eastern Partnership priorities</u> were announced in July 2021. The EaP policy will continue to be flexible and allow for substantial differentiation, tailor-made approaches and incentive-based enhanced cooperation that benefits the countries most engaged in reforms.

Established in 2011, the Euronest Parliamentary Assembly is the parliamentary component of the EaP and is responsible for the consultation, supervision and monitoring of the partnership. Its main goal is to bring together the parliaments of the EaP countries and the European Parliament and to enhance people-to-people contacts, promote the active participation of civil society and engage more actively in cultural dialogue. It is rooted in mutual interests and commitments, and in the principles of differentiation, shared ownership and responsibility. One of its roles is to scrutinise the EU's support for EaP countries, and it can also issue recommendations



to the intergovernmental structures of the EaP with a view to fostering deeper political and economic integration of these countries with the EU.

The assembly has held 11 ordinary sessions to date, the last one from 18 to 20 March 2024 in Brussels. One highlight of the agenda was a key debate entitled 'EU support to Ukraine and prospects for the EU enlargement in the light of the 14-15 December 2023 European Council decision. Impact of the future EU enlargement on the Eastern Partnership'.

The assembly comprises 60 Members of the European Parliament and 10 members from each partner country's parliament. However, as the European Parliament does not recognise the Belarusian National Assembly as a democratically elected institution, no Belarusian 'parliamentarians' currently participate in the Euronest Parliamentary Assembly. Instead, representatives of Belarusian democratic forces were invited to attend. The Euronest Parliamentary Assembly has four standing committees:

- The Committee on Political Affairs, Human Rights and Democracy;
- The Committee on Economic Integration, Legal Approximation and Convergence with EU Policies;
- The Committee on Energy Security;
- The Committee on Social Affairs, Employment, Education, Culture and Civil Society.

The Assembly also comprises three working groups:

- Working Group on the Rules of Procedure;
- A Working Group on Association Agreements, , which is to be renamed Working Group on candidate countries for EU accession;
- A Working Group on Belarus.

In addition, an EaP Civil Society Forum^[3] issues recommendations 'to influence EU institutions and EaP national governments'.

B. Union for the Mediterranean

The Union for the Mediterranean (UfM) includes the 27 EU Member States, the European Union and 15 Mediterranean countries (Albania, Algeria, Bosnia and Herzegovina, Egypt, Israel, Jordan, Lebanon, Mauritania, Montenegro, Monaco, Morocco, Palestine, Syria (whose membership has been suspended because of the civil war), Tunisia and Türkiye). The League of Arab States has participated in all meetings since 2008 and Libya has observer status.

1. Objectives

The UfM is an intergovernmental partnership, a multilateral framework for political, economic and social relations between the EU and the southern and eastern Mediterranean countries. It was launched in 2008 at the Paris Summit as a continuation of the Euro-Mediterranean Partnership also known as the Barcelona Process. The UfM is inspired by the goals set out in the Barcelona Declaration of 1995, namely to create



[3] For more information about the civil society forum, please refer to the CSF website.



an area of peace, stability, security and shared economic prosperity, with full respect for democratic principles, human rights and fundamental freedoms, while promoting understanding between cultures and civilisations in the Euro–Mediterranean region.

2. Structures

The UfM is chaired by a co-presidency, highlighting the co-ownership that characterises the group. Since 2012, the EU has assumed the northern co-presidency and Jordan the southern co-presidency. The main governing body of the UfM is the Senior Officials' Meeting, which oversees and coordinates the UfM's work. The Senior Officials' Meeting also approves the budget and the work programme of the Secretariat, prepares meetings of foreign ministers and other ministerial configurations, and appoints the Secretary-General and the six Deputy Secretaries-General. The meeting also discusses the project proposals submitted by the Secretariat for approval and endorsement. The UfM Secretariat's role consists of, above all, identifying, processing, promoting and coordinating technical projects in sectors such as transport, energy, water, environmental protection, higher education and mobility, research, social affairs, the empowerment of women, employment and business development, all of which enhance cooperation and directly affect the livelihoods of people living in the UfM countries. The EU is the largest contributor to the UfM Secretariat's budget.

The <u>Parliamentary Assembly of the UfM</u> (PA-UfM) builds on the work of the Euro-Mediterranean Parliamentary Assembly and comprises 280 members: 132 EU members (81 members from the EU national parliaments and 51 members from the European Parliament), 8 members from European Mediterranean partner countries (Albania, Bosnia and Herzegovina, Monaco and Montenegro), 130 members from the 10 countries on the southern and eastern shores of the Mediterranean (Algeria, Egypt, Jordan, Israel, Lebanon, Morocco, Palestine, Syria (currently suspended), Tunisia and Türkiye), and 10 members from Mauritania.

The PA-UfM holds one plenary session per year; the most recent was in Rabat from 15 to 16 February 2024 under the Moroccan Presidency. The Presidency of the PA-UfM is currently held by Spain (2024-2025). Egypt is due to take it over in 2025. The PA-UfM adopts resolutions or recommendations on all aspects of Euro-Mediterranean cooperation that concern the executive organs of the UfM, the Council of the European Union, the European Commission and the national governments of partner countries.

The PA-UfM has five standing committees, each consisting of 56 members:

- Political Affairs, Security and Human Rights;
- Economic and Financial Affairs, Social Affairs and Education;
- Improving Quality of Life, Exchanges Between Civil Societies and Culture;
- Energy, Environment and Water;
- Women's Rights in Euro-Mediterranean Countries.

Christos Trapouzanlis / Joanna Placzek 04/2024



5.5.6. THREE EASTERN PARTNERSHIP NEIGHBOURS: UKRAINE, MOLDOVA AND BELARUS

The EU's Eastern Partnership policy, established in 2009, covers six post-Soviet states: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It was created to support political, social and economic reform efforts in these countries with the aim of increasing democratisation and good governance, energy security, environmental protection, and economic and social development. All the members except Belarus participate in the Euronest Parliamentary Assembly.

In June 2023 Moldova and Ukraine were granted EU candidate country status, followed by the decision of the European Council on 14 December 2023 to open accession negotiations with both countries once the last outstanding legislative steps are implemented satisfactorily.

UKRAINE

Over the past decade, Ukraine has been a key partner for the EU, with enormous geopolitical significance and an unprecedented impact on EU policies. The European Parliament has been a staunch supporter of Ukraine's European path and has built strong, close ties with its Ukrainian counterpart, the Verkhovna Rada.

The events that have taken place in Ukraine since November 2013 largely stemmed from the pro-EU protest against then-President Viktor Yanukovych's decision not to sign the association agreement with the EU. The Euromaidan movement eventually led to a change of government and to parliamentary elections in October 2014, which brought pro-European and pro-reform parties to power.

In March 2014, Russia illegally annexed Crimea, and the eastern part of Ukraine plunged into an armed conflict spurred on by Russian-backed separatists.

Despite the Minsk agreements brokered in 2015, and the establishment of negotiating formats such as the Trilateral Contact Group (the Organization for Security and Cooperation in Europe (OSCE), Russia and Ukraine) and the Normandy format (Russia, Ukraine, Germany and France), periodic outbreaks of fighting called into question the sustainability of the truce. The EU's economic sanctions against Russia were linked to Moscow's full compliance with the Minsk agreements and were renewed periodically.

In June 2017, visa-free travel to the EU for up to 90 days came into force for Ukrainian citizens with biometric passports, as the benchmarks of the action plan for visa liberalisation had been fulfilled.

The EU-Ukraine <u>Association Agreement</u> entered into force on 1 September 2017, having been provisionally and partially applied since 1 November 2014. One of the agreement's cornerstones, the Deep and Comprehensive Free Trade Area (DCFTA), became fully operational on 1 January 2016.

In addition to political support, between 2014 and February 2022 the EU and its financial institutions allocated <u>over EUR 17 billion in grants and loans</u> to support the reform process in Ukraine. Under a jointly established reform agenda, the EU has been



closely monitoring progress in a series of priority areas: the fight against corruption, reform of the judiciary, constitutional and electoral reforms, energy efficiency, reform of public administration, and improvement of the business environment.

In the April 2019 presidential elections, President Petro Poroshenko was defeated by Volodymyr Zelenskyy who dissolved parliament and called snap elections in July 2019, in which his party, 'Servant of the People', won an absolute majority. As a consequence, members of the party filled the posts of both Speaker of Parliament and Prime Minister. In March 2020, President Zelenskyy undertook a major government reshuffle in which Denys Shmyhal took over as Prime Minister.

The new administration embarked upon an ambitious legislative reform agenda, while it also had to deal with the armed conflict in the eastern part of the country that had continued with varying intensity since 2014.

Following a steady and menacing build-up and concentration of Russian troops along Ukraine's borders, on 21 February 2022, the State Duma of Russia officially recognised the independence of the self-proclaimed 'People's Republics' of Donetsk and Luhansk. Three days later Russian troops invaded Ukraine, attacking from several directions. The full-scale invasion and the ensuing bombardments and aerial attacks, including on civilian targets and critical infrastructure, have claimed a large number of casualties and caused enormous human suffering and mass displacement.

The United Nations High Commissioner for Refugees (UNHCR) <u>reported</u> that an estimated 3.7 million people are currently internally displaced in Ukraine and 5.9 million refugees and asylum seekers — mostly women and children — are dispersed across Europe. In 2024, 14.6 million people in Ukraine will need humanitarian assistance, including populations experiencing multiple vulnerabilities.

Since the start of the invasion, the EU has repeatedly condemned in the strongest possible terms Russia's unprovoked and unjustified military aggression against Ukraine and demanded the full respect of Ukraine's territorial integrity, sovereignty and independence within its internationally recognised borders. On 23 February 2022, the Council of the EU adopted a new sanctions package in response to Russia's recognition of the Donetsk and Luhansk oblasts as independent entities and the ordering of Russian armed forces into those areas. Since 24 February 2022, the EU has greatly expanded restrictive measures in various sectors, as well as against individuals and entities, by adopting successive sanctions packages (13 sanctions packages as of April 2024). The overall aim of these measures is to weaken Russia's economic base, depriving it of critical technologies and markets, and significantly curtailing its ability to wage war. In December 2022 the EU appointed David O'Sullivan as international special envoy for the implementation of EU sanctions. The special envoy's task is to ensure continuous, high-level outreach and discussions with third countries to avoid the evasion or even circumvention of sanctions against Russia and to ensure that sensitive battlefield goods of European origin do not find their way to Russia.

Ukraine submitted its official application for EU membership on 28 February 2022 and was granted candidate status on 23 June 2022 following a unanimous decision by the leaders of the 27 EU Member States. This historic decision was based on the European Commission recommendation published on 17 June 2022, which advised granting Ukraine candidate status on the understanding that it would carry out seven



specific reforms. The European Commission continued monitoring Ukraine's progress on meeting the conditions laid down in its opinion on the membership application and provided an interim oral <u>update</u> on progress in June 2023. On 8 November 2023, the Commission issued its <u>report</u> to the European Council, which is part of its regular enlargement package. In light of the results achieved by Ukraine on the seven specific recommendations, the Commission recommended that the Council open accession negotiations. Furthermore the Commission recommended that the Council adopt the negotiating framework once Ukraine had taken certain key measures in four specific areas. The Commission provided an oral update to the Council in March 2024 on the progress relating to these measures and <u>put forward proposals for a draft negotiating framework</u> for Ukraine and Moldova to the Council, in parallel with undertaking the <u>screening process</u>.

The Council of the European Union activated the Temporary Protection Directive on 4 March 2022 in order to offer quick and effective assistance to people fleeing the war in Ukraine and guarantee that Ukrainian refugees would enjoy the same standards and rights in all EU Member States, including the right to accommodation, medical care, work and education. This measure was extended until 4 March 2025on the basis of a proposal formally introduced by the Commission and subsequently approved by the Member States on 28 September 2023. In May 2022, the EU-Ukraine Solidarity Lanes initiative was launched to enable Ukraine to export agricultural products and import the goods it needs. Moreover, the EU and the European Parliament consistently supported the UN-brokered Black Sea Grain Initiative, allowing significant volumes of grain and food stocks from three key Ukrainian ports on the Black Sea to reach world markets through an agreed Black Sea corridor. While the Russian Federation refused to renew the agreement in July 2023, Ukraine managed to keep the Russian navy away from the Western part of the Black Sea and set up a protected maritime corridor in August 2023, allowing the resumption of grain exports.

Since the Russian aggression started, the EU and its Member States have been supporting Ukraine on an unprecedented scale, providing over EUR 98 billion (April 2024) in financial, humanitarian, economic, military and refugee support.

In 2022 and 2023 Ukraine benefited from the EU's extensive macro-financial assistance programme, worth EUR 25.2 billion in the form of grants and loans to address Ukraine's immediate needs and ensure its financial stability.

As of March 2024, under the <u>Ukraine Facility</u>, the EU will provide predictable and stable support to Ukraine under a dedicated financial instrument for the years 2024 to 2027 for up to EUR 50 billion (EUR 17 billion in grants and EUR 33 billion in loans). The Facility aims at supporting Ukraine's effort to sustain macro-financial stability, as well as promoting Ukraine's recovery, reconstruction and modernisation, linked to a well-defined reform programme and conditions under the 'Ukraine Plan'. The <u>official Ukraine Plan</u>, elaborated and submitted by the Ukrainian authorities, sets out a detailed reform and investment agenda for Ukraine for the next four years. On 15 April 2024 the Commission <u>assessed positively</u> the Ukraine Plan and adopted the proposal for a Council implementing decision to approve it. Ukraine <u>received</u> EUR 4.5 billion under a special bridging financial payment on 20 March 2024 before regular payments can start based on periodic assessments under the Facility.



In January 2023, the EU launched a Multi-agency Donor Coordination Platform to ensure that international donors coordinate closely and that support for Ukraine's recovery and reconstruction process is provided in a coherent, transparent and accountable manner.

The EU and its Member States have mobilised EUR 33.1 billion in military support for Ukraine, including EUR 11.1 billion under the European Peace Facility. Moreover, the European Union Military Assistance Mission in support of Ukraine (EUMAM Ukraine) was established on 17 October 2022 to enhance the military capability of the Ukrainian Armed Forces through the training of 40 000 military personnel, funded with EUR 362 million so far.

The EU suspended all import duties on Ukrainian exports to the EU (implying full, zero tariff and quota-free access) for one year, starting on 30 May 2022, while also suspending all EU anti-dumping and safeguard measures in place on Ukrainian steel exports for one year. This beneficial trade preference, also referred to as an 'autonomous trade measure', was subsequently extended until June 2024. In January 2024 the Commission proposed to renew this measure for another year until June 2025, while reinforcing protection for some sensitive EU agricultural products, following the significant increase in imports from Ukraine and the ensuing protests by farmers and a border blockade. A compromise was reached between the Council and the European Parliament, which was finally approved in April 2024.

The <u>European Union Advisory Mission (EUAM) Ukraine</u> began working in the country in December 2014 and coordinates international support for the civilian security sector. In addition to its operational activities, it provides strategic advice, including training, to the Ukrainian authorities on how to develop sustainable, accountable and efficient security services that strengthen the rule of law. Following Russia's invasion, the European Council modified the EUAM's mandate to allow it to support Ukraine in investigating and prosecuting international crimes.

The EU has consistently supported all efforts in pursuit of justice and accountability for the grave human rights violations and the investigation of possible international crimes (war crimes and crimes against humanity) committed as a result of Russia's aggression.

On 2 February 2023, President von der Leyen <u>announced</u> at a joint press conference with President Zelenskyy in Kyiv the creation of an International Centre for the Prosecution of the Crime of Aggression (ICPA) in The Hague, which will coordinate the collection of evidence and will be embedded in the Joint Investigation Team supported by Eurojust. The centre was <u>launched</u> on 3 July 2023. On 23 February 2023, a Core International Crimes Evidence Database (CICED) was set up. The Council of Europe <u>Summit of 17 May 2023 in Reykjavik</u> set up a Register for Damage caused by Russia's war of aggression against Ukraine, which may serve as one of the first steps towards an international compensation mechanism for victims of Russia's war of aggression.

On 17 March 2023 the ICC's Pre-Trial Chamber II issued an <u>arrest warrant</u> against Vladimir Putin, President of the Russian Federation, and Ms Maria Lvova-Belova, Commissioner for Children's Rights in the Office of the President of the Russian Federation, confirming that there are reasonable grounds to believe that President



Putin and Ms Lvova-Belova bear criminal responsibility for the unlawful deportation and transfer of Ukrainian children from occupied areas of Ukraine to the Russian Federation. On 5 March 2024 the ICC <u>issued arrest warrants</u> against two high-ranking Russian military commanders.

On 2 April 2024, a Ministerial <u>Conference</u> on 'Restoring Justice for Ukraine' (coorganised by Ukraine, the European Commission and the Netherlands) took place in The Hague with the participation of 60 countries. The objective of the Conference was to take stock of the progress made so far in investigating crimes, prosecuting offenders and coordinating international efforts to this end.

The EU has also developed extensive sectoral cooperation with Ukraine, notably in the field of energy. On 16 March 2022, the Ukrainian and Moldovan electricity grids were synchronised with the Continental European Grid. The EU has taken a number of steps to help ensure that Ukraine has a stable energy supply. For instance, it has enabled gas to be delivered to Ukraine through physical reverse flow capacity and has allowed Ukraine to benefit from the EU's joint purchasing of gas, liquefied natural gas and hydrogen.

In its <u>conclusions on Ukraine</u> adopted on 17-18 April 2024, the European Council strongly condemned Russia's continued air and missile attacks against Ukraine's civilian population and its civilian and critical infrastructure, including the recent intensified targeting of the energy sector. EU leaders also stated that the EU and its Member States will intensify the provision of humanitarian and civil protection assistance, notably power generators and power transformers. The European Council underlined the need to urgently provide air defence to Ukraine and to speed up and intensify the delivery of all the necessary military assistance, including artillery ammunition and missiles. The European Council conclusions also welcomed progress on the proposals to use extraordinary revenues from Russia's immobilised assets to benefit Ukraine and called for the proposals to be adopted swiftly.

A. The European Parliament's position

Recognising the threat, in the course of 2021, the European Parliament adopted resolutions on the Russian military build-up along Ukraine's border (one in <u>April</u> and another in <u>December</u> 2021). It also sent a delegation of members of its Foreign Affairs Committee and Security and Defence Subcommittee to visit Ukraine in late January 2022.

Following the start of the full-scale Russian war of aggression against Ukraine on 24 February 2022, the European Parliament held an extraordinary plenary session on 1 March 2022 and adopted a key <u>resolution</u> setting out its position:

- Condemning in the strongest possible terms the Russian Federation's illegal, unprovoked and unjustified military aggression against and invasion of Ukraine, as well as the involvement of Belarus in this aggression;
- Demanding that the Russian Federation immediately terminate all military activities in Ukraine, unconditionally withdraw all military and paramilitary forces and military equipment from the entire internationally recognised territory of Ukraine, and fully respect Ukraine's territorial integrity, sovereignty and independence within its internationally recognised borders;



- Underlining that the military aggression and invasion constitute a serious violation of international law, and in particular the UN Charter, and calling on the Russian Federation to return to fulfilling the responsibilities of a permanent member of the United Nations Security Council in maintaining peace and security and to respecting its commitments under the Helsinki Final Act, the Charter of Paris for a New Europe and the Budapest Memorandum;
- Considering the Russian invasion in Ukraine an attack not only against a sovereign country but also against the principles and mechanism of cooperation and security in Europe and the rules-based international order, as defined by the UN Charter;
- Calling for the EU institutions to work towards granting EU candidate status to Ukraine, in line with Article 49 of the Treaty on European Union and on the basis of merit, and, in the meantime, to continue to work towards its integration into the EU single market along the lines of the association agreement;
- Welcoming the swift adoption of sanctions by the Council, but insisting on the need to adopt additional severe sanctions.

The European Parliament has followed the situation in Ukraine closely and took a political stance in a series of resolutions, in particular in a <u>resolution</u> adopted on 7 April 2022, in which it called, among other things, for:

- Additional punitive measures, including an immediate full embargo on imports of Russian oil, coal, nuclear fuel and gas, accompanied by a plan to ensure the EU's security of energy supply and the complete abandonment of the Nord Stream 1 and 2 gas pipelines;
- Russia's diplomatic isolation, including its exclusion from the G20 and other multilateral organisations such as the UN Human Rights Council, Interpol, the World Trade Organization, UNESCO and others;
- The exclusion of Russian banks from the SWIFT system and a ban on Russian vessels entering EU territorial waters and docking in EU ports;
- The termination of collaboration with Russian companies on existing and new nuclear projects and an end to scientific cooperation with Russian energy companies.

Regular parliamentary debates and exchanges with the President of the Commission, the High Representative and Commissioners have focused on countering Russian aggression and on the EU's diplomatic, military and humanitarian support for Ukraine, the effectiveness of sanctions and the use of Russian frozen assets, justice and accountability for international crimes, as well as the situation of the illegal deportation and forcible removal of Ukrainian children. The European Parliament adopted a series of resolutions on these topics.

In its comprehensive resolution of 29 February 2024, the European Parliament reaffirmed its support for consistently providing military aid to Ukraine for as long as necessary and in whatever form necessary for Ukraine to win, without self-imposed restrictions on military assistance. In particular it supported the proposal that all EU Member States and NATO allies should support Ukraine militarily with



no less than 0.25% of their GDP annually. Parliament also underlined that Ukraine's membership of the EU represents a geostrategic investment in a united and strong Europe. It called for strengthening sanctions, notably by introducing a ban on Russian uranium and metallurgical imports into the EU, as well as cooperation with the Russian nuclear sector and Rosatom. The resolution called for an immediate and full embargo on Russian imports into the EU of agricultural and fishery products, as well as fossil fuels and liquefied natural gas transported by sea via pipelines, and to further decrease the price-cap on Russian petroleum products in coordination with G7 partners in order to stop financing Russia's war with EU money. Members also reiterated Parliament's support for the peace formula presented by Ukraine's President. The text also underlined the urgency of establishing a sound legal regime allowing for the confiscation of Russian state-owned assets frozen by the EU, and for their use to address the various consequences of Russia's aggression against Ukraine, including the reconstruction of the country and compensation for the victims of Russia's aggression.

Regarding Ukraine's EU accession path, Parliament took a strong stance early on, advocating for Ukraine's candidate status and a merit-based EU enlargement process. The leaders of the European Parliament's political groups (the Conference of Presidents) adopted a <u>statement on 9 June 2022</u> in which they strongly appealed to the European Council to grant EU candidate status to Ukraine.

Parliament has also recognised the sacrifices and resilience of the Ukrainian people. Following on from the award of the European Parliament's prestigious Sakharov Prize for Freedom of Thought to the Ukrainian film director Oleh Sentsov in 2018, in 2022 the Prize was awarded 'to the brave people of Ukraine, represented by their president, elected representatives and civil society'.

Since 2022 the European Parliament has stepped up technical and in-kind assistance to Ukraine's parliament, the Verkhovna Rada, in particular in the fields of IT, communication, legal assistance and translation. It has also developed a number of communication tools, such as the <u>Stand with Ukraine website</u>, which is available in English and Ukrainian.

Parliament has also taken a series of concrete actions to reach out to and support Ukraine's civil society and population. For example, it opened a Ukrainian civil society hub in the Station Europe building in Brussels and launched an initiative called <u>Generators of Hope</u>, under which it <u>donated</u> a generator on 8 December 2022 and shipped seven generators directly to the Verkhovna Rada.

B. Inter-parliamentary cooperation

The outbreak of full-scale war and the granting of official EU candidate status to Ukraine has led to more intense dialogue and more personal visits at all levels, including between the two parliaments' leaders, political groups, parliamentary committees and other relevant bodies, and within the EU-Ukraine Parliamentary Association Committee.

On 1 April 2022, European Parliament President Roberta Metsola became the first EU leader to travel to Ukraine since the Russian invasion. She visited Kyiv, where she <u>addressed</u> the Verkhovna Rada and met President Zelenskyy, Prime Minister Denys Shmyhal and representatives of the Verkhovna Rada's political groups. To mark



the Day of Ukrainian Statehood on 28 July 2022, President Metsola addressed the Verkhovna Rada with a video message in which she reaffirmed the commitments made by the EU to aid Ukraine's recovery and reconstruction. On 5 September 2022, Ukrainian Prime Minister Denys Shmyhal visited the European Parliament and met with President Metsola and the leaders of the political groups, while on 14 September 2022, President Zelenskyy's wife Olena Zelenska attended the debate on the State of the Union address during the European Parliament's plenary session in Strasbourg.

President Zelenskyy <u>addressed</u> the European Parliament's plenary session during the Sakharov Prize award ceremony on 14 December 2022, while on the same day, President Metsola <u>spoke</u> to the Verkhovna Rada about Ukraine's progress as an EU candidate country. On 9 February 2023, Parliament held an <u>extraordinary plenary session</u> (formal sitting) that was attended by President Zelenskyy in person. On 4 March 2023, President Metsola <u>participated in the United for Justice conference</u> in Lviv and met with figures including President Zelenskyy, Speaker of the Verkhovna Rada Ruslan Stefanchuk and Ukraine's Prosecutor-General Andriy Kostin.

On 2 December 2022, a delegation of members of the European Parliament's Foreign Affairs Committee and its Subcommittee for Security and Defence visited Kyiv to meet key Ukrainian officials and members of the Verkhovna Rada. On 20 February 2023, six members of the Special Committee on Foreign Interference in all Democratic Processes in the EU, including Disinformation, and the Strengthening of Integrity, Transparency and Accountability in the European Parliament (ING2) visited Kyiv. They had an intensive programme of meetings focused on foreign interference, disinformation and EU support to Ukraine in the context of Russia's war of aggression and Ukraine's EU candidate status. On 22 and 23 October 2023, a delegation from the Subcommittee on Human Rights (DROI) visited the Chernihiv region and Kyiv to engage in discussions on justice and accountability and the shared human-rights agenda with local communities, including victims and witnesses, the Verkhovna Rada of Ukraine, the Office of the President, the General Prosecutor, and representatives of civil society. Members of the Committee on Regional Development (REGI) visited Ukraine from 30 October to 1 November 2023 to discuss Ukraine's recovery and reconstruction, its path to EU accession and the associated reforms.

On 25–26 March 2024 a cross-committee <u>delegation</u> visited Kyiv for talks on stepping up EU support with high-level representatives of the Ukrainian government, the Chairman and leadership of the Verkhovna Rada of Ukraine and civil society groups.

The <u>EU-Ukraine Parliamentary Association Committee</u> (PAC) has met regularly since the start of the full-scale Russian invasion. The 13th meeting of the PAC – an extraordinary meeting – was held on 24 March 2022, with Ukrainian MPs attending remotely, and a <u>joint statement</u> was adopted. Ordinary EU-Ukraine PAC meetings were held in Strasbourg in June 2022 (see the <u>joint statement</u>) and July 2023 (see the <u>joint statement</u>). Several ad hoc delegations from the Verkhovna Rada have visited the European Parliament, while the PAC Bureau, which consists of the PAC's co-chairs and vice chairs, has also met regularly.

At the initiative of President Metsola and Speaker Stefanchuk, the two parliaments held their first ever inter-committee meeting on 12 April 2023 to strengthen contact



between parliamentary committees in connection with Ukraine's chosen path of European integration and its legislative harmonisation agenda.

The legal framework for the European Parliament's support and capacity-building activities was set out in the Memorandum of Understanding, which was signed with the Verkhovna Rada on 3 July 2015 and renewed most recently on 28 November 2023 (Conference of Presidents <u>statement</u>), and the Administrative Cooperation Agreement, which was signed by the Secretaries–General of the two legislatures in March 2016.

As part of its democracy-support activities in Ukraine, the European Parliament is implementing a far-reaching capacity-building programme for the Verkhovna Rada. These efforts build on the recommendations drawn up between September 2016 and February 2017 during the needs assessment mission conducted by Pat Cox, a former President of the European Parliament who is still closely involved in the implementation and follow-up of the recommendations.

In 2017, the European Parliament launched a political dialogue and mediation process called the Jean Monnet Dialogue. The Jean Monnet Dialogue with Ukraine regularly involves the Speaker of the Verkhovna Rada and the leaders of the political groups in discussions related to the implementation of these recommendations, as well as the internal reform of the Verkhovna Rada.

Anticipating the Verkhovna Rada's ambition of moving towards a pre-accession agenda, the European Parliament is investing in capacity-building programmes and recently launched a series of online seminars for Ukrainian MPs. These focus on legal harmonisation, best practices in legislative processes, and ethics and conflict of interest. The two parliaments are also cooperating more closely on the digitalisation agenda, strategic foresight capacity and translation services. The European Parliament has developed an important parliamentary mechanism that will be embedded in the Verkhovna Rada's control and oversight competencies and will aim to scrutinise the external funds received by Ukraine. Work in this area is being overseen by a designated lead MEP for democracy support, Michael Gahler.

C. Election observation

Free and fair elections are the cornerstone of a consolidated democracy. The European Parliament sent observation missions to Ukraine in 2014 and 2015 for the presidential, parliamentary and local elections, and in 2019 for the presidential and parliamentary elections.

The EU and the European Parliament have paid careful attention to elections in the illegally occupied territories, in particular the elections to the Russian Duma in September 2021 that involved occupied Crimea. In his <u>declaration of 20 September 2021</u>, the <u>Vice-President of the Commission / High Representative</u> of the Union for Foreign Affairs and Security Policy stressed that the EU does not recognise the so-called elections held in the occupied Crimean peninsula.

According to Ukraine's Constitution, ordinary parliamentary elections are due to be conducted in autumn 2023, presidential elections in spring 2024 and local elections in autumn 2025. However, elections cannot take place while martial law is in place. The first post-war elections will pose unprecedented challenges, as a significant share



of the electoral infrastructure has been damaged and millions of voters have been displaced within or outside the country.

Work has already begun to assess the war's effects on Ukraine's electorate and electoral infrastructure and prepare for the new electoral landscape. The Ukrainian electoral authorities are receiving assistance from the international community with organising out-of-country voting. The European Parliament held a parliamentary electoral dialogue on this topic at the end of May 2023, in cooperation with International Idea and the International Foundation for Electoral Systems, which is providing large-scale electoral assistance to Ukraine and helping the country to determine the best model for out-of-country voting, with a focus on Ukrainian refugees abroad.

MOLDOVA

On 27 June 2014, the EU and Moldova signed an <u>association agreement</u>, including a deep and comprehensive free trade agreement (DCFTA), which entered into force in July 2016. The agreement strengthened Moldova's political and economic ties with the EU. It set out a reform plan in areas vital for good governance and economic development and reinforced cooperation in several sectors. By signing the agreement, Moldova committed to reforming its domestic policies on the basis of EU laws and practice. The roadmap for the implementation of the association agreement is defined in an association agenda, the latest version of which – the <u>revised 2021–2027 Association Agenda</u> – was agreed in August 2022. The EU is by far Moldova's main trading partner, accounting for 58.8% of the country's exports and 43.9% of its imports. It is also the largest investor in the country.

Since the entry into force of visa liberalisation for short-term stays in April 2014, more than 2.5 million Moldovan citizens with a biometric passport have travelled to the Schengen Area without a visa, which has fostered tourism, business relations and people-to-people contacts.

In June 2021, the Commission published the EU's Economic Recovery Plan for Moldova, which earmarks EUR 600 million to support the country's post-COVID-19 socio-economic recovery, foster the green and digital transition and unleash the country's untapped economic potential.

Pro-EU President Maia Sandu's Party of Action and Solidarity (PAS) won a resounding victory in the early parliamentary elections of 11 July 2021. The PAS-dominated parliament approved Natalia Gavriliţa's appointment as Prime Minister and endorsed her ambitious programme to pull the post-Soviet country out of a protracted political and economic crisis and bring it closer to the EU – its number one foreign policy priority – by fully implementing the EU-Moldova Association Agreement. On 10 February 2023, Prime Minister Gavriliţa stepped down and Dorin Recean was approved as the new Prime Minister. The government was also reshuffled. The current government continues to pursue a pro-EU agenda, with a new focus on national security and on accelerating the implementation of reforms as part of the process of joining the EU. In January 2024, the Deputy Prime Minister and Minister of Foreign Affairs, Nicu Popescu resigned and was replaced by the former Vice-President of Parliament, Mr Mihai Popṣoi. In addition, a new position of Deputy Prime Minister for



European Integration was created. Ms Cristina Gherasimov was appointed and is the chief negotiator for Moldova's process of accession to the European Union.

Moldova's proximity to Ukraine has made it particularly vulnerable to Russia's aggression against Ukraine. This has severely affected the country. Against this backdrop, Moldova took the historic step of formally applying for EU membership on 3 March 2022. It was granted candidate status at the <u>European Council meeting of 23 June 2022</u>, opening a new strategic phase in EU-Moldova relations.

In the face of the war in Ukraine, the EU has been standing in solidarity with Moldova. Since October 2021, it has provided the country with over <u>EUR 1.2 billion in support</u>, in the form of grants and loans. The EU is seeking to strengthen Moldova's resilience, security, stability, economy and energy security, enhance cooperation on security and defence, and support Moldova's efforts to implement reforms and join the EU. In January 2022, the Commission proposed a EUR 150 million macro-financial assistance package for Moldova (two tranches of which were disbursed in 2022–2023), while on 24 January 2023, it proposed increasing this by up to EUR 145 million. Payment of the macro-financial assistance is conditional on the implementation of both the IMF programme and policy measures agreed in the <u>Memorandum of Understanding</u>.

Ahead of the European Political Community summit in Moldova on 1 June 2023, Commission President Ursula von der Leyen <u>announced</u> that the Commission was stepping up its support to Moldova and would now leverage up to EUR 1.6 billion in investment through the Economic and Investment Plan for Moldova.

At a meeting of the European Parliament's Foreign Affairs Committee on 28 June 2023, <u>Commissioner Olivér Várhelyi announced a support package for Moldova</u>, which has five priorities:

- Economic development and connectivity;
- Supporting reforms and building administrative capacity on Moldova's EU path;
- Energy;
- Security;
- Countering disinformation and strategic communication.

In this regard, the Commission has proposed beefing up its assistance to Moldova through the mid-term review of the multiannual financial framework, with EUR 600 million under the Neighbourhood, Development and International Cooperation Instrument (NDICI) to be redeployed to programmes to increase support for other countries in the EU's eastern neighbourhood, including Moldova, between 2024 and 2027.

The Moldovan authorities are now stepping up their reform efforts to implement the nine conditions set out in the <u>Commission's opinion</u> on Moldova's application for EU membership and meet the objectives outlined in the EU-Moldova Association Agenda, which continues to be a driver for reforms and alignment with the EU acquis. The recommendations contained in the <u>Commission's February 2023 analytical report</u> also guide the country's reform and approximation efforts.

The <u>7th meeting of the EU-Moldova Association Council</u> took place on 7 February 2023 in Brussels. During this meeting, the EU and Moldova reiterated



their commitment to strengthening their political association and deepening their economic integration. The 8th Association Council meeting is due to take place on 21 May 2024 in Chisinau.

The Commission officially reported on the progress made by Moldova on 8 November 2023, as part of its enlargement package. It recommended that the Council open accession negotiations with Moldova and that the Council adopt the negotiating frameworks once Moldova has adopted certain key measures. The Commission found that six of the nine conditions had been met, On 14-15 December 2023, the European Council took the historic decision to open accession negotiations with Moldova. It invited the Council to adopt the negotiating framework once the three relevant steps set out in the Commission's recommendations have been taken. In March 2024, as part of an oral update to the General Affairs Council, the Commission recognised that Moldova had completed eight of those nine conditions, and needs to continue to make significant progress in three areas; justice reform, the fight against corruption, and de-oligarchisation.

In February 2023, Russia stepped up its hybrid warfare against Moldova and has since been openly attempting to destabilise Moldova's pro-EU government through proxies by carrying out cyberattacks, spreading disinformation, sowing social unrest and interfering in electoral processes. Despite being sentenced to 15 years in prison and his Shor party being banned, fugitive oligarch Ilan Shor still maintains a significant level of influence in Moldova and continues his efforts to destabilise both the country and its pro-European government. President Sandu publicly confirmed that there had been a plot for a Russian-backed armed coup aiming to topple her and her government. In response to these attempts, the EU has increased its cooperation with Moldova on security and defence, notably by deploying an EU partnership mission (EUPM Moldova), by doubling its assistance under the European Peace Facility and by sanctioning individuals destabilising the country. An annual EU-Moldova High-Level Political and Security Dialogue was set up and engages in EU support in Moldova's security and defence, in the face of Russian hybrid actions and threats. In addition, an EU Support Hub for Internal Security and Border Management was launched in July 2022 as a response to increased internal security risks, such as firearms trafficking, migrant smuggling, drugs trafficking, etc. The support provided by the EU is continuing throughout 2024.

On 1 June 2023, the Moldovan authorities hosted the second summit of the European Political Community in Bulboaca. The meeting <u>boosted Moldova's international recognition</u> and raised its profile as a reliable partner.

The breakaway region of Transnistria, which unilaterally declared independence in 1990, remains a major challenge for Moldova, especially in the context of the war in Ukraine, due to the presence of Russian troops and Moldova's dependence on electricity from Transnistria. Although the 5+2 negotiation process on the settlement of the Transnistrian conflict has been de facto frozen since 2022, the EU continues to support a comprehensive, peaceful settlement based on Moldova's sovereignty and territorial integrity, with a special status for Transnistria. In addition, the already tense relations between the Gagauzia autonomous region and the central government in



Chișinău have become even more strained with Russia's invasion of Ukraine, and will continue to pose challenges.

2024 will be an important electoral year, marked by both <u>presidential elections and a referendum on Moldova's EU membership</u>, to be held simultaneously in the autumn, as announced by President Maia Sandu. It is expected that Moldova will continue to experience ongoing pressure from Russia and its proxies, with hybrid threats anticipated to escalate ahead of the elections.

A. The European Parliament's position

The European Parliament's <u>resolution of 20 October 2020</u> acknowledged the improvements Moldova has made in promoting democratic standards and fighting corruption, while repeating its call for an independent, impartial judiciary. A month after Moldova submitted its application for EU membership, the European Parliament adopted a <u>resolution on 5 May 2022</u> in which it called for the EU institutions to grant EU candidate status to Moldova and to integrate the country into the EU single market. Parliament also asked the Commission to further increase financial and technical assistance to Moldova, including through a new macro-financial assistance proposal, transport and trade liberalisation measures, and continued support for refugee management and humanitarian work.

Upon the adoption of its <u>report on the implementation of the EU-Moldova Association Agreement</u> on 19 May 2022, the European Parliament again called for Moldova to be granted candidate country status. In the report, it underlined that some important steps to implement the reforms had been taken, but that a lot more work had to be done, in particular to strengthen key state institutions. This call was repeated in Parliament's <u>resolution of 23 June 2022</u> on the candidate status of Ukraine, the Republic of Moldova and Georgia.

Following the increase in hybrid threats faced by Moldova in the context of Russia's war against Ukraine, the European Parliament adopted <u>a resolution on 19 April 2023</u> in which it reiterated its unwavering support for the country's independence, sovereignty and territorial integrity in these particularly challenging times, and called on the Commission and the European Council to start EU accession negotiations by the end of 2023, upon the fulfilment of the nine conditions.

Ahead of the presentation of the Commission's enlargement package and the December European Council meeting, the European Parliament adopted a <u>resolution on 5 October 2023</u> in which it reaffirmed its commitment to Moldova's future membership of the EU and reiterated its call for the opening of accession negotiations with Moldova before the end of the year.

B. Interparliamentary cooperation

Since the beginning of the war in Ukraine, the European Parliament has shown unwavering support and solidarity with Moldova. On 18 May 2022, at the invitation of President Metsola, <u>President Sandu addressed the European Parliament's plenary session in Brussels</u> in the midst of the war in Ukraine. President Metsola visited Moldova on 11 November 2022 to meet President Sandu, former Prime Minister Gavriliţa and Speaker of the Moldovan Parliament Igor Grosu, and to address the Moldovan Parliament. During her visit, she strongly reiterated the European



Parliament's support for Moldova's EU membership. On the sidelines of the 7th EU-Moldova Association Council meeting, President Metsola met with former Prime Minister Gavriliţa (6 February 2023). On 21 May 2023, President Metsola met Prime Minister Recean, for the first time, and Speaker Grosu when she visited Chişinău in the context of the citizens' gathering, 'the European Moldova National Assembly', which was convened by President Sandu. At the European Political Community meeting in Bulboaca on 1 June 2023, President Metsola called for the EU to start accession negotiations with Moldova by the end of 2023, while President Sandu used the summit to express her country's European aspirations and reiterate the objective Moldova had set itself of joining the EU by 2030.

President Metsola met Speaker Grosu again at the European Parliament in Brussels on 5 July 2023, when a delegation from the Moldovan Parliament came on a study visit about the EU accession process organised by the European Parliament's Democracy Support and Electoral Coordination Group.

Parliament's committees have devoted a great deal of attention to the situation in Moldova, with several delegations travelling to the country in 2022 and 2023. In May 2023, a delegation from the Subcommittee on Security and Defence went to Moldova and Romania to visit the European Border Assistance Mission to the Republic of Moldova and Ukraine and the EU Partnership Mission in the Republic of Moldova. In February 2023, members of the Committee on International Trade and the Committee on Budget met with their Moldovan counterparts to discuss EU-Moldova trade relations and budget support in the context of Russia's war of aggression against Ukraine. In the same week, the Euronest Assembly took place in Chişinău and was attended by a large European Parliament delegation.

In March and April 2022, the Committee on Foreign Affairs and the Subcommittee on Security and Defence sent their first delegation to Moldova since the outbreak of war, as a sign of the EU's unanimous solidarity and support for Moldova. In June 2023, members of the Committee on Development also went to Moldova to examine the situation of Ukrainian refugees hosted there.

The EU-Moldova Association Agreement established a Parliamentary Association Committee (PAC) in its Article 440. The first PAC meeting was held on 16 October 2014 and the 14th meeting was held in Chişinău on 29 November 2023. The PAC has vocally supported Moldova's EU integration path since the country applied for EU membership in March 2022.

The European Parliament has identified Moldova as a priority country for its democracy support work and is implementing a wide spectrum of activities with the Parliament of Moldova, at both political and administrative levels. The framework for these activities is provided in the Memorandum of Understanding signed by European Parliament President David Sassoli and Speaker of the Moldovan Parliament Igor Grosu in November 2021. This Memorandum of Understanding is complemented by a roadmap.

A number of the European Parliament's activities in Moldova focus on assistance for measures to counter disinformation and foreign interference in democratic processes (the Triangle for Democracy Programme), on the promotion of a culture of dialogue



and political debate in the Moldovan Parliament (Jean Monnet Dialogue), and on capacity-building at both political and administrative levels.

C. Election observation

The European Parliament sent a delegation to the International Election Observation Mission, led by the OSCE's Office for Democratic Institutions and Human Rights (OSCE-ODIHR), to monitor the Moldovan parliamentary elections of 11 July 2021. The observers noted that these elections were overall well administered, free and competitive, despite some remaining shortcomings that need to be addressed for future elections.

In December 2022, the Moldovan Parliament adopted a new Electoral Code addressing key recommendations issued by international and local expert organisations, including the Venice Commission. This new code entered into force on 1 January 2023. It covers the recommendations made by the European Parliament's Election Observation Delegation, which was headed by the Chair of the European Parliament's Foreign Affairs Committee, David McAllister.

The European Parliament sent an Election Observation Delegation to the International Election Observation Mission (I-EOM) led by the OSCE's Office for Democratic Institutions and Human Rights (OSCE-ODIHR), in order to observe the regional elections held on 5 and 19 November 2023. This was an opportunity to assess the Electoral Code's effectiveness and enforcement, as these local elections were the first to take place under the new rules. Despite the tense campaign and the exceptional circumstances created by Russia's hybrid warfare and repeated interference in Moldova's electoral process, the I-EOM delegation stated that the elections had been peaceful and managed efficiently, that the election administration had worked transparently and professionally and that candidates, for the most part, had been able to campaign freely and had provided voters with distinct alternatives. The head of the European Parliament's Election Observation Delegation, José Ramón Bauzá Díaz, recommended that last-minute decisions to exclude candidates, such as that taken in respect of the Sansă party (which is associated with fugitive oligarch Ilan Shor), should not set a lasting precedent and should only be motivated by serious concerns about threats to national security. He also expressed support, on behalf of the Delegation, for the Republic of Moldova in implementing democratic reforms despite the state of emergency caused by Russia's invasion of Ukraine and the hybrid war aimed at destabilising Moldova's democratic institutions.

BELARUS

In recent decades, the EU's relations with Belarus have been difficult at times, owing to constant human and civil rights violations in the country. Between 2014 and 2020, however, Belarus appeared to display a more open attitude towards the EU and the Eastern Partnership policy. Its relations with Western countries had improved somewhat and it played an important role as host of the EU-mediated talks on the Ukraine crisis. In response, the EU committed itself to a policy of 'critical engagement' with Belarus, as outlined in the Council conclusions of 15 February 2016, according to which tangible steps taken by Belarus to enshrine fundamental freedoms, the rule of law, human rights – including the freedoms of speech, expression and the media – and



labour rights, will remain essential criteria for shaping the EU's future policy towards the country. Negotiations on a mobility partnership were concluded in 2017, and visa facilitation and readmission agreements entered into force on 1 July 2020 with the objective of fostering people-to-people contacts.

Regrettably, despite the resumption of the EU-Belarus Human Rights Dialogue, the establishment of an EU-Belarus Coordination Group composed of senior experts in 2016 and the adoption of a human rights action plan for 2016–2019, and notwithstanding its active participation in bilateral and multilateral Eastern Partnership meetings, Belarus has not lived up to its commitment when it comes to human rights. It remains the sole country on the European continent that still carries out capital punishment, which excludes it de jure from the Council of Europe. Debates on a moratorium on the death penalty with a view to its possible abolition are regularly evoked but seem to be a smokescreen, as no concrete action has been taken so far.

The EU strongly condemned the violent crackdown on peaceful protesters in February and March 2017. The early parliamentary elections of 18 November 2019 were marred by a number of malpractices and shortcomings, as a result of which the opposition was deprived of any parliamentary representation. The presidential election of 9 August 2020 was deemed neither free nor fair by the international community and was preceded by systematic persecution of opposition members, then followed by a brutal crackdown on peaceful protesters, opposition representatives and journalists of unprecedented proportions in the country's history. As a consequence, the EU imposed new rounds of sanctions against 233 individuals and 37 entities responsible for or complicit in the electoral fraud and violent repression, as well as in the facilitation of Russia's unjustified and unprovoked war of aggression against Ukraine, and stated its readiness to take further restrictive measures against the regime's entities and high-ranking officials. The 12th sanction package against Russia adopted on 19 December 2023 also targeted 12 Belarusian officials who have a link to the militaryindustrial institutions of Belarus. Among the sanctioned persons, there are members of the Belarusian Security Committee and State Military-Industrial Committee who contribute to supplying the Russian Armed Forces.

Further to the adoption of <u>Council conclusions on Belarus of 12 October 2020</u>, setting the new EU policy vis-à-vis Belarus, the EU has scaled down bilateral cooperation with the Belarusian authorities at central level to a strict minimum, increased its support for the Belarusian people and civil society, and recalibrated its bilateral financial assistance accordingly. The Council conclusions make EU's further political engagement, sectoral cooperation, and financial assistance to Belarus subject to the respect by the Belarusian regime to the principles of democracy, the rule of law and human rights and credible and inclusive political process resulting in free and fair elections under the OSCE/ODIHR's observation.

In response to the EU's action, the Belarusian regime took steps in November 2020 to reduce its level of participation in the Eastern Partnership policy. In June 2021, it decided to suspend completely its participation in the EaP, as well as in other existing structures, such as the EU-Belarus Human Rights Dialogue and the EU-Belarus Coordination Group. At the same time, Lukashenko recalled its representatives to the



EU back to Minks for consultations, and 'encouraged' the EU Ambassador to Belarus to leave the country.

The state of play of constant violations of human rights by Lukashenka's regime remains critical. According to the <u>Human Rights Centre Viasna</u>, in March 2024, there were over 1 400 political prisoners in the country. In addition to detention in inhuman conditions, including long-term confinement in solitary isolation rooms constituting a means of psychological pressure, political prisoners also have their correspondence withheld, are denied access to medication and healthcare and refused contact with family members and lawyers. Currently five political prisoners have been held in solitary confinement for more than a year, in blunt violation of international standards. The regime also keeps persecuting and prosecuting ordinary citizens who took part in the 2020 protest movement or criticise Aliaksandr Lukashenka, under the pretext of so-called 'extremism and public order violations'.

The amendments to the Belarusian legislation signed by Aliaksandr Lukashenka on 30 December 2023 raise concerns about the deterioration of the freedom of conscience and belief in Belarus. The new legislation imposes obligatory registration of religious organisations, while legal grounds for granting registration remain imprecise. The vague definition of the conditions facilitates an easy elimination of any religious institution under the pretext of 'discrediting Belarus, humiliating of national honour or carrying out extremist activities.' Moreover, only Belarusian citizens are allowed to be in charge of such an organisation. Since 2020, up to seventy clerics have been persecuted by the regime or were forced to leave the country.

In January 2024, Aliaksandr Lukashenka has signed a new law granting him lifelong immunity from criminal prosecution and preventing opposition leaders living in exile from running in future presidential elections. Only citizens of Belarus who have permanently resided in the country for at least 20 years and have never had a residence permit in another country are eligible to run.

New <u>Council Conclusions on Belarus</u> adopted on 19 February 2024 express deep concerns about the deteriorating human rights situation in Belarus and condemn the continuing persecution and intimidation campaigns against all segments of Belarusian society, the unprecedented level of repression, and restrictions on political participation. The Council conclusions also underline the EU's determination to continue supporting Belarusian civil society, welcoming the establishment of the EU Consultative Group with Belarusian democratic forces and civil society.

On 26 February 2024, the Council decided to prolong the <u>individual sanctions against</u> <u>Belarus</u> until 28 February 2025. The sanctions target 37 entities and 233 individuals, including Aliaksandr Lukashenka. In parallel, in response to the involvement of Minsk in Russia's war of aggression against Ukraine, the Council adopted a <u>decision</u> suspending the Energy Charter Treaty between the European Atomic Energy Community (Euratom) and any legal entity that is owned or controlled by citizens or nationals of the Russian Federation or of the Republic of Belarus.

The 25 February 2024 Parliamentary elections were held in conditions of fear and unfair political competition. On the basis of the Law 'On Amendments to the Electoral Code of the Republic of Belarus' adopted on 16 February 2023, the norms of the electoral code were modified to prevent any opposition political force from



challenging Lukashenka's regime. As a consequence, only four out of fifteen political parties obtained the 're-registration' credentials.

Belarus and Russia are the most closely integrated countries in the post-Soviet space, including in the area of military and defence cooperation. In 2023, Belarus and Russia implemented the 'Main Directions for the Implementation of the Provisions of the Treaty on the Establishment of a Union State for 2021–2023' and 28 sectoral union programmes, aimed at unifying the legislation of the two countries in various areas of the economy, business, financial and energy markets, transport, as well as industrial and agricultural policy. In 2022, the two countries agreed on a military-technical cooperation programme until 2025 that provides for a number of activities, including joint research and development on new models of weapons and military equipment and dual-use products as well as modernising existing ones.

Since the beginning of Russia's war of aggression against Ukraine in February 2022, Belarus has supported and stayed closely allied to Russia. While Belarus is not directly participating in the war, it hosts up to 30 000 Russian troops and has been providing Russia with ammunition and military equipment. Importantly, Belarus allowed Russian armed forces to station Iskander missiles used to wage strikes against Ukraine on its territory and to maintain air defence and air force training facilities in Belarus. Following the adoption of a new military doctrine in January 2024, Russian tactical nuclear weapons were deployed on Belarusian territory in March 2024. In April 2024, the Armed Forces of Belarus carried out military drills in the proximity of the Ukrainian, Polish and Lithuanian borders near the cities of Gomel and Grodno.

A. The European Parliament's position

Before the fraudulent presidential election of 9 August 2020, the European Parliament had adopted a number of resolutions criticising Belarus on account of political prisoners, constraints on media freedom and civil society, its failure to respect human rights, including its retention of the death penalty, and its flawed parliamentary elections. In its resolution of 19 April 2018, the European Parliament expressed its support for the EU's critical engagement with Belarus, as long as this is conditional on concrete steps being made towards democratisation and respect for fundamental freedoms and human rights. In particular, it called on Belarus to join a global moratorium on the death penalty as a first step towards its permanent abolition. In its resolution of 4 October 2018, the European Parliament once again condemned the harassment and detention of journalists and independent media outlets and reiterated calls to strengthen respect for democratic principles, the rule of law, and human rights and fundamental freedoms.

In response to the fraudulent presidential election of 9 August 2020, and the subsequent brutal crackdown on democratic forces, civil society activists, free trade unions, independent media and peaceful protesters, the European Parliament adopted resolutions on the situation in Belarus on 17 September 2020 and on 26 November 2020. In these resolutions, Parliament stressed that the election was conducted in flagrant violation of all internationally recognised standards and that a majority of Belarusians considered the united opposition candidate, Sviatlana Tsikhanouskaya, to be Belarus's real President-elect. Members called for prompt EU sanctions against the officials responsible for electoral fraud and repression, including



former President Aliaksandr Lukashenka. They expressed their support for the Coordination Council established by Ms Tsikhanouskaya as an interim representation of the people demanding democratic change. Parliament reiterated these principled positions in its <u>recommendation of 21 October 2020</u> on relations with Belarus.

In addition, the Chair of the European Parliament Delegation for relations with Belarus (D-BY) and the Standing Rapporteur on Belarus have issued a number of joint statements in which they deplored the continued worsening of the human rights situation in the country and criticised Lukashenka's continued usurpation of power. In December 2020, the European Parliament conducted a fact-finding mission on Belarus in order to assess the needs of the Belarusian democratic forces and evaluate how the European Parliament could support them, at both administrative and political level. This mission coincided symbolically with the 2020 Sakharov Prize Week, which honoured the democratic opposition of Belarus. As a consequence, the European Parliament has launched a platform against impunity for human rights violations in Belarus under the aegis of its Subcommittee on Human Rights and in cooperation with the Committee on Foreign Affairs and the D-BY. In addition, the Democracy Support and Election Coordination Group has proposed a wide range of democracy-support activities tailored for Belarusian democratic activists.

In its resolution of 10 June 2021 on the systematic repression in Belarus and its consequences for EU security following the abduction of an EU civilian plane intercepted by Belarusian authorities, the European Parliament denounced the widespread human rights violations in Belarus and the outrageous instrumentalisation of illegal migration by Aliaksandr Lukashenka's regime in order to destabilise the EU. These positions were reaffirmed in the European Parliament's resolution of 7 October 2021 on the situation in Belarus after one year of protests and their violent repression and, following a new wave of arrests, in its resolution of 19 May 2022 on the prosecution of opposition and detention of trade union leaders in Belarus, its resolution of 24 November 2022 on the continuing repression of the democratic opposition and civil society in Belarus, its resolution of 15 March 2023 on further repression against the people of Belarus, in particular the cases of Andrzej Poczobut and Ales Bialiatski, and its <u>resolution of 11 May 2023</u> on the inhumane treatment and hospitalisation of prominent opposition leader Viktar Babaryka. In its resolution of 13 September 2023 on relations with Belarus, the European Parliament called on the International Criminal Court to issue a warrant for the arrest of Lukashenka, given his regime's role in the illegal deportation and indoctrination of Ukrainian children.

In its <u>resolution of 9 November 2023</u> on the effectiveness of sanctions, the European Parliament reiterated its condemnation of the Belarusian involvement in the invasion in Ukraine and called for price and volume caps on imports of Russian and Belarusian fertilisers into the EU. Sanction and restrictive measures against Lukashenka's regime have to be aligned with those against Russia. The subsequent <u>resolution</u> of 14 December 2023 was focused on the situation of the Belarusian political prisoner Mikola Statkevich, 2020 Sakharov Prize laureate, detained without access to healthcare. The European Parliament called for the release of all political prisoners and an end to repression of Belarusian citizens while reiterating its firm support to the Belarusian democratic forces. In its <u>resolution of 16 January 2024</u>, MEPs welcomed the decision to suspend cross-border cooperation with Russia and Belarus. Following



mass arrests targeting 200 family members of political prisoners on charges of 'extremism' in January 2024, Parliament called for sanctions against the Belarusian regime to be stepped up in a <u>resolution</u> on the new wave of mass arrests in Belarus of opposition activists and their family members, adopted on 8 February 2024. Members also demanded further documentation of human rights violations in Belarus be reshaping the OHCHR examination into an independent mechanism. Moreover, the <u>resolution</u> of 29 February 2024 on the need for unwavering EU support for Ukraine, after two years of Russia's war of aggression against Ukraine, reiterates a call for further work to be done on setting up a special tribunal to investigate and prosecute the crime of aggression committed against Ukraine by Russia's leaders and their allies, including the regime in Belarus. Parliament also strongly condemned Belarus's involvement in the forcible deportation of Ukrainian civilians, particularly children, to Russia, the Ukrainian territories temporarily occupied by Russia, and Belarus.

B. Interparliamentary cooperation

The European Parliament does not have official relations with the Parliament of Belarus, due to the country's repeated failure to conduct free and fair elections and to fulfil international standards for democracy and the rule of law, as illustrated by the new waves of protests and all-out repression following the fraudulent parliamentary elections of 18 November 2019 and the presidential elections of 9 August 2020. Likewise, Members of the Parliament of Belarus have not yet been invited to sit in the Euronest Parliamentary Assembly, as meeting OSCE election standards is a precondition for admission. That said, representatives of the Belarusian democratic forces have regularly been invited to attend the proceedings of the Euronest Parliamentary Assembly.

In addition, the European Parliament maintains, through the D-BY, an active and close dialogue with representatives of the country's democratic forces, independent non-governmental organisations and civil society actors, including members of the Coordination Council and the United Transitional Cabinet established by Sviatlana Tsikhanouskaya. Regular meetings of the D-BY are held in Brussels and Strasbourg to discuss the evolution of EU-Belarus relations and to assess the political and economic situation in the country, as well as the latest developments regarding democracy, human rights violations and the rule of law. The D-BY also travelled to Minsk in June 2015 and July 2017, as did its Bureau in October 2018 and February 2020. In June 2022, the D-BY sent an ad hoc mission to Vilnius to meet with representatives of democratic forces and civil society in exile and evaluate the situation on the EU-Belarus border. An ad hoc D-BY mission to Vilnius in May 2023 was sent to assess the threat posed by Lukashenka's regime to Europe's security and Russia's influence on Belarus. Another ad hoc mission to Berlin and Warsaw took place from 18 to 21 December 2023 to discuss with the representatives of Belarusian democratic forces the best strategy to adopt in the face of the February 2024 parliamentary and local elections in Belarus, the situation of Belarusian exiles in EU countries and the effectiveness of EU sanctions imposed on the Lukashenka regime.

Between 11 and 14 March 2024, the solidarity campaign with Belarus #EPSTANDSBYYOU was organised in order to raise awareness about the situation of the Belarusian political prisoners. The symbolic support by MEPs consisted of signing 600 postcards to political prisoners in Belarus. This campaign followed the first



such initiative in December 2022 with participation of the President of the European Parliament Roberta Metsola.

On the occasion of the 25 March Belarus Freedom Day, the Chair of the Delegation for relations with Belarus, MEP Juozas Olekas, and the European Parliament's Standing Rapporteur on Belarus, MEP Petras Auštrevičius published a joined statement expressing deep concern about de facto Russian takeover of Belarusian sovereignty in a wide range of fields. They deplored the suffering of the Belarusian political prisoners subjected to inhuman treatment and expressed their unwavering support to the efforts of the Transitional Cabinet led by Svetlana Tsikhanouskaya to achieve a free and democratic Belarus.

C. Election observation

Belarus has not invited the European Parliament to observe elections since 2001. As is customary in such cases, the European Parliament relies on the evaluation carried out in the country by the Parliamentary Assembly of the Council of Europe and the OSCE ODIHR Parliamentary Assembly. Regrettably, these international observers were not invited to observe the presidential election of 9 August 2020 either, despite the Belarusian regime's prior commitment to invite them.

On 8 January 2024, Minsk officially announced its decision not to invite the OSCE to observe the parliamentary and local elections held on 25 February. The elections were observed by the delegation of the Shanghai Cooperation Organisation and parliamentarians from the Collective Security Treaty Organization, an intergovernmental military alliance of six former Soviet states in Eurasia. According to the Belarusian authorities, the voter turnout reached 73.09%.

The joint statement on the 2024 parliamentary 'elections' in Belarus, issued by the Chair of Parliament's Committee on Foreign Affairs (AFET), David McAllister, Chair of D-BY, Jozuas Olekas, and Parliament's Standing rapporteur for Belarus, Petras Auštrevičius, highlighted that elections held in such a restrictive and repressive environment could not be considered as fair and free, and called for the EU, its Member States, and the international community not to recognise the legitimacy of the individuals 'elected' in the ballot.

According to the OSCE, no Belarusian elections since 1995 have been compliant with international democratic standards. On the eve of the above-mentioned elections, the ODIHR called upon Minsk to respect international obligations resulting from his OSCE membership and expressed deep concerns about the persecution and illegal detention of Belarusian journalists, human rights defenders and members of political opposition.

Radka Hejtmankova / Vanessa Cuevas Herman / Levente Csaszi 04/2024



5.5.7. THREE EASTERN PARTNERSHIP NEIGHBOURS IN THE SOUTH CAUCASUS

The EU's Eastern Partnership policy, initiated in 2009, covers six post-Soviet states: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It was created to support political, social and economic reform efforts in these countries with the aim of increasing democratisation and good governance, energy security, environmental protection, and economic and social development. All the participating countries (except Belarus whose membership is suspended) send delegations to the Euronest Parliamentary Assembly.

In addition to the work of the competent committees on foreign affairs and international trade, the European Parliament has a standing delegation for relations with the South Caucasus (DSCA), which oversees EU relations with the three South Caucasus states under the frameworks of the Parliamentary Association Committee (PAC) with Georgia, the Parliamentary Partnership Committee (PPC) with Armenia and the Parliamentary Cooperation Committee (PCC) with Azerbaijan, and monitors the work of the EU Special Representative for the South Caucasus and the crisis in Georgia.

GEORGIA

The EU-Georgia Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA), entered into force in July 2016. Georgia has made significant efforts in terms of aligning its legislation with EU standards, which has led, inter alia, to visa waivers for short stays in the Schengen area as of March 2017. The EU is Georgia's main trading partner, with a 20.5% share of its total trade (2022). The EU is also the largest provider of financial assistance to Georgia. For 2021–2024, EUR 340 million in funding has been allocated for Georgia. The priority areas cover the economy, institutions, the rule of law, security, the environment and climate resilience, digital transformation, gender equality and inclusive society. The EU-Georgia Association Council, which supervises the implementation of the Association Agreement, held its last meeting on 20 February 2024 in Brussels.

Georgia's political and economic transformation, which began in 1989, has been marked by civil war, territorial conflicts and severe economic downturns. Faced with Russia's occupation of Abkhazia and the Tskhinvali region/South Ossetia, Georgians have pinned their hopes on moving closer to the EU and NATO. Following Ukraine's bid to join the European Union, Georgia (alongside the Republic of Moldova) submitted its own application for candidate status on 3 March 2022. On 14 December 2023, the European Council decided to grant the status of candidate country to Georgia, on the understanding that the relevant steps set out in the Commission recommendation of 8 November 2023 are taken. In March 2024, the government approved the 2024 action plan for Georgia's integration into the EU.



The EU has repeatedly underlined its unwavering support for Georgia's independence, sovereignty and territorial integrity within its internationally recognised borders, as underlined in the European Parliament <u>resolution of 14 June 2018</u> on Georgian occupied territories 10 years after the Russian invasion and in its latest resolution of 28 February 2024 on the <u>implementation of the common foreign and security policy.</u>

The EU supports the conflict resolution efforts made through the work of the EU Special Representative for the South Caucasus and the crisis in Georgia, the EU Monitoring Mission and the EU Instrument contributing to Stability and Peace, thus complementing the Geneva International Discussions. The annual EU-Georgia Strategic Security Dialogue is a sign of trust in relations between the two sides. Georgia has also made significant contributions to several EU common security and defence policy operations, based on a framework agreement for Georgia's participation, which entered into force in 2014. On the other hand, Georgia has not aligned with EU-led sanctions against Russia and Belarus. In May 2023, the Georgian Government's decision to resume flights to Russia raised doubts about its commitment to align with the EU.

Georgia's political and media landscapes remain extremely polarised. A series of questionable developments over the past couple of years have pointed to democratic backsliding and undermining of civil liberties. These include the shortcomings and instances of malpractices observed during the 2020 legislative elections and 2021 municipal elections, as well as several instances of verbal or physical assaults against journalists and media workers. Most recently, Georgia's ruling party has re-introduced legislation that would tighten restrictions on civil society, despite human rights watchdogs and international partners expressing concern, including the EU and the US. If adopted, the proposed legislation would oblige civil society organisations receiving more than 20% of their funding from external sources to declare that they are 'pursuing the interests of a foreign power'. Mass demonstrations have taken place in Georgia's capital, Tbilisi, where demonstrators have demanded that the draft law be withdrawn, as they see it as seeking to discredit independent, foreign-funded organisations and media and as a move steering the country away from Europe and towards Russia. Constant tensions between the ruling majority and the opposition and a lack of transparency and inclusiveness have also often hampered the reform process. In October 2024, parliamentary elections are due to be held in Georgia, which will be a major test for Georgian democracy. The EU is concerned by a number of actions by the ruling majority, including ignoring recommendations of the Venice Commission on election law, its repeated attempts to pass a 'foreign agents' law and seemingly establishing closer relations with Russia while distancing itself from the West. At the same time, according to opinion polls, Georgian society largely supports Georgia joining the EU, even at the expense of cutting trade relations with Russia. Therefore, the upcoming elections are seen as pivotal for Georgia's future.

A. The European Parliament's position and interparliamentary cooperation

The European Parliament has always been a strong supporter of the Georgian people's European aspirations. It has stressed the importance of implementing the relevant steps set out in the Commission recommendation of 8 November 2023, including those on fighting disinformation, aligning with the common foreign and security policy,



improving the implementation of parliamentary oversight and addressing political polarisation, de-oligarchisation and anti-corruption. Additionally, on 9 June 2022, the European Parliament adopted a <u>resolution</u> on violations of media freedom and the safety of journalists in Georgia. In this document, Members denounced state capture by the Georgian Dream party and its founder, the oligarch Bidzina Ivanishvili, and deplored the significant deterioration of the media situation in the country.

Bilateral inter-parliamentary relations are developed in the context of the <u>Parliamentary Partnership Committee</u>, which held its latest meeting on 8 June 2023. The participants acknowledged progress on harmonisation in technical areas, but Members of the European Parliament deplored the backsliding trend with respect to the rule of law, the independence and efficiency of the judiciary, labour law and non-discrimination. They called on their Georgian counterparts to work together, with civil society stakeholders, in order to tackle the 12 key priorities identified by the European Commission. They also took note of the further deterioration of the human rights situation in the occupied regions.

On 14 December 2022, the European Parliament adopted a resolution on the implementation of the EU Association Agreement with Georgia based on a report drafted by the standing rapporteur, MEP Sven Mikser (S&D, Estonia). While taking note of Georgia's continued reforms, Members called for the more systematic involvement of civil society actors in decision-making and deplored the backsliding trends with respect to the rule of law, in particular the cases of politicised justice.

The European Parliament also adopted two critical resolutions: on <u>violations of media freedom and the safety of journalists in Georgia</u> (9 June 2022) and on <u>the situation of the former President of Georgia Mikheil Saakashvili</u> (15 February 2023).

When it comes to Parliament's democracy support activities, Georgia has been a priority country since 2017. Georgia has, however, repeatedly refused to engage in a cooperation programme on the use of the parliamentary oversight mechanism, or in a Jean Monnet Dialogue to address the issue of chronic political polarisation, which has forced Parliament to scale down its ambitions until the parliamentary majority adopts a more constructive attitude.

B. Election observation

Georgia has hosted missions from the Office for Democratic Institutions and Human Rights (ODIHR) of the Organization for Security and Co-operation in Europe (OSCE), monitoring the country's parliamentary, presidential and local elections since 1995. As usual in the OSCE area, European Parliament observers have been embedded in the OSCE ODIHR missions. The latest election observation mission was conducted in 2021 to observe the local elections. The international observers <u>found</u> that the local elections were generally well administered but were held against the backdrop of a protracted political crisis and characterised by hardened polarisation. They were also marred by widespread and consistent allegations of intimidation, vote-buying, pressure on candidates and voters, and an uneven playing field.



ARMENIA

Armenia's relations with the EU are based on the <u>Comprehensive and Enhanced Partnership Agreement (CEPA)</u>, which was signed in November 2017 and fully entered into force on 1 March 2021. The CEPA, which replaced the previous Partnership and Cooperation Agreement of 1999, deepens bilateral relations in a range of areas, while ensuring compatibility with Armenia's membership of the Eurasian Economic Union. Accounting for about 16% of Armenia's total trade (2022), the EU-27 is the country's second-biggest trading partner after Russia. Reflecting the dynamic development of EU-Armenia relations and the mutual interest in deepening relations based on common values, both sides agreed in February 2024 to launch work on a new EU-Armenia Partnership Agenda for more ambitious cooperation across all areas.

The political situation in Armenia changed radically in May 2018, when peaceful street protests brought the opposition leader Nikol Pashinyan to power (the 'Velvet Revolution') and the new government embarked on an ambitious reform agenda, including in the areas of the rule of law, transparency and the fight against corruption. The early parliamentary elections of June 2021 reconfirmed this course, with the ruling Civil Contract party garnering 54% of the vote, despite the domestic political backlash and significant humanitarian challenges stemming from the country's defeat in the second Nagorno-Karabakh war in 2020.

The six-week war, triggered by Azerbaijan, was the greatest eruption of violence in the protracted conflict since the 1994 ceasefire. Ending with a Russia-mediated ceasefire on 9 November 2020, it saw Armenians lose control over a part of Nagorno-Karabakh — a formerly autonomous entity within Soviet Azerbaijan, with an ethnic Armenian population and an unrecognised de facto state since the dissolution of the Soviet Union — and the adjacent Azerbaijani districts that they had occupied for 26 years. Tensions reached a new peak following Azerbaijani attacks on targets within the Republic of Armenia's territory (i.e. not Nagorno-Karabakh) in September 2022. On 19 September 2023, after blockading Nagorno-Karabakh for nine months, leading to a dire humanitarian situation, Azerbaijan launched a military offensive against the region, leaving hundreds of dead and resulting in the defeat of the de facto state and its eventual dismantling. The entire local population of over 100 000 Karabakh Armenians fled to Armenia within a few days.

The EU has been steadily increasing its engagement with Armenia and has stepped up assistance to help the country deal, in particular, with the numerous conflict-related challenges, including the refugee situation. EU support to Armenia is mainly provided under the 'Global Europe' instrument, with about EUR 180 million allocated for the 2021–2024 period. This has a particular focus on building resilience, as well as on continued support to aid the country's reforms in order to strengthen democracy and the rule of law. Part of this funding contributes to the EU's Economic and Investment Plan for Armenia, which includes a package of grants, loans and guarantees with the potential to mobilise some EUR 2.6 billion in public and private investments. Reaffirming its unwavering support for Armenia's sovereignty, democracy, territorial integrity and socio-economic resilience, the EU has pledged to



put forward a resilience and growth plan for Armenia worth EUR 270 million for the period 2024–2027.

Through mediation by the President of the European Council, the EU has been actively involved in efforts to reach a negotiated solution to the Armenia-Azerbaijan conflict, stressing that it needs to be based on the principles of the mutual recognition of territorial integrity and the inviolability of internationally recognised borders based on the 1991 Almaty Declaration. It also underlines the need for Azerbaijan to ensure that the rights and security of the Karabakh Armenians are protected, in order to enable their voluntary and safe return. Since February 2023, based on Armenia's invitation, EU civilian observers have been deployed along the border with Azerbaijan as part of the EU Mission in Armenia, which has proven to be crucial for security on the ground.

A. The European Parliament's position and interparliamentary cooperation

The European Parliament has stood firmly on the side of Armenian democracy and a peaceful resolution to the long-standing conflict with Azerbaijan. In March 2023, Parliament adopted a comprehensive resolution on EU-Armenia relations, sending a strong message of support for the democratic reforms in the country, the deepening of bilateral relations and increased EU engagement in security, in particular through the EU Mission in Armenia and mediation efforts. In October 2023, Parliament 'condemned in the strongest terms the pre-planned and unjustified military attack by Azerbaijan' against the Armenians of Nagorno-Karabakh and called for a substantial increase in EU assistance to Armenia in response to the influx of refugees, Azerbaijan's threats and Russia's destabilisation attempts. It also demanded a resolute EU response to Azerbaijan's actions, including targeted sanctions and a comprehensive review of relations. In March 2024, Parliament strongly welcomed Armenia's interest in closer ties with the EU, noting that 'should Armenia be interested in applying for candidate status and continuing on its path of sustained reforms consolidating its democracy, this could set the stage for a transformative phase in EU-Armenia relations'. In earlier resolutions, in January 2023, Parliament strongly condemned the 'military aggression by Azerbaijan' of September 2022, as well as 'Azerbaijan's illegal blockade of the Lachin corridor', deploring its humanitarian consequences. In a March 2022 resolution, Parliament 'strongly condemned Azerbaijan's continued policy of erasing and denying the Armenian cultural heritage in and around Nagorno-Karabakh'. In May 2021, Parliament adopted a resolution calling, in particular, for the immediate and unconditional release of all Armenian prisoners of war and other captives still detained by Azerbaijan. Following the 2020 Nagorno-Karabakh war, Parliament passed a resolution in January 2021 in which it expressed its regret that 'changes to the status quo were made through military force' and stressed that 'a lasting settlement still remains to be found'. It also reiterated that negotiations for a lasting solution should be based on the principles of the non-use of force, territorial integrity and the equal rights and self-determination of peoples, which underpin the OSCE Minsk Group basic principles. In 2015, the European Parliament passed a resolution on the centenary of the Armenian genocide.

Bilateral inter-parliamentary relations are developed in the context of the <u>Parliamentary Partnership Committee</u>, which held its latest meeting in <u>March 2023</u>. Leading MEPs following the situation in Armenia have released a series of <u>statements</u>, insisting, in particular, on the need for a negotiated comprehensive settlement of the



conflict and raising concerns over issues such as Azerbaijan's blockade and military takeover of Nagorno-Karabakh, border incidents and attacks, Armenian captives, landmines, inflammatory rhetoric, humanitarian access and the protection of cultural heritage.

B. Election observation

Armenia has hosted Members of the European Parliament – as part of OSCE ODIHR election observation missions – on a number of occasions, including the country's snap parliamentary elections in 2018. The 2018 elections were judged positively, as being well organised and with minimal irregularities, and the European Parliament delegation observed a major drop in electoral malpractice. Due to the COVID-19 pandemic, the European Parliament was not able to observe the June 2021 elections, but MEPs noted the generally positive assessment by the OSCE ODIHR.

AZERBAIJAN

The EU and Azerbaijan have had a <u>Partnership and Cooperation Agreement</u> since 1999. Negotiations for an enhanced agreement were launched in February 2017, but have so far been inconclusive. The EU is Azerbaijan's key trade partner, representing about <u>52%</u> of the country's total trade (2022), mainly due to oil and gas exports to the EU (accounting for about <u>4.1% and 3.7%</u> of the EU's oil and gas imports in 2022 respectively by net mass). Azerbaijan's natural gas exports to the EU started in December 2020, following the completion of the Southern Gas Corridor project. In July 2022, the EU and Azerbaijan declared the intention to double the capacity of the Southern Gas Corridor by 2027.

Azerbaijan ranked <u>134th</u> out of 167 countries in the Economist Intelligence Unit's 2022 Democracy Index and was classified as 'not free' in the 2023 'Freedom in the World' report. President Ilham Aliyev, currently serving his fifth term, succeeded his father, Heydar Aliyev, in 2003. In 2017, he appointed his wife, Mehriban Aliyeva, to the newly created post of First Vice-President. According to the latest EU Annual Report on Human Rights and Democracy in the World published in <u>July 2023</u>, 'the state of play regarding safeguarding of human rights and fundamental freedoms, and the respect of the rule of law in Azerbaijan continues to be of concern', in particular as regards the lack of independence of the judiciary, the restrictions on basic freedoms, including the freedom of expression, assembly and association, as well as intimidation, arrests, detentions and court cases against human rights defenders, civic activists, journalists and political opposition activists. A new law on political parties has further limited political pluralism.

Azerbaijan's victory in the six-week Nagorno-Karabakh war with Armenia, which it launched in September 2020, has further strengthened the position of President Aliyev. As a result of the ceasefire of 9 November 2020, Azerbaijan regained control of the districts adjacent to Nagorno-Karabakh that had been occupied by Armenian forces for over 26 years, opening the possibility for a future return of hundreds of thousands of internally displaced persons. It also took control of part of Nagorno-Karabakh itself, a formerly autonomous region that is internationally recognised as part of Azerbaijan but inhabited by ethnic Armenians. In September 2023, after blockading the residual Nagorno-Karabakh for nine months,



which led to a dire humanitarian situation, Azerbaijan launched a military offensive against the region, resulting in the defeat of the Armenians' de facto state and its eventual dismantling. The entire local population of over 100 000 Karabakh Armenians fled to Armenia within a few days. In September 2022, Azerbaijan had launched attacks on the territory of Armenia proper in a dangerous escalation, raising fears of further advances beyond Nagorno-Karabakh.

The EU has been actively involved in efforts to reach a negotiated solution to the Armenia-Azerbaijan conflict, in particular through mediation by the President of the European Council. It underlines the need to ensure mutual respect of sovereignty and territorial integrity, to proceed with the delimitation of the inter-state border and to ensure the protection of the rights and security of the Karabakh Armenians in order to enable their voluntary and safe return. European observers have been deployed in Armenia since February 2023 to contribute to regional security. However, Azerbaijan has not agreed to the deployment of EU monitors on its side of the border.

A. The European Parliament's position and interparliamentary cooperation

In March 2023, the European Parliament adopted a comprehensive resolution on EU-Azerbaijan relations, in which it expressed 'deep concern that violations of fundamental human rights in Azerbaijan follow a systemic and widespread pattern and affect citizens' rights to liberty and security'. It stressed that further cooperation between the EU and Azerbaijan should be conditional on the country's effective and tangible progress towards respect for international standards and international commitments and that the release of all political prisoners is an indispensable condition for a new partnership agreement. At the same time, Parliament welcomed Azerbaijan's humanitarian aid to Ukraine and recognised the role played by Azerbaijan as a provider of fossil fuel energy to the EU. The resolution also strongly condemned Azerbaijan's September 2022 aggression against Armenia and the blockade of the Lachin corridor, calling on Azerbaijan, in particular, to respect the ruling of the International Court of Justice regarding the blockade and to allow the presence of EU observers deployed in Armenia on the Azerbaijani side of their border.

In October 2023, Parliament 'condemned in the strongest terms the pre-planned and unjustified military attack by Azerbaijan' against the Armenians of Nagorno-Karabakh and demanded a resolute EU response to Azerbaijan's actions, including targeted sanctions, the suspension of negotiations on an enhanced EU-Azerbaijan partnership agreement, the suspension of the Memorandum of Understanding on energy and a comprehensive review of relations. In earlier resolutions, in January 2023, Parliament already strongly condemned the 'military aggression by Azerbaijan' of September 2022, as well as 'Azerbaijan's illegal blockade of the Lachin corridor', deploring its humanitarian consequences. In a March 2022 resolution, Parliament 'strongly condemned Azerbaijan's continued policy of erasing and denying the Armenian cultural heritage in and around Nagorno-Karabakh'. In May 2021, Parliament adopted a resolution calling, in particular, for the immediate and unconditional release of all Armenian prisoners of war and other captives still detained by Azerbaijan.

In a <u>September 2023</u> resolution, the European Parliament raised the case of political prisoner Dr Gubad Ibadoghlu and urged the Azerbaijani authorities to 'release all political prisoners, independent journalists and human rights defenders, drop all



politically motivated charges against them and stop extraterritorial repression'. In <u>2019</u>, Parliament passed a resolution calling for the immediate release of Mehman Huseynov, an anti-corruption blogger, and other political prisoners. In <u>2017</u>, following the 'Azerbaijani Laundromat' revelations, it denounced 'attempts by Azerbaijan and other autocratic regimes in third countries to influence European decision-makers through illicit means'.

Official inter-parliamentary relations were resumed in 2016 after a four-year break and the last <u>Parliamentary Cooperation Committee</u> meeting took place in December 2021. Leading MEPs following the situation in Azerbaijan have released a series of <u>statements</u>, in particular insisting on the need for a negotiated comprehensive settlement of the conflict and raising concerns over issues such as the blockade and military takeover of Nagorno-Karabakh, border incidents and attacks, Armenian captives, landmines, inflammatory rhetoric, humanitarian access and the protection of cultural heritage.

B. Election observation

Azerbaijan has hosted Members of the European Parliament as part of OSCE ODIHR electoral missions. However, in view of the fact that all the country's elections observed by those missions were deemed to fall short of international requirements, and recommendations still have to be implemented, Parliament decided not to send observers to the 2015 parliamentary elections or the 2018 presidential elections, and it was not invited to observe the 2020 parliamentary elections or the 2024 presidential elections. The ODIHR mission to the 2024 presidential elections stated that the elections 'took place in a restrictive environment' and were 'marked by the stifling of critical voices and the absence of political alternatives', and that there was a 'shrinking space for independent media, civil society, and political parties'. It noted that 'longstanding severe limitations on fundamental freedoms of association, expression and peaceful assembly both in law and in practice run contrary to standards for genuine democratic elections'.

Joanna Placzek / Michal Jiráček 04/2024



5.5.8. SOUTHERN PARTNERS

The European Neighbourhood Policy (ENP) covers Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia. It consists of bilateral policies between the EU and the 10 individual partner countries, plus a regional cooperation framework, the Union for the Mediterranean. The EU boosted support for democratic transformation under the ENP in 2011, in response to the uprisings in its southern neighbourhood. It further reviewed the ENP in 2015.

LEGAL BASIS

- Article 8 of the Treaty on European Union;
- Title V of the Treaty on European Union: the EU's 'external action';
- Articles 206-207 (trade) and 216-219 (international agreements) of the <u>Treaty on</u> the <u>Functioning of the European Union</u>.

INSTRUMENTS

The European Neighbourhood Policy (ENP) is implemented through bilateral (tailor-made for each country), regional, neighbourhood-wide and cross-border cooperation programmes (between EU countries and neighbourhood countries sharing a land border or sea crossing). Association agreements provide the legal basis for the EU's bilateral relations with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority and Tunisia. The association agreement initialled with Syria before the Syrian Government's violent crackdown on public protests in 2011 was never signed. The negotiations for an EU-Libya framework agreement were suspended in February 2011 and have yet to be resumed.

In the framework of the ENP, the EU and its southern partners (except Libya and Syria) have adopted bilateral action plans, partnership priorities or association agendas. These establish agendas for political and economic reform with short-and medium-term priorities of between three and five years. Reflecting the needs, interests and capacities of the EU and each partner, ENP action plans are aimed, in particular, at developing democratic, socially equitable and inclusive societies, promoting economic integration and education, developing small and medium-sized enterprises and agriculture, and facilitating the movement of people across borders.

The European Neighbourhood Instrument (ENI) was the key EU financing instrument for bilateral cooperation with the southern partners for the 2014-2020 period. The new Neighbourhood, Development and International Cooperation Instrument (NDICI) – 'Global Europe' – will frame the EU's cooperation with these countries for the period 2021-2027. Under the new NDICI 'Global Europe' instrument, an increased emphasis on blending EU grants with loans from European and international financing institutions will allow partner countries to unlock substantial levels of concessional funding for investments. The new system of guarantees provided for under the NDICI



'Global Europe' instrument will give access to additional funds from the crowding-in of both public and private investors.

On 9 February 2021, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy adopted a joint communication proposing an ambitious and innovative <u>new Agenda for the Mediterranean</u> to relaunch and strengthen the strategic partnership between the European Union and its Southern Neighbourhood partners. This new agenda focuses on five policy areas: a) human development, good governance and the rule of law; b) resilience, prosperity and digital transition; c) peace and security; d) migration and mobility; and e) the green transition – climate resilience, energy and the environment. At the same time, a dedicated Economic Investment Plan for the Southern Neighbours aims to aid the economic recovery and improve the quality of life of people in the region, including following the COVID-19 pandemic.

The EU is also seeking to advance market access and cooperation on migration and mobility issues with its southern partners. Mobility partnerships have been concluded with Morocco, Tunisia and Jordan, and negotiations are ongoing with Lebanon. A number of projects have been implemented within these frameworks, in particular under the Mobility Partnership Facility, launched in 2016. In addition, regional and bilateral initiatives on migration and mobility are being funded under the EU Emergency Trust Fund for Africa, the North Africa window, in Algeria, Egypt, Libya, Morocco and Tunisia. The EU Regional Trust Fund in Response to the Syrian Crisis, the 'Madad Fund', has provided support to Syrian refugees, internally displaced persons (IDPs) and local communities in Lebanon, Jordan, and Egypt. The Madad Fund officially expired in December 2021, though projects funded by it will run until June 2025.

The Union for the Mediterranean (UfM), launched in 2008 to revive the Euro-Mediterranean Partnership, provides a regional framework for cooperation between the EU Member States and 15 Mediterranean countries, including the 10 southern partners.

CURRENT STATUS

A. Algeria

As a major regional player and an important energy producer, Algeria is a key EU partner in the southern neighbourhood. An association agreement entered into force in 2005. Since 2013, Algeria has also been involved in the European Neighbourhood Policy. The EU and Algeria have not yet adopted partnership priorities for 2021–2027, so work is continuing on the basis of those adopted at the Association Council of March 2017. The partnership priorities set up a renewed framework for political engagement and enhanced cooperation, with a focus on: (i) governance and fundamental rights; (ii) socio-economic development and trade; (iii) energy, environment and climate change; (iv) strategic and security dialogue; and (v) the human dimension, migration and mobility.

B. Egypt

Relations between the European Union and Egypt are governed by an association agreement, which has been in force since 2004. In June 2022, the ninth EU-Egypt



Association Council confirmed that the two parties had an effective and multifaceted partnership by adopting new partnership priorities to guide the relationship until 2027. These are in line with the new EU Agenda for the Mediterranean, its Economic and Investment Plan and Egypt's Sustainable Development Strategy Vision 2030. The EU and Egypt decided to further deepen dialogue and cooperation around three main priorities: (i) sustainable modern economy and social development; (ii) partnering in foreign policy; and (iii) enhancing stability. In March 2024, the EU and Egypt agreed to elevate their relationship to the level of a strategic and comprehensive partnership covering other priority areas such as political relations, macroeconomic stability, sustainable investment and trade, migration, security and human capital development. The EU financial package which underpins this partnership is worth EUR 7.4 billion for 2024–2027.

C. Israel

EU-Israel relations are extensive, underpinned by strong economic and trade relations and technical cooperation. Based on the 2000 association agreement, the relationship developed dynamically in subsequent years, with a substantial expansion across many sectors. The EU-Israel action plan, agreed in 2005, is based on shared common values of democracy, respect for human rights, the rule of law and basic freedoms, and it promotes the integration of Israel into European policies and programmes. In 2009, the EU decided that, in order for relations to be upgraded to 'advanced' status, there would have to be progress in the Middle East Peace Process (MEPP). Cooperation continues on the basis of the 2005 ENP action plan, whose validity was further extended to January 2025.

D. Jordan

The EU considers Jordan an important partner that plays a stabilising role in the Middle East. The EU-Jordan association agreement, in force since May 2002, provides the legal basis for this bilateral relationship. Jordan was the first Mediterranean partner country to conclude technical negotiations leading to an 'advanced status' with the EU in 2010. An ENP action plan was adopted in 2012 and new EU-Jordan Partnership Priorities were agreed in June 2022 to guide the relationship until 2027, in line with the new EU Agenda for the Mediterranean and its Economic and Investment Plan. The EU and Jordan will further deepen their dialogue and collaboration around three objectives: (i) strengthening cooperation on regional stability and security; (ii) promoting sustainable economic stability; (iii) strengthening good governance and respect for human rights.

In October 2014, the EU and Jordan launched a Mobility Partnership to manage mobility and migration. In addition, Jordan has benefited from EUR 1.08 billion in macro-financial assistance from the EU since 2013. The latest loan programme, for EUR 700 million, was adopted in 2020. This will help Jordan to support economic stabilisation, enhance public debt sustainability, expedite economic reforms and limit the economic fallout from the COVID-19 pandemic. Jordan also receives funding under the 'Madad Fund', the EU Regional Trust Fund in Response to the Syrian Crisis.

E. Lebanon

Relations are based on the EU-Lebanon association agreement, in force since 2006, the 2016 <u>EU-Lebanon Partnership Priorities</u> and the EU-Lebanon Compact,



addressing the impact of the Syrian crisis on Lebanon. The validity of the existing partnership priorities has been extended until new priorities can be agreed under the NDICI 'Global Europe' instrument. The partnership priorities focus on (i) promoting growth and job creation; (ii) fostering local governance and socioeconomic development; and (iii) promoting the rule of law and enhancing security. EU-Lebanon cooperation includes specific support for capacity development and institution building, as well as measures to benefit civil society. The EU-Lebanon Association Council, held in July 2017, agreed to pursue discussions with a view to the signature of a Mobility Partnership. A country of 4.4 million inhabitants, Lebanon currently hosts around one million registered Syrian refugees. Lebanon receives funding under the 'Madad Fund', the EU Regional Trust Fund in Response to the Syrian Crisis. In December 2020, the EU announced that it would launch, together with the UN and the World Bank, a 'Reform, Recovery and Reconstruction Framework' to 'build back a better Lebanon' guided by the principles of transparency, inclusion and accountability. However, in addition to a people-centred recovery, substantial EU assistance for the reconstruction of a democratic, transparent, inclusive and prosperous Lebanon will continue to be conditional on tangible progress on the necessary reforms.

In December 2023, during times of uncertainty and instability in the region, the European Union reaffirmed its support to the people of Lebanon by allocating EUR 205.5 million to address several priority areas. This assistance will go towards supporting the country's stability and recovery including: border management, economic and structural reforms, fiscal policy and public finance management, enhancing governance, accountability and transparency, renewable energy and energy efficiency, water sector, electoral processes, education and social protection.

F. Libya

Since the fall of the Gaddafi regime, Libya has been sliding into civil war, against the background of complex political, territorial, social and tribal divisions. Libya is also known as a Sahelian transit route for human trafficking and contraband. In this context, the EU is seeking to assist Libyans in establishing a stable and inclusive state. The EU supports the UN's mediation efforts to bring an end to hostilities, and makes diplomatic approaches to Libyan and regional stakeholders. Libya does not have an association agreement or other contractual agreement with the EU, but the country is eligible for funding under the NDICI 'Global Europe' instrument and other financial instruments. Local and regional instability have turned Libya from a destination country for migration into a transit country, requiring an immediate EU response to tackle the most urgent needs. Libya has therefore received funding through the North Africa window of the EU Emergency Trust Fund for Africa, which tackles the root causes of irregular migration and provides support to protection and migration management.

G. Morocco

Of the southern partners, Morocco has one of the most developed relationships with the EU. An association agreement has been in force since 2000 and a new ENP action plan was adopted in 2013. The country was granted ENP 'advanced status' in 2008, reflecting the ambition to strengthen EU-Morocco cooperation and to further support



economic and political reforms. The EU-Morocco mobility partnership was launched in June 2013. In 2021, under the new EU Trade Policy Review, the EU offered to discuss modernising trade and investment relations with Morocco, to better face current challenges. The EU and Morocco concluded a sustainable fisheries partnership agreement that entered into force on 18 July 2019 and is tacitly renewed. Its first implementing protocol had a duration of four years covering the period 18 July 2019 – 17 July 2023. It expired on 17 July 2023. A further renewal of the protocol is linked to a ruling by the European Court of Justice (ECJ), expected in 2024, in a case brought by the Popular Front for the Liberation of the Saguia el Hamra and Rio de Oro (Polisario Front), claiming that the agreement was not valid.

H. Palestine

The EU is the leading financial supporter of the Palestinian Authority (PA), with an indicative annual bilateral allocation of around EUR 300 million. The overall objective of EU support is to help build the capacities of a future viable, independent and democratic Palestinian state, coexisting in peace and security with Israel and other neighbours. The legal basis for the EU's relations with the PA is an interim association agreement on trade and cooperation, concluded in 1997. The EU and the PA have signed an ENP action plan, which entered into force in 2013. That same year, the EU offered Israel and the future state of Palestine 'Special Privileged Partnerships' providing an unprecedented package of political, economic and security support subject to the conclusion of a future final status agreement. The EU is active in the Middle East Peace Process (MEPP) and is a member of the Middle East Quartet, working towards a two-state solution based on the 2003 Roadmap for Peace. In June 2022, the Commission approved a new bilateral allocation to Palestine worth EUR 224.8 million. This new assistance package is earmarked to support the Palestinian Authority and crucial projects in the occupied Palestinian territory. In 2023, the EU initially allocated close to EUR 28 million in humanitarian aid. Following the 7 October terrorist attacks, the EU mobilised an additional EUR 75 million. In 2024, the EU has earmarked over EUR 125 million in humanitarian funding for Palestinians in need, over EUR 50 million of which is directly being used to tackle food shortages, cover medical supplies and other basic needs. In March 2024, the Commission allocated an additional EUR 68 million to support the Palestinian population across the region. The extra funding will be implemented through international partners, such as the Red Cross and the Red Crescent. This comes in addition to the expected EUR 82 million of aid which will be implemented through The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) in 2024, bringing the total to EUR 150 million. Following the terrorist attacks of Hamas in Israel in October 2023, the Commission launched an urgent review of the EU's assistance for Palestine. Following the review, the Commission's NDICI committee launched an urgent procedure to pay the PA the funds allocated to the PEGASE programme for 2023, worth EUR 122 million and has set aside EUR 125 million in humanitarian support for 2024 to ensure continued support for the people of Palestine.

I. Syria

The EU suspended all its bilateral cooperation with the Government of Syria in May 2011, following the escalation of violence and the unacceptable human rights situation. In parallel, the EU adopted various restrictive measures in the form of



sanctions. In line with the <u>EU Strategy on Syria</u> of 3 April 2017, the EU supports inclusive peace talks towards a Syrian-led political transition. The EU is the leading donor in the response to the Syrian crisis, and the EU and its Member States have collectively provided more than <u>EUR 30 billion</u> for humanitarian, development, economic and stabilisation assistance since 2011. Since 2017, the EU has organised yearly Brussels Conferences, co-chaired with the UN, on 'Supporting the Future of Syria and the Region'. The overarching objective of these conferences has been to support the Syrian people and mobilise the international community in the search for a lasting political solution to the Syria crisis in line with UN Security Council Resolution 2254. All Brussels Conferences to date have addressed the most critical humanitarian and resilience issues affecting Syrians and communities hosting Syrian refugees, both in Syria and the neighbouring region.

J. Tunisia

Following the 2011 Tunisian revolution, the EU provided political, financial and technical support for the country's democratic transition. The legal basis of the bilateral relationship remains the association agreement, which has been in force since 1998. In 2012, taking account of the progress achieved, the EU and Tunisia agreed to establish a 'privileged partnership' with a detailed action plan for 2013-2017. Tunisia and the EU launched a mobility partnership in March 2014, which led to the opening of negotiations on visa facilitation and readmission agreements. Since July 2021, respect for fundamental rights has significantly deteriorated in Tunisia. The EU continues to support the Tunisian population through its various tools, notably the NDICI 'Global Europe' instrument. A Memorandum of Understanding (MoU) was signed between the EU and Tunisia on 16 July 2023, within the framework of the association agreement. The MoU covers five pillars focusing on current challenges: macroeconomic stability, economy and trade, green energy transition, people-topeople contacts, and migration and mobility. Under the first pillar, the budget support programme worth EUR 150 million was adopted in December 2023 to support Tunisia's macroeconomic stability and was received in March 2024. In its resolution of 14 March 2024 on the adoption of the special measure in favour of Tunisia for 2023, Parliament contested the need for an urgent written procedure for the granting of EUR 150 million in budget support. In this resolution Parliament also deplored the Commission's lack of prior consultations with the Parliament.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament is fully involved in the European Neighbourhood Policy. Through its Committee on Foreign Affairs, it monitors the implementation of the ENP, with particular regard to annual progress reports and reviews. The committee follows the political situation in partner countries through regular exchanges of views with high-level government officials, experts and civil society stakeholders. Budgetary powers give Parliament a direct influence on the amounts allocated to the relevant financial instruments. Parliament's consent is required for the conclusion of all association agreements with southern ENP partners. Parliament must also consent to any new trade agreement.

Regular bilateral relations with the parliaments of southern partner countries are maintained through <u>standing delegations</u>. Relations with the Moroccan Parliament



were thus upgraded with the creation of a joint parliamentary committee (JPC) in 2010. JPCs were further established with Tunisia in 2016 and with Algeria in 2018. Parliamentary relations with Syria have been suspended due to the civil war, and the current context in Libya is also preventing inter-parliamentary relations. Parliament has taken part in several EU Election Observation Missions in southern partner countries. At regional level, Parliament participates in the Parliamentary Assembly of the UfM, which holds one plenary session and several committee meetings per year. The Spanish Parliament currently holds the rotating presidency of the Parliamentary Assembly.

Christos Trapouzanlis / Camelia Oaida 04/2024



5.6. RELATIONS BEYOND THE NEIGHBOURHOOD

5.6.1. TRANSATLANTIC RELATIONS: THE US AND CANADA

The EU, the US and Canada share the values of democracy, human rights, the rule of law, and economic and political freedom, and have common foreign policy and security concerns. Close cooperation and strategic relations with the US and Canada remain a priority for the EU.

EU-US POLITICAL DIALOGUE

The close cooperation and strategic relations between the European Union and its Member States and the United States are built on common history and a shared set of democratic values. These are key to both partners' security and prosperity. The EU and the US closely cooperate in a number of foreign policy areas and geographical contexts, such as security, energy and technology cooperation, counterterrorism, Russia, Ukraine, the Western Balkans and the Middle East.

The most recent EU-US summit in Washington DC on 20 October 2023 was an opportunity to review the transatlantic partnership, including the shared commitment to support Ukraine. The leaders also stressed the importance of trade and investment and discussed how to resolve outstanding issues. At the end of the summit, they adopted a joint statement.

The sixth meeting of the EU-US Trade and Technology Council (TTC) — established during a previous EU-US <u>summit</u> in June 2021 — took place in Leuven, Belgium in April 2024. The TTC serves as a forum for the two partners to coordinate their approaches to key global trade, economic and technology issues. On 10 March 2023,



President Joe Biden and European Commission President Ursula von der Leyen signed a <u>joint statement</u> addressing the joint efforts to end the Russian war against Ukraine and cooperation on building the clean economies of the future.

On 13 December 2023, the European Parliament adopted its latest <u>recommendation</u> on <u>EU-US relations</u>, which called for both sides to strengthen multilateralism and work together on shared foreign policy, security, economic and emerging technology objectives.

INTERPARLIAMENTARY DIALOGUE – THE TRANSATLANTIC LEGISLATORS' DIALOGUE PROCESS

The relationship between Parliament and the US Congress, which dates back to 1972, was upgraded and institutionalised with the establishment of the Transatlantic Legislators' Dialogue (TLD) in 1999. The dialogue brings together Members of the European Parliament and Members of the US House of Representatives at biannual interparliamentary meetings (IPMs) that alternate between Europe and he US. Legislators attending these meetings exchange views on key political issues of mutual concern, such as trade and economic cooperation, foreign policy challenges and security and defence, among others. The importance of transatlantic political dialogue is substantial given Congress's legislative responsibility and power to authorise US intervention in global crises and shape US participation in global governance institutions. The 88th EU-US IPM/TLD was held in Brussels in April 2024. The topics discussed included transatlantic economic security, the TTC, increased competition with China, European defence initiatives, NATO enlargement, transatlantic support to Ukraine, sanctions coordination, including the possible use of frozen Russian assets, and the situation of Ukrainian children abducted by Russia. A joint statement was issued at the end of the meeting.

EU-US ECONOMIC RELATIONS

The EU and the US are the world's major global <u>traders and investors</u>. In 2022, the US was the largest economy in the world, with 25% of global GDP and 8% of the world's merchandise exports.

The EU is working with the US to solve bilateral trade irritants, including those that arose during the Trump administration, notably through the TTC. With the inaugural event of the TTC in September 2021, the US and the EU embarked on a series of specific dialogues to address the responsibility of online platforms and big tech, including artificial intelligence and data flows, to work together on fair taxation and market distortions, and to develop a common approach to protecting critical technologies. The Clean Energy Incentives Dialogue was launched in March 2023 to coordinate EU and US incentive programmes. It aims to make these programmes mutually reinforcing and will also become part of the TTC.

Since October 2022, an EU-US Task Force on the Inflation Reduction Act has also been working to identify the challenges in aligning the approaches on strengthening and securing supply chains, manufacturing and innovation on both sides of the Atlantic. As a result, negotiations have begun on a targeted critical minerals agreement to



enable relevant critical minerals extracted or processed in the EU to count towards requirements for the clean vehicles tax credit under the US Inflation Reduction Act.

On another impasse resulting from the imposition of tariffs by the US on imports of steel and aluminium under Section 232 of the Trade Expansion Act (imports threatening national security), the EU and the US have agreed on the temporary removal of the Section 232 tariffs on historic volumes of EU exports of steel and aluminium. The two blocks also agreed to seek an arrangement to facilitate the decarbonising of the steel and aluminium industries, as well as addressing the issue of overcapacity in these industries caused by non-market practices in some economies. At the EU-US summit of October 2023, both sides stated that substantial progress had been made to identify the sources of non-market excess capacity and that they looked forward to continuing to make progress over the following two months.

The US was the EU's primary export destination in 2022, absorbing 19.8% of total EU goods exports (compared with China's 9%). The US ranked second among the EU's import partners and supplied 11.9% of the EU's imported goods. In 2023, EU exports to the US decreased by 1.3% to EUR 502.372 billion, after having reached a record high of EUR 509.4 billion in 2022. Imports from the US fell by 3.6% to EUR 346.254 billion in 2023, after a high of EUR 358.7 billion in 2022. The EU trade surplus with the US rose by EUR 6.6 billion to EUR 156.118 billion in 2023 (which is still lower than the 2021 record surplus of EUR 165.962 billion).

The US is the EU's main partner for international trade in services. Taken together, the economies of both territories amount to more than 40% of global GDP and more than 40% of global trade in goods and services. However, since 2016, the balance of trade has shifted to a trade deficit for the EU in services, which amounted to EUR 96.9 billion in 2022.

The EU and the US are each other's largest investors, with total US investment in the EU being four times higher than in the Asia-Pacific region. EU investment in the US is around 10 times higher than EU investment in India and China combined. In recent years, however, there have been some drawbacks, with negative investment flows both from the US into the EU and from the EU into the US in 2018 and from the US into the EU in 2021 and 2022. This resulted in a rebalancing of the foreign direct investment (FDI) stocks balance, which amounted to an EU surplus of EUR 203.33 billion in 2022 compared to an EU surplus of EUR 33.771 billion in 2021. Estimates indicate that EU and US companies operating on one another's territory provide jobs for more than 14 million people.

EU-CANADA POLITICAL DIALOGUE

Canada is one of the EU's oldest and closest partners. The collaboration between the EU and Canada, based on shared values, a long history of close cooperation and strong people-to-people ties, has been considerably strengthened in the last few years.

Bilateral relations started in the 1950s on an economic basis and have since evolved into a close strategic partnership. The EU and Canada work closely together on global challenges, such as climate change, the environment, energy security and regional stability, and are close partners in the G7 and G20 context.



The EU and Canada responded decisively to Russia's unprovoked and brutal military aggression against Ukraine through coordinated sanctions and by providing comprehensive – security, financial, material and humanitarian – support to Ukraine.

Canada has helped to enhance the security of EU energy supplies and end the EU's dependence on Russian energy and the EU played a vital role in ensuring a consistent and steady supply of COVID-19 vaccines to Canada. In the early stages of the vaccination rollouts, most of the vaccines distributed in Canada came from EU-based plants.

Canada is a regular contributor to the EU's <u>common security and defence policy missions</u> and has participated in 24 of the EU's <u>election observation missions</u> since 2005. Canada was officially <u>invited to participate</u> in the <u>Permanent Structured Cooperation</u> projects on military mobility (December 2021) and on the '<u>Network of Logistic Hubs in Europe and Support to Operations</u>' project.

The <u>EU-Canada Strategic Partnership Agreement</u> (SPA), which replaced the <u>1976 Framework Agreement</u>, is a comprehensive political agreement aimed at strengthening <u>bilateral cooperation in a number of foreign policy and sectoral fields</u>, including international peace and security, counterterrorism, crisis management, maritime security, global governance, energy, transport, research and development, health, the environment and climate change, and the Arctic.

The SPA was signed by Canada and the EU on 30 October 2016 at the EU-Canada summit and received Parliament's backing in February 2017. Large parts of the agreement have been in force provisionally since 1 April 2017. The agreement needs to be ratified in all Member States (<u>currently</u> waiting for Italy, France and Ireland) before it will be fully applied.

On 23 March 2022, Canadian Prime Minister Justin Trudeau addressed the European Parliament plenary in Brussels, where he condemned 'Putin's criminal invasion of a sovereign, independent democracy: Ukraine' and stressed that NATO and the EU are more resolved and united than ever. On 16 May 2022, the third meeting of the EU-Canada Joint Ministerial Committee took place in Brussels and was chaired by Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell and Canadian Minister of Foreign Affairs Mélanie Joly (see joint statement). From 6 to 8 March 2023, Commission President Ursula von der Leyen addressed a joint session of the Canadian Parliament and met Prime Minister Trudeau. Their joint statement focused on Ukraine, fighting disinformation, the climate, sustainable energy and raw materials, the economy and technology, and research and gender equality.

On 9 March 2023, the <u>fourth meeting of the EU-Canada Joint Cooperation Committee</u> was held in Brussels between senior officials, resulting in, among other things, the adoption of a <u>joint report</u> on EU-Canada relations. The most recent EU-Canada summit took place on 23-24 November 2023 in St John's, Newfoundland, Canada. The topics discussed included the conflict in the Middle East and continued support to Ukraine. The leaders also announced the conclusion of the negotiations for Canada to become an associated country to Horizon Europe and the launch of an EU-Canada



green alliance, a European Commission-Canada hydrogen action plan and an EU-Canada digital partnership (see <u>joint statement</u>).

INTERPARLIAMENTARY DIALOGUE

For more than 40 years, Members of the European Parliament and their Canadian counterparts have been meeting annually in <u>IPMs</u>, alternating between venues in the EU and Canada, to discuss political developments in Canada and the EU and exchange views on issues of mutual concern such as trade, climate change and migration.

The <u>42nd IPM</u> took place in Brussels in June 2023 and dealt with trade and EU-Canada cooperation in the areas of AI regulation, energy, foreign interference and security and defence (see <u>joint statement</u>). Members of the European Parliament's Delegation for Relations with Canada meet stakeholders regularly throughout the year to prepare for the IPMs. Recent meetings have been dedicated to the five-year implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA), the security of supply of critical minerals and Canada-US relations. On 17 January 2024, the European Parliament adopted a <u>resolution</u> on the implementation of CETA.

EU-CANADA ECONOMIC RELATIONS

<u>CETA</u> has considerably improved the <u>economic</u>, <u>trade and investment relationship</u> between the EU and Canada, opening up the markets to one another's <u>goods</u>, <u>services and investments</u>, including public procurement. CETA has also created opportunities for sustainable growth and reflected shared values through its Trade and Sustainable Development Chapter and its <u>broad range of dialogues</u>, including a regular civil society forum. CETA is the first of the EU's bilateral economic agreements to incorporate a special investment court system for the settlement of investment disputes between investors and states.

The text was signed at the EU-Canada summit on 30 October 2016 and Parliament gave its consent on 15 February 2017. Provisional application of the parts falling within the EU's competence began in September 2017. CETA is <u>currently</u> awaiting ratification by 10 EU Member States before it can be fully applied.

During the <u>fourth CETA Joint Committee</u>, held in Brussels on 9 February 2024, Commission Executive Vice-President Valdis Dombrovskis and Canadian Minister of Export Promotion, International Trade and Economic Development Mary Ng announced, among other things, an agreement on an 'Interpretation on Investment' and the conclusion of negotiations at the technical level on the rules to facilitate access of small and medium-sized enterprises to investment dispute resolution.

In June 2021, the EU and Canada signed their <u>strategic partnership on raw materials</u> to further advance the integration of raw material value chains and enhance collaboration on science, technology and innovation, as well as environmental, social and governance criteria, and standards between the parties.

Both Canada and the EU were hit by the US tariffs that were imposed in 2018 on steel and aluminium, and shared the view that they were neither justified economically nor compatible with World Trade Organization rules. The EU and Canada, together with



other defenders of the rules-based trade order, have intensified their dialogue on trade issues.

Trade in goods between the EU and Canada increased by 66% between 2016 and 2022, while EU-Canada trade in services increased by 46%, outperforming other trade with non-EU partners.

In 2022, the EU was Canada's <u>second-largest trading partner</u> after the US, accounting for 8.2% of Canada's total combined exports and imports of goods. In 2023, the EU exported goods worth EUR 48.88 billion to Canada and absorbed Canadian goods valued at EUR 27.7 billion. Canada ranked 12th among the EU's international export partners in 2022. Machinery, mineral products, transport equipment and chemicals are among the main goods traded between the two partners.

Trade in services is an important part of the EU-Canada trade relationship. In 2022, the value of EU exports of services to Canada increased by 43% to EUR 26.4 billion, while the EU's imports of services from Canada also rose by 43% to EUR 19.1 billion. Transport, travel, insurance and communications are some examples of services traded frequently between the EU and Canada.

In terms of FDI, the EU and Canada invested almost equal amounts in each other's economies. The EU is Canada's second largest partner for two-way direct investment after the US. While Canadian FDI stocks in the EU grew by 12% in 2021 and 6% in 2022, EU stocks in Canada rose by 12% in 2021 and by 3% in 2022.

Tuula Turunen / Fernando Garcés de los Fayos 04/2024



5.6.2. LATIN AMERICA AND THE CARIBBEAN

The European Union's relations with Latin America and the Caribbean are multifaceted and conducted at different levels. Guided by the New Agenda for Relations between the EU and Latin America and the Caribbean, the EU seeks to strengthen and modernise the bi-regional strategic partnership. The EU interacts with the entire region through summits with the heads of state and government and through parliamentary diplomacy, while agreements and political dialogue bind the EU and the Caribbean, Central America, the Andean Community, Mercosur and individual countries.

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union;
- Titles I-III and V (common commercial policy; development cooperation and humanitarian aid; international agreements) of the Treaty on the Functioning of the European Union.

REGION-TO-REGION RELATIONS

The EU and Latin America and the Caribbean (LAC) are natural partners, linked by deep political, economic and cultural ties. The EU has an extensive network of agreements with 27 of the 33 countries in the region. Economic ties are also strong: the EU is the top investor in the region, its third largest trading partner and the leading contributor to development cooperation. Together, countries in the EU and LAC make up more than a third of the United Nation's member states and are a force for strong rules-based multilateralism.

On 7 June 2023, the High Representative of the Union for Foreign Affairs and Security Policy and the Commission adopted a joint communication setting out 'A New Agenda for Relations between the EU and Latin America and the Caribbean', with the goal of strengthening relations and renewing the EU–LAC partnership. It focuses on six key areas:

- A renewed political partnership;
- Strengthening a common trade agenda;
- The Global Gateway investment strategy to accelerate a fair, green and digital transition and tackle inequalities;
- Joining forces for justice, citizen security and the fight against transnational organised crime;
- Working together to promote peace and security, democracy, the rule of law, human rights and humanitarian aid;
- Building a vibrant people-to-people partnership.



The communication recognises parliamentary diplomacy as a key component of the bi-regional relationship, and mentions, in particular, the role of the Euro-Latin American Parliamentary Assembly (EuroLat).

A. The summits

The first summit between the EU and LAC was held in Rio de Janeiro in June 1999 and established a bi-regional strategic partnership. The sixth and last EU–LAC Summit took place in Madrid in 2010, where the EU–LAC foundation was established with the mission of strengthening and promoting the bi-regional strategic partnership.

Launched in 2010, the Community of Latin America and Caribbean States (CELAC) is a regional bloc of the 33 Latin American and Caribbean countries. Regional summits between the EU and CELAC are now the main forum for dialogue and cooperation to jointly tackle global challenges. The third EU-CELAC Summit of Heads of State or Government took place in Brussels on 17 and 18 July 2023, eight years after the last summit. EU and CELAC leaders committed to renewing and institutionalising their long-standing partnership. The summit was held under the theme 'Renewing the bi-regional partnership to strengthen peace and sustainable development' and a broad range of issues were discussed, including enhanced cooperation in multilateral forums, global peace and security, trade and investment, combating climate change, justice and security. The President of the European Parliament, Roberta Metsola, participated in the Summit. Her address focused on the importance of moving forward on pending trade and association agreements. The Declaration of the EU-CELAC Summit 2023 was adopted at the end of the summit and was endorsed by all EU-CELAC countries except one. The 2023-2025 EU-CELAC roadmap was also published during the event and leaders agreed to host future summits every two years, with the next one expected to be in Colombia in 2025.

B. The parliamentary dimension

For the EU and LAC, parliamentary diplomacy is a key channel for dialogue, the exchange of ideas and the sharing of best practices. Regular contact between Members of the European Parliament and Latin American members of parliament started in 1974 with the first of 17 biennial inter-parliamentary conferences.

In 2006, the Euro-Latin American Parliamentary Assembly, or <u>EuroLat</u>, was established as the parliamentary institution for the bi-regional strategic partnership. It serves as a forum to debate, monitor and review all questions relating to the partnership.

EuroLat has 150 members: 75 from the European Parliament and 75 from Latin American sub-regional parliaments, including the Latin American Parliament, the Andean Parliament, the Central American Parliament, the Mercosur Parliament and the Congresses of Chile and Mexico.

EuroLat has held discussions on topics including digitalisation and the digital economy, cybersecurity and AI, the fight against organised crime, food security and climate change, among other things, and has convened a total of 15 plenary sessions since 2006. EuroLat's most recent plenary session was held in July 2023 in Madrid, Spain.



The Joint Declaration of the third EU–CELAC Summit recognised parliamentary diplomacy as an important dimension of the bi-regional relationship and commended the constructive role played by EuroLat in this regard. In addition, the EuroLat co-chairs addressed the Summit with a statement focusing on the importance of concluding pending bilateral trade and association agreements on climate change and on the revitalisation of multilateralism.

EU parliamentary relations with the Caribbean countries fall under the remit of the OACPS^[1]–EU Joint Parliamentary Assembly. The Samoa Agreement has applied since 2024, and has brought the regions' specific needs into focus; this led to the creation of an EU–Caribbean Parliamentary Assembly. This new body held its constituent meeting in February 2024, in Angola, and is made up of 15 MEPs and one member of Parliament from each of the Caribbean countries. At its first meeting, the Assembly adopted its <u>rules of procedure</u>, which provide for an annual assembly held alternately in the Caribbean region and in the European Union. The next assembly will be held in the Caribbean in 2025.

RELATIONS WITH SUB-REGIONS

A. Andean Community (Bolivia, Colombia, Ecuador and Peru)

In December 2003, the EU and the Andean region concluded a political dialogue and cooperation agreement (PDCA), which further broadened the scope of their cooperation, but it has not yet entered into force. Negotiations on an association agreement started in June 2007 and finally led to a Irrade Agreement with Peru and Colombia in March 2010. The agreement, signed in June 2012 and ratified by the European Parliament in December 2012, entered into force with Peru on 1 March 2013 and with Colombia on 1 August 2013. It provides for the total liberalisation of trade in industrial products and fisheries over 10 years (with most tariffs eliminated upon its entry into force) and increases market access for agricultural products. It covers public procurement, investment, human rights, and labour and environmental standards. Ecuador joined the trade agreement on 1 January 2017; Bolivia can also seek accession, but hasn't yet. The full implementation of the agreement is currently subject to ratification by one last Member State: Belgium.

B. The Caribbean

EU–Caribbean relations are shaped by various overlapping institutional frameworks, including the Samoa Agreement, with its Caribbean protocol, which includes 15 Caribbean states^[2].

The joint EU-Caribbean partnership strategy provides a structured framework for broader and deeper dialogue and cooperation. The EU is the Caribbean's largest trading partner. The key regional partner for economic dialogue with the EU is the Caribbean Forum (Cariforum). It includes members from the Caribbean Community, plus the Dominican Republic. In 2008, they signed the <u>EU-Cariforum Economic Partnership Agreement</u>, a comprehensive free trade and economic agreement.

^[2]Antigua and Barbuda, Belize, Bahamas, Barbados, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago.



^[1]Organisation of African, Caribbean and Pacific States.

Negotiations on concluding a PDCA with Cuba began in April 2014 and were successfully completed in March 2016. The agreement has been provisionally applied since 1 November 2017. It can enter fully into force once it has been ratified by all EU Member States. The PDCA includes three main chapters on political dialogue, cooperation and sector policy dialogue, and trade.

C. Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama)

An association agreement with Central America, the first region-to-region agreement of this type concluded by the EU, was signed in June 2012 and ratified by the European Parliament in December 2012. It consists of three pillars — political dialogue, cooperation and trade — and establishes the goal of developing a privileged political partnership based on values, principles and common objectives. It also aims to improve human rights, reduce poverty, fight inequality, prevent conflict and encourage good governance, security, regional integration and sustainable development. The association agreement also liberalises trade in industrial products and fisheries, and eliminates most tariffs on agricultural trade. Since 2013, the agreement's trade chapter alone has been provisionally applied. All EU Member States have now ratified the agreement and it is expected to enter into force in 2024. An Association Parliamentary Committee will monitor the implementation of the agreement, broadening the possibilities for action at parliamentary level.

D. Mercosur (Argentina, Brazil, Paraguay and Uruguay)

Negotiations on an association agreement with Mercosur, including political dialogue, cooperation and free trade, started in 1999. A political agreement was reached in 2019; however, ratification of the association agreement was put on hold due to concerns with environmental and human rights standards in Brazil under President Bolsonaro's government. Negotiations resumed with the election of President Lula da Silva in 2022, but there is currently a stalemate in the adoption process. If the agreement enters into force, EU exports to Mercosur would benefit from the removal of customs on 91% of goods and lower duties on various products. The EU would remove tariffs on 92% of goods imported from Mercosur, but would keep tariff-rate quotas on sensitive agricultural goods.

RELATIONS WITH INDIVIDUAL COUNTRIES

A. Brazil

In 2007, the EU and Brazil established a strategic partnership. Within this partnership, the EU and Brazil pursue cooperation and policy dialogues in more than 30 areas of mutual interest, including international peace and security, human rights, public sector governance, economic and financial issues, innovation, social policies, education, the environment and regional integration. The EU–Brazil strategic partnership also includes a <u>regular dialogue between Brazil's National Congress and the European Parliament</u>. The election of Lula da Silva as President of Brazil in 2022 led to a strong revival of EU–Brazil relations after he took office in January 2023, including a series



of high-level visits by both sides. In 2023, no fewer than four European Parliament delegations^[3] visited Brazil. An EU–Brazil summit is planned for 2024.

B. Chile

The EU concluded an association agreement with Chile in 2002. Negotiations to modernise the association agreement and replace it with an advanced framework agreement (AFA) began in November 2017 and concluded in December 2022. It was adopted by the European Parliament in February 2024. Parliament and the Council of the European Union have adopted the interim trade agreement (ITA), which only contains the AFA's trade and investment elements, requiring ratification at EU-level only. Once Chile completes its internal ratification process, the ITA will enter into force. The ITA will then expire when the AFA, once all Member States ratify it, enters into force.

The modernised agreement consists of a political dialogue and cooperation pillar, and a trade and investment pillar. It enhances EU–Chile trade and investment relations, contains binding environmental and labour commitments, facilitates access to critical raw materials, and for the first time in an EU agreement, it has a dedicated chapter on trade and gender equality. The <u>EU–Chile Joint Parliamentary Committee</u> has monitored the implementation of the association agreement since 2003 and will continue to monitor the AFA with two yearly meetings.

C. Mexico

Mexico is the only country with which the EU has both an association agreement and a strategic partnership. The <u>economic partnership</u>, <u>political coordination and cooperation agreement</u> between the EU and Mexico, also known as the EU–Mexico Agreement, entered into force in 2000. It institutionalised political dialogue, broadened areas of cooperation, including democracy and human rights, and created an EU–Mexico free trade area. Negotiations with Mexico to modernise the EU–Mexico Agreement began in May 2016. In April 2018, the parties reached an 'agreement in principle' on the trade chapters, and achieved a consensus on the last outstanding aspects in April 2020. It is currently pending ratification.

The strategic partnership was established in 2009 with a double goal: enhancing EU–Mexico cooperation and coordination at multilateral level on global issues and adding political impetus to bilateral relations and initiatives. Three EU–Mexico summits have taken place under the strategic partnership, with the latest being in June 2015. There are regular high-level dialogues between the EU and Mexico on many issues, including human rights, security and law enforcement, economic issues, and the environment and climate change. The EU–Mexico Joint Parliamentary Committee has monitored the implementation of the EU–Mexico Agreement since 2005. The Joint Parliamentary Committee usually meets twice a year and is a fundamental forum for exchanges.

Jonas Kraft / Clotilde Chantal Claudie Sebag 04/2024

[3] The Delegation for relations with the Federative Republic of Brazil, the Committee on Foreign Affairs, the Committee on International Trade and the Committee on the Environment, Public Health and Food Safety.



5.6.3. RUSSIA

EU-Russia relations have been strained since 2014 because of Russia's illegal annexation of Crimea, support for separatist groups in eastern Ukraine, destabilisation policies in the neighbourhood, disinformation and interference campaigns and internal human rights violations. After Russia launched its unprovoked, unjustified and illegal war of aggression against Ukraine on 24 February 2022, the remaining political, cultural and scientific cooperation was suspended.

LEGAL BASIS

- Title V of the <u>Treaty on European Union</u>: 'external action';
- Articles 206-207 (trade) and Articles 216-219 (international agreements) of the <u>Treaty on the Functioning of the European Union;</u>
- Partnership and Cooperation Agreement (PCA) (bilateral relations).

EU-RUSSIA RELATIONS

Until the Maidan movement protests in Ukraine in November 2013, the EU and Russia had been building a strategic partnership (Partnership for Modernisation agreement launched in 2010) and negotiating a new agreement to deepen cooperation launched in 2008, covering, among other areas, trade, the economy, energy, climate change, research, education, culture and security, including counter-terrorism, nuclear non-proliferation and conflict resolution in the Middle East. The EU was a staunch supporter of Russia's World Trade Organization (WTO) accession (completed in 2012). The illegal annexation of Crimea by Russia in March 2014, the evidence that Russia was supporting separatist fighters in eastern Ukraine and its attempts to disrupt access to the Sea of Azov triggered the start of a major review of EU policy towards Russia.

Since March 2014 the EU, like the United States, Canada, Australia and other Western countries, has progressively imposed restrictive measures against Russia. Initially, the 2014 EU sanctions against Russia included individual restrictive measures such as asset freezes and visa bans targeted on members of the Russian elite, Ukrainian separatists and the organisations associated with them, along with diplomatic sanctions, entailing the formal suspension of EU-Russia summits and the negotiations on the new EU-Russia cooperation agreement, as well as the suspension of Russia from the G8. Broader economic sanctions against Russia followed later, with the initial restrictions on trade with Crimea, and sectoral sanctions concerning the arms trade, energy and financial cooperation with Russia. In response, in August 2014 Russia adopted counter-sanctions, banning numerous EU agri-food products (representing 43 % of total EU agri-food exports to Russia and 4.2 % of total EU agri-food exports to the world in 2013). In spite of the sanctions and counter-sanctions, the EU remained Russia's biggest trading partner, while Russia was the EU's fifth biggest trading partner until 2021.



Furthermore, the EU reassessed its relations with Russia through the 2016 EU global security strategy defining them as 'a key strategic challenge'. In March 2016, the Council established five guiding principles to be applied to the EU's relations with Russia: (1) implementation of the Minsk agreements on the eastern Ukraine conflict as the key condition for any substantial change in the EU's stance towards Russia; (2) strengthened relations with the EU's Eastern Partners and other neighbours, including Central Asia; (3) strengthening the resilience of the EU (e.g. energy security, hybrid threats or strategic communication); (4) selective engagement with Russia on issues of interest to the EU; (5) the need to engage in people-to-people contacts and support Russian civil society.

Since 24 February 2022, when the Russian Federation launched its illegal, unprovoked and unjustified military aggression against Ukraine, Russia has been considered as an aggressor against Ukraine and the EU has reoriented its strategy towards the Russian Federation.

In March 2022, the EU adopted its <u>Strategic compass for security and defence</u>, acknowledging that Russia represented 'a long-term and direct threat for European security', thereby marking a major shift in EU-Russia relations since 2016. This approach was further underpinned in the NATO Strategic Concept, adopted in June 2022, which states that 'the Russian Federation is the most significant and direct threat to Allies' security and to peace and stability in the Euro-Atlantic area'.

Consequently, since 2022 the EU's approach to Russia have been guided by the following principles: (1) Russia must be isolated internationally and sanctions imposed on it in order to prevent it waging war; (2) the international community must ensure accountability by holding Russia, individual perpetrators and accomplices responsible for violations of international law and war crimes committed in Ukraine; (3) the EU's neighbours must be supported, including through the EU's enlargement policies, and partners worldwide helped to address the consequences of Russia's war of aggression against Ukraine; (4) close cooperation with NATO and partners worldwide should be supported to defend the rules-based international order; (5) the EU's resilience must be enhanced, in particular in energy security and critical infrastructure, and Russia's cyber and hybrid threats, information manipulation and interference countered; (6) civil society, human rights defenders and independent media must be supported inside and outside Russia, while addressing threats to security and public order in the EU.

The EU has condemned in the strongest possible terms Russia's illegal, unprovoked and unjustified war of aggression against Ukraine, as well as its attacks against civilians and civilian infrastructure. It has been calling for the immediate and unconditional withdrawal of all Russian troops from the entire territory of Ukraine within its internationally recognised borders. It has pointed out that this war of aggression constitutes a blatant and flagrant violation of the UN Charter and of the fundamental principles of international law, and that the Russian Federation bears full responsibility for it. European Council President Charles Michel also highlighted its repercussions on the world order, declaring on 1 March 2022: 'It is not only Ukraine that is under attack. International law, rules-based international order, democracy and human dignity are also under attack. This is geopolitical terrorism, pure and simple.' In



addition, EU leaders have underlined that Russia, Belarus and all those responsible for war crimes and the other most serious crimes will be held accountable for their actions in accordance with international law. The EU has also condemned Russia's weaponisation of food in the war against Ukraine and the global food security crisis Russia has thereby triggered. The EU also considered the sham referendums held by Russia in September 2022 in the temporarily occupied territories of Ukraine as illegal and illegitimate and strongly rejected this attempt by Russia to legitimise or normalise its illegal military control and attempted annexation of parts of Ukrainian territories.

In response to Russia's invasion, the EU Member States swiftly adopted unprecedentedly tough sanctions in close cooperation with partners including the United States, the United Kingdom, Canada, Australia and Japan. Since 24 February 2022, the EU has massively expanded the restrictive sectoral measures through 13 successive sanctions packages (up to April 2024) and added a significant number of persons and entities to the sanctions list with the aim of further stepping up the pressure on Russia to end the war. The restrictive measures are intended to weaken Russia's economic foundation, depriving it of essential technologies and markets and greatly reducing its capacity to wage war. A 14th sanction package is under negotiation.

The rapid succession of 13 packages of <u>EU sanctions</u>, in what has already been labelled a 'sanctions revolution', has resulted in an unparalleled set of measures targeting the key sectors of the Russian economy and the country's political elites. <u>Each package</u> has incrementally amended and broadened the scope of the sanctions regimes adopted from 2014 onwards, with the addition of a new regime banning imports of goods originating in the illegally annexed territories of Donetsk, Luhansk, Kherson and Zaporizhzhia to the EU. The sanctions packages are intended to be hard-hitting and have wide-ranging effects across the financial, energy, transport and airspace, technology, consulting, broadcasting as well as the metal, luxury and other goods sectors. Export and import restrictions cover <u>more than 50% of EU-Russia prewar trade</u>.

In addition to the individual and economic sanctions, a number of subsequent diplomatic sanctions have been imposed, including the suspension of visa facilitation between the EU and Russia. Together with other WTO members, the EU agreed to deny most-favoured-nation treatment for Russian products and services on EU markets.

As of the end of April 2024, the sanctions listings cover more than 2100 individuals and entities. The sanctioned individuals include the President of the Russian Federation, Vladimir Putin, Russia's Foreign Affairs Minister, Sergey Lavrov, the 351 members of the State Duma who endorsed the recognition of the temporarily occupied territories of the Donetsk and Luhansk regions, high-ranking officials and military personnel, disinformation actors, those responsible for missile strikes against civilians, critical civilian infrastructure and for the kidnappings and subsequent illegal adoptions of Ukrainian children, and many others. Several high-ranking members of the Wagner Group mercenary organisation were included on the sanction list. In June 2023, the Council sanctioned nine individuals for sentencing the Russian opposition politician, democracy activist and Kremlin critic Vladimir Kara-Murza to 25 years' imprisonment on politically motivated charges and false allegations. More recently,



Russian penitentiary and judiciary officials connected to the death of Alexei Navalny have also been added to the sanction list.

Beside the wide range of sanctions, the EU also stepped up the fight against their circumvention by Russia. To avoid the effectiveness of the EU's sanctions' being undermined by exports through third countries, the EU has introduced new measures to prevent the circumvention of its export bans on specific goods and technology, notably dual-use goods, critical components and advanced technologies.

Furthermore, the violation of restrictive measures was added to the list of 'EU crimes', and the Council agreed, on 9 June 2023, to introduce criminal offences and penalties for the violation of EU sanctions and to make it easier to investigate, prosecute and punish the breaking of sanction measures throughout the EU.

In September 2022, the EU Member States fully <u>suspended</u> the 2007 EU-Russia visa facilitation agreement, the Commission adopted <u>guidelines</u> to ensure this suspension did not negatively impact those in need of protection and people travelling to the EU for essential purposes, such as journalists, dissidents and civil society representatives.

In retaliation for the EU's and other international sanctions imposed against Russia after its invasion of Ukraine in February 2022, the Russian Government published a list of 'unfriendly' foreign countries, which includes EU Member States, the UK, the United States and other nations with a sanctions scheme against Russia. People from these nations are now subject to a progressively more intricate system of retaliatory counter-sanctions, which affect various business and financial deals with a Russian connection. On 31 March 2022, the Russian authorities also decided to expand their 'stop list' significantly to encompass 'the top leadership of the EU, a number of European commissioners and heads of EU military bodies, as well as the overwhelming majority of members of the European Parliament', denying them the right to enter Russian territory. This list is not officially published, which rules out any possible avenue for a legal appeal, as opposed to the EU's travel ban. The Russian blacklist also includes high-level officials from some EU Member States' governments and members of national parliaments, as well as public and media figures.

Considering that Russia's unprovoked and unjustified invasion of Ukraine is a blatant violation of international law and of the principles of the UN Charter, the EU has been supporting Ukrainian and international efforts to ensure accountability for war crimes, other serious crimes committed, including the crime of aggression, as well as for the massive damage caused. The European Commission, while continuing to support the work of the International Criminal Court, indicated its readiness to work with the international community on setting up an ad hoc special international tribunal to investigate and prosecute Russia's crimes of aggression against Ukraine, perpetrated by the political and military leadership of the Russian Federation and its allies, in particular Belarus. In May 2023, Eurojust was equipped with new powers to preserve, analyse and store evidence in order to facilitate the further investigation of war crimes, genocide and crimes against humanity committed on the territory of Ukraine. In July 2023, the International Centre for the Prosecution of the Crime of Aggression against Ukraine (ICPA) was launched in Eurojust, with the participation of members of the EU Joint Investigation Team.



The European Commission has also been exploring ways of using frozen Russian assets for Ukraine's recovery and reconstruction, in coordination with international partners, in accordance with EU and international law. EUR 260 billion of Russia's central bank assets have been frozen in G7 countries since Russia's invasion of Ukraine, of which two thirds are held in the EU. The G7 summit in June 2024 will discuss how to coordinate approaches among international partners' policies.

As agreed by the European Council, Member States are now discussing the possibility to use the extraordinary revenues stemming from Russia's central bank assets immobilised in the EU. On 12 February 2024, the Council adopted a legal framework for setting aside these windfall profits. A second proposal was made on 18 March, to allocate 90% of these revenues to the European Peace Facility, in order to increase the military support to Ukraine, and 10% to address reconstruction needs and to support Ukrainian defence industry capacities. No agreement has yet been reached but progress have been reported.

Under Vladimir Putin, particularly from 2012 onwards, the space for individual and collective action has diminished gradually but systematically, through legislative restrictions and targeted intimidation of critics. Over the years, the Russian authorities have introduced sweeping legal restrictions on 'foreign agents' and 'undesirable' and 'extremist' organisations, targeting hundreds of non-governmental organisations (NGOs), while censorship of the media, the internet and social media has increased significantly. An increasing number of civil society actors, human rights defenders and independent journalists have been designated as 'foreign agents', harassed and imprisoned, human rights organisations have been shut down and the freedoms of expression, of peaceful assembly and of association have been curtailed. Investigative and data-driven journalism have also been targeted, while the state-controlled media has relentlessly promoted an image of a 'besieged fortress' under attack from 'the collective West'. In addition, the 2016 and 2021 parliamentary elections and the September 2022 regional and local elections were held in a restrictive political and media environment, resulting in a significant victory for Putin's party United Russia. Election observers (until 2016) and the independent media found that elections continued to fall short of international standards and were marred by fraud, workplace mobilisation, systematic exclusion of the opposition and other irregularities. In September 2023, the Russian Federation held regional elections, including in the occupied territories of Ukraine, which were condemned by the EU and deemed illegal and illegitimate. Experts noted that they were even less fair and free than the previous elections. Russian citizens' voting rights have deteriorated to the point where these elections can be considered devoid of any genuine democratic principles.

After obtaining his fourth presidential term in 2018, Vladimir Putin orchestrated constitutional amendments in 2020, which allow him to stay in power beyond 2024 (theoretically until 2036). In March 2024, Vladimir Putin won his fifth presidential term, obtaining 87.28% with a turnout of 77.44% of eligible voters, in an election that was deemed undemocratic. These presidential 'elections' took place on 15–17 March in a highly restricted environment and under strong propaganda. The EU issued a statement reiterating that it does not and will never recognise either the holding of these so-called 'elections' in the territories of Ukraine or their results. The High



Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission (HR/VP) Josep Borrell declared that the election was based on repressive laws, marked by the absence of any credible competition and independent media, by arbitrary detentions persecution of political opposition leaders, civil society representatives and journalists and was also marked by the sudden death of Russian opposition leader and Sakharov prize laureate, Alexei Navalny, in custody in one of Russia's harshest penal colonies. At a debate in the European Parliament on 10 April 2024, Mr Borrell declared that in such an environment these could not be called 'elections'. Furthermore, it is the second time in a row that the Organisation for Security and Cooperation in Europe (OSCE) has been unable to observe elections in the country (following the 2021 parliamentary elections).

Following a decade of a shrinking public sphere under Vladimir Putin, a new spiral of domestic political repression commenced after Alexei Navalny's return to Russia in January 2021, and has increased dramatically since the outset of Russia's full-scale invasion of Ukraine in February 2022. Any dissent or deviation from the official version of events is subject to sanctions and critical voices in society have been further criminalised. The <u>FIU Democracy Index 2023</u> characterises Russia as an 'authoritarian regime', ranking 144th out of 167 countries, below Nicaragua, Venezuela and Niger. Russia's media freedom ranking in the <u>World Press Freedom Index</u> fell nine places after its invasion of Ukraine, to 167th out of 180, with the situation described as 'very serious'. The UN Special rapporteur on the situation of human rights in the Russian Federation, Mariana Katzarova, highlighted on numerous times that the human rights situation within Russia has significantly deteriorated since the invasion of Ukraine, with a pattern of suppression of civil and political rights.

Since 24 February 2022, 20 000 anti-war protestors have been detained in Russia and there are currently over 1 000 political prisoners according to OVD-Info. The EU has condemned the systematic crackdown on NGOs, civil society organisations, human rights defenders and independent journalists both within and outside of Russia and continues to support Russians who have been speaking out or protesting against the war in Ukraine. The EU has repeatedly reaffirmed its solidarity with Vladimir Kara-Murza, Alexei Navalny, Ilya Yashin, Oleg Orlov, and all Russians who have been prosecuted, imprisoned or intimidated for continuing to fight for human rights and speaking the truth about the regime's illegal actions.

AGREEMENTS IN FORCE

The legal basis for EU-Russia relations is the June 1994 PCA. Initially valid for 10 years, it has been renewed automatically every year. It sets the principal common objectives and establishes the institutional framework for bilateral contacts — including regular consultations on human rights and twice-yearly presidential summits — which are currently frozen.

At the 2003 St Petersburg summit, the EU and Russia reinforced their cooperation by creating four 'Common Spaces': an economic space; a freedom, security and justice space; an external security space; and a research, education and culture space. At regional level, the EU and Russia, along with Norway and Iceland, set up the new Northern Dimension policy in 2007, focusing on cross-border cooperation in the Baltic and Barents regions. In July 2008, negotiations were initiated for a new EU-



Russia agreement to include 'legally binding commitments' in areas such as political dialogue, justice, liberty, security, economic cooperation, research, education, culture, trade, investment and energy. A 'Partnership for Modernisation' was launched in 2010. Negotiations on a visa facilitation agreement were concluded in 2011. However, Russia's intervention in Crimea led to the suspension of all these talks and processes. In 2014, the European Council froze cooperation with Russia (except on cross-border cooperation and people-to-people contacts), as well as new EU financing for the benefit of the country through international financing institutions. Relations between the EU and Russia have been strained since the illegal annexation of Crimea and the city of Sevastopol by Russia in 2014 and its destabilising actions in eastern Ukraine. After Russia began its invasion of Ukraine on 24 February 2022, the remaining political, cultural and scientific cooperation was suspended.

ROLE OF THE EUROPEAN PARLIAMENT

The European Parliament endorsed the PCA in 1997 under the 'assent procedure'.

Parliament has adopted a series of resolutions on Ukraine condemning Russia's illegal annexation of Crimea in 2014 and its role in destabilising eastern Ukraine. Parliament adopted resolutions on the state of EU-Russia relations in June 2015 and March 2019, backing the EU sanctions and emphasising the need to provide more ambitious EU financial assistance to Russian civil society and to promote people-to-people contacts despite difficult relations. The 2019 resolution expresses great concern over Russia's international behaviour, particularly in the Eastern Partnership countries. The resolution also criticises the deterioration of human rights and fundamental freedoms in Russia and proposes that Russia no longer be considered a 'strategic partner' of the EU. In September 2021, Parliament adopted a recommendation on the direction of EU-Russia political relations requiring the EU to 'ensure that any further engagement with the Kremlin will depend on the latter's promise to end its domestic aggression against its own people, to stop systemic repressions of the opposition and ... political prisoners, civil society organisations, to repeal or amend all laws that are incompatible with international standards, such as the ones on "foreign agents" ... and to end its external aggression against neighbouring countries'. It calls for the EU to have clearly defined red lines and to refrain from pursuing cooperation with Russia only for the sake of maintaining dialogue channels open. It also calls for a vision and a strategy on the future of EU relations with a free, prosperous, peaceful and democratic Russia.

Before 2014, Parliament had favoured a new comprehensive agreement with Russia based on common values and interests. However, Parliament has repeatedly expressed strong concerns about respect for human rights, the rule of law and the state of democracy in Russia, for example concerning the laws against LGBTI 'propaganda', decriminalising non-aggravated domestic violence, the crackdown on independent NGOs or those receiving funding from outside Russia, etc. Parliament has particularly condemned the unprecedented levels of human rights abuses perpetrated against residents of Crimea, most notably Tatars. In 2018, it demanded the release of Ukrainian film director Oleg Sentsov, who opposed the illegal annexation of Crimea, and awarded him the Sakharov Prize. Sentsov was released in 2019 as part of an exchange of prisoners between Russia and Ukraine. Parliament strongly condemned the attempted assassination of Alexei Navalny in 2020.



Since the start of Russia's war of aggression against Ukraine, Parliament has adopted numerous resolutions condemning Russia's aggression and the crimes perpetrated in its wake and expressed its staunch support for Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders.

Over the period following Russia's large-scale invasion of Ukraine, <u>Parliament has been a staunch supporter of strong and effective EU sanctions</u> as a key instrument against the Russian Federation, Belarus and allies of the Russian Federation. It has called for the confiscation of Russian assets frozen by the EU and for their use to aid the reconstruction of Ukraine and compensation for the victims of Russia's aggression. As regards the cooperation on sanctions across the world, the European Parliament has called on partners to align with these sanctions and is concerned that several third countries are collaborating with Russia to help it circumvent sanctions.

In its <u>resolution of 23 November 2022</u>, Parliament recognised Russia as a state sponsor of terrorism and as a state that uses means of terrorism, calling on the international community to be united in establishing accountability for war crimes, crimes against humanity and the crime of aggression. In several resolutions, Parliament has called for President Putin, other Russian leaders and their Belarusian allies to be held accountable for the crime of aggression they have committed. In its resolution of 19 January 2023, Parliament supports the creation of a special international tribunal to prosecute the crime of aggression against Ukraine perpetrated by the political and military leadership of the Russian Federation and its allies, in particular Belarus. It also fully supports the ongoing investigation by the Prosecutor of the International Criminal Court (ICC) into the situation in Ukraine and alleged war crimes, crimes against humanity and genocide. In March 2023, when it was announced that ICC arrest warrants had been issued for Vladimir Putin and Maria Lvova-Belova, the Children's Rights Commissioner for the President of Russia, owing to the unlawful deportations of Ukrainian children to Russian territory, the European Parliament welcomed the decision during a plenary debate.

In its recommendation of 8 June 2022 on 'The EU's Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine', Parliament urged the HR/VP Josep Borrell to pursue a holistic approach towards the Russian Federation and abandon any selective engagement with Moscow in the face of the atrocities and war crimes orchestrated by Russian political elites and committed by Russian troops, their proxies and mercenaries in Ukraine and elsewhere.

In its <u>resolution of 16 February 2023</u>, Parliament acknowledged that the Russian war of aggression had fundamentally changed the geopolitical situation in Europe, and therefore called for the EU to take bold, brave and comprehensive political, security and financial decisions and continue the international isolation of the Russian Federation.

At the same time, Parliament also believes that the Commission, the European External Action Service and the Member States should start reflecting on how to engage with Russia in the future and how to assist it with a successful transition from an authoritarian regime to a democratic country that renounces revisionist and imperialistic policies, as stated in its <u>resolution of 6 October 2022</u>.



Before the war of aggression began, Parliament had already for years been condemning the Russian regime's domestic repression and the increasing deterioration of the human rights situation in the country. When Russia launched its war of aggression against Ukraine, Parliament reiterated its strongest condemnation, in particular of the severe restrictions placed on the freedom of opinion and expression, the right to peaceful assembly and association, and the systematic crackdowns on civil society organisations, human rights defenders, the independent media, lawyers and the political opposition. Parliament has also deplored the sweeping repressive Russian legislation, including on 'foreign agents' and 'undesirable organisations', the changes to the Criminal Code and the Mass Media Law, which are being used to engage in judicial harassment against dissenting voices in the country and abroad and to undermine the independent media. It has furthermore denounced the continuous and increasing censorship in Russia.

In particular, Parliament has repeatedly condemned Russia for the sentencing of Alexei Navalny who was awarded the European Parliament Sakharov Prize in 2021. As more activists were arrested and jailed, Parliament adopted two resolutions – on 7 April 2022 and 20 April 2023 respectively – condemning the increasing repression in Russia, in particular the cases of Vladimir Kara-Murza and Alexei Navalny. As part of the 'Free Navalny Campaign', in June 2023 Parliament installed a full-size replica of the punishment cell (Shizo) where Alexei Navalny is serving his 9.5 year sentence in front of the Parliament building in Brussels. The event, organised in the framework of activities of the Democracy Support and Election Coordination Group (DEG), was intended to draw attention to the plight of Alexei Navalny and to inform the public about repression against political opposition in Russia. On 29 February 2024, the Parliament adopted a resolution following Alexei Navalny's sudden death qualifying it as 'murder' for which the Russian Government and Vladimir Putin personally bear criminal and political responsibility. Parliament asked the HR/VP Josep Borrell and the Member States to hold the Russian political leadership and authorities to account, and sanction those involved in Mr Navalny's trials, sentencing, imprisonment and detention conditions. Again, it denounced the escalation of human rights violations by the Russian regime.

In its resolution of <u>5 October 2023, Parliament expressed concern for Zarema Musaeva</u>, a human rights defender from Chechnya. Parliament has also strongly and consistently condemned human rights violations in Chechnya.

Parliament has expressed its solidarity and support for the people in Russia and Belarus protesting against Russia's war of aggression against Ukraine and has demanded that Member States protect and grant asylum to Russians and Belarusians being persecuted for speaking out against the war, as well as Russian and Belarusian deserters and conscientious objectors. It has also called for the EU institutions to engage with Russian democratic leaders and civil society and supports the creation of a democracy hub for Russia, hosted by the European Parliament. The President of the European Parliament met with some representatives of the Russian opposition in 2022, the subcommittee on Human Rights is holding regular exchanges of views with Russian independent journalists, civil society and opposition representatives. Individual MEPs also organised a roundtable on the future of a democratic Russia on 5



and 6 June 2023 gathering representatives of the EU Institutions, MEPs and prominent representatives of all streams of Russia's free media and political opposition.

On 25 April 2024, before its recess, <u>Parliament held an important vote concluding that the so-called presidential election in Russia from 15 to 17 March was illegitimate and undemocratic, and unequivocally condemned the illegal so-called election conducted in the temporarily occupied territories of Ukraine. Parliament also urged the EU Member States and the international community not to recognise the outcome of the presidential election as legitimate, as it was it was neither free nor fair, nor met the basic international electoral standards, and thus lacked democratic legitimacy.</u>

On 14 February 2024, the DEG and the EP Delegation on relations with Russia jointly <u>organised a conference</u> inviting representatives of the Russian opposition and human rights lawyers to debate about the meaning of these presidential elections.

Relations with Russian legislators were mostly developed in the Parliamentary Cooperation Committee (PCC), an inter-parliamentary forum established by the EU-Russia PCA. Between 1997 and 2014, the PCC served as a stable platform for developing cooperation and dialogue between delegations from Parliament and the Russian Federal Assembly. Since March 2014, however, Parliament has discontinued these inter-parliamentary meetings in accordance with the EU's restrictive measures taken in response to the Ukrainian crisis. Nevertheless, Parliament's Delegation to the EU-Russia PCC continues to meet regularly to analyse and hold debates on the impact of Russia's war of aggression against Ukraine on the world and domestically, and in particular on the escalating crackdown on Russian civil society by the Russian authorities. In this context, the delegation holds regular exchanges of views with representatives of the Russian opposition, human rights defenders, civil society, non-governmental organisations and independent journalists, as well as with international experts.

Parliament has not been invited by Russia to observe elections since 1999.

Vanessa Cuevas Herman 04/2024



5.6.4. CENTRAL ASIA

The EU recognises the strategic importance of Central Asia, which links the huge Asian continent with Europe. In 2019, the EU updated its Central Asia strategy to focus on resilience (covering areas such as human rights, border security and the environment), prosperity (with a strong emphasis on connectivity) and regional cooperation. The EU and Central Asia have taken important steps through the EU Global Gateway to develop the Trans-Caspian Transport Corridor. Parliament highlights the importance of human rights, good governance and social development, underlining the role of parliamentary diplomacy. Parliament strongly supports democracy and the rule of law with concrete initiatives such as democratisation in Central Asia. In the light of the situation in Afghanistan, Central Asia has become crucial for security and stability. The January 2022 riots in Kazakhstan (which ended after the Collective Security Treaty Organization sent Russian-led troops) and the border clashes between Central Asian countries show the risk of instability in a region under Moscow's influence. This influence in Central Asia is however weakening as a result of the Russian invasion of Ukraine and the concentration of troops at the front. However, Russia remains a key security provider in the region, with military facilities in three of the five Central Asian countries, and it controls two thirds of arms' imports and supports the region's governments. For trade and investment, the Chinese influence is growing with its Belt and Road initiative.

Given the geostrategic importance of the region, Parliament strongly encourages the EU to intensify its engagement with Central Asia. The EU should promote political and economic reforms that strengthen the rule of law, democracy, good governance, and respect for human rights. Parliament is willing to promote parliamentary cooperation and parliamentary diplomacy with Central Asia.

LEGAL BASIS

- Title V of the Treaty on European Union: 'external action';
- Articles 206-207 (trade) and Articles 216-219 (international agreements) of the <u>Treaty on the Functioning of the European Union</u>;
- Partnership and cooperation agreements (PCAs) covering bilateral relations, with the exception of Turkmenistan for which an interim trade agreement is in place. The new enhanced PCA (EPCA) with Kazakhstan fully entered into force on 1 March 2020. The EPCA with Kyrgyzstan was initialled in July 2019 and negotiations with Uzbekistan are under way. Tajikistan has also expressed an interest in an EPCA.

THE CENTRAL ASIAN COUNTRIES AND EU-CENTRAL ASIA RELATIONS

For years, relations between Central Asian countries were generally poor, owing to border and resource disputes. Nevertheless, the situation changed rapidly following



the change of leadership in Uzbekistan in 2016, opening up new possibilities for regional cooperation.

The first Central Asian leaders' summit on regional cooperation since the 1990s was held in Astana in March 2018 and the <u>fifth Central Asia summit took place in September 2023 in Dushanbe</u>. Renewable energy sources are another focus of attention in view of the enormous potential for regional cooperation and investment. The regional economy currently faces uncertainty as a result of Russia's invasion of Ukraine, global inflation and rising commodity prices.

All the Central Asian countries follow multi-vector foreign policies, seeking to balance ties with Russia, China, the EU and the United States in particular. Relations with Türkiye and Iran are also important. Turkmenistan has been largely closed to the outside world, and its 'permanent neutrality' status is even recognised by the UN.

There are EU delegations in all Central Asian countries, since the Delegation to Turkmenistan was opened in July 2019. The EU Delegation to Mongolia was opened in 2017. The EU welcomed the accession of Kyrgyzstan, Tajikistan and Kazakhstan to the World Trade Organization. Kazakhstan and Kyrgyzstan are members of the Eurasian Economic Union. EU trade with Kazakhstan, mainly in mineral resources, is significant, and that with Uzbekistan is growing.

In <u>2016</u>, Parliament supported the EU's Central Asia strategy, calling for it to be more focused. The <u>EU Central Asia strategy</u> was endorsed by the Council in <u>June 2019</u>. The scope of the EU's relations is linked to the readiness of individual Central Asian countries to undertake reforms and strengthen democracy, human rights, the rule of law and the independence of the judiciary. Countries must also be prepared to modernise and diversify their economies, including by supporting the private sector and small and medium-sized enterprises. The EU-Central Asia International Conference on Connectivity (Global Gateway) was held in November 2022 in Samarkand, Uzbekistan. The importance of a regional approach and regional cooperation has also been stressed at the EU-Central Asia Ministerial Meetings. The 19th EU-Central Asia Ministerial Meeting took place in October 2023.

In 2022, two-way trade in goods amounted to EUR 47.6 billion, with a EUR 15.2 billion trade surplus in favour of Central Asia. Central Asian countries received EUR 1.02 billion in funding for 2014-2020 from the Development Cooperation Instrument, which included both bilateral assistance and regional programmes (EUR 360 million). Horizon Europe is the EU's new key funding programme for research and innovation, with a budget of EUR 95.5 billion worldwide available over a period of seven years under the 2021-2027 multiannual indicative programme. Assistance has focused on education, regional security, sustainable management of natural resources and socio-economic development. Kazakhstan and Turkmenistan are no longer eligible for the bilateral parts of the instrument since they have gained upper-middle-income-country status, but they continue to have access to the regional programmes. The European Instrument for Democracy and Human Rights operates in all the Central Asian states except for Turkmenistan, where civil society organisations are too few in number, too poorly organised and too strictly controlled.

Following the Taliban takeover in August 2021, the situation in Afghanistan has become not only a global issue but also the leading concern of Central Asian



governments. The entire Central Asian region has become a crucial area for containing religious extremism and terror networks, together with drug trafficking within its borders. Because of the humanitarian crisis in Afghanistan, Central Asia has become a destination for large numbers of Afghan refugees, who are therefore potential recipients of additional EU support, with bilateral and regional programmes as part of the 2021–2027 EU multiannual indicative programme.

Parliament's activities with Central Asia are conducted mainly by the Committee on Foreign Affairs (AFET), the Committee on International Trade (INTA), the Subcommittee on Security and Defence (SEDE), the Subcommittee on Human Rights (DROI), the Delegation for Relations with Central Asia (D-CAS), and through the Parliamentary Cooperation Committees (PCCs) and the Delegation for relations with Afghanistan (D-AF), among other bodies. PCCs with the majority of Central Asian countries meet every year. MEPs oversee the implementation of the agreements and focus on human rights issues, the political situation, economic and development cooperation, and electoral processes.

Following Russia's invasion of Ukraine in February 2022 and the EU decision to impose a number of sanction packages on Russia, some Central Asian countries and particularly Kazakhstan, Kyrgyzstan and Uzbekistan, became possible hubs for circumventing sanctions, as denounced by Parliament resolutions.

Parliament passed a resolution in January 2024 on the EU strategy on Central Asia, updating its comprehensive approach to the region and welcoming the fact that the first EU-Central Asia summit is planned for 2024. The resolution also endorses the October 2023 Joint Roadmap for Deepening Ties between the EU and Central Asia, which serves as a strategic blueprint to advance dialogue and cooperation.

A. Kazakhstan

<u>Parliament gave its consent to the EPCA with Kazakhstan in December 2017</u>, stressing the importance of the 'more for more' principle to stimulate political and socioeconomic reforms.

Former President Nursultan Nazarbayev resigned in March 2019 after three decades in power, but as 'Supreme Leader' and 'Father of the Nation' he maintained significant influence and formal powers until 2022.

In 2020, Kazakhstan joined the UN International Covenant on Civil and Political Rights, a multilateral treaty that is included in the International Bill of Human Rights. In January 2021, Kazakhstan abolished the death penalty after ratifying the UN's Second Optional Protocol to the International Covenant on Civil and Political Rights. The European External Action Service lauded the step.

After protests broke out following a spike in liquefied gas prices in January 2022, violence was provoked by unknown, well-trained and organised armed persons. President Tokayev declared a state of emergency. In response to President Tokayev's request, the <u>Collective Security Treaty Organization</u>, a military alliance led by Russia, agreed to send soldiers ('peacekeeping forces') to Kazakhstan from Russia, Belarus, Tajikistan, Armenia and Kyrgyzstan.

President Tokayev used the crisis to blame the previous administration, consolidate his power and end the dual-power arrangement forced on him by Nazarbayev.



Tokayev assumed the office of the Chair of the Security Council and appointed a new prime minister. Key members of Nazarbayev's family lost their positions of influence. In September 2022, Kazakhstan's Parliament renamed the nation's capital from Nur-Sultan to Astana, the latest move to distance the country from the former Soviet republic's first president Nursultan Nazarbayev. In January 2022, Tokayev announced a package of substantial reforms. Kazakhstan has recorded high economic growth in the past, becoming an upper-middle-income country in 2006. This economic progress was challenged by the severe impact of the COVID-19 pandemic and by the country's growing political and economic dependence on China. GDP growth in 2024 is expected to be around 4% particularly due to forecast uncertainties of oil production in 2024–2025.

In June 2022, Kazakhstan held a constitutional referendum that introduced substantial changes to the existing institutional balance of power, including by curtailing the power of the president and strengthening the role of the parliament. Official turnout was high (68%) and 77.1% of those who cast ballots voted in favour of the changes.

The EU is Kazakhstan's largest trade partner and foreign investor, and Kazakhstan remains the EU's leading trade partner in Central Asia. In 2022, the trade balance reached EUR 19.5 billion in Kazakhstan's favour. The 10th EU-Kazakhstan High-Level Business Platform held in Nur-Sultan in July 2022 was focused on cooperation in the area of raw materials and sustainable mining.

Parliament has not observed elections in Kazakhstan since 2005. The Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe (OSCE/OIDHR) has sent election observers to Kazakhstan. OSCE/ODIHR deployed an Election Observation Mission to the early parliamentary elections in March 2023 in response to concerns about the lack of genuine opposition to the Amanat (ex Nur-Otan) party and due to Kazakhstan's non-compliance with recommendations relating to fundamental freedoms, impartiality of election administration and eligibility.

Parliament has highlighted the need to guarantee fundamental freedoms, end the arbitrary detention of human rights activists and members of political opposition movements, and ensure the rights of LGTBIQA+ people and the safety of Kazakhs and other ethnic minority groups. Moreover, it has called for possible individual sanctions against Kazakhstan's officials who are directly responsible for human rights abuses.

Parliament adopted a <u>resolution on the protests and violence in Kazakhstan in January 2022</u>, reiterating its concern over human rights abuses following the outbreak of protests in the country, including the widespread use of torture and disregard for democracy.

A number of internal reforms in Kazakhstan were discussed through regular bilateral interparliamentary dialogue during the 19th Parliamentary Cooperation Committee (Astana and Almaty, April 2022) and the 20th EU-Kazakhstan Cooperation Council, which took place in October 2023 to review the progress made in implementing the EU-Kazakhstan EPCA. During the meeting, the EU welcomed the high level of economic relations.



B. Kyrgyzstan

The EU-Kyrgyzstan EPCA was signed in July 2019. Parliament had issued recommendations in January 2019 for the negotiation of a new bilateral agreement. The EU is one of the main sponsors of sustainable development and reforms in Kyrgyzstan. Between 2014 and 2020, the EU allocated EUR 174 million in grant-based development assistance directed at three main sectors and support measures: the rule of law, integrated rural development and education. The 2021–2027 multiannual indicative programme responds to the Kyrgyz national development strategy for 2040, which sets out a long-term roadmap to emerge as a strong, self-sufficient and prosperous country.

The OSCE/ODIHR regularly observes parliamentary elections and presidential elections. Parliamentary elections were held in Kyrgyzstan in October 2020 and were subsequently invalidated following mass protests against irregularities and vote buying. Kyrgyzstan's President, Sooronbay Jeenbekov, resigned in October 2020 and the country held presidential elections in January 2021, after which Sadyr Japarov took office as Kyrgyzstan's sixth president. The EU noted low voter turnout, the lack of a level playing field for candidates, violations regarding campaigning procedures and an abuse of administrative resources, as reported by the OSCE/OIDHR.

In a referendum held in April 2021, voters approved a new constitution to reduce the size of the parliament by 25% to 90 seats. It also gave the president the power to appoint judges and the leaders of law enforcement bodies and replaced the law allowing the president one term in office in favour of re-election for a second term. The EU issued a statement on constitutional reform in Kyrgyzstan in April 2021, expressing its regret at the lack of inclusive dialogue involving civil society. The 19th EU-Kyrgyz Republic Cooperation Council in November 2022 discussed the strengthening of the rule of law, human rights, including the freedom of the media, progress made in the judiciary and good governance. The 13th EU-Kyrgyz Republic annual Human Rights Dialogue took place in November 2023 in Brussels.

Following clashes on the Kyrgyz-Tajik border in April 2021, the Chair of Parliament's AFET Committee David McAllister and D-CAS Chair Fulvio Martusciello issued a statement in May 2021 welcoming the ceasefire and calling on both sides to hold diplomatic discussions instead of engaging in military clashes. The border conflict between Kyrgyzstan and Tajikistan has killed and injured hundreds of people, and has displaced thousands.

Parliament is deeply concerned about human rights in Kyrgyzstan. An investigation into the death in custody of human rights defender Azimjon Askarov in July 2020 was closed and then re-opened. Several foreign human rights activists and foreign media correspondents remain banned from Kyrgyzstan. Domestic violence remains widespread.

In July 2023, Parliament passed a resolution on freedom of expression in Kyrgyzstan, in response to the controversial Kyrgyz bill on media and NGOs. This was one the main issues of the interparliamentary dialogue when Parliament's D-CAS visited Kyrgyzstan in December 2023 to hold the 16th EU-Kyrgyz Republic Parliamentary Cooperation Committee. Kyrgyzstan is a crucial partner of European parliamentary diplomacy, with regular contacts and open discussion about the state of human rights in the country,



its position on Russia and the war against Ukraine. <u>Parliament has expressed concerns</u> at the <u>LGBTIQA+</u> 'propaganda' draft laws in 2015. In August 2023, Kyrgyzstan enacted a new law that aims to restrict freedom of expression and access to information about LGTBIQA+ people, identities, rights, and lives.

C. Uzbekistan

<u>Uzbekistan became the ninth beneficiary country of the EU's sustainable development and good governance (GSP+) arrangement in April 2021</u>. By joining this scheme, Uzbekistan receives additional economic benefits due to the cancellation of tariffs for two thirds of the product lines covered by the GSP+. The instrument is a boost to the country's exports and its ability to attract foreign investment. In turn, Uzbekistan is expected to implement 27 core international conventions on good governance, human and labour rights and environmental and climate protection. The President of the European Council, Charles Michel, helped to further develop cooperation during his <u>visit to Uzbekistan in 2022</u>. Negotiations and significant agreements were reached during the President's participation in the first <u>EU-Central Asia meeting in Astana in October 2022</u>.

In July 2022, the EU and Uzbekistan completed negotiations for a new EPCA, aimed at providing a new, modern and ambitious framework to step up the EU-Uzbekistan partnership. The 19th EU-Uzbekistan annual Cooperation Committee took place in December 2023 in Tashkent. The two sides exchanged views on the further development of financial, technical, trade, economic and investment cooperation, focusing on measures to liberalise and simplify trade procedures using the benefits of the GSP+. The 19th annual meeting emphasised efforts to boost energy efficiency and green energy projects, along with cooperation in expanding transportation, including the Trans-Caspian International Transport Route.

Since Uzbek President Shavkat Mirziyoyev took office in 2016, there have been wide-ranging and rapid democratic changes. These are positive developments, which include several ambitious reforms and internal changes, such as the release of a number of political prisoners. Parliament was invited to observe legislative elections in Uzbekistan for the first time in December 2019, but refused on the grounds that the elections were neither free nor fair, pointing to the fact that all candidates came from pro-regime parties. The elections were therefore only monitored by the OSCE/ODIHR.

In February 2021, Mirziyoev signed a law to move the presidential elections to October 2021. The OSCE/ODIHR reiterated its recommendations on political parties' financing, expediting vote-counting and cutting state resources for electoral campaigns. Parliament accepted the invitation to monitor the October 2021 presidential elections even though the five candidates that were accepted and registered by the Central Election Commission were allegedly pro-government, while two credible opposition candidates from the Liberal Democratic Party and the Truth and Progress Social Democratic Party had been denied registration.

<u>In July 2023, Uzbekistan's President Shavkat Mirziyoyev was re-elected</u> with 87.1% of the vote. He intends to continue the ambitious reforms planned under the <u>Development Strategy 2022-2026</u>, aimed at achieving genuine change in the



country in terms of socio-economic development; efficient administration; a more independent judicial system; and respect for human rights and fundamental freedoms.

Uzbekistan has engaged with the Taliban on trade issues and economic interaction, ensuring border security and cooperation in energy, transportation and international cargo, as well as the railway project connecting the Uzbek border town of Termez to the Pakistani city of Peshawar via Mazar-i-Sharif and Kabul in Afghanistan.

Relations between Uzbekistan and Russia have strengthened under President Mirziyoyev. <u>Uzbekistan abstained in the UN General Assembly to condemn Russia's invasion of Ukraine</u>, officially adopting a 'neutral' position. The two countries signed an agreement on the extension of military-technical collaboration with a commitment to jointly procuring military goods, military equipment, research and assistance and to renewing outdated weapons. Russia is one of Uzbekistan's biggest trading partners and Russian investors are particularly interested in Uzbekistan's oil and gas sector. Russia's Gazprom cooperates with hydrocarbons producer Uzbekneftegaz on gas production in Uzbek gas fields, and it also purchases Uzbek gas.

In January 2024, Chinese President Xi Jinping held talks with Uzbekistan's President Shavkat Mirziyoyev. They announced that China and Uzbekistan have decided to develop an all-weather comprehensive strategic partnership for a new era.

The 15th EU-Uzbekistan Parliamentary Cooperation Committee took place in January 2022 in Brussels and the 16th EU-Uzbekistan Parliamentary Cooperation Committee took place in April 2023 in Tashkent, Nukus and Munyak. Topics of discussion included Russia's war of aggression against Ukraine, the forthcoming Constitutional Referendum in Uzbekistan, and the conclusion of the Enhanced Partnership and Cooperation Agreement. It also assessed the situation in Karakalpakstan after the July 2022 protests, as well as the environmental situation of the Aral Sea.

D. Turkmenistan

Formal EU-Turkmenistan relations emerged in 1997, and the two parties signed a PCA in 1998. Since 2004 all EU Member States and Turkmenistan have already ratified the PCA. Ratification by the European Parliament is the final remaining requirement to finalise it. Parliament has refused to give its consent to ratification of the EU-Turkmenistan PCA because of its deep concern over the short-term benchmarks for Turkmenistan's progress on human rights and fundamental freedoms. Therefore, bilateral EU-Turkmenistan relations are currently governed by the 2010 Interim Trade Agreement.

Turkmenistan has taken steps to open the country and create more space for civil society organisations. However, the country remains under the authoritarian rule of President Berdymukhamedov. Recent developments show that democratic development has not progressed and the human rights situation has not particularly improved. In 2021, Turkmenistan introduced some constitutional reforms, including the creation of an upper house, but the role of the Turkmen Parliament is still extremely limited.

Apart from the EU-Central Asia regional frameworks, the EU and Turkmenistan maintain annual bilateral dialogues: the EU-Turkmenistan Human Rights Dialogue



and the EU-Turkmenistan Joint Committee. The <u>22nd Joint Committee was held in December 2023</u> to further develop partnership and cooperation, in particular in the areas of trade, energy, and development cooperation. The EU has reaffirmed that the rule of law and respect for human rights are essential aspects of the EU-Turkmenistan relationship. <u>The 15th annual EU-Turkmenistan Human Rights Dialogue took place in December 2023</u>. Discussions centred on Turkmenistan's fulfilment of its international legal obligations, in particular respect for human rights, socio-economic issues and cooperation in multilateral platforms.

Parliament has consistently expressed concerns about Turkmenistan's poor human rights record and, accordingly, has blocked the entry into force of the PCA so far. Parliament has never been invited to observe elections in Turkmenistan. The dialogue.

Following Russia's invasion of Ukraine in February 2022, EU countries are trying to increase their access to Turkmenistan's gas resources to ensure their energy security. As a result, Turkmenistan and the EU are currently working on a gas deal, as Turkmenistan wants to diversify its energy exports, while the EU wants to diversify its energy imports. In November 2014, Turkmenistan signed a framework agreement with Türkiye to supply its gas through the Trans-Anatolian gas pipeline, which now receives gas from Azerbaijan's Shah Deniz field in the Caspian Sea. In 2021, Trans Caspian Resources presented its project for the Trans-Caspian Interconnector, a smaller gas pipeline (compared to the Trans-Caspian gas pipeline) from Turkmenistan to Azerbaijan. Once completed, it will supply between 10 and 12 billion cubic metres of natural gas per year.

E. Tajikistan

The EU's engagement with Tajikistan has developed significantly since the country's independence from the USSR in 1992. The current legal framework for <u>EU-Tajikistan relations is the PCA signed in October 2004</u>, which entered into force in January 2010. Parliament consented to the conclusion of the PCA in 2009, but called for improvements in human rights, corruption, health and education. The PCA contributed to the enhancement of bilateral cooperation and raised the EU's profile in Tajikistan, setting out a platform for political dialogue and aiming to promote bilateral trade and economic relations. It also includes articles on cooperation on migration and on the fight against money laundering, drugs and terrorism.

Tajikistan is an important EU partner currently facing several challenges, such as the impact of international sanctions and the return of many Tajik migrants from Russia following its invasion of Ukraine, the critical human rights situation and a strong interest in joining the GSP+ trade preferential scheme. Following the Taliban takeover in Afghanistan, Tajikistan has been hosting thousands of Afghan refugees. The country is committed to fighting the spread of extremism and radicalism in Central Asia.

At the beginning of 2023, the EU and Tajikistan started negotiations on an EPCA. The 10th meeting of the EU-Tajikistan Cooperation Council was held in June 2023 in Luxembourg. Since then, contacts have been initiated to begin the EPCA negotiations, following the example of other Central Asian countries. The EU is encouraging Tajikistan to improve its record on fundamental freedoms and respect for human



rights. The <u>14th Human Right Dialogue took place in December 2023</u> and focused on strengthening cooperation between the Government of Tajikistan and civil society.

<u>Parliamentary elections were held in Tajikistan</u> in March 2020. The ruling People's Democratic Party won by overwhelming majority. The presidential election was held in October 2021 amid the COVID-19 pandemic. As expected, Emomali Rakhmonov (Rahmon) easily won the election, securing him another seven years as President.

In June 2016, the European Parliament adopted a very critical <u>resolution on the situation of prisoners of conscience</u> in Tajikistan, expressing deep concerns about the deterioration of human rights, the increased number of detentions and arrests of human rights activists, political opponents and their family members and severe restrictions on the independent media.

Parliament has repeatedly expressed concern about the clashes at the Kyrgyz-Tajik border and welcomed the ceasefire agreement reached in April 2021. However, in September 2022, violence increased between border guards along various sites. In February 2024, Kyrgyzstan and Tajikistan reached a settlement to end decades of acrimonious disputes by agreeing on the delimitation of 90% of previously contested territory.

In July 2022, Parliament adopted a <u>resolution on the deterioration of the situation in the Gorno-Badakhshan Autonomous Province</u> and reiterated its concern over the worsening of the country's human-rights record in its <u>resolution of January 2024 on the state repression against the independent media</u>. Political parliamentary dialogue remained intense, through the <u>9th EU/Tajikistan parliamentary Cooperation Committee in May 2022</u> (Brussels) and the <u>10th EU/Tajikistan Parliamentary Cooperation Committee in May 2023</u> (Dushanbe and Bokhtar). Parliament is stepping up its scrutiny of the deterioration in human rights in the country. Improvement in this area is essential to further enhance the bilateral relations between Tajikistan and the EU.

F. Mongolia

Mongolia, though not covered by the EU's Central Asian strategy, is classified by Parliament as part of the region within the framework of its standing delegations. Mongolia shares many cultural, historic and economic aspects with the former Soviet republics of Central Asia. During the last three decades, Mongolia has distinguished itself as an 'oasis of democracy' with solid economic growth, even though developments in 2019 raised concerns about democratic erosion. In 2017, Parliament gave its consent to the EU-Mongolia PCA.

In the midst of the COVID-19 pandemic, Mongolia still held its regular parliamentary elections and saw Ukhnaa Khürelsükh elected President. As the new, amended constitution requires the president not to be affiliated to a political party, in June 2021, Ukhnaa was replaced as leader of the Mongolian People's Party (MPP) by incumbent Mongolian Prime Minister Luvsannamsrai Oyun-Erdene. Mongolian politics are currently dominated by the consolidation of the MPP party with a large majority in the Mongolian Parliament and presidential control. There will be a parliamentary election in June 2024, which will be a pivotal moment for the country's democracy



because it will be the first since <u>Mongolia's constitutional reform in May 2023</u>, which enlarged the parliament from 76 to 126 members.

The EU-Mongolia annual Joint Committee meeting was held in July 2023 to reaffirm the partnership based on shared values such as democracy, human rights, the rule of law and respect for the principles of the UN Charter. Mongolia and the EU agreed on the need to combat climate change and protect the environment, fully supporting the implementation of the Paris Agreement. The EU-Mongolia Working Group on Development Cooperation met in July 2023 to look ahead towards future challenges and opportunities and to discuss the progress achieved by the implementation of the Mongolia 2021–2027 multiannual indicative programme. The meeting of the EU-Mongolia Subcommittee on Trade and Investment was held in November 2023 to discuss the current economic situation, investment environment and trade policies.

Parliament's statements on Mongolia have been largely related to economic issues, but also to the country's development and humanitarian needs, linked to extreme weather conditions. A Parliament delegation observed Mongolia's 2016 parliamentary elections and 2017 presidential elections, noting that the country is developing a solid democracy. However, Parliament did not observe the June 2020 parliamentary election because of the COVID-19 pandemic, nor the June 2021 presidential election. In 2022, due to the exceptional international situation following the outbreak of Russia's war of aggression against Ukraine, for the first time two full EU-Mongolia interparliamentary meetings were held in the same year: the 14th in Ulaan Baator in February 2022 and the 15th in Brussels in June 2022. The 16th EU-Mongolia Interparliamentary Meeting took place in September 2023 in Ulaan Baator. The delegation commended Mongolia's encouragement of democracy and had direct contact with various representatives of Mongolian society. This included meetings with students, teachers and the National University; the highest Tibetan Buddhist authorities in the country; many NGOs; and beneficiaries of EU-funded projects.

Jorge Soutullo / Niccolò Rinaldi 05/2024



5.6.5. GULF COUNTRIES, IRAN, IRAQ AND YEMEN

The EU has cooperation agreements with the Gulf Cooperation Council (a regional organisation grouping Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) and with Yemen, and a Partnership and Cooperation Agreement with Iraq. The EU has no formal agreement with Iran and there is no EU Delegation in Tehran. EU-Iran relations are currently based on the preservation of the Joint Comprehensive Plan of Action (JCPOA, or Iran nuclear agreement), signed in Vienna in July 2015.

LEGAL BASIS

- Title V (external action) of the Treaty on European Union;
- Articles 206-207 (trade) and 216-219 (international agreements) of the Treaty on the Functioning of the European Union.

GULF COOPERATION COUNCIL (GCC)

The GCC was established in May 1981. Today, the group – still comprising the original members, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE) – serves as the main conduit for the EU's relations with the six countries. On a number of occasions, the EU and the GCC have taken joint positions on problems in the Middle East.

The oil-rich Gulf countries are undergoing considerable socio-economic and political changes, although the progress of reform is uneven. The effect of the Arab uprisings on the monarchies of the Gulf has been subdued by preventive policies — subsidies and an expansion of public-sector employment — and by repressive measures, notably in Bahrain and in Saudi Arabia's Eastern Province. The GCC countries have maintained active roles in Middle Eastern diplomacy, sometimes in rivalry with each other. This contributed to the 2017–2021 diplomatic crisis between Qatar and some of the other GCC countries, which accused Qatar of supporting terrorist and sectarian groups (including the Muslim Brotherhood), financing groups associated with Iran, infringing its neighbours' sovereignty and instigating political dissent in neighbouring countries.

While the EU hopes to develop its political relations in the region, including through human rights dialogues, EU-GCC relations have largely been defined by economic and trade ties. Trade volumes between the two sides have grown steadily over the years, with the EU registering a significant trade surplus.

The EU and the GCC signed a Cooperation Agreement in 1988. The agreement aims to strengthen stability in a region of strategic importance, facilitate political and economic relations, broaden economic and technical cooperation, and deepen cooperation on energy, industry, trade and services, agriculture, fisheries, investment, science, technology and the environment. The agreement provides for annual joint councils/ministerial meetings, and for joint cooperation committees at the level of senior officials. It makes no provision for a parliamentary body. In April 2016, the EU-



GCC Joint Cooperation Committee agreed to establish a more structured informal dialogue on trade and investment. This was followed in July 2016 by an EU-GCC joint council and ministerial meeting. The diplomatic crisis that erupted in June 2017 between Qatar and the other Gulf countries has prevented new meetings from being convened.

EU-GCC cooperation received a significant boost in 2022. During the EU-GCC Joint Ministerial Meeting of 21 February 2022 in Brussels, there was a strong emphasis placed on the importance of strengthening the EU-GCC partnership. At the meeting, Ministers endorsed a Joint Cooperation Programme for the 2022-2027 period, outlining concrete joint activities in a wide range of areas, including trade and investment, energy, climate change, education, counterterrorism and humanitarian aid.

The Ministers' commitment was further reinforced in May of the same year by the joint communication of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy on a strategic partnership with the Gulf, proposing a comprehensive framework for expanding ties with GCC states. The communication, endorsed by the Council conclusions of 20 June 2022, explicitly acknowledges the direct consequences of the Gulf region's security and stability for the EU, while emphasising the potential benefits of a stronger and more strategic partnership with the GCC and its member states.

The EU-GCC partnership has since maintained a positive momentum. On 1 June 2023, the EU appointed its first Special Representative for the Gulf region (Luigi Di Maio) to further develop a stronger, comprehensive and more strategic EU partnership with the countries in the Gulf region.

On 10 October 2023 – shortly after the outbreak of hostilities between Israel and Hamas in Gaza, triggered by a Hamas terrorist attack on Israel on 7 October – the 27th EU-GCC Joint Council was held in Muscat. The meeting produced very positive outcomes, such as: i) agreement on the establishment of a structured EU-GCC Security Dialogue; ii) agreement to co-organise a High Level Security Forum on Regional Security and Cooperation; and iii) agreement on cooperation on humanitarian affairs. The first-ever EU-GCC Security Dialogue took place on 24 January 2024 in Riyadh, shortly followed by a High Level Forum on Regional Security and Cooperation in Luxembourg on 22 April.

In terms of economic relations, negotiations on a free trade agreement were started in 1990 but have been stalled since 2008, with the question of export duties remaining a source of disagreement. A trade and investment dialogue was initiated in 2017. Since 1 January 2007, funds from the Partnership Instrument (as from its predecessor, the instrument for cooperation with industrialised and other high-income countries and territories) have been available to finance measures for implementing the EU-GCC Cooperation Agreement. The GCC countries also benefit from the Erasmus Mundus programme.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament adopted a <u>resolution</u> on EU relations with the GCC countries on 24 March 2011, calling for a strategic partnership with the GCC and its member



states. This position was most recently reiterated in Parliament's <u>resolution</u> of 28 February 2024 on the implementation of the common foreign and security policy – annual report 2023.

Parliament's Delegation for relations with the Arab Peninsula holds regular interparliamentary meetings with the consultative councils in the region and monitors the development of relations between the EU and the GCC.

In recent years, Parliament has adopted resolutions expressing specific concerns about the human rights situation in some GCC countries, including of <u>8 July 2021</u>, of <u>14 February 2019</u> and of <u>31 May 2018</u> on Saudi Arabia, of <u>16 September 2021</u> on the United Arab Emirates and of <u>11 March 2021</u>, of <u>7 July 2016</u>, of <u>4 February 2016</u>, of <u>9 July 2015</u> and of <u>12 March 2015</u> on Bahrain, and the <u>return to the practice of capital punishment</u> in Kuwait and Bahrain. Following the murder of journalist Jamal Khashoggi in the Saudi consulate in Istanbul, Parliament adopted a <u>resolution</u> condemning the murder, calling for an international, independent and impartial investigation into his disappearance and extrajudicial killing, and urging the Saudi authorities to immediately and unconditionally release all human rights defenders.

Parliament has <u>called</u> several times for an EU <u>arms embargo</u> against Saudi Arabia, given the serious allegations of breaches of international humanitarian law by Saudi Arabia in Yemen.

Parliament's Sakharov Prize for Freedom of Thought for 2015 was awarded to Saudi blogger Raif Badawi.

YEMEN

EU-Yemen relations are based on the 1997 Cooperation Agreement, covering trade, development cooperation, culture, communications and information, the environment and management of natural resources, and political dialogue. In March 2015, an international military coalition led by Saudi Arabia launched a campaign against rebels who had ousted the incumbent president. The EU supports the mediation conducted by the UN with a view to finding a political solution to the conflict.

On 12 December 2022, the Council adopted <u>conclusions on Yemen</u>, reaffirming its commitment to the unity, sovereignty, independence and territorial integrity of Yemen, and its full support to the UN peace efforts and to UN Special Envoy Hans Grundberg in his mediation efforts. The EU has urged the Houthis to abandon maximalist positions and engage constructively with UN Special Envoy Grundberg. The Council also stressed the utmost importance of reinstating and further extending the truce.

Since the beginning of the war in 2015, the EU has contributed over EUR 1.4 billion to respond to the crisis in Yemen. This includes EUR 998 million in humanitarian aid and EUR 487 million in development assistance.

In 2023, the EU allocated EUR 145.1 million in humanitarian aid for those affected by the conflict in Yemen. EU humanitarian aid focuses on assisting the most vulnerable people in the country – those directly affected by the conflict or displaced, as well as households impacted by the food insecurity and health crises. This includes food, healthcare, education, water and shelter. It also covers improved hygiene services



to displaced populations and conflict-affected areas as well as areas with high food insecurity and malnutrition.

In 2023, the EU allocated EUR 55 million in development aid, earmarked for food security and livelihood support, addressing both urgent food security needs, as well as long-term development and self-reliance.

The EU Delegation to the Republic of Yemen is currently operating from Amman, Jordan.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament adopted resolutions on Yemen on <u>9 July 2015</u>, <u>25 February 2016</u>, <u>15 June 2017</u>, <u>30 November 2017</u>, <u>4 October 2018</u> and <u>11 February 2021</u> expressing serious concern about the alarming humanitarian and security situation and calling for the effective implementation of a ceasefire. On 13 September 2017, Parliament adopted a <u>resolution</u> on arms exports, which deplored the fact that military technology exported by Member States was being used in the conflict in Yemen.

Parliament's Delegation for relations with the Arab Peninsula is responsible for relations with Yemen and for monitoring the situation in the country.

IRAQ

The EU has been a key provider of assistance to Iraq since the 2003 war. A Partnership and Cooperation Agreement (PCA) was signed between the EU and Iraq in May 2012. It provides a framework for dialogue and cooperation in a number of areas, including political issues, counterterrorism, trade, human rights, health, education and the environment. Under the PCA, the first ever EU-Iraq Cooperation Council meeting was held in January 2014. A second meeting took place on 18 October 2016 and the third Cooperation Council took place in March 2023, in Brussels. For the 2014–2020 period, the Commission pledged to provide Iraq with EUR 75 million for cooperation in the areas of human rights and the rule of law, education and sustainable energy.

The EU adopted a new <u>strategy for Iraq</u> in January 2018. The strategy focuses on delivering continued EU humanitarian aid to the Iraqi people and facilitating the stabilisation of areas liberated from the Islamic State (IS) group, with 3 million displaced Iraqis still unable to return home. It also seeks to address the reform, reconstruction and reconciliation efforts in the longer term that Iraq needs to pursue in order to consolidate peace and build a united, democratic country in which all citizens can fully enjoy their rights in greater prosperity.

Since 2014, the EU has provided over EUR 1 billion to Iraq, including EUR 469 million in humanitarian aid to displaced Iraqis and Syrian refugees inside Iraq. Additional funds were allocated in 2020 to help the local healthcare system cope with the COVID-19 pandemic.

The EU also offers support for security in Iraq. In response to a request from the Iraqi authorities, a common security and defence policy mission to support civilian security sector reform – EUAM Iraq – was established by the Council in October 2017. The EUAM provides guidance and expertise on civilian security sector reform to Iraqi



authorities. This assistance aims to facilitate the coherent implementation of the Iraqi national security strategy.

ROLE OF THE EUROPEAN PARLIAMENT

In recent years, Parliament has adopted various resolutions on the situation in Iraq, including on the offensive by IS, on gender violence, on the persecution of minorities, on the situation in northern Iraq/Mosul, on mass graves, on education, on the destruction of cultural sites by IS and on arms exports.

Parliament's Delegation for relations with Iraq holds inter-parliamentary meetings (IPM) with Iraq's Council of Representatives. The last IPM took place in 2023 in Baghdad. Parliament's Sakharov Prize for 2016 was awarded to Nadia Murad Basee Taha and Lamiya Aji Bashar, who are survivors of sexual enslavement by IS in Iraq and have become spokespersons for women afflicted by IS's campaign of sexual violence. They are public advocates for the Yazidi community in Iraq, a religious minority that has been subjected to a genocidal campaign by IS militants.

IRAN

EU relations with Iran are a challenge, particularly with Iran's support for Russia's invasion of Ukraine, and have deteriorated to the point that no EU funding is engaged in any activity beyond some very specific support for human rights defenders and humanitarian actions. Since Iran is not a member of the World Trade Organization and there is no bilateral agreement between the EU and Iran, trade between the two is subject to the EU's general import regime. <u>According to Eurostat</u>, <u>EU-Iran trade</u> was valued at EUR 4.7 billion in 2023, a 9% decline from EUR 5.2 billion in 2022.

The main priority for the EU in its current relations with Iran is the preservation of the Iran nuclear agreement (JCPOA), signed in Vienna in July 2015. The JCPOA is a key component of the international nuclear non-proliferation system. It gives power to the UN nuclear watchdog, the <u>International Atomic Energy Agency (IAEA)</u>, which carries out the strictest inspections in the history of nuclear non-proliferation. The IAEA assumes full responsibility for monitoring whether Iran continues to adhere to the JCPOA's mandated obligations. In return for Iran's commitments, the JCPOA reintegrates Iran into the global system.

The withdrawal of the US from the JCPOA in 2018 and its adoption of a policy of maximum pressure led Iran to scale down its commitments under the agreement, which establishes a comprehensive and strict system of inspections and monitoring to be carried out by the IAEA. The EU, together with the E3 (Germany, France and the UK), Russia and China, are working to preserve the JCPOA, and thus Iran's commitments.

In line with the JCPOA, the Iran arms embargo expired in October 2020. While the EU expressed reservations about its expiry, it rejected the US threat to reinstate all UN sanctions ('snapback'). The EU maintains its own arms embargo, not related to the JCPOA and linked to human rights violations, hostile activities against the EU and the launching of ballistic and cruise missiles. The EU's instrument to facilitate trade with Iran, INSTEX, was not able to compensate for the harsh impact of US sanctions, which was further exacerbated by the COVID-19 outbreak, strengthening hardliners.



The EU has provided humanitarian aid to the most vulnerable groups in Iran, bringing the overall support to Iran since 2016 to over EUR 90 million.

The dire economic situation in Iran and the lack of dividends emanating from the JCPOA had an impact on the presidential election that took place in June 2021, won by hardliner Ebrahim Raisi, a conservative cleric and former head of the judiciary. The current cabinet includes a number of ministers targeted by international sanctions.

Legislative elections to the Majles (the Council of Representatives) were held in <u>Iran</u> in March 2024 for the first round, and in May 2024 for the second round.

The JCPOA negotiations in Vienna were interrupted following the June 2021 presidential election. In July 2021, the IAEA warned that Tehran intended to use uranium enriched up to 20% U-235 in manufacturing fuel for the Tehran Research Reactor. The EU has remained fully committed to the JCPOA and still plays an important role in connecting all parties and encouraging them to comply with the agreement.

In April 2021, in response to the EU's assertive position on human rights, Iran announced the suspension of all human rights talks and cooperation with the EU in the areas of terrorism, drugs and refugees. In January 2022, an Iranian Court sentenced Iranian human rights defender Narges Mohammadi to eight years in prison with 70 lashes. In January 2022, following this case, the EU called on Iran to comply with international law. The death in custody of Mahsa Amini in September 2022 further hindered bilateral contacts.

Negotiations in Vienna slowed down after the Russian invasion of Ukraine in February 2022 and Iran's economic and military support to Moscow. Iran's involvement in the war between Hamas and Israel in the Gaza Strip since October 2023 and Tehran's support for proxy groups such as Hezbollah or the Houthis have further complicated negotiations. An IAEA report from November 2023 indicated that Iran has stockpiled enough uranium for three atomic bombs. In 2024, the IAEA is focusing on increasing the monitoring and oversight of Iran's nuclear programme. Tehran is Interested in negotiating before the US presidential election at the end of the year.

In February 2024, IAEA Director General Rafael Grossi stated that Iran continues to enrich uranium well beyond the needs for commercial nuclear use. While the pace of uranium enrichment has slowed slightly since December 2023, Iran is still enriching uranium in 2024 at an elevated rate of around seven kg per month to 60% purity. Concerns are growing in 2024 over Iran's uranium enrichment and potential nuclear capabilities. In February 2024, the head of the Atomic Energy Organization of Iran, Mohammad Eslami, recognised that Iran had started building a new nuclear research reactor in Isfahan, which is already home to three reactors.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament's Delegation for relations with Iran (D-IR) was established in 2004 with a view to having a direct channel with the Majles. Since 2015, D-IR has been involved in playing a crucial role in the JCPOA and in bringing the EU and Iran together. Seven inter-parliamentary meetings have taken place since 2005, the last of which was held in Brussels in September 2018.



In spite of Parliament's discontinued relations with Iran, it has provided a platform for engagement with Iranian civil society, the Iranian diaspora and Iranian human rights defenders. Parliament has always supported the EU's commitment to a diplomatic solution to Iran's nuclear programme. While being a strong advocate of the JCPOA, Parliament actively monitors the situation regarding political opponents, religious minorities, human rights defenders, women and the LGBTIQA+ community in Iran. Moreover, Parliament firmly opposes capital punishment, torture, arbitrary trials, police brutality and the detention of political opponents.

Recent relevant actions and resolutions of the European Parliament on Iran:

- February 2024: Parliament passed a <u>resolution on the increased number of executions in Iran, in particular the case of Mohammad Ghobadlou</u>, supporting the campaign to abolish the death penalty launched by imprisoned Nobel Peace Prize winner Narges Mohammadi and other female political prisoners;
- November 2023: <u>Parliament passed a resolution on the attacks against women</u> and women's rights defenders in Iran, and Iran's arbitrary detention of <u>EU</u> <u>nationals</u>;
- March 2023: <u>Parliament passed a resolution on the poisoning of hundreds of schoolgirls</u>, reiterating its condemnation of the regime's anti-women and anti-girls policies and demanding to abolish all systemic discrimination;
- October 2022: <u>Parliament passed a resolution strongly regretting the death of Mahsa Jina Amini</u>, a young Kurdish woman who died in police custody after being arrested for allegedly not wearing her hijab correctly. Riots and protests took place across the country, resulting in at least 50 reported deaths and the arrest of hundreds of protesters;
- February 2022: <u>Parliament passed a resolution on the death penalty in Iran</u>, reiterating the EU's strong opposition to the death penalty in all circumstances and calling on the Government of Iran to introduce an immediate moratorium on the use of the death penalty;
- Parliament passed a resolution in April 2024 on Iran's unprecedented attack against Israel, the need for de-escalation and an EU response, deploring Iran's attack on Israel and the previous attack on the Iranian consulate in Damascus, Syria. Parliament expressed deep concern about the threats to the Middle East's regional stability, reiterating its full support for the security of the State of Israel and its citizens. Parliament called on all parties to avoid any further escalation and to show maximum restraint, expressing deep concerns over the destabilising role that the Iranian regime and its proxies play in the Middle East. Parliament welcomed the EU's decision to expand its current sanctions regime against Iran, including by sanctioning the country's supply and production of unmanned drones and missiles to Russia and the wider Middle East.

Walter Masur / Jorge Soutullo / Simona-Daniela Moroianu 05/2024



5.6.6. AFRICA

EU cooperation with African countries and the African Union (AU) is based on two distinct frameworks: namely (a) the Partnership Agreement(s) with African, Caribbean and Pacific (ACP) states and (b) the Joint Africa-EU strategy. The Cotonou Agreement, signed in 2000 between the EU and the ACP states and which has formed the legal foundation of the political, economic and development dimensions of the partnership for over 20 years, has been replaced by a completely new agreement that was signed in Apia, Samoa on 15 November 2023. Originally, the Cotonou Agreement was due to expire at the end of 2020, but it was extended several times, most recently until December 2023, as the signing of a new agreement, negotiated to modernise and upgrade the partnership, was blocked in the Council of the EU for several years.

The Joint Africa-EU strategy has been implemented through multiannual roadmaps and action plans adopted at each Africa-EU summit. At the last <u>EU-AU summit</u> held in February 2022 in Brussels, EU and African leaders agreed on a joint vision for a renewed partnership based on solidarity, security, peace, sustainable development and shared prosperity.

The EU is Africa's most important donor of official development assistance mainly funded by the EU's general budget through the <u>Neighbourhood</u>, <u>Development and International Cooperation Instrument (NDICI) – Global Europe</u>.

LEGAL BASIS

- Articles 217 and 218 of the <u>Treaty on the Functioning of the European Union</u> (TFEU);
- the Partnership Agreement between the EU and its Member States, and the members of the Organisation of African, Caribbean and Pacific States (OACPS); on 4 April 2024 the Samoa Partnership Agreement received Parliament's consent; since its provisional application from 1 January 2024 it replaces the Cotonou Agreement;
- regulation (EU) 2021/947 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe.

THE ACP-EU PARTNERSHIP

Over the past two decades, relations between the EU and sub-Saharan Africa were underpinned in particular by the Cotonou Agreement, which had set out the basis for relations between the EU and 78 countries forming the Organisation of African, Caribbean and Pacific States (OACPS).

Originally, the Cotonou Agreement was due to expire at the end of 2020, but it was extended several times, most recently until December 2023, as the signing of a new agreement, negotiated to modernise and upgrade the partnership, was blocked in the Council of the EU for several years. The Cotonou Agreement's key objective was to contribute to the eradication of poverty and to promote the integration of



ACP countries into the world economy. The agreement was structured in three pillars (political, development, economic and trade cooperation) and was implemented by joint ACP-EU institutions, including a Council of Ministers, a Committee of Ambassadors and a Joint Parliamentary Assembly.

The negotiations on the 'post-Cotonou agreement' between the EU and the OACPS were concluded in December 2020, but signature of the new agreement only took place in November 2023, due to internal EU disagreements on the nature of the new agreement and reservations from two EU Member States.

The new Samoa Agreement sets out six strategic priority areas for cooperation:

- Human rights, democracy and governance;
- Peace and security;
- Human and social development;
- Inclusive sustainable economic growth and development;
- Environmental sustainability and climate change;
- Migration and mobility.

The new agreement also stresses the relevance of cooperation between the parties in international forums, and of the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals.

Cooperation is structured in three regional protocols reflecting the different priorities of the ACP regions. The EU-Africa Protocol has become the key legal framework for relations between the EU and sub-Saharan Africa. The regional priority areas encompass inclusive and sustainable economic growth; human and social development; the environment and natural resources; peace and security; the rule of law, justice, democracy and governance; human rights and gender equality; and migration and mobility. This new protocol assigns a greater role to dialogue and cooperation with the AU than the Cotonou Agreement.

The Samoa Agreement provides for joint institutions, in particular an OACPS-EU Council of Ministers and four interparliamentary assemblies, comprising an umbrella OACPS-EU Joint Parliamentary Assembly and three regional parliamentary assemblies (PAs): the Africa-EU PA, the Caribbean-EU PA and the Pacific-EU PA (see the briefing by the European Parliamentary Research Service entitled 'After Cotonou: towards a new agreement with the African, Caribbean and Pacific states'). These four parliamentary assemblies were formally constituted in February 2024, when they met for the first time in Luanda, Angola and adopted their Rules of Procedure. Each of the four assemblies will hold one ordinary annual meeting, which will rotate between an EU and an ACP venue. The regional assemblies may also hold additional meetings in conjunction with the annual OACPS-EU Joint Parliamentary Assembly.

THE EU'S AFRICA STRATEGY AND PARTNERSHIP WITH AFRICA

The initial joint Africa-EU strategy was adopted by European and African leaders at the second EU-Africa summit in Lisbon in 2007 and defined the political vision for the Africa-EU partnership. Its goals are:



- To move beyond donor-recipient cooperation, opening Africa-EU relations to issues of joint political concern;
- To expand cooperation by addressing global common challenges such as migration, climate change, peace and security and to reinforce cooperation in international forums;
- To support Africa's aspirations to encourage trans-regional and continental responses to these significant challenges;
- To work towards a people-centred partnership, ensuring better participation of African and European citizens.

In 2020, before the sixth EU-AU summit, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy issued a joint communication entitled 'Towards a comprehensive Strategy with Africa'. It proposed enhanced cooperation revolving around five pillars: the green transition and energy access; the digital transformation; sustainable growth and jobs; peace and governance; and migration and mobility.

On 25 March 2021, Parliament adopted a 'resolution on a new EU-Africa Strategy — a partnership for sustainable and inclusive development'. Parliament's resolution echoed and reinforced parts of the proposed strategy, such as sustainable and inclusive growth, while calling for increased focus on others, such as human development, social inclusion, human rights, the empowerment of women and young people, and resilient agriculture. On migration, the resolution considered that the success of the partnership would depend on significant improvements in mobility opportunities and called for legal migration channels to be further developed.

At the sixth EU-AU summit (Brussels, 17-18 February 2022) EU and AU heads of state and government agreed on a declaration entitled 'A joint vision for 2030', 'promoting our common priorities, shared values, international law, and preserving together our interests and common public goods. This includes inter alia: the security and prosperity of our citizens, the protection of human rights for all, gender equality and women's empowerment in all spheres of life, respect for democratic principles, good governance and the rule of law, actions to preserve the climate, environment and biodiversity, sustainable and inclusive economic growth, the fight against inequalities, support for children's rights, and the inclusion of women, young people and the most disadvantaged'. At the summit, an Africa-Europe Investment Package aiming to provide EUR 150 billion of investments was agreed in order to promote diversified, sustainable and resilient economies on the African continent. The summit was followed up by a joint meeting of the AU and the EU's College of Commissioners on 28 November 2022. A joint meeting of foreign affairs ministers from both continents is expected to take place in 2024, to take stock of the progress made against the commitments expressed in the Joint Vision declaration.

DEVELOPMENT COOPERATION

The EU and its Member States remain Africa's most significant donor of official development assistance.



As a result of the negotiations on the new 2021–2027 multiannual financial framework (see separate fact sheet 1.4.3 'Multiannual financial framework'), development cooperation is covered by the comprehensive NDICI — Global Europe, fully incorporated into the EU budget. Previously, most of development assistance to African countries was provided from the European Development Fund, which was separate from the EU budget.

The NDICI – Global Europe brings together 10 separate instruments and funds from the 2014-2020 multiannual financial framework, as well as the European Development Fund. It has an overall budget of EUR 79.5 billion (in 2020 prices) and is made up of three main components: geographical, thematic and rapid response. The geographical component was allocated EUR 60.4 billion (in 2020 prices) and almost half of it was earmarked for Africa.

TRADE RELATIONS

The Cotonou Agreement allowed the EU and ACP countries negotiate developmentoriented trade agreements called Economic Partnership Agreements (EPAs). Trade between the EU and African countries - together with regional and continental economic integration – is considered a fundamental element to promote sustainable development in Africa. In addition, unilateral schemes allow preferential market access to the EU for most sub-Saharan countries (see separate fact sheet <u>5.2.3</u> 'Trade regimes applicable to developing countries'). The principal instruments promoting trade between the EU and African regions are the EPAs, which are considered to be fully compatible with World Trade Organization rules. However, the negotiation of these EPAs, which started in 2002, has proven more difficult than expected and has been met with considerable resistance from some African governments, local civil society groups and trade unions. Therefore several EPAs, which were meant to cover entire African regions, are only being provisionally applied with countries willing to do so, such as Côte d'Ivoire, Ghana, Cameroon, and Kenya (for more information, see the European Parliamentary Research Service briefing entitled 'EU economic partnership agreements with ACP countries').

ROLE OF THE EUROPEAN PARLIAMENT

As with other international agreements, the conclusion of the Samoa Agreement legally requires the consent of Parliament (Article 218 TFEU), although the agreement can be partially and provisionally applied before consent is given and before all EU and OACPS member states have ratified it. Parliament contributed to the negotiations by adopting resolutions before and during the process and by setting up a monitoring group led by its Committee on Development. Following the negotiations and the signing of the agreement, Parliament gave its consent on 10 April 2024.

Parliament's consent is also required for any EPA concluded with ACP countries. In addition, Parliament has actively contributed to shaping the new NDICI – Global Europe financial instrument and is overseeing its implementation.

Parliament has several standing interparliamentary delegations for relations with African countries and institutions. The principal body in which Parliament cooperates on such matters has been the <u>ACP-EU Joint Parliamentary Assembly</u>, composed



of Members of the European Parliament and members of parliament from the ACP States, which plays a fundamental role in strengthening parliamentary relations between the EU and its ACP partners under Article 14 of the Cotonou Agreement. Besides the new regional parliamentary assemblies, one of Parliament's key demands during the negotiations was maintaining a Joint Parliamentary Assembly in the new agreement, which it considered to be a conditio sine qua non for its consent. Delegations for each of the new PAs were <u>formally set up in December 2023</u>, including a delegation to the Africa–EU PA. This delegation will consist of 48 MEPs, each of whom will also be a member of the new OACPS–EU Joint Parliamentary Assembly.

Parliament has also developed forms of parliamentary cooperation with the AU through its <u>Delegation for Relations with the Pan-African Parliament</u>, established in 2009. Parliamentary summits typically accompany the intergovernmental ones, with parliamentary summits issuing a joint declaration directly to the heads of state or government at the beginning of each intergovernmental summit.

The EU also has privileged parliamentary relations with South Africa, which were strengthened in 2007 by the <u>EU-South Africa Strategic Partnership</u> - the EU's only bilateral strategic partnership with an African country. This is also reflected by Parliament's dedicated standing <u>Delegation for relations with South Africa</u>.

Christian Meseth 04/2024



5.6.7. SOUTH ASIA

As part of the wider Indo-Pacific, South Asia has vital geostrategic importance for the EU, facing significant challenges to the rules-based international order. The Indo-Pacific is rapidly evolving and becoming the most important geostrategic region, being home to more than 50% of the global population. The EU strateg for cooperation in the Indo-Pacific was adopted in September 2021 with a view to increasing the EU's presence in the region, to build partnerships, reinforce the rules-based international order and address global challenges. The EU is adapting its current instruments as part of its strategic autonomy. The EU's Strategic Compass for Security and Defence, formally approved by the Council in March 2022, promotes an open and rules-based regional security architecture, including secure sea lines of communication, capacity-building and enhanced naval presence in the Indo-Pacific. The EU is forging closer ties with countries in South Asia, as a strong economic player and a major development and aid donor. The EU is working to foster institutionbuilding, democracy, good governance and human rights, while it also has security concerns, such as the Kashmir conflict, Afghanistan, maritime security and terrorism. Parliament has supported the EU's cooperation and assistance in South Asia, with targeted support for the most vulnerable population groups.

This Fact Sheet describes the South Asia region. See also the Fact Sheets on East Asia (5.6.8) and Southeast Asia (5.6.9).

LEGAL BASIS

- Title V (EU external action) of the <u>Treaty on European Union</u>;
- Articles 206-207 (trade) and 216-219 (international agreements) of the <u>Treaty on</u> the <u>Functioning of the European Union</u>.

PARTNERSHIP AND COOPERATION AGREEMENTS (BILATERAL RELATIONS). SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION

The EU encourages regional integration and supports the South Asian Association for Regional Cooperation (SAARC). The member countries of the SAARC are Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. The EU, China, Iran, Japan, South Korea, Mauritius, Myanmar and the United States have observer status. Due to internal disagreements, in particular between India and Pakistan, the work of SAARC has stalled.

Development cooperation between the EU and the countries of South Asia covers financial and technical aid as well as economic cooperation. Priorities include regional stability, poverty alleviation, human rights, sustainable development, good governance and labour rights. EU-SAARC cooperation seeks to promote the harmonisation of standards and the facilitation of trade, as well as raise awareness of the benefits of regional cooperation.



INDIA

In November 2004, the <u>Fifth EU-India Summit adopted the India-EU Strategic Partnership</u>, which promoted political dialogue and cooperation, the development of economic relations, trade and investment, as well as the strengthening of people-to-people exchanges. The <u>Council adopted conclusions in December 2018</u> seeking a deeper and broader engagement with India through the promotion of peace and security over the coming years.

Trade between the EU and India accounted for EUR 115.2 billion in 2022, with a 46% increase in imports and 13.9% in exports compared with 2021, creating a trade balance of around EUR 4.3 billion in India's favour. As of 2022, the EU is India's second-largest trading partner, after the US. For the EU, India is its 10th largest trading partner. The EU is the biggest foreign investor in India, with foreign investment flows into the country rising from 8% to 18% over the past decade. Around 6 000 European companies are present in India, providing 1.7 million jobs directly and 5 million jobs indirectly in a broad range of sectors. India currently benefits from unilateral preferential tariffs under the EU generalised scheme of preferences (GSP), which links unilateral trade preferences to respect for human and labour rights.

In recent years, <u>India has become increasingly active on the international stage</u>. It has a growing interest in improving its trade relationship with the EU, which currently mainly follows World Trade Organization rules. The areas currently relevant for the EU-India trade relations are agriculture, services, digital trade, patent protection, the environment and labour rights. In March 2024, India signed a USD 100 billion (EUR 91 billion) trade deal with the European Free Trade Association, which will lift more restrictive tariffs on industrial products in return for investment over 15 years.

In 2020, India and the EU agreed on 'A Roadmap for 2025' as a common framework to guide joint action in a variety of areas, such as: foreign policy and security, trade and investment, climate change, health, research and innovation, global governance and people-to-people exchanges. The leaders of the EU-27 and Indian Prime Minister Narendra Modi held the 16th EU-India summit in May 2021. In June 2022 both parties agreed to further evolving their strategic partnership, by reopening negotiations on a free trade agreement (FTA) and launching negotiations on an investment protection agreement and an agreement on geographical indications. The EU-India FTA is very important, not only economically, but also geopolitically.

The EU-India Connectivity Partnership was also launched in May 2021 with the aim of supporting resilient and sustainable connectivity. These initiatives are significant given tensions with China. In <u>June 2023, the India-EU Connectivity Conference</u> was held to explore connectivity investments and identify concrete projects. India adopted a Digital Personal Data Protection Act in August 2023.

President of the European Commission Ursula von der Leyen and Prime Minister of India Narendra Modi <u>launched the EU-India Trade and Technology Council (TTC)</u> at their meeting in April 2022. This is a strategic coordination mechanism aimed at facilitating cooperation in trade, trusted technology and security. In February 2023, the EU and India strengthened their relationship by <u>setting up the TTC</u>. By February 2024 seven rounds of negotiations had been held and an eighth round is



expected to take place after the elections in India. In <u>March 2024, the EU-India Leaders</u> <u>Conference</u> was held, focusing on the automotive sector, medical equipment and the healthcare sector.

India-EU cooperation in science, technology and innovation is also being strengthened as part of <u>Horizon Europe (2021–2027)</u>. India's education policy currently aims to develop more international partnerships with European universities to work together on Horizon programmes.

From 19 April 2024 to 1 June 2024 general elections will be held in India, with nearly one billion people eligible to decide whether or not to re-elect the incumbent Prime Minister Narendra Modi for a third consecutive term in office and extend the 10-year rule of his Bharatiya Janata Party.

Being the most populated country in the world, India is carrying out political and economic reforms focused on modernising the administration, good governance, fighting corruption with demonetisation and transparency programmes, tackling social problems, developing the economy with the 'Make in India' and 'Invest India' initiatives, and imposing a nationwide goods and services tax. India is a nuclear power, like its neighbours Pakistan and China, and is faced with security problems, terrorism and armed border clashes, particularly with Pakistan in the autonomous state of Jammu and Kashmir and, to a lesser extent, with China.

India's caste system is one of the world's oldest forms of social class organisation, which raises concerns about continued discrimination on grounds of caste. The country is also an ethnic and linguistic mosaic, with tensions in a number of states and reports of human rights abuses and violations of women's and children's rights. According to the International Labour Organization, child labour continues to be a serious problem in India, despite Prime Minister Modi approving a series of measures prohibiting children under the age of 14 from performing hazardous tasks, with tough penalties for employers who break the law.

<u>In April 2021, Parliament adopted a recommendation on EU-India relations</u>, which referred to the right to freedom of assembly in response to vehement protests by farmers, which have been ongoing since late 2020.

In June 2022, Parliament adopted a resolution on the EU and the security challenges in the Indo-Pacific welcoming the commitments for increased cooperation between EU and India in security and defence and underlining that India is a key partner for maritime security in the Indo-Pacific. In the same resolution, Parliament regretted the fact that India had not openly condemned Russia for its invasion of Ukraine.

In July 2022, Parliament adopted a resolution on future EU-India trade and investment cooperation, welcoming the commitment to work towards concluding an ambitious, values-based, balanced, comprehensive and mutually beneficial EU-India trade agreement. Parliament welcomed the TTC.

In <u>July 2023, Parliament adopted a resolution</u> on the situation in India's Manipur state, urging for all necessary measures to be taken to halt ethnic and religious violence, to protect all religious minorities and to pre-empt any further escalation.



<u>The 15th EU-India inter-parliamentary meeting took place in December 2023</u> in Delhi and Mumbai to discuss the state of the strategic partnership, bilateral trade, climate change, regional issues, civil society and human rights issues.

<u>In January 2024, Parliament adopted a resolution on EU-India relations</u>, calling for the broadening and deepening of EU-India relations as strategic partners, particularly in key areas such as climate change, digitalisation, connectivity, trade and investment, foreign, security and defence policy, human rights and the rule of law.

PAKISTAN

EU-Pakistan relations date back to 1962 and are currently based on the <u>2004</u> <u>Cooperation Agreement</u>. The EU, as a major development and aid donor, supports the promotion of democracy and institution-building in Pakistan.

Pakistan is a major beneficiary of the EU's unilateral trade preferences under the generalised scheme of preferences plus (GSP+) scheme, reinstated in 2014. As part of the process, Parliament's Committee on International Trade monitors compliance with the GSP+ requirements. Pakistan's GSP+ status could be reviewed as it comes with obligations such as guaranteeing human rights and religious freedom. In June 2022 the EU monitoring mission assessed the effective implementation of 27 international conventions, a mandatory requirement for maintaining GSP+ status, which has been very beneficial for Pakistan. Businesses have increased exports to the EU market by 65% since the country joined the GSP+ scheme in 2014. In November 2023, the Commission and the European External Action Service (EEAS) published a joint report assessing the progress of eight GSP+ beneficiary countries, including Pakistan.

The EU is Pakistan's second most important trading partner after China. In 2022, trade in goods between the EU and Pakistan amounted to EUR 14.9 billion and Pakistan enjoyed a EUR 4.1 billion trade surplus with the EU.

The EU is a significant donor of development assistance and humanitarian aid to Pakistan. Funding under the Development Cooperation Instrument for 2014–2020 amounted to EUR 653 million. Under the framework of the Multi-annual Indicative Programme 2021–2027, the EU has allocated EUR 265 million in grant funding to partnerships with Pakistan for 2021–2024. This funding supports three priority areas: green inclusive growth, human capital and governance. Despite reduced funding in comparison to the previous investment, it remains a significant contribution. The EU has acknowledged the challenges Pakistan faces in hosting over 3 million refugees and is ready to consider providing additional support, including for the voluntary repatriation of refugees to Afghanistan. Additionally, in 2023, the UN's World Food Programme supported over 180 000 vulnerable people affected by floods in seven districts of the Sindh province, which was made possible through a contribution from the EU's Humanitarian Aid.

The <u>13th EU-Pakistan Joint Commission Meeting took place in June 202</u>3, preceded by the Sub-Group meeting on Democracy, Governance, Rule of Law and Human Rights and the EU-Pakistan Sub-Group meeting on Trade. In <u>March 2024, the EU and Pakistan held their 9th Political Dialogue</u> in Islamabad, covering a broad range of regional and global developments.



Pakistan's role in the Afghan peace process was critical in helping to secure the February 2020 US-Taliban deal, under which Washington agreed to recall all US and NATO troops from Afghanistan. Pakistan's geostrategic role in the Indo-Pacific is set to grow, especially after the Taliban takeover in Afghanistan in August 2021. A stable, democratic and prosperous Pakistan is crucial for the EU as it is a major interlocutor with the Taliban and the main destination for Afghan refugees. The country is rebranding its image internationally.

Politics in Pakistan are in constant turmoil. The army is still involved in internal and foreign politics, with a broad mandate for security and counter-terrorism issues. In February 2024, Pakistan's election took place and resulted in the incumbent Prime Minister Shehbaz Sharif winning a second term, securing 201 votes in the 336-member National Assembly.

In April 2021 <u>Parliament passed a resolution on the blasphemy law</u>, calling on the Commission to reassess Pakistan's eligibility for the GSP+ programme given the deteriorating human rights situation. Parliament is monitoring the steps taken by the Commission and the EEAS to address the human rights issues, including the blasphemy laws, which carry harsh sentences including the death penalty.

The <u>13th EU-Pakistan Interparliamentary Meeting (IPM) took place in March 2022</u>. Discussions focused on political developments in Pakistan, Russia's aggression against Ukraine, trade, GSP+ and human rights. The IPM considered it essential that parliamentarians on both sides assess progress and provide parliamentary scrutiny and guidance in bilateral relations.

AFGHANISTAN

The EU-Afghanistan Cooperation Agreement on Partnership and Development was signed in February 2017 and approved by Parliament in March 2019. Relations with the EU were adapted to the war and post-war situation. Thanks to substantial inputs from Parliament, Afghanistan has gradually been partially included in the EU's Strategy for Central Asia.

The latest presidential elections took place in September 2019, with Ashraf Ghani securing the majority of votes (50.64%) to beat Abdullah Abdullah (39.52%). In February 2020, the United States and the Taliban signed in Doha the Afghanistan–US Joint Statement for Peace, a bilateral <u>US-Taliban peace agreement</u> that did not involve the Afghan Government. Peace negotiations between the Afghan Government and the Taliban followed in Doha in September 2020, aiming to establish the conditions for a comprehensive ceasefire and political settlement. Several peace conferences took place in Doha, Moscow and Istanbul in 2021 but with no positive outcomes.

From May 2021, the Taliban quickly seized control over more and more territory. The negligible resistance from Afghan security forces allowed the Taliban to gain control over the country in less than four months. In August 2021, hours after President Ghani fled the country in exile to Dubai, the Taliban claimed victory over Kabul. In August 2021, the United States and NATO completed their withdrawal from Afghanistan sooner than expected under the principle of 'in together, out together', marking the end of the 2001–2021 war in Afghanistan, plunging the country into



a humanitarian crisis. Afghanistan's security concerns deteriorated when the US and NATO withdrew their troops from the country. In September 2021, the Taliban announced an all-male Taliban caretaker government, contrary to earlier promises that the new government would be inclusive. Since then, the Taliban has been continuously committing severe human rights violations, in particular against women, girls and minorities.

The Taliban's links with Al-Qaida and the so-called Islamic State are ambiguous and the country is divided between urban and rural communities. Afghanistan's young urban population would prefer to continue to live in the relatively open society with which they are familiar and the ethnic minority Tajiks, Uzbeks and Hazaras do not wish to be governed by the Taliban.

As one of the world's most aid-dependent countries, Afghanistan is facing an unfolding humanitarian catastrophe leaving half of its population without basic needs, such as food, water and medicines. With over three million internally displaced people and more than two million refugees and asylum seekers in Pakistan and Iran, the humanitarian situation has worsened.

Afghanistan was the largest recipient of EU development funding in Asia until the Taliban takeover in August 2021. Afghanistan also benefited from the EU's most favourable trading regime, the Everything But Arms (EBA) scheme. The EU allocated EUR 1.4 billion to Afghanistan for the 2014-2020 period. At the Afghanistan Conference on Peace, Prosperity and Self-Reliance, held in Geneva in November 2020, the EU pledged EUR 1.2 billion for 2021-2025 in long-term and emergency assistance. Since August 2021, the EU has pledged up to EUR 1 billion in support for the Afghan population, of which EUR 489 million will be used for humanitarian aid and EUR 400 million for basic needs and supporting livelihoods. The UN Conference on Afghanistan, held in Geneva in September 2021, pledged USD 1.2 billion, USD 677 million of which was pledged by the EU and its Member States. At the G20 summit in October 2021, Commission President von der Leyen announced an Afghan support package of EUR 1 billion. The EU engages with the Taliban on practical matters like evacuations and humanitarian operations, coordinating its contacts through a delegation in Kabul managed by the EEAS. <u>In 2023, the EU allocated EUR 156.5 million in humanitarian aid to Afghanistan. In </u> February 2024, the UN Doha Conference on Afghanistan failed to achieve its primary objectives: to delineate a course for international engagement with Afghanistan and to facilitate dialogue between the Taliban and the global community on vital issues. In February 2024 the EU provided EUR 20.1 million to the UN World Food Programme in Afghanistan to improve household food security and community resilience.

The EU is deeply concerned by the re-establishment of an Islamic emirate with a radical sharia legal system. It raises serious questions about the EU's future engagement with Afghanistan, which depends on how the achievements of the past 20 years can be preserved. Particular attention must be paid to the potential increase in international terrorism and migration and to the increase in drug trafficking.

In September 2021, EU foreign affairs ministers agreed that the EU would not recognise the Taliban but that it would engage with it. The degree of that engagement depends on the behaviour of the new Afghan Government, the commitment that



Afghanistan would not serve as a base for terrorism, respect for human rights, in particular women's rights, the rule of law and freedom of the media. Engagement also depends on the establishment of an inclusive and transitional government, free access for humanitarian aid workers and the Taliban's commitment to letting foreign nationals and Afghans leave the country. In February 2023, at a Council meeting of EU foreign affairs ministers, they discussed the decisions by the de facto authorities in Afghanistan to systemically exclude women and the violations of human rights, mirroring the same sentiments of the previous Council meeting on Afghanistan in September 2021, emphasising the EU's commitment to peace and stability and to supporting the Afghan people.

Following the Taliban's seizing power, a series of restrictions were re-imposed on women in Afghanistan in late 2021 and in 2022. Regulations have been enforced on clothing and laws introduced forbidding women access to public areas without a male guardian. Although some public universities re-opened for both men and women in February 2022 and schools re-opened for a new academic year in March 2022, the Taliban reversed an earlier promise to allow girls to attend secondary school. This has affected an estimated 1.1 million pupils. According to the World Bank, women's participation in the labour force has increased from 15% to 22% in the past decade. However, it has dropped since the takeover, with the Taliban imposing more restrictions on women's movements outside the home since their return to power. Taliban crackdowns on women's employment in the private sector, including ordering the closure of all beauty salons at a cost of 60 000 women's jobs, signal a continuing assault on the livelihood of Afghan women. In addition, the Taliban ordered all non-governmental organisations (NGOs) working in the country to stop employing women and stopped female Afghan students from leaving the country to study abroad.

Parliament has supported inclusive intra-Afghan negotiations as a precondition for an end to four decades of death and destruction, and insists on involving all political factions and civil society. Since autumn 2020, Parliament has repeatedly condemned the eruptions of violence and, in a <u>resolution of June 2021 on the situation in Afghanistan</u>, it expressed concern over the consequences of the withdrawal of troops and called for the adoption of a comprehensive strategy for future EU cooperation with Afghanistan. In July 2021, one month before the Taliban takeover, the European Parliament Delegation for relations with Afghanistan (D-AF) held the 6th EU-Afghanistan inter-parliamentary meeting with representatives of the National Assembly of Afghanistan. The meeting included two panel debates: one on the peace process and the situation in Afghanistan after the foreign troop withdrawal and the other on the role of women in the peace process and future engagements with the EU.

In September 2021, Parliament passed a resolution on the situation in Afghanistan, in which it deplored the violent takeover by the Taliban. Parliament expressed strong concerns for the future and endorsed the EU's decision not to recognise the Taliban government. It also acknowledged that operational engagement with the Taliban government would be necessary for logistical, operational and humanitarian purposes, and called for the facilitation of the further evacuation of EU citizens and Afghans at risk and for a further increase in humanitarian aid.

Parliament, in particular its delegation for relations with Afghanistan, has voiced concerns about the humanitarian, economic and refugee crisis, which requires



humanitarian corridors and a strategic approach for the whole region, including Pakistan, Iran and Central Asia. Parliament has repeatedly insisted on conditional engagement with the Taliban based on the <u>five benchmarks set</u> by the Council in September 2021:

- Allow the safe, secure and orderly departure of all foreign nationals and Afghans who wish to leave the country;
- Respect all human rights, in particular the rights of women and girls, as well as children and persons belonging to minorities;
- Allow the implementation of humanitarian operations in Afghanistan;
- Prevent Afghanistan from serving as a base for hosting, financing or exporting terrorism to other countries;
- Establish an inclusive and representative government through negotiations.

Parliament organised a series of events as part of the high-level 'Afghan Women Days' conference in February 2022. In March 2022, the Afghan Women Leaders Forum was launched through a virtual meeting with almost 50 Afghan women leaders joining from Afghanistan and other parts of the world.

In <u>April 2022, Parliament adopted a resolution on the situation of the rights of Afghan women</u>. It condemned the Taliban's decision to extend the ban on girls' schooling from year seven and deplored its persistent desire to erase women from public life and remove their most fundamental rights, including access to education, work, freedom of movement and healthcare.

<u>In November 2022, Parliament adopted a resolution on the respect for human rights</u> situation in Afghanistan addressing the deterioration of women's rights.

<u>In April 2023, Parliament also passed a resolution on the respect for human rights</u> in Afghanistan underlining gender persecution.

In October 2023, Parliament adopted another resolution on the human rights situation, in particular the persecution of former government officials and members of the Afghan National Security Forces and the targeting of civil society organisations and human rights defenders. Parliament also expressed its support for holding the de facto authorities accountable, and the ongoing investigation at the International Criminal Court.

In March 2024, Parliament adopted a resolution on the repressive environment in Afghanistan, including public executions and violence against women, calling for the fundamental rights and freedoms of women and girls to be respected fully.

BANGLADESH

EU-Bangladesh relations date back to 1973. The <u>April 2001 Cooperation Agreement</u> covers trade, economic development, human rights, good governance and the environment. As a least developed country (LDC), Bangladesh benefits from the EU's EBA scheme, the most favourable trading regime available under the EU's GSP. Bangladesh is expected to graduate from LDC status by 2026. After a transitional period, the country would then cease to have access to the EBA scheme.



The EU has committed up to EUR 690 million under the 2014–2020 Multiannual Indicative Programme. It has stressed Bangladesh's need for policy reforms in order to improve its business environment and attract more trade and investment. In July 2019, the EU launched two programmes in Bangladesh targeting public financial management and national social security reforms. As part of the Team Europe response to COVID–19, the EU allocated EUR 113 million to protect the livelihoods of workers in the garment and leather export–oriented industries in Bangladesh. The EU Multiannual Indicative Programme 2021–2027 for Bangladesh is aligned with Bangladesh's 8th Five Year Plan covering 2020–2025.

In October 2023, at the Global Gateway Forum, Commission President, Ursula von der Leyen, together with Bangladesh's prime minister, Sheikh Hasina, launched the negotiations on a new Partnership and Cooperation Agreement. The EU, the European Investment Bank (EIB) and Bangladesh signed agreements worth EUR 400 million for renewable energy projects which will contribute to a sustainable green transition of Bangladesh's power sector and will help Bangladesh to reach its climate mitigation targets.

Bangladesh is a parliamentary democracy in which power alternates between two parties, the Awami League and the Bangladesh Nationalist Party. Bangladesh is among the few countries to have achieved the Millennium Development Goals. However, labour rights and working conditions continue to be a serious issue, especially in industrial garment factory areas around Dhaka. Bangladesh's gross domestic product (GDP) has fallen in 2022 due to the crisis following Russia's invasion of Ukraine, the rise in price of commodities and inflation. The country has therefore requested financial assistance from the International Monetary Fund (IMF). Although Bangladesh's garment exports have multiplied over recent years, but accidents and fires within factories and other workplaces are common in Bangladesh, killing as many as 1 310 workers and injuring 3 883 in the last decade.

Following Prime Minister Sheikh Hasinas's refusal to accept the opposition's (the Bangladesh National Party) demands for a neutral caretaker government to conduct a poll for the January 2024 elections, the BNP boycotted the elections. As a result of this, in January 2024, incumbent Bangladeshi Prime Minister Hasina secured another five-year term after her party, the Awami League, and its allies won 225 of the parliament's 300 seats.

Since August 2017, over 800 000 Rohingya refugees have fled from persecution in Myanmar to Bangladesh. The EU has been closely monitoring the Rohingya refugee crisis, disbursing more than half of the allocations raised after the UN Pledging Conference in October 2017 and the following years, mainly to support Rohingya refugees in Cox's Bazar. The funds are aimed at addressing the needs of conflict-affected and displaced communities, especially the Rohingya, whose situation worsened during the COVID-19 pandemic. The Bangladeshi government is making an effort to repatriate the Rohingya, but their return is hampered by conditions in Myanmar.

In November 2023, due to the deteriorating humanitarian situation, the <u>EU released</u> <u>EUR 10.5 million in humanitarian aid to the Rohingya refugees</u> and their host



communities living in Bangladesh. In response to the fire in one of the refugee camps, in January 2024 EU released EUR 300 000 to assist the affected population.

In September 2023, <u>Parliament passed a resolution on the human rights situation</u> in Bangladesh, notably the case of Odhikar, a leading human rights organisation that has faced harassment and criminalisation for over a decade, including being deregistered as an NGO.

In December 2022, the 8th EU-Bangladesh Interparliamentary Meeting took place in Brussels to discuss the latest developments in the state of relations, including human rights, trade, and the current geostrategic situation. In December 2023 the 9th EU-Bangladesh Interparliamentary meeting took place in Brussels.

SRI LANKA

EU-Sri Lanka relations date back to the 1975 Cooperation Agreement, upgraded in 1995 by a Cooperation Agreement on Partnership and Development. Sri Lanka was granted access to the EU for its exports under GSP+ in May 2017 as an incentive for political reforms and compliance with international conventions on human rights, labour rights, environmental protection and good governance. Parliament is closely monitoring Sri Lanka's progress in complying effectively with the GSP+ criteria. The perspectives for transitional justice and national reconciliation, two fundamental conditions for Parliament as regards Sri Lanka's eligibility for benefiting from GSP+, have been significantly undermined. The EU has provided Sri Lanka with EUR 760 million in development assistance over the past decade. The EU is Sri Lanka's second-largest trading partner after China and its second main export destination. In 2022, two-way trade in goods amounted to EUR 4.2 billion and Sri Lanka enjoyed a EUR 2.1 billion trade surplus with the EU.

The EU and Sri Lanka held their <u>26th meeting of the EU-Sri Lanka Joint Commission in February 2024</u> in Brussels. The EU welcomed Sri Lanka's active participation in the third EU Indo-Pacific Ministerial Forum also held in Brussels in February 2024. The Joint Commission discussed the <u>Multi-annual Indicative Programme (MIP) for Sri Lanka for 2021-2027</u>. Within this strategic framework, the <u>EU has allocated EUR 60 million</u> in grant funding to its partnership with Sri Lanka for the period 2021-2024. Sri Lanka updated the Commission on the steps taken to replace the Prevention of Terrorism Act with the Anti-Terrorism Bill to bring the draft law in line with international standards.

Sri Lanka suffered a civil war from 1983 to 2009 between the Sinhalese-dominated government and the Liberation Tigers of Tamil Eelam. Gotabaya Rajapaksa won the presidential elections in November 2019 and appointed his brother, the former President Mahinda Rajapaksa, as the new prime minister. The president's party alliance, the Sri Lanka People's Freedom Alliance, won a landslide victory at the parliamentary elections held in August 2020. Mahinda Rajapaksa was sworn in by his brother, Gotabaya Rajapaksa. In September 2020, the controversial 20th amendment bill was introduced, bolstering the executive powers of the president and weakening the roles of the prime minister and the parliament.

The most serious economic crisis the country has ever suffered led to massive demonstrations in 2022. High commodity prices and shortages of basic commodities



and energy triggered unprecedented riots. Protests began in April 2022, when hundreds of thousands of people took part in the largely peaceful protests demanding the resignation of President Rajapaksa. In July 2022, thousands of people stormed his official residence, and the president fled on a military plane first to the Maldives and then to Singapore. President Gotabaya Rajapaksa and Prime Minister Mahinda Rajapaksa both resigned.

Ranil Wickremesinghe was elected as the new president in July 2022and appointed Dinesh Gunawardena as prime minister. Since Wickremesinghe became president, human rights groups have accused the government of cracking down on protesters. Police have detained dozens of protesters in recent weeks and most have since been released on bail.

Sri Lanka defaulted on its debt for the first time in its history and agreed a new programme to support macroeconomic stability and debt sustainability with the IMF. Former president, Gotabaya Rajapaksa, returned to the country. Sri Lankans blame his government for the island's worst economic crisis in its history. A collapse in foreign currency reserves led to dire shortages of food and fuel. In September 2022, the Sri Lankan government reached a preliminary agreement with the IMF for a USD 2.9 billion loan. This would be dependent on lots of conditions, including fiscal reforms and the restructuring of Sri Lanka's debt with its creditors. The government also faces challenges in convincing people about privatising key public sector services as part of its efforts to boost revenue. In 2023, the Sri Lankan Government negotiated with creditors and secured an extended fund facility (EFF) programme with the IMF, allocating USD 670 million as part of a four-year USD 3 billion loan. The Asian Development Bank loaned USD 200 million in December 2023 and the World Bank released an additional USD 250 million.

<u>In April 2024, The Sri Lankan Government rejected a proposal</u> from its international creditors on restructuring more than USD 12 billion, which could potentially delay the country's next tranche of IMF support money.

The 11th EU-Sri Lanka inter-parliamentary meeting took place in October-November 2023 in Colombo to discuss bilateral relations and Sri Lanka's economic and financial situation.

NEPAL

EU-Nepal relations date back to 1973 and are based on the 1996 Cooperation Agreement. With nearly a quarter of the population living on less than USD 2 a day, Nepal depends on external aid for 25% of its budget. The EU is one of Nepal's biggest development aid donors. The EU has also reiterated the importance of Nepal taking greater advantage of the trade preferences accorded under the EU's Everything but Arms (EBA) scheme for developing countries. The EU currently supports Nepal under the Multi-annual Indicative Programme 2021-2027, outlining three priority areas of cooperation: inclusive green growth, human capital development and good governance. These priority areas are also aligned with the EU's global strategies, such as the strategy for cooperation in the Indo-Pacific, the Global Recovery Initiative and the Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III). The EU is supporting the Nepalese economy and labour



demand, thereby boosting individual incomes in a country characterised by serious inequalities between the upper and lower castes, as well as marginalised communities such as the Madhesi.

The EU-Nepal 15th Joint Commission took place in March 2024 in Kathmandu to discuss bilateral relations. The EU appreciated the achievements made by Nepal in its socio-economic transformation and the implementation of its National Development Plan 2019-2024. The EU and Nepal appraised the recent developments in upholding the democratic processes and institutions, and stressed the importance of civil society and media in strengthening democracy and good governance. The EU complimented Nepal for its position on Climate Change during COP28 and also on its ambitious goal of becoming net zero by 2045.

In November 2022, Nepal held general elections to elect the 275 members of the House of Representatives. Nepali Congress won 89 seats, while the Nepal Communist Party won 78 seats. In January 2024, Nepal held elections to the National Assembly. The candidates from Nepal's ruling parties led by the Nepali Congress won the election. The high global oil and commodities prices in 2022 have affected consumer prices in Nepal, posing a risk to political stability, leading to social unrest and protests, including demands for the restoration of the Hindu monarchy. Nepal's mixed electoral system combining 'first past the post' and proportional representation makes it difficult to secure a majority mandate. Political parties forge coalitions with power-sharing agreements, as is customary in Nepal.

China and India are competing for influence in the country. The main challenges are achieving a peaceful solution to the political deadlock via reform of the constitution, which needs to be amended to accommodate the interests of Dalits and ethnic minorities, particularly the Madhesi in Terai, and guaranteeing the rights of migrant Nepali citizens abroad.

The government failed to deliver transitional justice for the victims of human rights abuses during the civil war. In April 2020, the Supreme Court recommended that the mandate of the Nepalese Truth and Reconciliation Commission should be amended in order to prevent impunity. The Truth and Reconciliation Commission, established by a legislative act in 2014, has failed so far, so there is a continuing climate of impunity. Amnesty has been granted for crimes such as torture and acts of sexual violence and ill treatment. In 2014, the government also established the Commission of Enforced Disappeared Persons with the objective of investigating the enforced disappearance of people during the armed conflict and informing the public about what occurred in the spirit of the peace agreement. In February 2015, the Supreme Court ordered an amendment to the act, but the government petitioned to overturn this ruling. On 26 April 2020, the Supreme Court rejected this petition, thus reaffirming the importance of fair transitional justice mechanisms. Human rights organisations welcomed Nepal's Supreme Court's decision of April 2020 on the need to amend the transitional justice law. In July 2022 the government presented a bill to amend existing laws, but Amnesty International and Human Rights Watch do not believe that the proposed bill is in line with the Supreme Court's decision and would still make it difficult or impossible to prosecute offenders. The transitional justice bill was



presented to parliament in March 2023 in response to the 2015 Supreme Court ruling that Nepal's existing legislation is unlawful.

Parliament's <u>Delegation for Relations with South Asia (DSAS) visited Nepal in September 2022</u> to assess Nepalese relations with the EU, which is the main cooperation donor. As Nepal may graduate from LDC status by 2026, Parliament welcomed the fact that Nepal has already ratified most of the 27 core conventions required to apply for GSP+.

BHUTAN

Isolated from the outside world for centuries, Bhutan is adapting to globalisation and strengthening its economy, while at the same time preserving its ancient traditions. It made a peaceful transition to parliamentary democracy under the constitution adopted in 2008, guaranteeing the separation of powers under a constitutional monarchy. The EU supports Bhutan's full autonomy from its powerful neighbours – India and China – and retains the conviction that the country should be able to formulate its own security and foreign policy, recognising ongoing concerns over loss of sovereignty on account of Bhutan's geographical location.

The EU has had a strong presence in Bhutan since 1982, working to reduce poverty, promote democratisation and good governance and support sustainable agriculture and renewable natural resources. A new EU-Bhutan Trade Support Project was launched in May 2018 with the aim of improving value addition, market linkages and the trade and investment regulatory framework.

The EU Multiannual Indicative Programme 2014–2020 allocated EUR 49.3 million in assistance for Bhutan. Between 2017 and 2022, approximately EUR 21.5 million has been set aside to support sustainable agriculture, forestry and climate change. Moreover, in response to the needs that arose during the COVID-19 pandemic, the EU allocated an additional EUR 4.5 million in 2020. The current Multiannual Indicative Programme 2021–2027 continues to support Bhutan, focusing on three priority areas: climate change and green growth for a resilient Bhutan; good governance for inclusive socio–economic development; and the digital transition, a driver for change in education and public services. A total amount of EUR 31 million has been allocated for the initial period of 2021–2024. The EU and Bhutan expressed satisfaction with the ratification of the framework agreement between Bhutan and the EIB to pave the way for concessional financing from the EIB for development projects in Bhutan. In March 2023, the EIB supported climate action and renewable investment in Bhutan.

The EU supports Bhutan's development plans and grants Bhutan greater preferential access to EU markets under GSP+, provided it fulfils the necessary conditions. The EU praises the Himalayan country for its actions towards ensuring sustainable, low-carbon and climate-resilient development, noting that Bhutan has taken significant steps to protect the rights of children and women and foster gender equality. Most notably, the Bhutanese Parliament decriminalised homosexuality in December 2020. The EU and Bhutan held their 11th formal consultations in Thimphu in May 2023, reviewing their ongoing cooperation. They shared updates on good governance, human rights and political and economic developments, in the context of Bhutan's graduation from least developed countries category in 2023.



A royal family heads Bhutan and the democratic process needs to be consolidated. Bhutan's isolation and sense of vulnerability have helped forge a distinctive national identity based on preserving its religion, environment and culture. Protecting the country's culture is perceived as essential. Bhutan's cultural heritage is expressed through the gross national happiness (GNH) index, in line with its Buddhist spiritual culture. GNH promotes the values of peace, non-violence, compassion and tolerance. Enshrined in the 2008 Constitution, GNH is a development philosophy that uses an index to measure the country's level of economic development together with the population's level of well-being and happiness. The GNH was recognised in a UN resolution in 2011 and consists of several domains: psychological well-being, standard of living, good governance, health, education, community vitality, cultural diversity, time use, ecological diversity and resilience. Parliament supports Bhutan's environmental policy, which seeks to preserve the country's biodiversity, which is highly vulnerable to climate change, and prevent all forms of ecological degradation in line with the concept of GNH.

Bhutan held a general election in January 2024, which was won by former Prime Minister Tshering Tobgay's Peoples Democratic Party with a large parliamentary majority. Parliament's Delegation for Relations with South Asia visited Bhutan in September 2022 to assess the country's socio-economic development, as it will graduate from LDC status by December 2023. This means that Bhutan will no longer be able to benefit from the EU's EBA scheme. Bhutan is considering applying for GSP +, but it appears unlikely that it will be able to sign and ratify all 27 required core international conventions on time.

THE MALDIVES

Although there is still no formal cooperation agreement with the Maldives, the EU provides cooperation support for rural communities, tourism and climate-change mitigation. In July 2018, the EU Foreign Affairs Council adopted a framework for targeted restrictive measures against persons and entities responsible for undermining the rule of law or obstructing an inclusive political solution in the Maldives, as well as for those responsible for serious human rights violations. The European Council decided in April 2021 to launch negotiations on an EU-Maldives Partnership and Cooperation Agreement, an important milestone in bilateral relations. In June 2023, the Fourth EU-Maldives Senior Officials Meeting was held in Brussels to reinforce their relationship and celebrate the 40th anniversary of establishing diplomatic relations.

The Maldives graduated from the LDC category in 2011 and attained upper-middle income status in 2013. The economy is based mainly on tourism and fisheries. With tourism comprising 70% of GDP, the Maldives' economy was severely affected by the COVID-19 pandemic. In August 2021, the EU agreed to provide EUR 2 million in free aid to develop the guesthouse and live aboard industry in the Maldives under the project 'EU Support for a Resilient Recovery of SME (small and medium-sized enterprise) Tourism Industry in the Maldives'.

The EU's strengthened cooperation with the Maldives and its support to the country in its democratic transition. The Multiannual Indicative Programme 2021–2027 focuses



<u>on two priority areas in the Maldives</u>: fostering a green economic recovery and enhancing good governance; the rule of law; and security. For the 2021–2024 period, the EU has dedicated EUR 12 million in grant funding to its partnerships with the Maldives.

The Maldives is vulnerable to climate change and is exposed to rising sea levels and coastal erosion, which pose a serious threat to the viability of the country. The Maldives' Parliament is planning to establish its first ever Climate Act, which will set limits on pollution, and to adopt measures to protect and help regenerate the environment. Records from the past 20 years have shown an increase in sea levels of nearly four millimetres per year in the capital Malé and a projected increase of some 40–50 centimetres by 2100. This means beach erosion, flooding, increased groundwater salinisation and unpredictable weather, which is already causing flooding and droughts. Given that 80% of Maldivians live within 100 metres of the sea, the physical impact of these changes represents an existential threat.

The country also suffers from high youth unemployment, gang violence and drug addiction. In September 2023, Mohamed Muizzu won the presidential election in the Maldives after a second-round run-off against incumbent Ibrahhim Mohamed Solih. President Muizza is widely seen as being more receptive towards China's interests in the country over those of India.

Maldives's parliamentary elections took place in April 2024, with President Mohamed Muizzu's pro-China People's National Congress party winning 70 of the 93 seats. Meanwhile the pro-India Maldivian Democratic Party obtained 15 seats.

Jorge Soutullo / Cristina Stanculescu / Walter Masur 05/2024



5.6.8. EAST ASIA

As part of the wider Indo-Pacific, East Asia has vital geostrategic importance for the EU and is facing important challenges to the rules-based international order. The Indo-Pacific is undergoing rapid change, and as home to more than 50% of the world's population it is becoming a key geostrategic region. Two thirds of the world's container trade passes through the Indo-Pacific and its sea lanes are the main routes for trade and energy supplies. The EU strategy for cooperation in the Indo-Pacific was adopted in September 2021 to increase the EU's engagement, build partnerships and reinforce the rules-based international order and address global challenges. The EU is adapting its current instruments to support its strategic autonomy. Its Strategic Compass for Security and Defence, formally approved by the Council in March 2022, promotes an open and rules-based regional security architecture, including secure maritime routes, capacity-building and an enhanced naval presence in the Indo-Pacific. East Asia faces security concerns such as the nuclear challenge in North Korea, the maritime disputes in the East and the South China Seas, and the Taiwan issue. The EU is a strong economic player in East Asia and is working to foster fair trade, multilateralism, institution building, democracy, good governance and human rights.

This fact sheet describes the East Asia region. See also the fact sheets on South Asia $(\underline{5.6.7})$ and Southeast Asia $(\underline{5.6.9})$.

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union;
- Articles 206-207 (trade) and Articles 216-219 (international agreements) of the Treaty on the Functioning of the European Union;
- Partnership and Cooperation Agreements (bilateral relations).

CHINA (PEOPLE'S REPUBLIC OF CHINA)

The EU and China established formal diplomatic ties in 1975. Relations were suspended following the violent crushing of the Tiananmen Square protests by military forces in 1989. The EU only resumed relations in 1994, but its arms embargo imposed in 1989 remains in place. Since there is no detailed common EU definition of an 'arms embargo', it is left to individual Member States to interpret the meaning in accordance with their national laws.

Under President Xi Jinping, China's political situation has changed considerably since 2012. In 2018, a revision of the constitution was adopted allowing Xi Jinping to hold the position indefinitely, with no term limit on the post of general secretary of the Chinese Communist Party, head of state and of the army. China's foreign policy has recently taken a more aggressive and coercive approach, having the world's largest pool of available active military personnel. China is the world's second-largest military spender, after the US, allocating an estimated USD 296 billion to the military



in 2023, an increase of 6% from 2022. In June 2022, China officially launched its third aircraft carrier, the Fujian (named after the province opposite Taiwan), as part of an ongoing effort to build a fully modern force rivalling the US military by 2027. A fourth carrier is also under construction in China, and it is reported that it might be nuclear powered. China's naval forces are building warships at a faster rate than all other powers combined. China is expanding and multiplying its military presence in the South China Sea, in the Taiwan Strait and in the Strait of Malacca, which is vital for international trade.

The growing economic and geopolitical EU-China interdependence is reflected in the <u>Joint EU-China 2020 Strategic Agenda for Cooperation</u>, which has deepened and broadened cooperation in a wide range of areas, such as foreign and security policy; economic development; global governance and multilateral cooperation in trade and investment; social and environmental areas; and other areas including people-to-people contacts. However, EU-China bilateral relations deteriorated in 2022, notably as a result of China's stance on the Russian aggression in Ukraine, on its countermeasures to EU sanctions on human rights, and recently on its economic coercion and aggression in the Taiwan Strait.

EU foreign ministers met in May 2023 and EU leaders met at the European Council in June 2023 and reaffirmed the validity of the EU's multifaceted approach towards China set out in the March 2019 EU-China strategic outlook: as a partner; as a competitor; and as a systemic rival, while competition and rivalry have gained prominence. EU leaders agree on the need to engage with China when it is in the EU's interest while, at the same time, seeking to reduce strategic dependencies ('derisking, not decoupling'). EU leaders stated that the EU is concerned about growing tensions in the Taiwan Strait and opposes any unilateral attempts to change the status quo by force or coercion. The Council pointed out that China, as a permanent member of the UN Security Council (UNSC), has a special responsibility to uphold the rules-based international order, the UN Charter and international law. Therefore, China should press Russia to stop its war of aggression and withdraw its troops from Ukraine. The leaders' statement reiterated concerns regarding forced labour, the treatment of human rights defenders and minorities, the situation in Tibet and Xinjiang, and the honouring of China's commitments regarding Hong Kong.

The 24th EU-China Summit met in December 2023. To prepare for the summit, several high-level sectoral dialogues took place: High-Level Dialogue on Environment and Climate (July 2023); High-Level Digital Dialogue (September 2023); High-Level Economic Dialogue (September 2023); and Strategic Dialogue (October 2023). Additionally, the EU-China Human Rights Dialogue took place in February 2023. The EU addressed three main issues during the summit: EU-China relations and international issues, including Russia's war of aggression against Ukraine and the situation in the Middle East; trade, ways of ensuring a more balanced and reciprocal trade relationship, and areas of shared interest such as climate change, food security, global health, and pandemic preparedness; and the need to support the multilateral rules-based international order, recalling the EU's approach to de-risking and economic security. China's main focus during the summit was trade and investment.

Since its launch in 2013, China's Belt and Road initiative has reached every corner of the globe, promoting globalisation with Chinese characteristics such as non-



transparent contracting, Chinese labour standards, and debt policies. China aims to become the world leader in high-tech industries and digital technologies, including artificial intelligence and 5G. China has been systematically developing influence strategies using disinformation campaigns. In 2021, the EU launched the Global Gateway, a multifaceted strategy that aims to enhance connectivity worldwide and bring together the EU, its Member States, and their financial and development institutions (Team Europe). The Global Gateway is a relevant geopolitical instrument for the EU. It helps to tackle the most pressing global challenges, from fighting climate change to improving health systems and boosting competitiveness and the security of global supply chains. It is a de facto alternative to the Belt and Road initiative and is a very relevant geopolitical instrument for the EU.

The EU and China are major trading partners. In 2023, China was the EU's third largest partner for goods exports (8.8%) and its largest partner for goods imports (20.5%). EU imports from China totalled EUR 514 billion in 2023. EU exports to China represented over EUR 223 billion in 2023. This is approximately EUR 1.3 billion worth of imports per day and EUR 600 million worth of per day, making trade between the EU and China worth a total of EUR 1.9 billion every day. Trade is imbalanced in China's favour. The economic imbalances and unfair Chinese trading practices pose risks to key EU industries (automotive, green technologies). As China has demonstrated its readiness to exploit dependencies on critical raw materials, Beijing has been warned that unfair trading practices will increasingly lead to protective measures (such as anti-dumping and countervailing duties). This issue was addressed in the June 2023 Joint Communication on Economic Security, which includes three lines of work: promoting the EU's industrial base and competitiveness; protecting the EU's economy from distortions; and partnering with non-EU countries, from those closer to those further away.

China's position on the Russian aggression against Ukraine increases tensions with the Western allies. While China has not approved the war as such, its 'neutrality' towards Russia sets an example for other Asian countries. China has not joined the sanctions against Russia and China-Russia military cooperation has deepened since the Russian invasion of Ukraine. Although China and Russia have no formal military agreement, the two countries have increased arms sales and joint military exercises. China is the main source sustaining Russia's war efforts, with up to 80% of Russia's imports of sensitive technology and goods coming from China. Chinese companies have circumvented EU sanctions and have thus been included on the list of enhanced export controls in the EU's 13th packet of war sanctions adopted in February 2024.

NATO considered China a challenge in its 10-year strategic concept adopted in June 2022 in Madrid. It recognised the rising threat that China poses, given its growing economic and military influence and increasing belligerence in the Indo-Pacific, including the use of malicious hybrid and cyber operations, as well as confrontational rhetoric, and the fact that it is spreading disinformation to subvert the rules-based international order, including in the space, cyber and maritime domains.

The EU promotes global governance and a multilateral cooperation approach towards the South China Sea dispute, not interfering in territorial claims, considering freedom of navigation and overflight a major concern. The EU encourages the parties in the dispute to seek peaceful, negotiated solutions and to abide by international law, in



line with the <u>United Nations Convention on the Law of the Sea</u>. The South China Sea is of huge economic and strategic importance: it is crossed by about one third of the world's shipping traffic and contains rich fishing and energy resources. China claims roughly 90% of the South China Sea under the 'nine-dash line'. China is increasingly engaging in intimidating actions that have led to incidents, including dangerous manoeuvres, obstruction, and even collisions of ships in the South China Sea. Tensions with Taiwan and the Philippines are most visible. China claims large parts of the South China Sea, which overlap with parts claimed by several countries in South-East Asia.

Parliament is deeply concerned by the human rights situation in China and has drawn attention to China's human rights violations, including arbitrary detention, labour camps and the death penalty. Parliament has continuously raised concerns about Hong Kong, Taiwan, Xinjiang and the situation of the Uyghurs, condemning forced labour and the exploitation of Uyghur minorities. Parliament has also adopted resolutions on Tibet, more specifically on the situation of religious and ethnic minorities. Recent Parliament resolutions and recommendations on China include:

- Resolution of May 2021 on Chinese countersanctions on EU entities and MEPs and MPs;
- Resolution of September 2021 on a new EU-China strategy;
- Resolution of May 2022 on the reports of continued organ harvesting in China;
- Resolution of June 2022 on the human rights situation in Xinjiang, including the Xinjiang police files;
- Resolution of July 2022 on the arrest of Cardinal Zen and the trustees of the 612
 Humanitarian Relief Fund in Hong Kong;
- Resolution of December 2022 on the Chinese Government crackdown on the peaceful protests across the People's Republic of China;
- Resolution of October 2023 on the implications of Chinese fishing operations on EU fisheries and the way forward;
- Parliament recommendation of December 2023 to the Council and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy concerning EU-China relations;
- Resolution of December 2023 on the abduction of Tibetan children and forced assimilation practices through Chinese boarding schools in Tibet;
- Resolution of January 2024 on the ongoing persecution of Falun Gong in China, notably the case of Mr Ding Yuande.

TAIWAN

The EU is committed to the 'One-China policy', referring to Taiwan as a separate customs territory and not as a sovereign state, recognising Taiwan as an economic and commercial entity and supporting Taiwan's participation in multilateral forums. The EU supports peaceful conflict resolution between Taiwan and China and opposes the use or threat of force. The EU has developed a well-structured dialogue on economic



and trade matters with Taiwan in sectors such as the car industry, pharmaceuticals, cosmetics and medical devices.

In 2023, Taiwan was the EU's 31st largest trading partner, while the EU was Taiwan's fourth largest trading partner, after China, the US, and Japan. The Association of Southeast Asian Nations was also a top trading partner of Taiwan. The total trade in goods between the EU and Taiwan in 2022 stood at around EUR 84.3 billion. The EU's exports to Taiwan in 2022 amounted to EUR 35.1 billion, while the EU's imports from Taiwan amounted to EUR 49.2 billion.

The EU and Taiwan also hold annual consultations on various non-trade matters, such as migrant workers' rights, particularly for domestic workers and in the fishing industry; the death penalty; gender equality and fair treatment for LGBTQIA+ people. The fifth Taiwan-EU Labour Consultation and the <u>sixth Taiwan-EU Human Rights Consultation</u> took place in <u>June 2023</u>. In November 2023, the two parties discussed cooperation in the Indo-Pacific, human rights, information manipulation, disaster management, Erasmus+ and a possible collaboration on agriculture.

Taiwan held general elections in January 2024. Participation reached 71.86%. For the third term, the Democratic Progressive Party (DPP) and its candidate William Lai (Lai Ching-te) won the election with 40.1% of votes, managing to retain the presidential seat. The Legislative Yuan, consisting of 113 seats, is divided among three main parties and two independents, creating a situation where the small parliamentary partners can significantly determine Taiwan's political agenda.

Cross-strait tensions have escalated since the DPP won the elections in 2016. China has taken aggressive actions, increasing the frequency and scale of patrols by bombers, fighter jets, and surveillance aircraft around Taiwan. Lai Ching-te has vowed to safeguard the island's de facto independence from China and further align it with other democracies. Aggressive and threatening manoeuvres often coincide with high-level international visits to Taiwan, as China considers those visits to be interfering with its sovereignty and with internal affairs. Taiwan has developed a unique expertise in fighting cyberattacks, foreign information, manipulation, interference and disinformation, both at governmental level and in civil society organisations.

Parliament adopted a <u>resolution in September 2022 on the situation in the Strait of Taiwan</u>, criticising China's military escalation and rejecting China's economic coercion. Parliament welcomed the plan by Lithuania to open a trade representative office in Taipei and called on other Member States to follow this example and strengthen their relations with Taiwan.

Parliament has repeatedly encouraged closer bilateral EU-Taiwan cooperation in areas such as trade, research, culture, education, climate change and environmental protection. Parliament adopted a resolution in December 2023 on EU-Taiwan trade and investment relations, calling for progress on an EU investment agreement with Taiwan. Parliament has also supported Taiwan's meaningful participation in international organisations such as the World Health Organization, the UN Framework Convention on Climate Change, and the International Civil Aviation Organization. Parliament has also repeatedly urged China to refrain from acts of military provocation towards Taiwan, emphasising that all cross-strait disputes should be settled by peaceful means based on international law.



As Taiwan is crucial to the EU as a global supplier of key high-tech sectors, notably semiconductors, Parliament has repeatedly called for the inclusion of Taiwan to be a priority in the EU's Indo-Pacific Strategy and encouraged dialogue and cooperation with Taiwan in all industrial sectors and supply chains, particularly in strategically important industries such as semiconductor technologies. Taiwan produces two thirds of the world's semiconductors and 90% of its high quality semiconductors.

Parliament has conducted several official missions to Taiwan. The Special Committee on Foreign Interference in all Democratic Processes (INGE) visited Taipei in November 2021, in what was Parliament's first official visit to Taiwan. INGE aimed to study Taiwanese experiences in addressing interference and manipulation campaigns and discussed Taiwan's innovative system to combat disinformation campaigns and other types of hybrid attacks. The Committee on International Trade paid an official visit to Taipei in December 2022. This visit confirmed how important strengthening the strategic relationship between Taiwan and the EU is to Taiwan and, most concretely, how important ambitious and mutually beneficial comprehensive trade and investment relations are to it. Parliament's Committee on Foreign Affairs Committee (AFET) paid an official visit to Taipei in July 2023. The main topic was the global security concerns in the Taiwan Strait.

HONG KONG

The EU attaches great importance to Hong Kong's high degree of autonomy, which must be preserved in line with the Basic Law and international commitments. Democracy and fundamental freedoms have deterirated dramatically in Hong Kong over the past decade. Beijing has muted political opposition, shattered independent press, and disbanded civil society organisations in its efforts to dismantle the 'one country, two systems' principle, in clear disregard of the 1984 Sino-British Joint Declaration.

The EU is Hong Kong's second-largest trading partner after mainland China. Around 1 500 EU companies are present in Hong Kong, and many of them use Hong Kong as their regional headquarters. Bilateral <u>EU-Hong Kong trade in goods totalled EUR 30.1 billion in 2022.</u> EU exports of goods to Hong Kong amounted to EUR 24.7 billion, while imports from Hong Kong totalled EUR 5.4 billion in 2022.

Elections for the seventh term of the Legislative Council of Hong Kong took place in December 2021 and, unsurprisingly, pro-China candidates won. The Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell stated that the EU sees this election, in combination with the ongoing pressure on civil society, as yet another step in the dismantling of the 'one country, two systems' principle. In addition, in May 2022, the 1 500 members of the Election Committee voted for a single nominee, John Lee Ka-chiu, as the new Chief Executive. The voter support for Lee was 99% compared to 66% for his predecessor, Carrie Lam, who had led Hong Kong from 2017. In December 2023, Hong Kong had a district council election and only 27.5% of Hongkongers voted, the lowest turnout since the handover of the former British colony.

Despite growing international criticism, <u>Hong Kong enacted its new National Security</u> <u>Law in March 2024</u> (known as Article 23 of the Basic Law). The law covers newly



defined acts of treason, espionage, theft of state secrets, sedition and foreign interference. Human rights organisations consider it to be a final step in silencing democratic voices in Hong Kong. The EU is deeply concerned about this legislation's potential impact on rights and freedoms.

Parliament has passed several resolutions on the political situation in Hong Kong. Parliament's <u>recommendation of December 2017</u>, 20 years after the establishment of the Hong Kong Special Administrative Region, stressed that respect for the Basic Law was of key importance for further strengthening of relations with the EU. Parliament condemned China's interference in Hong Kong's internal affairs, which put the 'one country, two systems' model at risk. In a <u>resolution in June 2020</u>, Parliament called the unilateral introduction of national security legislation a comprehensive assault on Hong Kong's autonomy, the rule of law and fundamental freedoms. China is bound by the Joint Declaration, which was registered with the UN as a legally binding treaty, to uphold Hong Kong's high degree of autonomy and its rights and freedoms.

In a resolution in January 2021 on the crackdown on the democratic opposition in Hong Kong, Parliament called for the immediate and unconditional release of those arrested in Hong Kong on charges under the security law. Parliament urged the authorities to respect Hong Kong's rule of law, human rights, democratic principles and high degree of autonomy.

In July 2021, Parliament passed a resolution on Hong Kong, notably the case of Apple Daily, condemning restrictions on the freedom of expression, and urging the Hong Kong authorities to immediately and unconditionally release all journalists and other activists arrested under the security law and drop all charges against them.

In January 2022, Parliament passed another resolution on violations of fundamental freedoms in Hong Kong, strongly condemning the targeted attacks against the opposition, NGOs, and media outlets.

In June 2023, Parliament adopted a resolution on the deterioration of fundamental freedoms in Hong Kong, condemning China's suppression of political opposition and pro-democracy activists in Hong Kong, notably mentioning the case of Jimmy Lai.

In April 2024, Parliament passed a resolution on the new National Security Law in Hong Kong and the cases of Andy Li and Joseph John, condemning the law's content, which erases the last vestiges of fundamental freedoms. Parliament deplored the fact that over 200 people have been arrested since its adoption.

JAPAN

Having been strategic partners since 2003, the EU and Japan share fundamental values such as respect for human rights, democracy and the rule of law, as well as a strong commitment to sustainable development, multilateralism and a rulesbased World Trade Organization system. Japan is committed to the effective implementation of the Paris Agreement on climate change and to other multilateral environmental agreements. However, there are some issues that cause concern for the EU: Japan's application of the death penalty, whaling and parental abductions of EU children in Japan.



The EU and Japan upgraded their bilateral strategic relationship in February 2019 with the provisional implementation of the EU-Japan Strategic Partnership Agreement (SPA) and the entry into force of the EU-Japan Economic Partnership Agreement (EPA). The EPA is the most important bilateral trade agreement ever concluded by the EU, as it covers nearly one third of global gross domestic product, almost 40% of world trade and over 600 million people. The EPA also contains commitments on trade in both goods and services, and provides a framework that promotes bilateral investment. It also sets ambitious targets for sustainable development and includes, for the first time, a specific commitment to the Paris climate agreement. The EU and Japan signed an agreement on civil aviation safety in June 2020. Reciprocity of visafree travel for EU citizens to Japan remains an issue in bilateral relations, as Japanese nationals enjoy visa-free access to the EU.

Since the entry into force of the EPA, trade in goods has gone up 20% and agrifood trade is up 34%. Japan welcomed the EU's decision on lifting of the import restriction measures on food products from the Fukushima region, taken in the wake of the 2011 Japan earthquake. Japan is the EU's second-largest trading partner in Asia, after China, with total trade in 2022 amounting to EUR 141.4 billion. EU exports to Japan amounted to EUR 69.8 billion in 2022. The EU had a trade surplus in goods of EUR 1.8 billion.

The two parties remain committed to enhancing investment relations by concluding a separate investment agreement in the future that would include investor/investment protection standards and a dispute-resolution mechanism. Since the launch of the EU-Japan digital partnership in May 2022, work is ongoing in the strategic areas of semiconductors, high-performance computing and quantum technology, 5G and beyond, and resilient digital connectivity. The EU and Japan are among the largest digital economies in the world. The free flow of data between the EU and Japan is an essential element for businesses and it represents a major deliverable under the EU Strategy for Cooperation in the Indo-Pacific, and in the digital partnership with Japan. At the High-Level Economic Dialogue in October 2023, the EU and Japan concluded a deal on cross-border data flows. Once ratified, the agreed provisions will be included in the EU-Japan EPA.

The EU and Japan are like-minded strategic partners and have similar approaches to the Indo-Pacific, agreeing that enhanced EU engagement in the region, as well as enhanced cooperation with Japan and other allies, would be beneficial. There is mutual interest in advancing cooperation on connectivity, maritime security, environment and climate change, trade and investment, digital issues, promoting multilateralism and upholding the international rules-based order.

The 29th EU-Japan Summit was held in July 2023 in Brussels. The EU and Japan remained resolute in their support for Ukraine. The two condemned North Korea's ongoing development of nuclear weapons and ballistic missiles. Leaders stressed their will to build constructive and stable relations with China and further develop their security partnership, which would promote increased cooperation on maritime security, cybersecurity, hybrid threats, counter-terrorism, disarmament, and non-proliferation. On energy and the green transition, leaders reiterated their common goal of net-zero by 2050. Under their green alliance, they agreed to step up work on



the energy transition by cooperating on energy efficiency, low-carbon and renewable hydrogen, offshore renewable energy, carbon capture, utilisation and recycling.

Japan and the world were deeply shocked by the murder of the former Prime Minister Shinzo Abe in July 2022 in Nara, where he was campaigning for the 2022 elections, which were held only two days later to elect half of the upper house for six years. The Liberal Democratic Party modestly increased its seats and a new record was set with 28% of seats being won by female candidates. The next general election will be held in 2025. The ruling Liberal Democratic Party will elect its president in September 2024 for a three-year term. The winner of the election will lead the party in the next Japanese general election.

As an integral part of the upgrading of the EU-Japan bilateral strategic relationship, Parliament and the Japanese Diet are strengthening their interparliamentary dialogue. This led to Parliament passing two resolutions in December 2018: an accompanying resolution to the conclusion of the EU-Japan Strategic Partnership and an accompanying resolution to the conclusion of the EU-Japan Economic Partnership Agreement. In July 2020, Parliament passed a resolution on the international and domestic parental abduction of EU children in Japan, highlighting the situation of children affected by parental child abduction in Japan, underlining the fact that relevant laws and judicial decisions are not being enforced. Other relevant resolutions include: the resolution of 21 January 2021 on connectivity and EU-Asia relations, the resolution of 7 June 2022 on the EU and the security challenges in the Indo-Pacific and the resolution of 5 July 2022 on the Indo-Pacific strategy in the area of trade and investment.

<u>Parliament passed a resolution in December 2023 on EU-Japan relations</u> acknowledging the key role played by the EU-Japan EPA and SPA and calling for the swift full ratification of the SPA (provisionally implemented). Parliament called for a comprehensive security partnership, accelerated energy cooperation, environment cooperation, and dialogue on human rights.

The 41st EU-Japan Interparliamentary meeting was held in July 2023 in Strasbourg to discuss political, economic and social developments, Russia's war on Ukraine, security issues in Japan, East and South-East Asia, the EU-Japan Digital Partnership, environment and energy cooperation and trade relations. A joint statement was signed calling for international rules for Artificial Intelligence.

<u>Parliament's AFET Committee visited Japan in July 2023</u>. Exchanges were held on global security, cybersecurity and disinformation, as well as on the Russian war of aggression against Ukraine. The Japanese Diet expressed serious concerns about Taiwan's security situation.

SOUTH KOREA (REPUBLIC OF KOREA)

EU-South Korea relations date back to the 1997 Agreement on cooperation and mutual administrative assistance in customs matters. South Korea is one of the EU's top 10 strategic partners, and the EU-South Korea strategic partnership is built on three main pillars, underpinned by three key agreements:



- The <u>EU-South Korea Framework Agreement, in force since June 2014</u>, providing the overall structure for the strategic partnership and comprehensive bilateral cooperation. The Joint Committee ensures and monitors its implementation.
- The EU-South Korea Free Trade Agreement (FTA), ratified in December 2015. South Korea was the first Asian country to sign an FTA with the EU, and this FTA is one of the EU's most ambitious trade deals, going further than any previous agreements. The FTA aims at removing barriers to bilateral trade, creating an expanded and secure market for goods and services, and creating a stable environment for investment.
- The <u>EU-South Korea Crisis Management Framework Participation Agreement</u> (<u>FPA</u>), in force since 2016, which reinforces the strategic partnership for security issues by allowing South Korea to take part in EU crisis management operations of a civilian and military character. The FPA also facilitates South Korean involvement in the EU's common security and defence policy (CSDP) missions and operations to improve the effectiveness of crisis response.

The 19th meeting of the EU-South Korea Joint Committee was held in March 2023 in Brussels, marking the 60th anniversary of EU-South Korea diplomatic relations, to review progress in areas of bilateral, regional and global cooperation, addressing current and future challenges.

The 10th EU-Republic of Korea Summit took place in May 2023 in Seoul. Leaders agreed to maintain and increase collective pressure on Russia, particularly through the effective implementation of sanctions. The EU and South Korea called on all UN members to take a united and firm stand against North Korea's illegal weapons programme. Leaders also discussed fostering collaboration on semiconductors, next generation mobile networks, quantum and high-performance computing, artificial intelligence and digital platforms.

Bilateral <u>EU-South Korea trade has continued to grow</u>, reaching almost EUR 132 billion in 2022. South Korea is the EU's 9th largest export destination for goods, whereas the EU is South Korea's third largest export market. However, in some areas, challenges remain and the EU is calling on South Korea to remove persistent obstacles to imports of EU animal products, and for the ratification of the pending International Labour Organization convention on the abolition of forced labour.

South Korea hosted the P4G Seoul Environmental Summit in May 2021, which issued the Seoul Declaration advocating keeping the rise in global temperature from pre-industrial levels at below 2 °C, instead of 1.5 °C. Leaders encouraged increased national spending on cutting greenhouse gases, accelerating efforts to transition away from non-renewable energy sources and cooperating on resolving the issue of plastic waste in marine ecosystems.

South Korea's science and technology sector is one of the most advanced in the world. It focuses on innovation and has an impressive record in robotics and artificial intelligence, opening up new opportunities to step up scientific and technological cooperation with the EU. Closer cooperation has already been established in the field of cyberthreats, as South Korea has a highly digitalised economy and is developing a national cybersecurity strategy, following hacks and attacks affecting millions of



people and official websites. North Korea has been accused of plotting most of the major cyberattacks.

South Korea held presidential elections in March 2022, won by conservative Yoon Suk-yeol, following a tightly contested race. Local elections were held in June 2022 and coincided with the by-elections for the vacant seats in the National Assembly. President Yoon Suk-yeol's governing party won 12 of the 17 races for big-city mayors and provincial governors, further expanding its influence. In April 2024, South Korea held parliamentary elections, considered as a midterm test on the current administration. The liberal opposition Democratic Party, together with smaller opposition parties, jointly won 192 of 300 seats in the National Assembly, a defeat for President Yoon Suk-yeol and his People Power Party.

South Korea claims that Japan still owes the country reparations from the Second World War. Relations remain strained despite efforts to restore ties under a treaty in 1965. A particularly contentious issue is that of 'comfort women' (women who were sex slaves between 1932 and 1945). South Korea has also raised concerns over Japan's plans to release contaminated water from its Fukushima power station back into the Pacific Ocean, which will adversely affect marine life and consequently the fishing industry. President Yoon Suk-yeol's foreign policy approach has involved a rapprochement with Japan in order to solve current disputes and trade barriers.

Three inter-Korean summits to seek denuclearisation took place between April and September 2018, but dialogue and cooperation stalled following the 2019 US-North Korea Hanoi Summit and worsened again in August 2019 following a joint US-South Korea military drill. Tensions came to a head with North Korea's launch of short-range missiles in March 2020 and with the explosion in June 2020 at the inter-Korean liaison office in Kaesong and the death of a South Korean citizen in North Korean territory. South Korean President Yoon Suk-yeol announced in August 2022 that he would offer a large-scale aid package to Pyongyang in exchange for denuclearisation, which would significantly improve North Korea's economy if the country embarks on a genuine and substantial process of denuclearisation.

After the COVID-19 pandemic, South Korea and the United States resumed their joint military drills in August 2022, following President Yoon Suk-yeol's decision to boost deterrence. Previously, the United States, South Korea and Japan participated in a ballistic missile defence exercise off Hawaii's coast in spring 2022, demonstrating the improved relations between Seoul and Tokyo. The United States, South Korea and Japan conducted their biggest-ever combined naval drills in January 2024, in a show of strength against North Korea. The South Korean military stated in January 2024 that there is no longer a no-hostility zone under the inter-Korean military agreement signed in September 2018.

Parliament is deeply concerned about inter-Korean relations. The EU supports a diplomatic solution to the Korean nuclear crisis and intends to continue its strategy of critical engagement. Parliament is the only EU institution that has formal relations with North Korea.



NORTH KOREA (DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA)

The EU has a policy of 'critical engagement' towards North Korea, which combines pressure in the form of sanctions and other measures with open communication channels. Bilateral relations are limited and no bilateral political or commercial treaties are in force. Excluding humanitarian assistance, the EU's development cooperation is mainly related to food security and is subject to political considerations, UN sanctions and other constraints. The EU does not have a bilateral development assistance programme with North Korea. Six EU Member States maintain embassies in Pyongyang, alongside the French Cultural Cooperation Office. A significant number of EU Member States have accredited their ambassadors resident in Seoul to North Korea. The closure of borders by North Korea in January 2020 has led to difficulties rotating staff in and out of the country and the diplomatic presence has been reduced.

The EU's sanctions against North Korea, which were adopted in response to the country's nuclear weapons and ballistic missile development activities, are the toughest against any country. The EU has implemented all relevant UNSC resolutions and has put its own autonomous sanctions regime in place, which complements and reinforces the UN sanctions. In September 2020, the EU conducted a fourth round of approaches to non-EU countries encouraging them to fully implement the UNSC resolutions. In March 2021, the EU announced human rights-related sanctions on North Korea for the first time under the EU Global Human Rights Sanctions regime. The list includes two ministers as well as the Central Public Prosecutor's Office for aiding repressive activities. In December 2022, the EU adopted new sanctions against eight individuals and four entities because of their involvement in North Korean ballistic and nuclear programmes and in circumventing international sanctions.

North Korea stepped up its nuclear programme in 2017, heightening tensions with the US and South Korea. Although the United States' policy has been to apply maximum pressure, former South Korean President Moon Jae-in engaged in de-escalation and met North Korean leader Kim Jong-un three times in 2018. However, after the failed 2019 Summit in Hanoi between President Trump and Kim Jong-un, tensions and mistrust increased. Since July 2021, the International Atomic Energy Agency reported increasing nuclear activity at the Yongbyon Nuclear Research Centre, with a fivemegawatt experimental reactor. Since September 2021, North Korea has conducted tests with new long-range cruise missiles that can fly lower and with very flat trajectories, which makes them difficult to intercept. It conducted its biggest ballistic missile tests in 2022, showing that its intercontinental missiles could reach the United States. Tensions were heightened in March 2022 by North Korea's launching of a new type of intercontinental ballistic missile (ICBM), Hwasong-17, its biggest missile to date. Its altitude surpasses that of any previous ICBM tested, reaching 6 000 km. South Korea is strengthening its defensive capabilities and military cooperation with the United States, including by taking part in large-scale joint military exercises and deploying additional US air missile defence systems. North Korea's strategy is to force the United States to reopen negotiations on sanctions and humanitarian relief.

North Korea's return to missile tests in 2022, along with Russia's invasion of Ukraine, marks a great challenge to South Korean President Yoon Seok-yeol, who is adopting a hard-line approach. North Korea has continued launching ballistic missiles in 2023



and 2024, reaching hypersonic velocities of 5 to 10 times the speed of sound in their terminal phase, enabling them to evade detection and missile defences.

In September 2022, North Korea's Supreme People's Assembly passed a law that makes the country's nuclear status irreversible and allows for pre-emptive nuclear strikes if an imminent attack is detected. In September 2023, North Korea amended its constitution to bolster and expand its nuclear force, with leader Kim Jong-un pointing to the growing cooperation between the United States, South Korea and Japan as 'the worst actual threat' facing the isolated nation.

Supreme Leader Kim Jong-un ordered a change to the North Korean constitution in January 2024, removing the aim of a peaceful unification with South Korea and treating it as a hostile separate country. This takes peaceful unification out of the official policy. This policy shift goes along with renewed support from China and Russia.

The EU has condemned the missile launches, calling on North Korea to comply with its obligations under UNSC resolutions and to refrain from all actions that undermine the environment for the pursuit of diplomacy and dialogue. The EU is committed to denuclearisation. Until North Korea complies with its obligations under UNSC resolutions, the EU will continue to implement sanctions strictly while encouraging the international community to do the same.

The <u>Delegation for Relations with the Korean Peninsula (DKOR)</u> was established in 2004. Since then, DKOR is the only EU institution that has formal relations with North Korea. Interparliamentary meetings with the Supreme People's Assembly have been infrequent. Although Parliament's delegation initially tried to keep the channels of communication open, political and military developments in North Korea and particularly its nuclear and ballistic missile tests have made the delegation's outreach towards North Korea less tenable. DKOR's regular meetings have focused on inter-Korean relations and on the security situation on the Korean peninsula. DKOR will meet representatives party to the '6-Party-Talks' in order to better understand each party's position and red lines, and to see whether there is room for negotiations to de-escalate tensions.

Parliament has passed several resolutions condemning North Korea's nuclear and missile programmes. <u>Parliament passed a resolution in April 2022 on the human rights situation in North Korea</u>, including the persecution of religious minorities.

Airis Meier / Samuel Cantell / Jorge Soutullo 05/2024



5.6.9. SOUTHEAST ASIA

As part of the wider Indo-Pacific, Southeast Asia has vital geostrategic importance for the EU and is facing relevant challenges to the rules-based international order. The Indo-Pacific is undergoing rapid change, and as home to more than 50% of the world's population, it is becoming a key geostrategic region. Two thirds of the world's container trade passes through the Indo-Pacific and its sea lanes are important routes for trade and energy supplies. The EU strategy for cooperation in the Indo-Pacific was adopted in September 2021 to increase the EU's engagement and build partnerships to address global challenges. The Union is adapting its current instruments to support the EU's strategic autonomy. Its Strategic Compass for Security and Defence, formally approved by the Council in March 2022, promotes an open and rules-based regional security architecture, including secure maritime routes, capacity-building and an enhanced naval presence in the Indo-Pacific. The EU is forging closer ties with Southeast Asian countries and is promoting regional integration with the Association of Southeast Asian Nations (ASEAN), which represents, as a whole, the EU's third-largest trading partner outside Europe (after China and the US). The region has geostrategic concerns, such as the South China Sea dispute and the Taiwan issue, as well as environmental concerns, especially in the Mekong sub-region. The EU is a strong economic player in Southeast Asia and a major development aid donor, working to foster institution-building, democracy, good governance and human rights.

This fact sheet describes the Southeast Asia region. See also the fact sheets on South Asia (5.6.7) and East Asia (5.6.8).

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union;
- Articles 206-207 (trade) and 216-219 (international agreements) of the Treaty on the Functioning of the European Union;
- Partnership and cooperation agreements (bilateral relations).
- A. Association of Southeast Asian Nations (ASEAN)

The first ASEAN summit, held in Bali in February 1976, brought together Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei, Vietnam, Laos, Cambodia and Myanmar joined the association later. ASEAN follows a strict policy of non-interference in its members' domestic affairs.

The EU and ASEAN are like-minded partners in a challenging geopolitical context, both believing in rules-based multilateralism. ASEAN and the EU have built a strong relationship, mainly in trade and economic relations, and are currently strategic partners. The EU is ASEAN's third-largest trading partner, accounting for around 10.2% of ASEAN trade. ASEAN is the EU's third-largest partner outside Europe (after



the US and China). The ultimate goal remains the conclusion of an EU-ASEAN region-to-region free trade agreement (FTA).

The <u>24th EU-ASEAN ministerial meeting in February 2024</u> made progress in driving trade, with a focus on green initiatives, the digital transition and the establishment of secure supply chains, reviewing regional and global security developments, as well as providing updates on the Global Gateway Initiative with due consideration to the <u>EU strategy on connecting Europe and Asia</u> and the <u>Master Plan on ASEAN Connectivity (MPAC) 2025</u>.

The 30th EU-ASEAN Joint Cooperation Committee was held in February 2023 in Jakarta to review bilateral, multilateral and global issues, as well as the implementation of the ASEAN-EU Plan of Action 2018-2022, with 89% of action lines achieved, welcoming the Plan of Action to implement the ASEAN-EU Strategic Partnership (2023-2027).

The EU-ASEAN Energy Dialogue was launched in December 2022 at the EU-ASEAN Commemorative Summit. Its first meeting took place in Jakarta in June 2023, focusing on regional energy markets, the development of renewable energy potential and energy security.

With the EU-ASEAN Strategic Partnership, the EU aims to continue promoting the parliamentary dimension of relations, such as by supporting more structural exchanges and promoting a joint parliamentary assembly between Parliament and the ASEAN Inter-Parliamentary Assembly (AIPA) to provide democratic accountability and a forum for multilateral exchanges to address global issues. The third Interregional Parliament-AIPA Dialogue in November 2023 made a step forward in further developing the dialogues and matters of common interest in economic, trade and investment cooperation as well as in global and regional security challenges.

The <u>Regional Comprehensive Economic Partnership (RCEP)</u>, signed in November 2020, entered into force in January 2022. The RCEP, which involves the 10 ASEAN states and five of the bloc's Asia-Pacific partners, is the world's largest FTA, covering more than half of global exports and almost one third of global gross domestic product (GDP). The RCEP covers most economic sectors, with about 90% of goods expected to be traded tariff-free. Most of these goods are already subject to this benefit under the existing deals between members. Pending tariff reductions could take up to 20 years to take effect, while sensitive sectors such as agriculture are mostly excluded from tariff cuts. RCEP members should benefit from common rules of origin, the removal of export quotas, simplified customs procedures and easier cross-border access to trade zones. Raw materials, machinery, motor vehicles and consumer products are key growth areas.

B. Asia-Europe Meeting (ASEM) and Asia-Europe Parliamentary Partnership Meeting (ASEP)

ASEM aims to strengthen economic cooperation, political dialogue and the promotion of people-to-people links between the EU and Asia. Bringing together 53 partners from across Europe and Asia, ASEM is the main multilateral platform linking Europe and Asia with significant global weight — ASEM partners represent around 65% of global GDP, 60% of global population, 75% of global tourism and 68% of global trade.



The partners highlight the need for effective and swift action on climate change, security cooperation, trade and human rights.

In November 2021, Cambodia assumed the role of host of the 13th ASEM Summit (ASEM13) and the 11th Asia-Europe Parliamentary Partnership Meeting (ASEP-11). ASEM13 aimed to strengthen multilateralism to share growth, with the emphasis on tackling global challenges, such as climate change, sustainable development and terrorism, as well as improving the multilateral trading system.

C. Indonesia

Indonesia is becoming an increasingly key partner for the EU as a member of the G20, the world's third-largest democracy and its largest Muslim-majority country. EU-Indonesia cooperation is based on the 2014 Partnership and Cooperation Agreement (PCA). The most recent EU-Indonesia Joint Committee meeting was held in September 2023 to discuss joint efforts to promote bilateral cooperation, covering the existing EU-Indonesia working groups and dialogues, and possible joint activities to enable the EU-Indonesia partnership to contribute to peace, stability and prosperity in the region and worldwide. The sixth Security Policy Dialogue was held in May 2023 and the seventh Political Dialogue was held in September 2023. Indonesia has expressed interest in improved mobility when entering the EU through Schengen visa liberalisation for Indonesia's business and tourist visits.

Indonesia and the EU have reaffirmed their commitment to the sovereignty, independence and territorial integrity of Ukraine, deploring the aggression by Russia. The two parties have agreed to pursue a partnership of mutual benefits in security cooperation, including maritime security, peacekeeping operations, cybersecurity and counterterrorism. Indonesia encourages further exchanges of knowledge and consultations on security and defence cooperation through the following EU programmes: Enhancing Security Cooperation in and with Asia (ESIWA) and Critical Maritime Routes in the Indian Ocean (CRIMARIO).

The EU and Indonesia are committed to expediting work on the <u>ongoing negotiations</u> for an <u>Indonesia-EU Comprehensive Economic Partnership Agreement (CEPA)</u> with a view to concluding talks in 2024. The <u>EU is Indonesia's fifth-largest trading partner</u>, with total trade in goods worth EUR 32.6 billion in 2022 and a surplus of EUR 14.5 billion in favour of Indonesia.

In June 2021, the World Trade Organization (WTO) issued a document on the EU-Indonesia palm oil-based biofuels dispute. Indonesia filed a lawsuit at the WTO against the EU in December 2019 on certain measures concerning palm oil and oil palm cropbased biofuels, arguing that the EU's restrictions on palm oil-based biofuels were unfair and discriminatory, and requesting WTO dispute consultations. Nevertheless, the Russian invasion of Ukraine has caused the global edible oil shortage, which might help Indonesia regain palm oil market share in the EU. Regardless of the results of the WTO decision, the EU is keen on boosting its reputation and signing new deals, also as a result of the energy crisis caused by Russia's war against Ukraine, as there could be a surge in EU imports of palm oil in the coming years. In February 2024, Indonesia requested WTO dispute consultations with the EU regarding the EU's imposition of definitive anti-dumping duties on imports of fatty acids from Indonesia.



<u>Indonesia held elections in March 2024</u> to elect the president, vice president, regional representative councils and national and sub-national legislatures. The presidential and vice presidential candidates, Prabowo Subianto and Gibran Rakabuming Raka respectively, won with the highest share of votes, amounting to 58%.

Indonesia held the Presidency of the G20 in 2022. Much attention was paid to the split between G20 countries over the issue of Russia's right to have a seat at the G20 table. Russia was invited to the Bali summit in November 2022, as well as Ukraine. However, President Putin did not attend and President Zelenskyy attended by video link. However, Indonesia attempted to limit the G7 leaders' criticism of Russia. For Indonesia, the G20 was primarily an economic forum, avoiding any other particular issue.

In 2023, Indonesia held the ASEAN and AIPA chairs. The <u>42nd ASEAN Summit was held in Labuan Bajo</u>, Indonesia in May 2023 to discuss the post-2025 vision, Timor-Leste membership, the Myanmar crisis, the prevention of human trafficking, migrant workers, fishery workers, the healthcare sector, electric vehicles, strengthening ASEAN capacity and cross-border payments. Timor-Leste participated for the first time as an observer. Indonesia hosted the <u>ASEAN AIPA's General Assembly in Jakarta in August 2023</u> under the theme 'Responsive Parliament for A Stable and Prosperous ASEAN'. The European Parliament Delegation (DASE) participated as an observer.

In October 2019, Parliament adopted a resolution on the proposed criminal code in Indonesia, expressing concerns about its provisions on blasphemy and adultery, as well as worries that the new code would be used against minorities and would allow discrimination on the grounds of sex, religion and sexual orientation. The proposed new code triggered demonstrations in the country. Parliament welcomed President Widodo's decision to delay its adoption following large-scale protests attended by thousands of people across Indonesia.

D. Myanmar

The EU has been an active partner in Myanmar's democratic transition and at the forefront of the international community's re-engagement since the country began to re-establish democracy and open up to the world in 2015. There is no formal framework agreement because of decades of international isolation and sanctions.

Myanmar's Constitution, written by the military government and adopted by referendum in 2008, restricts civilian government actions and grants exceptional power to the military, such as allocating it 25% of seats in parliament and control over the main ministries responsible for security and territorial administration. Myanmar is still engaged in a civil war that began in 1948. A ceasefire was agreed in October 2015, but several ethnic insurgent groups have not signed it. Democratic reforms progressed following the 2015 elections, when Aung San Suu Kyi assumed the posts of state counsellor, foreign minister and minister of the Office of the Presidency. The most recent general elections took place in November 2020. Aung San Suu Kyi's ruling National League for Democracy (NLD) won enough seats in parliament to form a government.

However, in February 2021, the military seized power in a coup and detained Aung San Suu Kyi, President U Win Myint and other senior NLD figures in response to alleged



election fraud. Army chief General Min Aung Hlaing was appointed as leader of the military junta. Charges have been filed against Aung San Suu Kyi and other top NLD leaders. The events have led to pro-democracy protests, and clashes with the army have led to deaths and severe injuries. In April 2024, Aung San Suu Kyi was transferred from prison to house arrest.

The EU, along with other international actors, has issued numerous statements on Myanmar and imposed sanctions on the junta and entities owned by the military. In February 2021, the Council adopted conclusions condemning the military coup, calling for an end to the state of emergency, the restoration of the legitimate government and the immediate release of those detained or arrested in connection with the coup. In April 2021, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR) issued a declaration on the five-point consensus reached at the ASEAN Leaders' Meeting held in Indonesia, supporting the ASEAN Special Envoy. However, Myanmar_issued a press release rejecting the ASEAN Special Envoy's request to meet with Aung San Suu Kyi. In March, April and June 2021, the Council imposed sanctions on the individuals responsible for the military coup and extended the sanctions to military-controlled companies and entities. In July 2023, the EU imposed its seventh round of sanctions on individuals and companies associated with Myanmar's military junta.

As a least developed country, Myanmar benefits from the Everything but Arms trade initiative under the generalised scheme of preferences. Despite the military coup, the Commission has so far been reluctant to introduce trade restrictions because of the fallout for Myanmar's population and the limited impact on the military. In 2024, the Commission allocated over EUR 19 million in humanitarian aid to address the most urgent needs of the population, as conflict continues in most parts of Myanmar. The EU's 2021–2027 Multi-Annual Indicative Programme is based on specific priorities for Myanmar: governance, the rule of law, sustainable growth, assistance to displaced people, the Green Deal and the digital agenda.

Myanmar is having to contend with an escalation of inter-communal tensions. In August 2020, the fourth meeting of the Union Peace Conference or '21st Century Panglong' resumed to resolve conflicts between the military and ethnic insurgent groups. The military has lost control of large parts of the country and the armed rebel groups are strong in many border towns. The military has lost a significant proportion of its forces through mass defections. A mandatory conscription law has been activated, threatening all men aged 18 to 35 and women aged 18 to 27 to serve up to two years under military command. Many young people are escaping to neighbouring countries.

Humanitarian conditions and food insecurity have worsened, and the economy has dramatically deteriorated. The UN predicts that one third of the population needs humanitarian assistance. There are currently around 2.6 million people internally displaced in Myanmar. The healthcare and education sectors have collapsed, while military expenditure increased to 4.9% of GDP in 2023.

The 2024 Freedom in the World report by Freedom House ranked Myanmar as 'not free', with a global freedom score of 8 out of 100. There are major human rights issues, such as the persecution of the Rohingya people in the Rakhine state. Since



August 2017, over 800 000 Rohingya refugees have fled to Bangladesh to escape persecution in Myanmar. In August 2019, thousands of refugees refused attempts by Bangladesh, Myanmar and the UN to repatriate them on account of security concerns. Parliament condemned the human rights violations against the Rohingya in its September 2019 resolution. In February 2021, Parliament adopted a resolution strongly condemning the military takeover and abuses of human rights, calling on the junta to restore civilian rule and to immediately release all those detained.

In October 2021, Parliament adopted a resolution condemning the human rights violations, the ongoing discrimination against ethnic minorities and the use of violence by the junta against its citizens, as well as the military attack on medical professionals and facilities. Parliament also urged Myanmar to cooperate with the ASEAN Special Envoy and called on the Council to continue to impose targeted sanctions against those responsible for the February 2021 military coup. In March 2022, Parliament passed a resolution on Myanmar, one year after the coup, reaffirming its position on Myanmar. In May 2023, Parliament adopted a resolution on Myanmar, notably on the dissolution of democratic political parties, calling for their immediate reinstatement and for the release of all political prisoners.

E. The Philippines

The Philippines-EU Partnership and Cooperation Agreement was signed in 2011 and entered into force in March 2018. The <u>first joint committee met in Brussels in January 2020</u> and established specialised subcommittees with a view to raising the bilateral relationship to a higher level. Furthermore, in August 2021, the Philippines assumed the role of ASEAN coordinator for dialogue relations with the EU until 2024.

The second joint committee meeting took place in April 2022 to review the ongoing bilateral cooperation under the PCA. On the issue of regional security developments, such as the South China Sea dispute, the two parties agreed on the need to find peaceful and inclusive solutions to conflicts, while respecting the principles of international law and the UN Charter. Both delegations discussed the adoption of the relevant resolutions at the UN General Assembly Emergency Special Session on Ukraine and the Human Rights Council, which condemned the Russian aggression against Ukraine. The third joint committee met in Brussels in June 2023 and reviewed the ongoing bilateral, regional and multilateral cooperation. The EU is a significant donor to the Philippines, having provided EUR 325 million for the period 2014–2020, with the rule of law and inclusive growth as focus areas. The EU's 2021–2027 Multi-Annual Indicative Programme for the Philippines continues the overall EU cooperation.

EU-Philippines bilateral trade in goods amounted to EUR 18.4 billion in 2022, and the EU ranks as the Philippines' fourth-largest trading partner, accounting for 7.9% of the country's total trade. Negotiations on an EU-Philippines FTA were launched in December 2015, and a first round took place in May 2016. In March 2024, the EU and the Philippines agreed to resume FTA negotiations, with trade aspects of public procurement, intellectual property, competition and sustainability at its core.

In May 2016, Rodrigo Duterte won the presidential election and adopted controversial measures against drug trafficking with 'shoot to kill' orders that led to human rights violations. Duterte changed the direction of the Philippines' foreign policy, building a



new alliance with Russia and China, despite the controversy over the South China Sea, the Philippines being one of the claimant ASEAN states in this dispute.

<u>Presidential elections took place in May 2022</u>, with Ferdinand 'Bongbong' Marcos being elected President and Sara Duterte, the daughter of the outgoing leader, being elected Vice President. Unlike Duterte, Marcos intends to pursue more balanced diplomacy between Beijing and Washington.

<u>Parliament adopted a resolution in February 2022</u>, strongly condemning the thousands of extrajudicial killings and other serious human rights violations related to President Rodrigo Duterte's war on drugs. <u>ASEAN Parliamentarians for Human Rights also called in February 2022</u> for the immediate and unconditional release of Filipina Senator Leila De Lima, one of former President Duterte's staunchest critics.

F. Vietnam

EU-Vietnam relations are based on the <u>Partnership and Cooperation Agreement adopted in 2016</u>. A total of EUR 400 million was allocated for the 2014–2020 period, with a focus on good governance, energy and climate change, especially in the Mekong Delta. The <u>EU's 2021–2027 Multi-Annual Indicative Programme for Vietnam</u> addresses crucial issues and key areas for the country.

The EU and Vietnam signed an EU-Vietnam Free Trade Agreement (EVFTA) and an Investment Protection Agreement (IPA) in June 2019. Parliament gave its consent to the two agreements in February 2020 and the FTA came into force in August 2020. The FTA involves the immediate elimination of 65% of tariffs on EU exports to Vietnam and 71% of such duties on imports from Vietnam. Parliament's Committee on International Trade (INTA) follows the implementation of the FTA.

Vietnam is one of the most successful examples of a country that has transitioned from a failed communist economic system to an open and market-oriented economy. It is one of the fastest growing countries in ASEAN. <u>Vietnam was the EU's 16th largest trade-in-goods partner and the EU's largest trading partner in goods in ASEAN in 2022</u>, with total trade flows amounting to EUR 64.2 billion. The EU is one of the top foreign investors in Vietnam, especially in the industrial processing and manufacturing sector.

<u>In October 2019, the EU and Vietnam signed a Framework Participation Agreement</u> to set a legal basis for Vietnam's participation in EU crisis management operations.

The overall human rights situation in Vietnam has been deteriorating, with crackdowns on dissent intensifying and the number of arrests for 'anti-state' activities increasing. Vietnam is a one-party communist state with no political freedom. In May 2021, the country held legislative elections to the 15th National Assembly and the local-level People's Councils. The Vietnamese Communist Party (VCP) won the elections, maintaining full control over the media and the electoral process, with no independent agency overseeing the polls. The entirely state-controlled electoral process eliminated 64 out of 75 self-nominated candidates and saw two independent candidates arrested. In 2023, Vietnam was ranked 178 out of 180 countries in the World Press Freedom Index.

<u>In January 2021, Parliament adopted a resolution</u> on Vietnam calling for the immediate and unconditional release of all human rights defenders and journalists,



and condemning the abuse of repressive legal provisions that restrict fundamental rights and freedoms. It also called on the government to allow independent media outlets to function and appealed for the establishment of an independent mechanism to monitor human rights.

In office for over a decade, Vietnam's Communist Party leader Nguyễn Phú Trọng has developed a strict anti-corruption policy. In June 2022, the country's health minister, Nguyễn Thanh Long, and Hanoi Mayor, Chu Ngọc Anh, were dismissed and arrested on allegations of a EUR 169 million fraud involving COVID-19 test kits. Other high-ranking officials were also arrested. According to the 2023 Corruption Perceptions Index, Vietnam was ranked 83 out of 180 countries, with its anti-corruption campaign being marred by the continued restriction of critical voices.

G. Thailand

The EU and Thailand completed negotiations for a partnership and cooperation agreement in March 2013, but it was halted following the military coup in 2014. In September 2022, the EU and Thailand finalised the PCA text, closing the negotiation process. The EU-Thailand PCA was signed in December 2022 in Brussels. The PCA enhances the political dialogue and cooperation in a range of policy areas, including the environment, energy, climate change, transport, science and technology, trade, employment, social affairs, human rights, education, agriculture, non-proliferation, counterterrorism, the fight against corruption and organised crime, as well as migration and culture.

The EU is Thailand's fourth largest trading partner and Thailand is the EU's 26th largest trading partner worldwide. In 2022, bilateral trade in goods amounted to EUR 42.1 billion. Thailand is one of the most important destinations for European investments within ASEAN, with EUR 19.8 billion of outward stocks. FTA negotiations resumed in August 2021 after talks collapsed in 2014, following the military coup. In March 2023, the EU and Thailand agreed to relaunch negotiations for an ambitious, modern and balanced free trade agreement, with sustainability at its core. The first round of negotiations took place in September 2023 in Brussels, and the second round took place in January 2024 in Bangkok.

Since 2014, the military has suppressed opposition by imposing martial law, and human rights abuses have been reported. The pro-military party won the general election in March 2019, amid claims of manipulation. Prayuth Chan-ocha, Prime Minister from 2014 to 2019 under the National Council for Peace and Order (NCPO), was appointed Prime Minister in June 2019. Although junta rule officially came to an end in July 2019, the military still has influence over the government. The Thai Constitutional Court had previously decided to suspend Prime Minister Prayuth Chan-ocha from office for supposedly overstaying the limit of his term. However, the Constitutional Court's final decision in September 2022 ruled that Prime Minister Prayuth Chan-ocha had not exhausted the eight-year term limit.

King Maha Vajiralongkorn was crowned in May 2019. Thai protests against the military government have included demands for the reform of the Thai monarchy. In February 2020, the first wave of protests was triggered by the Constitutional Court's decision to disband the Future Forward Party, an opposition party popular among young people, with the third-largest number of seats in the House of Representatives



following elections in March 2019. The Thai Government declared a state of emergency in October 2020, reserving the right to impose a curfew and martial law. In September 2021, the Thai Government extended the state of emergency, which, alongside the rising number of lèse-majesté prosecutions against protesters, has slowed down protests. However, the student-led movement continues to mobilise periodically.

Thailand held a general election in May 2023. The reformist Move Forward Party won the most seats, but after negotiations it was excluded from the government. Many conservative lawmakers blocked then party leader Pita Limjaroenrat from becoming prime minister in the first parliamentary vote in July 2023. Srettha Thavisin of the Pheu Thai Party became the new Prime Minister, leading a governing coalition with military-backed parties, the past adversaries of Pheu Thai.

In January 2020 in Kuala Lumpur, Thailand officially launched a peace process with insurgent groups in the southern Muslim-majority provinces. The negotiations were mediated by Malaysia. Despite the declaration of a ceasefire in April 2020, some bombings still occurred in 2021 and 2022.

In September 2021, the Thai Parliament gave its initial approval to a bill on the prevention and suppression of torture and enforced disappearance, having delayed its introduction for 14 years following Thailand's signature, in 2007, of the UN Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment. Parliament has adopted several resolutions on human rights, migrant workers and labour rights in Thailand.

In June 2023, Parliament adopted a resolution on the EU-Thailand Partnership and Cooperation Agreement, accompanying its consent to the EU-Thailand PCA signed during the EU-ASEAN Summit in Brussels in December 2022. Parliament welcomed the conclusion of the PCA as a comprehensive and modern agreement that helps to better respond to current challenges. Parliament also called for visa-free travel to Thailand for all EU citizens and was in favour of working towards a visa-free regime for travel to the EU for Thai citizens.

H. Cambodia

The EU's relations with Cambodia date back to the 1997 Cooperation Agreement. The EU is the country's biggest donor, having allocated EUR 410 million for the 2014–2020 period for improving governance and the rule of law, as well as for the Khmer Rouge Tribunal. The EU's 2021–2027 Multi-Annual Indicative Programme for Cambodia provides for around EUR 500 million in aid for Cambodia to help the country boost its economic development.

<u>In 2022, EU-Cambodia trade</u> in goods amounted to EUR 6.3 billion. The EU is Cambodia's fifth-largest trading partner, accounting for 9% of the country's total trade.

Years of civil war left Cambodia one of the poorest states in Southeast Asia. After the 1991 Paris Peace Agreements, Cambodia adopted a constitution in 1993, laying the foundations for a liberal, multi-party democratic state. Hun Sen and his ruling Cambodian People's Party (CPP) won the general election in July 2018, but the opposition claimed that the electoral process had been neither free nor fair. The



former leader of the opposition Cambodia National Rescue Party (CNRP), Kem Sokha, was arrested in September 2017, while fellow former CNRP leader Sam Rainsy has been in self-imposed exile since 2015. The CNRP was dissolved in November 2017. In March 2021, a Phnom Penh Municipal Court sentenced Sam Rainsy in absentia to 25 years in prison over an alleged plot to overthrow Prime Minister Hun Sen's Government. It also disallowed him from voting or standing for election.

In February 2020, the Commission decided to withdraw part of the tariff preferences granted to Cambodia under the Everything but Arms trade scheme on account of the serious and systematic violations of the human rights principles enshrined in the International Covenant on Civil and Political Rights. Cambodia's economy is dependent on international aid and garment exports, and is highly sensitive to labour costs. The withdrawal of tariff preferences, and their replacement with the EU's standard tariffs, mainly affected garment and footwear products, amounting to around one fifth or EUR 1 billion of Cambodia's yearly exports to the EU.

General elections were held in Cambodia in July 2023 to the National Assembly. The ruling CPP, affiliated with long-time autocrat Hun Sen, won 120 out of 125 seats in the National Assembly. The only meaningful opposition, the Candlelight Party, was disqualified from the race on a technicality, and anyone boycotting the poll was threatened with penalties. The CPP victory paved the way for Prime Minister Hun Sen's announcement that he would be stepping down and passing the leadership to his son Hun Manet, who became Prime Minister in August 2023.

In February 2022, the government postponed the entry into force of a controversial 'national internet gateway', which would have routed all internet traffic in the country through a Chinese-style firewall. The government blamed the postponement on pandemic-related delays and denied it had been influenced by severe criticism from free speech advocates.

In <u>September 2017, Parliament adopted a resolution</u> calling on the Cambodian Government to end Kem Sokha's politically motivated prosecution. In <u>September 2018, it adopted a second resolution</u> calling for all charges against Kem Sokha to be dropped.

In March 2021, Parliament adopted a resolution condemning the escalating violations of human rights in Cambodia and the repression carried out under the guise of COVID-19 protection. It called on the security forces to refrain from unnecessary and excessive force against peaceful protesters and to cease all forms of harassment, including judicial harassment.

A Cambodian court convicted 20 opposition politicians and activists in a trial described by Human Rights Watch as 'a witch hunt'. Those convicted in the March 2022 sentencing include exiled opposition leaders Sam Rainsy, Eng Chai Eang, Mu Sochua and others. The European Parliament has called for the charges to be unconditionally annulled. Parliament passed a resolution in May 2022 on the continuous crackdown of political opposition in Cambodia.

In March 2023, Parliament adopted resolution on Cambodia: the case of opposition leader Kem Sokha, calling for his immediate and unconditional release and all



opposition officials and activists convicted or detained on politically motivated charges.

I. Singapore

The EU and Singapore cooperate very closely on business, science and technology. In February 2019, the EU and Singapore ratified three 'new generation' agreements: the EU-Singapore Partnership and Cooperation Agreement (EUSPCA), the EU-Singapore Free Trade Agreement (EUSFTA) and the EU-Singapore Investment Protection Agreement (EUSIPA). The FTA with Singapore entered into force in November 2019. These agreements are designed to boost political, economic and trade ties, and to significantly reduce customs duties. Technical and non-tariff barriers to trade in goods are being removed across a wide range of sectors.

Singapore was the EU's second-largest trading partner in ASEAN in 2022 and the EU's second-largest trading partner in goods. In 2022, EU-Singapore trade in goods reached EUR 52.4 billion. EU exports to Singapore amounted to EUR 31.7 billion, while imports from Singapore totalled EUR 20.7 billion. Singapore ranked globally as the EU's 22nd largest merchandise trade partner in 2022. EU-Singapore trade in services amounted to EUR 57.5 billion in 2022. EU FDI stocks held in Singapore reached EUR 263.3 billion in 2022. Singapore is a major destination for European investments in Asia, and is the second-largest Asian investor in the EU.

In early December 2021, the EU and Singapore held talks on strengthening bilateral digital trade, including advancing a comprehensive EU-Singapore digital partnership and enhancing cooperation on artificial intelligence and data governance. Negotiations for an EU-Singapore digital trade agreement were launched in July 2023 to build consumer trust, ensure predictability and legal certainty for businesses, and remove and prevent the emergence of unjustified barriers to digital trade.

Singapore held general elections in July 2020. Lee Hsien Loong, of the People's Action Party (PAP), won 83 out of 93 seats in Parliament, while the biggest opposition group, the Workers' Party, had its best result to date, winning 10 seats. The PAP has never lost an election and has governed the city-state since 1959. Prime Minister Lee Hsien Loong had long said he would hand over power before he turns 70 in 2022. In April 2021, Deputy Prime Minister Heng Swee Keat, who was designated Lee Hsien Loong's successor, announced his decision to step aside. Lawrence Wong became the new head of the ruling PAP and consequently the deputy Prime Minister. He succeeded Lee Hsien Loong as Prime Minister in May 2024.

In September 2023, Singapore held the first contested presidential election in 12 years, and Tharman Shanmugaratnam was elected as the country's ninth head of state.

In October 2021, the <u>Parliament of Singapore passed the Foreign Interference</u> (<u>Countermeasures</u>) <u>Act</u>, aiming to tackle foreign meddling in domestic politics. While supporting the work of civil society, the European Parliament has called for the abolition of the death penalty.

<u>In January 2024, the first EU-Singapore dialogue on the Global Gateway</u> brought a variety of stakeholders together to discuss ways to facilitate green and sustainable investments in Southeast Asia.



J. Brunei Darussalam

The Sultan of Brunei Darussalam, Hassanal Bolkiah, has ruled the state since 1967, while Prince Billah Bolkiah is taking on responsibilities. Political liberalisation is non-existent. In April 2019, a new penal code was enacted to incorporate a Sharia-based approach, imposing new forms of punishment that include death by stoning for gay sex and adultery, and the amputation of limbs for theft. Following an international outcry, Brunei extended a moratorium on the death penalty.

The EU is actively enhancing its relations with Brunei, but there is no framework agreement. An EU-Brunei Partnership and Cooperation Agreement is in the process of being negotiated and will cover a range of political and economic areas. Trade between the EU and Brunei is mainly in machinery, motor vehicles and chemicals.

EU-Brunei relations are mainly handled through ASEAN, of which Brunei assumed the role of chair in 2021 with the theme 'We Care, We Prepare, We Prosper'. In August 2021, Deputy Foreign Minister of Brunei Erywan Yusof was appointed ASEAN Special Envoy to Myanmar to act as a mediator with Myanmar's junta.

Tensions between China and the Southeast Asian claimants in the South China Sea territorial disputes increased in 2022. Although Brunei has been silent so far, it made its first-ever unilateral statement on the South China Sea in July 2022, as a country with competing claims. However, Brunei's policy avoids a confrontational approach with China over the South China Sea dispute, with fears of damaging bilateral economic ties.

The Sultan of Brunei Darussalam announced an early reshuffle of ministers in June 2022. The Sultan retains the post of prime minister, along with the defence, foreign affairs and finance and economy portfolios. For the first time, a woman was appointed as minister (for education).

<u>In February 2023, the EU-Brunei Darussalam Partnership Facility</u> was launched. It held a climate change seminar under the theme 'Building Regional Capacity for Climate Change Adaptation and Mitigation'.

Parliament <u>passed a resolution in April 2019 strongly condemning the entry into force of the Sharia Penal Code</u>. It reiterated its condemnation of the death penalty and underlined that the provisions of the Sharia Penal Code violate Brunei's obligations under international human rights law.

K. Laos

<u>EU-Laos relations are based on the 1997 Cooperation Agreement</u>. Laos is on track to transition out of least developed country status by 2026, and its ninth National Socio-Economic Development Plan for 2021–2025 aligns with the UN 2030 Agenda for Sustainable Development, aiming to promote sustainable, green and inclusive growth. The EU is committed to supporting the Lao People's Democratic Republic in working towards sustainable and inclusive development.

In October 2021, the country launched its first national digital teaching and learning platform, thanks to the support of the EU, UNICEF and the Global Partnership for Education to facilitate distance learning for students and teachers during the COVID-19 pandemic. The EU's 2021-2027 Multi-Annual Indicative Programme for



<u>Laos</u> provides for a total indicative allocation for the first phase 2021–2024 of EUR 83 million.

<u>The EU is Laos' fourth-largest trading partner</u> (after Thailand, China and Vietnam), accounting for 4.2% of the country's total trade. EU-Laos total trade amounted to EUR 533 million in 2022. Despite economic reforms, the country is still poor and dependent on international aid. As a least developed country, it benefits from the EU's Everything but Arms trade scheme.

Laos is a one-party state. The Lao People's Revolutionary Party (LPRP), in power since the end of the civil war in 1975, rules the country with an iron grip, allowing no opposition to challenge it. Laos held parliamentary elections in February 2021 for its ninth National Assembly, consisting of 164 seats, of which 158 went to the ruling LPRP and six were claimed by independent candidates. In March 2021, during the opening of the National Assembly, Laos elected its President, Thongloun Sisoulith, the Secretary-General of the ruling LPRP, who had earlier served as Prime Minister from April 2016.

Laos is deepening its relations with China and ASEAN, seeking to attract greater investment. Economic reforms have led to sustained economic growth of over 7% since 2014. The COVID-19 pandemic has brought renewed challenges to this agenda, severely affecting economic growth.

The EU attaches particular importance to the human rights situation, including the plight of people displaced by huge dam constructions on the Mekong River. Costing nearly one third of Laos' annual GDP, a new 414-kilometre railway linking China with the capital Vientiane was opened in early December 2021 as part of Beijing's Belt and Road Initiative.

At the International Labour Organization Conferences in Geneva, the EU has called on Laos to address the issue of the sexual exploitation of children. In July 2022, the EU raised concerns over the lack of progress on addressing long-standing human rights violations in Laos and urged the authorities to comply with the country's human rights obligations under the International Federation for Human Rights (FIDH) and its member organisation Lao Movement. The two organisations released a briefing paper providing a summary of human rights developments in Laos. The most recent EU-Laos Human Rights Dialogue was held in June 2023.

Parliament has reiterated its call on the Government of Laos to put an end to the harassment and arbitrary arrest and detention of human rights defenders, independent journalists and social activists, and to respect the rights of freedom of expression and association and the rights of minorities, reminding Laos of its international obligations under the human rights treaties it has ratified.

L. Malaysia

As the culmination of negotiations that began in 2015, the <u>EU and Malaysia signed a Partnership and Cooperation Agreement in December 2022</u> during the EU-ASEAN Summit in Brussels. The PCA provides an overarching framework that aims to strengthen bilateral cooperation, particularly in the areas of trade and investment, finance and energy.

The negotiations on an EU-Malaysia FTA were put on hold at Malaysia's request in April 2012, after seven rounds. In March 2017, the EU and Malaysia discussed the



insertion of new provisions and agreed on them in principle. Two agreements are currently under negotiation, an FTA and a voluntary partnership agreement in relation to Forest Law Enforcement, Governance and Trade. Malaysia's emerging economy offers the EU attractive opportunities for trade. EU-Malaysia trade is expanding, having grown by over 50% since 2010. The EU is Malaysia's fourth-largest trading partner, while Malaysia is the EU's third-largest trading partner within ASEAN (after Singapore and Vietnam). EU imports from Malaysia have gradually increased, standing at EUR 35.5 billion in 2022, while EU exports to Malaysia stood at EUR 14.7 billion. Malaysia's overall trade surplus with the EU has grown steadily over the years, reaching EUR 20.8 billion in 2022. EU-Malaysia bilateral trade is dominated by industrial products, accounting for more than 90% of trade. As a result of Malaysia's liberalisation policies and prospects for an FTA, EU investment in Malaysia increased to EUR 28.7 billion in 2021.

In March 2019, the Commission announced that the use of palm oil in transport fuel should be phased out based on the Renewable Energy Directive, which sets a sustainable bioenergy target of 32%. Indonesia and Malaysia protested and lodged complaints with the WTO. In January 2021, Malaysia, the world's second-largest producer of palm oil, followed Indonesia's example by filing a complaint with the WTO over the EU's rules on biofuels. In October 2021, the Council adopted conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes. For the first time, Malaysia was added to the Annex II grey list. Although palm oil is considered a major issue in the EU-Malaysia FTA talks, it accounts for less than 5% of EU imports from Malaysia. Nevertheless, the Russian invasion of Ukraine has caused a global shortage of edible oil, which might help Malaysia regain palm oil market share in the EU. The EU's demand for global edible oil is expected to increase in 2024 owing to tight sunflower and soy oil supplies. In March 2024, the EU scored a victory at the WTO as an adjudicating panel rejected a Malaysian complaint against an EU decision that biodiesel made from palm oil should cease to count as a renewable biofuel.

In <u>April 2023, the EU renewed anti-dumping measures</u> on stainless steel fittings from China and Taiwan for another five years, extending the measures to Malaysia as companies in the country were importing the main parts needed to produce stainless steel fittings from China.

In June 2022, the Malaysian Government announced that it will abolish its mandatory death penalty. This is step forward and an exemplary decision in the region. The EU has encouraged the country's authorities to take concrete steps to swiftly pass the agreement into law. In November 2022, Malaysia had general elections, which were won by the coalition led by opposition leader Anwar Ibrahim, followed by a coalition including the country's Islamist party.

<u>In January 2024, Sultan Ibrahim was sworn in as Malaysia's new King</u> for a five-year term, as part of Malaysia's system of rotational monarchy. Sultan Ibrahim is the Sultan of Malaysia's Johor state.

In its resolutions, Parliament has condemned the death penalty, the lack of respect for the rights of LGBTIQA+ people and the silencing of public discontent, as well as the lack of peaceful expression, including public debate.



In June 2023, <u>Parliament passed a resolution on the EU-Malaysia Partnership and Cooperation Agreement</u>, accompanying its consent to the PCA, stating that it provides a solid legal framework for strengthening bilateral political and economic relations and for discussing issues of regional and global interest, such as the promotion of democracy, human rights and international justice, the strengthening of the international framework for the non-proliferation of weapons of mass destruction, the fight against terrorism and corruption.

Samuel Cantell / Jorge Soutullo 05/2024



5.6.10. PACIFIC

The EU's relationship with the Pacific region has political, economic and development dimensions. The EU is the Pacific region's second largest trading partner.

Australia and New Zealand are the EU's like-minded partners, facing common geostrategic challenges and promoting multilateralism and a global rules-based order. In June 2018, negotiations were launched for a comprehensive EU-Australia free trade agreement (FTA) and the fifteenth round of negotiations took place in April 2023. The EU signed an FTA with New Zealand in July 2023.

The EU has a partnership with the 15 Pacific Island Countries (PICs) that centres on development, fisheries and climate change, as well as partnerships with the three Pacific Overseas Countries and Territories (OCTs).

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union (TEU);
- Titles I-III and V (common commercial policy; development cooperation and humanitarian aid; international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- EU-Australia Framework Agreement;
- EU-New Zealand Partnership Agreement on Relations and Cooperation (PARC);
- Partnership Agreement between the European Union and its Member States, of the one part, and the Members of the Organisation of African, Caribbean and Pacific States (OACPS), of the other part (<u>Samoa Agreement</u>).

THE EU AND THE PACIFIC REGION

The EU and the Pacific region retain a long-standing relationship, shared values and strong economic and trade links. The EU has developed partnerships in the region with Australia, New Zealand, the 15 PICs and the three OCTs.

The EU, Australia and New Zealand are like-minded partners with common values and interests. The EU has developed close government and private-sector relations with both countries across a broad spectrum of issues, such as climate change and disaster risk reduction, rules-based world trade, security and development, technological research and human rights.

The EU's relationship with the Pacific islands has traditionally been based on development cooperation in the framework of the partnership between the EU and the Members of the OACPS. In recent years, this relationship has extended to other sectors such as the environment, good governance, energy, climate change, fisheries and human rights.



A. Australia and New Zealand

1. Australia

The EU and Australia have a long-established partnership that dates back to the 1960s. The basis of the current relationship is the 2017 <u>EU-Australia Framework Agreement</u>, focused on political dialogue, security issues, international cooperation, economy and trade, justice, culture and education, energy and the environment. The Agreement entered into force in October 2022.

Australia is an important trading partner for the EU. In 2022, the EU was Australia's third largest two-way trading partner in goods, accounting for a total of EUR 56.4 billion. Australia is the EU's eighteenth biggest trading partner and the EU's main export categories are machinery and chemicals. Australia's main exports to the EU are minerals, crude materials and manufactured objects.

Since 2018, the EU and Australia have been negotiating a comprehensive FTA, which would facilitate commercial exchanges between the two parties. The fifteenth round of negotiations took place in April 2023 in Brussels, but the parties failed to reach a deal, notably on agricultural products. On 31 August 2023, free trade talks resumed with a teleconference between Australia's Trade Minister, Don Farrell, and the EU Commissioner for Trade, Valdis Dombrovskis.

The most recent <u>Australia-EU leaders' meeting took place in November 2022</u>, focusing on Russia's war of aggression against Ukraine, the changing strategic outlook in the Indo-Pacific, the promotion of democracy, the rule of law, human rights and a rules-based multilateral order, climate change, the environment and biodiversity, the achievement of the Sustainable Development Goals, human and labour rights, energy, digital transformation and other bilateral items.

2. New Zealand

EU-New Zealand relations are currently governed by the <u>Partnership Agreement on Relations and Cooperation</u> (PARC), which was signed in October 2016 and <u>became effective in July 2022</u>. The PARC facilitates bilateral engagement by strengthening political dialogue and improving cooperation on economic and trade matters and in a wide range of other areas, from innovation, education and culture to migration, counter-terrorism, the fight against organised crime and cybercrime, and judicial cooperation. The first <u>Joint Committee</u> following the PARC's entry into force took place in February 2023, focused on foreign policy, especially in the context of Russia's aggression against Ukraine and China's expansion, security, trade, research and innovation, sustainable development, human rights and justice matters. Leaders welcomed the conclusion of negotiations for the FTA and New Zealand's association to the Horizon Europe research programme and the signature of an agreement to exchange personal data. New Zealand and the EU agreed to deepen their cooperation on climate change, including through a High-Level Dialogue on climate and agriculture, within the International Strategic Dialogue on Agriculture.

The EU is New Zealand's third largest trading partner, after China and Australia. In 2022, <u>two-way trade in goods between the EU and New Zealand</u> amounted to EUR 9.1 billion. New Zealand's main exports to the EU consisted of food and crude



materials, while the EU's principal exports to New Zealand were machinery and transport equipment.

After a 12-round negotiation process, initiated in 2018, the EU signed an ambitious FTA with New Zealand in July 2023. The agreement aims to create economic opportunities and uphold climate and labour standards. The Committee on International Trade (INTA) endorsed Parliament's consent in October 2023 and the plenary granted its consent to the agreement on 22 November 2023. With 83% of votes in favour, the FTA with New Zealand stands as the most widely endorsed trade agreement by the European Parliament to date, even surpassing the EU-Japan Economic Partnership Agreement, which obtained a 71% majority of votes in December 2018. As the EU-New Zealand FTA is an 'EU-only' agreement, it requires ratification solely at EU level, and is not subject to ratification by individual Member States. As of March 2024, New Zealand had completed all of its required procedures and the agreement entered into force on 1 May 2024. The FTA is set to increase New Zealand's total exports to the EU by NZD 1.8 billion annually.

New Zealand is also the first highly industrialised country outside Europe to be associated to the Horizon Europe programme for research and innovation. In February 2023, the Enterprise Europe Network was inaugurated in Wellington, making New Zealand the first and so far the only non-EU or candidate country to benefit from an Enterprise Europe Network – an EU initiative supporting innovative enterprises, notably small and medium-sized enterprises (SMEs) that are active in research, digitalisation, climate-related issues and networking.

B. Other Pacific countries

The 15 PICs[1] have a combined area of 528 000 km² and are part of the OACPS. The EU's relations with the PICs are focused on development cooperation, ocean governance and climate change.

The EU's strategy vis-à-vis the PICs is set out in the 2012 joint communication entitled 'Towards a renewed EU-Pacific development partnership' and was updated by the EU strategy for cooperation in the Indo-Pacific in 2021. At the time, it was built on the framework of the Cotonou Agreement with the OACPS countries. In November 2023, the EU and the OACPS officially signed a new Partnership Agreement — the Samoa Agreement. Key aspects of the new agreement include cooperation on trade and investment, development and regionalisation. It covers a large number of areas such as sustainable development and growth, human rights and peace and security, with the aim of promoting regional integration. The provisional application of the agreement began on 1 January 2024. It serves as the new legal framework and governs political, economic and cooperation relations between the EU and the 78 members of the OACPS for the next 20 years.

The new Partnership Agreement is built on a common foundation, which sets out the values and principles that bring both parties together. In addition, it introduces three specific regional protocols for Africa, the Caribbean and the Pacific with the aim of promoting regional integration. The regional protocols allow for the establishment

[1]The 15 PICs are: Fiji, Papua New Guinea and Timor-Leste, which together account for 90% of the region's landmass and population, and 12 Small Island Developing States: the Cook Islands, Kiribati, Micronesia, Nauru, Niue, Palau, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.



of autonomous structures that will independently pursue relations with the EU and the three different regions involved. The agreement also envisages a strong parliamentary dimension with a permanent Joint Parliamentary Assembly fulfilling a clear, consultative role. In addition, to reflect the strong regional dimension of the new agreement, it also includes three regional parliamentary assemblies, which will operate autonomously and have a clear, consultative role. Parliament's position was expressed in three resolutions (4 October 2016; 14 June 2018 and 28 November 2019) where it welcomed the overall architecture for the cooperation between the OACPS and the EU, and reiterated the importance of the partnership's parliamentary dimension. The EU is the OACPS region's fifth largest trading partner, with trade worth EUR 4 billion in 2022. The EU-Pacific Economic Partnership Agreement (EPA) was ratified by Parliament in January 2011 and by Papua New Guinea in May 2011. The Government of Fiji started applying the agreement in July 2014. Samoa acceded to and began applying the agreement in December 2018. Solomon Islands also acceded to and began applying the agreement in May 2020. Tonga declared its intention to accede to the EPA in 2018. The negotiations are still ongoing.

The EU is the third largest donor of development assistance to the OACPS countries after Australia and Japan. The EU's development assistance for the Pacific for the years 2021–2027 amounts to around EUR 750 million (including the OCTs).

The new Neighbourhood, Development and International Cooperation Instrument (Global Europe) has become the main funding instrument for EU cooperation and development with partner countries under the multiannual financial framework (MFF) for 2021 to 2027. It has integrated, among other instruments, the European Development Fund (EDF), which was previously outside of the EU budget. The EDF's integration into the Union budget enhances the scrutiny powers of Parliament and helps strengthen the public legitimacy and political visibility of the EU's external assistance as a whole.

The PICs face major development and climate-related challenges. As regards climate change, the EU and the Pacific Small Island Developing States supported the establishment of the Paris Agreement at the 21st UN Climate Change Conference (COP 21) in 2015. The 23rd session (COP 23), which took place in Bonn, Germany, from 6 to 17 November 2017, was chaired by Fiji.

The Pacific Islands Forum (PIF), a political grouping of 18 members, is an interlocutor for the EU for development funding and trade negotiations. The grouping comprises: Australia, the Cook Islands, Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, the Marshall Islands, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu, New Caledonia and French Polynesia. New Caledonia and French Polynesia, together with Wallis and Futuna, make up the EU's three OCTs in the region.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament's relations with the Australian and New Zealand parliaments date back to 1979, when the <u>Delegation for Relations with Australia and New Zealand (DANZ)</u> was set up. Since then, the DANZ has engaged in regular interparliamentary meetings (IPMs) with the Australian and New Zealand parliaments to foster relations with the two countries and to discuss issues of common interest such as agriculture, energy,



the environment and climate change, development and economic cooperation, science and technology, trade, the promotion of global and regional security in the Asia-Pacific region, countering terrorism, and human rights. The <u>42nd, and most recent, EU-Australia IPM took place in December 2022</u> in Brussels. Furthermore, Brussels also hosted the <u>27th EU-New Zealand IPM in February 2023</u>.

Parliament is represented in its relations with the other Pacific countries by the Delegation to the OACPS-EU Joint Parliamentary Assembly (DACP). The DACP joins its OACPS counterpart in the assembly (OACPS-EU JPA), which is composed of equal numbers of EU and OACPS representatives. The main task of the delegation is to prepare the meetings of the OACPS-EU JPA, to evaluate and follow up on Parliament's activities, to organise meetings with high-level OACPS figures, and to discuss topical issues relating to the implementation of the Samoa Agreement. The 1st session of the OACPS-EU Joint Parliamentary Assembly took place in Luanda, Angola on 21 February 2024 under the theme: A New Dawn in OACPS-EU Relations: Towards a People-Led Partnership. On the margins of this meeting, the constituent meeting of the Pacific-EU Parliamentary Assembly was held.

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