



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 7.6.2006
COM(2006) 282 final

Proposal for a

COUNCIL DECISION

on the position to be adopted by the European Community and its Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Egypt Action Plan

(presented by the Commission)

EXPLANATORY MEMORANDUM

The 2002 Copenhagen European Council, closing accession negotiations with ten new States, recognised that enlargement presented an important opportunity to take forward relations with neighbouring countries based on shared values, and stated that the Union remained determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.

The Commission Communication “Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours” of March 2003¹ proposed the establishment of Action Plans with partner countries. On 16 June 2003, the Council welcomed this Communication and invited the Commission, with the contribution, where appropriate, of the High Representative, to present proposals for Action Plans for all countries concerned as appropriate, commencing with Ukraine, Moldova, and Southern Mediterranean partners with Association Agreements.

On 14 June 2004, the Council welcomed the Commission Communication “European Neighbourhood Policy – Strategy Paper”². The Council also welcomed the Commission proposal to pursue the European Neighbourhood Policy (ENP) through Action Plans to be agreed jointly with the neighbouring countries concerned and invited the Commission to propose such Action Plans. The Council also defined how to advance and monitor implementation of action plans.

The Commission Communication of December 2004³ submitted to the Council for approval a first set of draft Action Plans while the Commission Communication of March 2005⁴ submitted the Country Reports for Armenia, Azerbaijan, Georgia, Lebanon and Egypt recommending the starting of negotiations for the drawing up of Action Plans with these countries. On 16 and 17 June 2005, the Council welcome the decision to establish action plans with the above mentioned countries.

The Commission, in close cooperation with the Presidency and the High Representative on issues related to political cooperation and the CFSP, has held exploratory talks with Egypt which have resulted in agreement on a draft Action Plan. It covers a timeframe of three to five years. Its implementation will help fulfil the provisions in the Association Agreement and will contribute to an increasingly close relationship with Egypt, involving a significant degree of economic integration and a deepening of political co-operation. Implementation of the Action Plan will significantly advance the approximation of Egypt’s legislation, norms and standards to those of the European Union.

The Action Plan is a broad tool for economic and political co-operation, carrying to a further stage the commitments and objectives contained in the Euro-Mediterranean Agreement.

In accordance with the Council Conclusions of 14 June 2004, stipulating that the Action Plans will be approved by the Council and subsequently endorsed by the respective Association or Co-operation Councils, the Commission attaches the text of a proposal for a Council Decision

¹ COM(2003) 104.

² COM(2004) 373.

³ COM(2004) 795.

⁴ COM(2005) 72.

on the position to be taken by the European Community and its Member States within the EU-Egypt Association Council with regard to the adoption of a Recommendation on the implementation of the Action Plan in annex.

The Commission therefore requests the Council to adopt the attached proposal for a Council Decision.

Proposal for a

COUNCIL DECISION

on the position to be adopted by the European Community and its Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Egypt Action Plan

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Article 2(1) of the Council and Commission Decision 2004/635/EC, ECSC of 21 April 2004 on the conclusion of a Euro-Mediterranean Agreement between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part;

Having regard to the Treaty on European Union, in particular Article 15 thereof;

Having regard to the proposal from the Commission⁵;

Whereas:

- (1) The Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part, was signed on 25 June 2001 and entered into force on 1 June 2004.
- (2) The Parties intend to agree on an EU-Egypt Action Plan, which will support the implementation of the Euro-Mediterranean Agreement through the elaboration and agreement of concrete steps towards attainment of its objectives.

HAS DECIDED AS FOLLOWS:

Sole Article

The position to be adopted by the European Community and its Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part, with regard to the implementation of the EU-Egypt Action Plan shall be based on the draft Recommendation of the Association Council annexed to this Decision.

⁵ OJ C [...] [...], p. [...].

Done at Brussels,

*For the Council
The President*

ANNEX
draft
RECOMMENDATION

on the implementation of the EU-Egypt Action Plan

The EU/Egypt Association Council,

Having regard to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Arab Republic of Egypt, of the other part, and in particular Article 76 thereof,

Whereas:

- (1) Article 76 of the Euro-Mediterranean Agreement gives the Association Council the power to make appropriate recommendations, for the purposes of attaining the objectives of the Agreement.
- (2) In terms of Article 86 of the Euro-Mediterranean Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Agreement and shall see to it that the objectives set out in the Agreement are attained.
- (3) The Parties to the Euro-Mediterranean Agreement have agreed on the text of the EU-Egypt Action Plan.
- (4) The EU-Egypt Action Plan will support the implementation of the Euro-Mediterranean Agreement through the elaboration and agreement between the Parties of concrete steps which will provide practical guidance for such implementation.
- (5) The Action Plan serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties' obligations set out in the Euro-Mediterranean Agreement, and of providing a broader framework for further strengthening EU-Egypt relations to involve a significant measure of economic integration and a deepening of political cooperation, in accordance with the overall objectives of the Euro-Mediterranean Agreement.

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

Sole Article

The Association Council recommends that the Parties implement the EU-Egypt Action Plan in annex, insofar as such implementation is directed towards attainment of the objectives of the Euro-Mediterranean Agreement.

Done at [...]

For the Association Council

The President

ANNEX
EU/EGYPT ACTION PLAN

1. Introduction

The Arab Republic of Egypt and the European Union as key partners and, near neighbours, reaffirm their commitment to deepen their political, economic and social relations on the basis of their close cooperation and strategic partnership that has developed in the last few decades and within the framework of the Euro-Mediterranean Partnership and the Association Agreement embodying the objectives and principles of the Barcelona Declaration, and complementing its multilateral process.

The evolving regional and international context of Egypt-EU relations has fostered greater scope for cooperation. On the one hand, the enlargement of the EU on 1 May 2004 which has brought a historical shift for the Union in political, geographic and economic terms, paved the way for the European Neighbourhood Policy that aims to deepen the EU's relations with its neighbouring countries to the East and South. On the other hand, Egypt continues to pursue its dynamic foreign policy aiming to strengthen its relations with its international partners in particular the EU, its commitment to further integration with the global economy, and its efforts for further political and economic development and modernization. Thus, a major opportunity has evolved for Egypt and the EU to further develop their strategic partnership through an increasingly close and enhanced relationship. This will involve a significant degree of economic integration and deepening of political, cultural and social co-operation, aiming to promote peace, stability, security, growth, development and prosperity in the Euro-Mediterranean region as well as modernization of the Egyptian economy and society.

In this regard, the Action Plan between Egypt and the EU within the European Neighbourhood Policy sets ambitious objectives based on joint ownership, common interests, reciprocal commitments, differentiation, shared values and implementation of national plans and reform programmes, politically, economically, socially and institutionally.

Egypt and the EU agree, through the current Action Plan, to enter into intensified political, security, economic, trade, investment, scientific, technological and cultural relations, and shared responsibility in establishing an area of peace and stability including the prevention and settlement of conflicts in the region and to reinvigorate regional and sub-regional cooperation.

The level of ambition of the EU-Egypt relationship, leading to continuing trade liberalization including in agriculture and services, a stake in the EU's internal market, , increased financial support and enhanced political cooperation, will depend on the degree of commitment to common values as well as the implementation of jointly agreed priorities to mutual benefits. The pace of progress of the relationship will acknowledge fully the efforts and concrete achievements in meeting those commitments.

Recognizing Egypt's efforts and reform priorities to further develop and modernise all sectors of the Egyptian society and economy based on the respect of her identity, specificities and national priorities, the Action Plan aims to support such efforts and priorities as reflected in the National Development Plan 2002-2007, President Mubarak's Electoral Platform for 2005 and the Government's statement to the parliament in January 2006.

These include national priorities aiming to: improve quality of life and standard of living; increase employment opportunities and reduce unemployment; reduce poverty and expand the coverage of social security; eradicate illiteracy and develop education and higher education; consolidate the role of institutions, promote the protection of human rights and fundamental freedoms; continue maintaining and ensuring judiciary independence; expand the participation in political life; enhance human resources and institutional capacity building; increase rates of economic growth and investments; increase female participation in development; achieve a significant expansion in the production and exports capacities; improve industrial potentials; promote innovation, scientific research and technological development and preserve the environment.

This Action Plan is a first step in a process covering a timeframe of three to five years. Its implementation will help fulfil the provisions and aims of the Association Agreement (AA) and will encourage and support Egypt's national development, modernization and reform objectives. It will furthermore help to devise and implement policies and measures to promote economic growth, employment and social cohesion, to reduce poverty and protect the environment, thereby contributing to the long term objective of sustainable development. Implementation of the Action Plan will also help, where appropriate, further integration into European Union economic, social and technological structures and significantly increase the possibility to advance the approximation of Egyptian legislation, norms and standards to those of the European Union in appropriate areas, thereby enhancing prospects for trade, investment and growth.

The Action Plan will take into account the balance between the acceleration necessary for dynamic implementation and modernization of the Egyptian economy and the imperatives of a sustainable socio-economic development.

Egypt's unique geographical position and her historical and strategic relations with the Arab and African countries, and her key role for peace and stability in the Middle East, as well as the EU's increasing role on the global arena and its enhanced contribution to peace, security and economic development in the Mediterranean and the Middle East, enable Egypt and EU, through this Action Plan to further develop their cooperation on regional and international issues, particularly referring to the Middle East Peace Process, disarmament and arms control, including illicit transfer of small arms and light weapons, non proliferation of weapons of mass destruction and their delivery systems in the Middle East and elsewhere, and the fight against terrorism; to enhance and to promote dialogue between cultures and civilizations and to promote South-South trade and cooperation.

In order to contribute to the realization of the ambitious objectives of this Action Plan, the EU will provide appropriate financial support through the different available financial instruments.

The AA is the legal framework governing the bilateral relations between Egypt and the EU.

New Partnership Perspectives

The European Neighbourhood Policy and Egypt's policy to deepen its relationship with the EU open New Partnership Perspectives:

- The perspective of moving beyond the existing relationship to a significant degree of economic integration including through a stake in the EU's Internal Market, which aims to

promote the free movements of goods, services, capitals and persons and the possibility for Egypt to participate progressively in key aspects of EU policies and programmes.

- An upgrade in the scope and intensity of political cooperation.
- Deepening trade and economic relations through the continued reduction of trade barriers on both sides, increased access to each others' markets including in agriculture and services and continuous upgrading of economic legislations. This will stimulate trade and foreign direct investment and accelerate economic growth accompanied by a sufficient strengthening of the private sector and business conditions leading to a greater economic integration between Egypt and the European Union.
- Increased financial support: EU financial assistance for Egypt will be better targeted to support the implementation of the actions identified in the present document, as well as the implementation of the Association Agreement and development, modernization and reform agenda of the Government of Egypt, in particular developing human resources and enhancing the business climate to increase investment and employment. The European Commission is furthermore proposing a new European Neighbourhood and Partnership Instrument (ENPI) for this purpose, also covering cross-border and transnational cooperation between Egypt and EU Member States. There will also be support for infrastructure investment as well as for the development of the private sector and partnership through the European Investment Bank and FEMIP.
- Prospect of gradual opening of or reinforced co-operation in relevant European Community programmes, promoting i.a. cultural, educational, environmental, technological and scientific links.
- Support for meeting EU and international norms and standards and for modernization efforts including through technical assistance and twinning, as well as targeted support and advise for legislative approximation through mechanisms such as TAIEX.
- Enhanced direct cooperation between administrations based on the bodies set up by the Association Agreement in particular institutionalised thematic sub-committees.

In light of the fulfilment of the objectives of this Action Plan and of the overall evolution of EU–Egypt relations, consideration will be given to the possibility of a new contractual relationship.

Priorities for Action

This Action Plan sets out a comprehensive set of priorities in areas within the scope of the Association Agreement. Among these priorities, all of which are important, particular attention should be given to:

- Enhance political dialogue and co-operation, based on shared values, including on issues such as continued commitment and efforts to achieve a just, comprehensive and lasting settlement to the Middle East conflict based on relevant UNSC resolutions and the terms of reference of the Madrid Conference and the principle of “land for peace”.
- Enhance dialogue on security issues such as disarmament and arms control including illicit transfer of small arms and light weapons; non proliferation of weapons of mass destruction

and their delivery systems, including the objective of establishing a zone free of WMD and their delivery systems in the Middle East ; strengthening the fight against terrorism; peacekeeping.

- Enhance the effectiveness of institutions entrusted with strengthening democracy and the rule of law and consolidate the independent and effective administration of justice.
- Promote the protection of human rights in all its aspects; improve the dialogue between cultures and religions, cooperate in the fight against intolerance, discrimination, racism and xenophobia and in the promotion of respect for religions and cultures. Such priorities would be pursued based on the principles of respect, understanding and equality.
- Increase economic integration with the EU, particularly by taking steps to the gradual liberalization of trade in services and on the right of establishment and to liberalize trade in agriculture, processed agricultural products and fisheries, and enhance Egypt's export potential to the EU market by upgrading the quality of Egypt's agricultural production through improving sanitary and phytosanitary standards and rural development.
- Improving macroeconomic governance, reforming the financial sector, strengthening the role of the private sector, enhancing the business climate, in particular for SMEs, eliminating institutional, regulatory and administrative obstacles with a view to attract increasing national and foreign investments and to create job opportunities, consequently alleviating poverty.
- Boost industrial development and enterprises capabilities and competitiveness through improved skills, better access to finance, promotion of new technologies, encouraging entrepreneurship and innovation, and development of efficient business support services and increase labour force productivity.
- Deepen and enhance the existing economic dialogue and identify areas suitable for gradual regulatory upgrading and approximation with EU technical legislation, standards and conformity assessment procedures
- Proceed in reforming the tax system, improving public finance management, and upgrading public institutions.
- Promote south-south trade, through encouraging FDI participation in regional projects such as: infrastructure, trade facilitation, energy and transport.
- Strengthen cooperation on poverty reduction and social development, in particular in the areas of combating illiteracy, education reforms, upgrading the vocational training, training systems, quality assurance, as well as better socio-economic inclusion and social insurance and developing the health sector reform, with a particular focus on increasing the level of health security, health information and knowledge. Reforms of the education and higher education systems aim among other issues at enhancing overall quality and relevance to the labour market.
- Promote cooperation in the area of science and technology, develop national capabilities of technical, scientific and technological research and innovation, the development of R&D and transfer of technology, promote links in scientific research, strengthen efforts to

implement the EU-Egypt Agreement on Scientific and Technological cooperation, strengthen links between higher research institutes and education institutions.

- Promote cooperation in the area of information technology and communications through promoting information society and its sustainability, including the use of ICT in development, the development of the ICT industry, innovation, in addition to the use of new technologies and electronics means of communications by businesses, government and citizens, as well as strengthening scientific and business links.
- Strengthen co-operation on migration-related issues, including the effective joint management of migration flows, legal and illegal migration, readmission, facilitation of the legal movement of individuals, equal treatment and social integration for legal migrants, and asylum issues.
- Promote cooperation on fight against organised crime, including trafficking in human beings, fight against drugs, fight against money laundering, and police and judicial co-operation.
- Promote co-operation in the transport field, in particular on developing infrastructure policies, implementing the sector reform programme aiming at separating regulatory, management and operation tasks; promoting the involvement of the private sector in transport projects and services; applying air, maritime, and road safety measures, and developing a Civil Global Navigation Satellite System (GALILEO).
- Enhance cooperation in the energy sector, in particular through energy policy exchanges, the gradual convergence towards the principles of the EU internal electricity and gas markets, the development of energy networks including facilitation of natural gas transportation between Egypt and the EU via the Arab gas pipeline, regional cooperation, and enhancing energy efficiency and the use of renewable energy as well as cooperation in the oil and gas industry.
- Strengthen the environmental dimension of public policy and EU-Egypt co-operation: promotion of sustainable development policies and actions, including on climate change, desertification and air, soil and water pollution.
- Strengthen links and co-operation in “people-to-people” contacts in youth and sports, culture and audiovisual areas and civil society.

Cooperation and actions under this Plan shall be consistent with national laws and legislations.

Progress in meeting these priorities will be jointly evaluated in sub-committees established by the Association Agreement. On this basis, the EU and Egypt will review the content of the Action Plan and decide on its adaptation and renewal. After three years, Egypt and the EU will consider future prospect of the development of bilateral relations, including the possibility of new contractual links.

2. Actions

2.1. Enhanced political dialogue, economic and social development and reform

2.1.1. Enhanced political dialogue and reform

a) Democracy and rule of law

Enhance the effectiveness of institutions entrusted with strengthening democracy and the rule of law

- Strengthen participation in political life, including the promotion of public awareness and participation in elections.
- Exchange experience in the field of elections and jointly develop cooperation in areas of shared interest including through providing assistance on registering electors and capacity building.
- Foster the role of civil society and enhance its capacity to contribute more effectively to the democratic and political process as well as to the economic and social progress in accordance with national legislation.
- Pursue and support the efforts Government of Egypt towards decentralization and the reform of local administration.
- Enhance the ongoing political dialogue between the Egyptian and the European Parliaments.
- Establish a formal and regular dialogue on Human Rights and Democracy in the framework of the Association Agreement in the context of the sub-committee on political matters: human rights and democracy – international and regional issues.
- Pursue and support the Government of Egypt in the further modernization and development of public services rendered to citizens, promoting accountability, transparency and contestability.

Consolidate the independent and effective administration of justice and improve prison conditions

- In the context of political and democratic reform, continue the ongoing process of strengthening, maintaining and ensuring the independence of the judiciary.
- Further develop measures to increase the capacity and efficiency of the justice administration (including prison) and access to justice, including capacity building of bodies entrusted with the implementation of the law.
- Support Egyptian government policies and programmes aiming at improving places of detention and prison conditions, especially the placement of minors.

b) Human rights and fundamental freedoms

- Support Egyptian government efforts to protect human rights and fundamental freedoms in line with international conventions to which Egypt is party and to elaborate a human rights strategy in partnership with the NCHR and with appropriate consultation of other relevant organizations.
- Strengthen the culture of respect for human rights and fundamental freedoms in Egypt and in the EU.
- Support Egyptian efforts to strengthen the capacity and effectiveness of competent Egyptian public institutions and councils.
- Continue the review of respective national legislations to further align their laws and practices with international human rights instruments to which they are party and taking into account relevant UN recommendations.
- Examine the possibility of accession to the optional protocols to international human rights conventions to which Egypt is a party.
- Continue and enhance cooperation with UN and African human rights treaty mechanisms, as well as with the newly established UN Human Rights Council.
- Examine the possibility for the EU Member States to sign the UN Convention on the Rights of Migrant Workers and Members of their Families.
- Promote dialogue on policies for physically and mentally disabled.
- Promote a dialogue on Rome Statute of International Criminal Court.
- Examine the relevant UN recommendations and the recommendations of the Egyptian National Council for Human Rights pertaining to security, detention conditions and prison staff with a view to their practical implementation in order to protect the human rights and integrity of detainees and to fight impunity.
- Initiate a review of laws and regulations dealing with pre-trial and administrative detention systems taking into consideration the relevant UN recommendations, particularly in order to ensure the prompt access of detainees to legal counsel and family.
- Ensure the possibility of legal recourse against death sentences for all types of courts, in accordance with the UN Safeguards guaranteeing protection of the rights of those facing the death penalty and taking into account Article 4 and Article 6 of the International Covenant on Civil and Political Rights.
- Engage in a dialogue on the death penalty.
- Co-operate to promote the achievement of the right to development in bilateral and multilateral fora.

Rights of women and children

- Promote the enhancement of women’s participation in political, economic and social life as well as their role in the political decision-making process by supporting the formulation and implementation of Egypt’s government policies and programmes.
- Support Egypt’s efforts to promote gender equality and reinforce the fight against discrimination and gender-based violence, including strengthening the activities of the National Council for Women including its periodic review of the relevant existing legislation and recommendations for new legislation.
- Consolidate the rights of the child through the application of the relevant UN Convention on the Rights of the Child and consider revising existing legislation taking into account the recommendations of the relevant UN Committee.
- Support the efforts of the Government of Egypt to eradicate the practice of female genital mutilation including through appropriate legislative actions and the raising of public awareness.

Freedom of association and of expression and pluralism of the media

- Implement measures that promote the right of assembly and association in accordance with the International Covenant on Civil and Political Rights.
- Assert freedom of expression and independence of the media by facilitating the work of independent information providers including through appropriate legislative action.
- Examine the possibility for developing specific legislation on the protection of private data.
- Pursue the liberalisation process in the information sector and further increase access to information for all citizens including by reviewing the legal and administrative frameworks.
- Establish joint cooperation activities on media issues including capacity building.

Fight against discrimination, intolerance, racism and xenophobia

- Cooperate to combat all forms of discrimination, intolerance, racism and xenophobia and in particular hate or defamatory discourse based on religion, beliefs, race or origin, inter alia through exchange of best practices and legislative action, as required.
- Strengthen the role of media in combating xenophobia and discrimination on the grounds of religious belief or culture and assume its responsibilities in this regard.
- Promote efforts, in Egypt and the EU, towards increasing tolerance, understanding and respect of all religions and cultures.

Fundamental social rights and core labour standards

- Develop a dialogue on fundamental social rights and core labour standards.
- Support measures that enhance the development and independence of trade unions and their role in economic and social life.
- Enhance the effective implementation of core labour standards as defined in the 1998 ILO Declaration on Fundamental Principles and Rights at Work and related ILO Conventions.

c) Co-operation on foreign and security policy

Strengthen the Political dialogue and co-operation on foreign and security policy

- Enhanced political dialogue and cooperation in jointly agreed areas of Common Foreign and Security Policy (CFSP) and European Security and Defence Policy (ESDP) through the current frameworks or through new mutually agreed frameworks.
- Engage a dialogue through their respective missions in UN/multilateral institutions on issues of common interest, including peacekeeping operations conducted within the framework of the UNSC resolutions, and cooperate where appropriate.
- Cooperation on promoting disarmament efforts, in particular, those aimed at enhancing regional stability and on further coordinating their efforts in international fora to this end, in accordance with respective membership of relevant international instruments. Dialogue and cooperation on regional issues (advancement of the Middle East Peace Process, the stability and territorial integrity of Iraq and Sudan, other regional initiatives aimed at economic and social development particularly in Africa, NEPAD, Nile Basin Initiative).
- Cooperation in conflict prevention and crisis management, including cooperating with the Cairo Centre for Training on Conflict Prevention and Peacekeeping in Africa and within the framework of the Bridge Project for the creation of Euro-Mediterranean system of mitigation, prevention and management of natural and man-made disasters.
- Develop an Egyptian national strategy on disaster management and reduction.
- Develop trilateral cooperation in areas of mutual interest taking into consideration their respective development cooperation mechanisms.

d) Combating terrorism.

- Ensure respect for human rights in the fight against terrorism in accordance with international law Work on elaborating appropriate legislation to address the phenomenon of terrorism serving as a legal substitute to the application of the current state of emergency taking into account Egyptian national security considerations.

- Strengthen EU-Egypt co-operation on preventing and combating terrorism, including implementing the Code of Conduct on Countering Terrorism agreed at the Barcelona Summit in November 2005 as well as the initiatives identified in this Action Plan which will be discussed in the relevant sub-committees.
- Cooperate to reinforce the role of the UN in the fight against terrorism through the full implementation of the UNSC resolution 1373 (2001) and through the ratification and implementation of the 13 UN conventions and protocols on terrorism including the recently agreed Convention for the Suppression of Acts of Nuclear Terrorism.
- Pursue efforts to arrive at a Comprehensive UN Convention on International Terrorism and promote, following agreement on the Convention, President Mubarak's initiative to hold an international conference on terrorism.
- Cooperate to ensure the implementation of the standards laid down in the FATF's recommendations on terrorist financing.
- Exchange information on terrorist groups and their support networks in accordance with international and national law.
- Exchange views on means and methods used to counter terrorism, including in technical fields and training, and by exchange of experiences in respect of terrorism prevention.
- Foster international cooperation in the fight against and the prevention of terrorism by addressing all its causes.

e) Non-proliferation of weapons of mass destruction and their means of delivery

- Co-operate on non-proliferation of weapons of mass destruction as well as their means of delivery including through implementing UNSC Resolution 1540/04, ensuring full compliance with and national implementation of existing international obligations and promote the accession to and implementation of other relevant international instruments.
- Further develop cooperation in the prevention of and fight against the illicit trafficking of WMD-related materials.
- Cooperate on developing effective systems of national export control, controlling export and transit of WMD-related materials, including WMD end-use control on dual use of technologies, and effective sanctions for breaches of these export controls.
- Improve overall coordination in the non-proliferation area and examine specific threats related to WMD which undermine regional security and the scope of cooperation in addressing them.
- Promote the relevant provisions on the political and security partnership of the Barcelona Declaration with the objective to pursue a mutually and effectively verifiable Middle East zone free of weapons of mass destruction and their delivery

systems in consonance both with President Mubarak's initiative in this regard and the principles of the EU Strategy against the proliferation of WMD.

2.1.2. Economic development and reform

a) Monetary, exchange rate and fiscal policies

Consolidate progress made with a view to improving macroeconomic stability and to promoting growth and employment

- Continue to pursue macroeconomic stability by reducing the inflation rate and gradually achieving price stability. Complete the preparations for the new monetary policy strategy based on inflation targeting and representative price indicators and further strengthen central bank independence. Continue efforts to achieve sustainable public finances by reducing the central government deficit and the consolidated public deficit. Examine the scope for an increase of public investment in key budget areas - such as education and key infrastructure projects – through further rationalization of current government spending.
- Continue efforts for further progress in transparency and accountability of government finances, by publishing complete and timely information on the budget, fiscal outcomes and audit reports. Improve further the public finance management system, in particular by ensuring the comprehensiveness of the budget, by introducing a medium-term budget planning and a single treasury account.

b) Functioning of Market Economy

- Increase the capacity to create sustainable growth and employment by further improving the conditions of private sector development, enhancing the investment climate, and accelerating the privatisation programme. These measures should be accompanied by improving education and training including through EU support.
- Work to reduce gradually economic distortions as well as to better target subsidies to eligible groups of the population and upgrade the social safety net.
- Accelerate the reform of the financial sector, the restructuring and the privatisation of state banks and the introduction of strong financial market supervision.
- Improve the efficiency of public services and accelerate and streamline the procedures which are necessary to set up a new company.
- Reduce and accelerate judicial procedures which are necessary to enforce contracts.
- Develop co-operation in promoting and developing dispute resolution and exchange of expertise in the arbitration of commercial disputes.

c) Sustainable Development

Promotion of sustainable development

- Take steps to prepare a comprehensive national sustainable development strategy and to complete administrative structures and procedures to ensure strategic planning of sustainable development at the central level, as co-ordinated by the Ministry of Environment including through EU support where appropriate.
- Take steps to strengthen and develop the institutional setup for the integration of sustainable development considerations into other sectoral policies and plans, such as industry, energy, transport, regional development and agriculture.
- Share experiences between the Commission and Egypt about sustainable development strategies.

d) Agriculture and fisheries

Pursue the modernization and restructuring of agriculture and fisheries

Agriculture

- Cooperate in the implementation of the reforms in sectoral agricultural policies in line with the provisions of art. 50 of the Association Agreement.
- Identify and adopt accompanying measures providing for the structural, institutional, legal and administrative support necessary in order to ease access to export markets, inter alia, by approximation of technical legislation; and in particular increase co-operation in the field of international marketing standards for all agricultural and processed agricultural products.
- Identify and adopt measures in the sector of rural development, and at the level of the development of quality production (local products, food safety, organic products, geographical indications, etc., within the scope of the national rules), which would encourage the diversification of activity and the creation of new remunerative and sustainable trade flows and enhance the efficiency of water use.
- Identify and develop measures to create a framework to encourage private investment.
- Exchange expertise to strengthen the administrative capacity of the Land cadastre.
- Strengthen the role of agricultural research centres in improving the productivity, food safety and quality of agricultural products, and promote cooperation with European Research Centres, particularly in the areas of genetic engineering and biotechnology.
- Promote the use of modern technology in the agricultural sector and in different production phases.
- Promote the distribution and exchange of information on the agricultural policies and contribute to the transfer of expertise and experiences.

Fisheries

- Reinforce the cooperation in order to implement the actions identified in the Declaration of the Ministerial Conference for the Sustainable Development of Fishery in the Mediterranean (Venice, 25-26 November 2003) in the framework of the relevant international instruments.
- Take steps to promote further the creation of fishermen associations with a view of implementing responsible fisheries and improve their capacity to be represented into international and multilateral organisations.
- Increase the scientific and technical capacity to monitoring fisheries and evaluate the state of the exploited marine resources and marine environment.
- Improve scientific cooperation with the Regional Fisheries Body and in particular the GFCM with a view to strengthening a concerted and regional approach suited to the needs of sustainable fisheries and based on dialogue and coordination.
- Undertake necessary marketing infrastructure upgrading to cope with market demands and standards.

e) Mineral resources

- Encourage cooperation between EU Member States and Egypt to develop the mineral resources sector including through the establishment of a database on mineral resources, promoting relevant investment in Egypt and building human resources capacity.

2.1.3. Social development

a) Social situation, employment and poverty reduction

Enhance Social development in particular through dialogue and co-operation

- Strengthen measures for poverty alleviation through the Poverty Reduction Strategy and the anti-poverty action plan.
- Engage in a dialogue on employment and social issues including the social consequences of economic reforms with a view to develop a joint analysis of the situation and identify possible measures in this field.
- Develop and implement market driven strategies for addressing the problem of unemployment; modernize the Public Employment Services.
- Support the implementation of the new labour code including through institutional capacity building. Continue the adoption of implementing regulations and build enforcement capacity.
- Strengthen the social dialogue at all levels (tripartite and bipartite).
- Ensure and develop the institutional capacity building of the social partners to take the suitable measures according to the International Labour conventions.

- Implement the relevant International Labour Conventions to which both Egypt and the EU Member States are parties.
- Strengthen the efficiency, targeting and coverage of social expenditures with a particular attention to the enlargement of the base of the targeted groups and to the improvement of social statistics.
- Engage in a dialogue on programmes and initiatives aimed at fostering social inclusion on the basis of the principle of non discrimination, with particular attention to the integration of disadvantaged, the disabled groups, the marginalised groups and people with special needs.
- Ensure equal opportunities for women and men, including in the field of employment. Further enhance the role of women in economic and social progress.
- Enhance protection of rights of the children at risk, particularly working children, street children and children with disabilities, and intensify efforts to progressively eliminate child labour.
- Engage in a dialogue with a view to promote equal treatment of Egyptian and Community nationals who are legally residing and working in the territory of the Community or Egypt.
- Promote exchanges of experiences, dialogue and cooperation on matters of social security, notably on issues such as the reform of pension systems, the introduction of new instruments and the extension of the coverage of social protection and the improvement and enforcement of social security institutions.

Strengthening socio-economic cohesion of Egyptians regions

- Strengthen the regional development management structures. Implement the decentralisation of programme of services delivery and management at governorates level.
- Support the reduction of regional disparities in social and economic development, in particular in rural areas.
- Support policies that aim at ensuring access to basic health, education and social services for all.

b) Education and training

Support and enhance cooperation in reforming and upgrading the education and training systems and work within the framework of Egyptian plans towards convergence with EU and international standards and practice

- Combat illiteracy and achieve education for all, especially for women and girls, by continuing the reform of the education systems, and pre-school education aiming at early childhood development.
- Continue and enhance a policy dialogue between EU and Egyptian authorities in the field of education and training.

- Continue to reform primary and secondary education to improve quality, especially through continuing decentralization and community involvement and human resources development for teachers and professors, as well as technical vocational education and training (TVET) to make it more responsive to market needs in the context of the Egyptian national educational standards.
- Reform higher education in line with the principles of Bologna process to improve internal and external efficiency. Foster the development of human resources and human capital, and promote the reform of higher education through the TEMPUS programme; ensure the integration of the social dimension in educational planning and programmes.
- Promote the use of ICT in education.
- Enhance the quality and the capacity of institutions and organisations involved in the quality assurance of education and training provision, in particular Egyptian Agency for Quality Assurance and Accreditation.
- Take steps to increase the involvement of civil society stakeholders and social partners in higher and adult education and TVET reform.
- Encourage participation in the TEMPUS programme.
- Encourage participation in the Erasmus Mundus programme.
- Encourage the participation of Egyptian students in the forthcoming EC scholarship programme and in similar schemes of EU Member States.

c) Public Health

Support and cooperate in the development of health sector reform

- Continue the development of the health sector through:
 - implement re-organization and decentralization of the health sector;
 - improve accessibility and affordability including in rural areas and with a focus on women/children including those with disabilities;
 - elaborate a system for Social Health Insurance covering the whole population;
 - ensure the efficiency of institutions including laboratories;
 - enhance human resources capacity;
 - enhance health security and epidemiological safety;
 - strengthen family health models, including maternal mortality and reproductive health issues.

Increase the level of health security, health information and knowledge

- Exchange of information and know-how on health indicators and data collection.

- Invite Egypt as observer in the meetings of the Network of Competent Authorities.

Communicable Disease Surveillance and Health Security (Epidemiological Surveillance and Control)

- Participation in Communicable Disease Networks and dedicated surveillance networks.
- Enhance response to infectious diseases, such as HIV/AIDS and hepatitis C.

2.2.Trade related issues, market and regulatory reform

2.2.1. Movement of goods

a) Trade Relations

- Identify areas with export potential to the EU and further enhance Egypt’s export capability by increasing quality of Egyptian products and their competitiveness on international markets.
- Reduce substantially non tariff barriers of a regulatory and bureaucratic nature to trade and investments.
- Strengthen the capacity building in the Egyptian administration on international trade relations.
- Enhance Egypt’s participation in and capacity to benefit from regional and sub regional trade arrangements including conclusion and implementation of Free Trade Agreements.
- Establish rules of procedure to ensure the effective implementation of dispute settlement provisions under the Association Agreement on economic/trade matters based on the principles of the dispute settlement understanding of the WTO.
- Continue liberalisation of trade in agricultural, processed agricultural and fishery products as developed in the agricultural roadmap taking into account the conclusions of the Luxembourg Ministerial Meeting of May 2005.

b) Customs

- Further modernization of the customs administration and simplification of customs legislation and procedures, including computerization; rolling out of Egyptians pilot projects on model tax and customs centres and ports’ automated one-stop-shop procedures.
- Develop an Integrated Border Management Strategy by strengthening co-operation between customs and other agencies working at the border and by implementing a single-window approach at all entry points.
- Adopt and implement the new protocol on Pan-Euro-Mediterranean cumulation of origin and exchange experience and information on the smooth implementation of

the new protocol and consult on the future development of rules of origin, including systems of cumulation.

- Strengthen the capacity building of the customs administration by providing further training to customs officials, including in the areas of origin and custom valuation.
- Increase transparency of customs rules and tariffs and promote further public access to customs-related information and complaint procedures.
- Exchange experience and know-how with a view to strengthening measures against pirated or counterfeit goods through the reinforcement of customs controls.
- Strengthen administrative co-operation with the EU to combat irregularities and fraud in customs and related matters.
- Develop EU- Egypt co-operation with regard to risk based customs control ensuring safety and security of goods imported, exported or in transit, and define standards for certification of operators (exporters and transporters) intervening in commercial exchanges.
- Examine possibility of further convergence of customs related legislation.
- Take steps to adopt and implement a Customs Ethics Policy.

c) Standards and conformity assessment (EU harmonised areas)

- Continuation of work on the implementation of the Palermo Action Plan for the Free Movement of Industrial Products approved by the July 2003 Euro-Mediterranean Conference of Trade Ministers. Take the necessary steps, with the support of continuing assistance, to complete and upgrade the quality infrastructure and to start negotiating an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).
- Adapt the Egyptian institutions in charge of implementing product legislation and train the various stakeholders.
- Harmonize the remaining national standards with European and international standards for industrial products.
- Co-operation in the field of legislation on liability for defective products and general product safety, including market surveillance.
- Explore the scope for co-operation between EU and Egyptian accreditation bodies.

d) Restrictions and streamlined administration (EU non-harmonised areas)

- Analyse legislation and administrative procedures with a view to identifying and progressively removing discrimination and restrictions against imported products.

- Strengthen and upgrade the performance of the central contact point to facilitate information flows and co-operation with economic operators.

e) Sanitary and phytosanitary issues

Increase food safety for Egyptian and European consumers. Reforms and modernization of the sanitary and phytosanitary sectors

- Pursue efforts towards full implementation of the WTO agreement on the application of Sanitary and Phytosanitary measures and active participation in relevant international bodies such as OIE, IPPC, Codex Alimentarius.
- Enhance cooperation between Egypt and the EU in the field of sanitary and phytosanitary issues and explore possible areas of cooperation (e.g. legislation, implementing practices), while taking into account the different conditions prevailing on both sides.
- Develop an Egyptian policy on food safety and an action plan.
- Cooperate on modalities to develop animal and plant identification and traceability systems in Egypt.

2.2.2. Right of establishment, Company law and services

a) Establishment and company law

- Co-operate to facilitate the establishment of companies and foreign investment and progressively remove obstacles to establishment.
- Improve the environment for business operation, e.g. adopt and implement effectively bankruptcy legislation.
- Work towards the adoption of key principles of international accounting standards for listed companies and consolidated accounts.
- Establish a qualified and independent audit profession and work towards the adoption of international standards on auditing for all statutory audits.
- Implement a code of corporate governance.

b) Services

- Facilitate the supply of services according to the parties' commitments under GATS including by the development of the necessary administrative structures and the removal of identified barriers.
- Prepare for negotiating progressive liberalization of trade in services and right of establishment taking into account the Euromed Framework Protocol adopted in Istanbul in 2004 and the Marrakech declaration of March 2006.
- Develop a strategy to enhance the competitiveness of the Egyptian services sector including regulatory simplification and administrative facilitation.

- Establish a list of EU Member States contact points on services to provide information to the Egyptian services suppliers/providers who seek to access the European market.

Financial services

- Full implementation of the Financial Sector Reform Program (FSRP).
- Enhance the prudential regulatory framework for financial services.
- Develop the capacity building of independent authorities to ensure effective supervision including through training.

2.2.3. Regional co-operation

- Further develop existing regional cooperation arrangements and support the development of new initiatives and policies promoting regional integration and cooperation, based on the priorities of the relevant regional partners.
- Develop south-south trade including support for the implementation of the Agadir agreement, and promote trade and investment among the regional partners.

2.2.4. Other key areas

a) Taxation

- Support tax strategy for the modernization and simplification of the tax administration. Define the necessary administrative structures and procedures, including a fiscal control strategy, audit and investigation methods, co-operation with the tax payers and tax compliance. Identify all objectives in terms of financial, human, logistic and IT resources.
- Support on-going efforts to complete the network of bilateral agreements between Egypt and EU Member States on avoidance of double taxation including the improvement of transparency and the exchange of information in accordance with international standards.
- Support the Egyptian efforts to modernise and improve the general sales tax system currently in force with a view to moving, in the medium term, towards a standard VAT system. Initiate a dialogue on international and EU tax standard including the principles related to transparency and exchange of information for tax purposes and to OECD principles on harmful tax practices.

b) Competition policy and State Aid

- Adoption of implementing rules on competition (Association Agreement, Article 34.2), for which the deadline is five years after the entry into force of the Association Agreement (1 June 2009).

Antitrust

- Enforce the competition law in line with that of the EU and establish an independent and adequately-resourced competition authority.

State aids

- Agree on a definition of state aid and develop a national mechanism for collecting information on state aid in order to ensure implementation of article 34.3 of the Association Agreement by exchanging with the EU an annual report on the total amount and distribution of State aid⁶.
- Exchange experience and know how at the appropriate time on the conditions to be met with reference to state aid control regimes in order to prepare Egypt's participation in the internal market.

c) Intellectual property rights

- Accede to the conventions within the timeframe stipulated in the Association Agreement and apply the standards of protection stated in such conventions or other conventions and agreements to which Egypt is party. Strengthen enforcements of IPR legislation within TRIPS requirements.
- Reinforce the fight against piracy and counterfeiting and promote cooperation between the authorities involved, police, judiciary and customs. Significantly reduce circulation and trafficking of counterfeit/pirated goods.
- Increase awareness at both public and private level and encourage the establishment and effective functioning of associations of rights holders and consumers.
- Explore the possibility of enhanced interaction with other Euromed partners.
- Initiate a policy dialogue covering all aspects of IPR, including further legal/administrative improvements and possible membership of additional relevant conventions etc.

d) Statistics

Adoption of statistical methods compatible with European and international standards in relevant statistical areas

- Elaborate a short and middle term development strategy for harmonisation with European and international standards in the relevant statistical areas covered by this Action Plan.
- Ensure that legislation on official statistics is based on the fundamental UN principles.

⁶ For any sectors which should participate in the internal market, there would have to be in force a State aids control regime and legislation meeting the requirements of the EU acquis, including a system of prohibition and ex-ante control of State aids which distort trade between the EU and Egypt.

- First steps to develop economic, environmental and social statistics in conformity with European and international standards.
- Adoption of an Egyptian National Statistical Master Plan.

e) Public procurement

- Initiate a process of gradual approximation with, and implementation of key international principles, transparency, competition and access to legal recourse. In order to help enhance access to each other's public procurement markets, and to ensure effective communication, task the relevant sub-committee to identify obstacles hindering public procurement access inter alia through dialogue with relevant operators and authorities.
- Improve the functioning of the current system through increased transparency, information and training.
- Improve information and awareness among contracting authorities and the business community about public procurement procedures.
- Strengthen the administrative capacity of the Central Complaints Resolution Office at the Ministry of Finance.

f) Enterprise policy

- Support Small and Medium enterprises (SMEs) (encouraging investment climate, enhancing the activity of the Social Fund for Development, contributing to improve access to finance for SMEs, promoting youth and women entrepreneurship, enhancing productivity and competitiveness including through a better access to market).
- Adapt the priorities of the Industrial Modernization Programme (IMP) to the Objectives of the Egyptian strategy for Industrial Modernization and Competitiveness and of the Euro-Med Charter for Enterprise.
- Modernize and improve the competitiveness of Egyptian industry including through the implementation of the Egyptian strategy for Industrial modernization and competitiveness.
- Improve the business environment including through the implementation of the Euro-Mediterranean Charter for Enterprise.
- Work towards implementation of the October 2004 Euro-Mediterranean Work Programme on Industrial Cooperation.
- Create a dialogue between business, administration and academic institutions for the identification of priority actions for business improvement and the exchange of best practice.

g) Public Internal Financial Control and related issues

- Exchange of information on the concepts and legislative framework for public internal financial control in Egypt and EU Member States, taking into account EU best practices.
- Cooperate in view of establishing, and implementing a policy for upgrading the Public Internal Financial Control system on the basis of a gap analysis of the current internal control systems as compared to the relevant internationally agreed standards and best EU practice.
- Exchange of expertise and cooperation in order to upgrade the institutional capacity of the public internal control system to internationally agreed standards and methodologies as well as EU best practices in the area of internal control and internal audit, covering all income, expenditure, assets and liabilities, of the general Government and budget entities and economic authorities.
- Ensure effective cooperation with the relevant EU Institutions and bodies in the case of on-the-spot checks, audits and investigations related to the management and control of EU funds.

2.3. Transport, energy and environment

a) Transport

Cooperation in the transport sector (maritime, aviation, road, rail and inland waterway)

Implement a national transport strategy, including transport infrastructure development and transport sector reforming

- Support the development and implementation of the national sustainable transport policy for the development of all modes of transport and related infrastructure, focusing in particular on strengthening safety and security; integration of environmental considerations in transport; as well as intermodality.
- Develop procedures to identify and help implement priority infrastructure projects. Such procedures should address financing strategies focusing on activating and promoting the participation of the private sector in transport projects; capacity constraints; lack of inter-modal equipment and missing link infrastructure.
- Continue the development of a comprehensive regulatory framework.
- Continue with the reform of the transport sector including institutional building, organizational restructuring; capacity building; Strengthen and if necessary establish strategic planning units and develop better asset management procedures for different sectors.
- Promote the use of intelligent transport systems and information technology in managing and operating all modes of transport as well as supporting intermodality.
- Take steps to negotiate a cooperation agreement between EU and Egypt on the development of a Civil Global Navigation Satellite System (GALILEO).

– **Regional element**

- Participate in the regional transport planning activities, including the Euro-Med cooperation aimed at proposing an action plan for transport in the Mediterranean region, as well as a basic regional infrastructure network and interconnection of this network with the trans-European transport network.
- Continue participation in the development of Global Navigation Satellite System (Galileo) in the Mediterranean region, in particular by giving an active role to the Galileo Euromed Cooperation Office based in Cairo; take part in particular in the new regional cooperation activities on satellite navigation systems.

Implement selected measures and reforms in the road and rail transport sectors

- Introduce a transparent regulatory process for the issuing of freight and passenger transport licences and for granting access to the profession.
- Implement the relevant international conventions, notably on dangerous goods transport.
- Develop an integrated action plan on road safety including the technical control/road worthiness testing of vehicles.
- Develop and implement the railway sector restructuring policy and reorganise the administration to separate regulatory responsibilities from operational interests.
- Improve efficiency of rail freight transport services which might eventually lead the Egyptian rail system to be utilised as a gateway to Africa.
- Develop intermodality and multi-modal services, address issues of interoperability.

– **Regional element**

- Explore the benefits of regional cooperation in order to improve the safety, speed and effectiveness (interoperability) of rail services.

Implement selected measures and reforms in the maritime and inland water transport sectors

- Develop and implement the existing comprehensive national maritime policy aiming at promoting and developing the maritime industry increasing its competitiveness and promoting the participation of private sector in all aspects of maritime industry, including ports and port activities; strengthen maritime safety and develop the fleet; continue to implement the relevant international conventions; and when possible approximate standards.
- Continue reform of the ports sector with a view to introduction of an independent port authority responsible for regulation and control and adoption of the “Land Lord” management system. Ensure, in the context of the up-coming negotiations on liberalization of trade in services, on the basis of the Marrakech ministerial declaration in March 2006, the elimination of discriminatory treatment to Community vessels in Egyptian Ports.

- Assess and examine the possibility of extending VTMISS to the Mediterranean.
- Effectively enforce maritime safety standards and ensure effective enforcement in the areas of Port State Control and Flag State implementation. Step up cooperation on maritime security with a view to combating terrorism, in the context of implementing the SOLAS/ISPS code.
- Speed up the phasing-out of single-hull oil tankers and apply the changes recently agreed in the IMO Marpol Convention taking into consideration the relevant recommendation of the High Level Group on the extension of the trans-European transport network to neighbouring countries and regions.
- Establish an infrastructure and services development policies and strategies to activate the inland water transport role in freight transport as potential cheaper and environmentally friendlier mode of transport that could provide access to other African countries.

– **Regional element**

- Maritime safety and security: take part in improving the Euromed framework for cooperation within the IMO; take part in regional cooperation on maritime safety (SAFEMED).
- Take part in regional cooperation on maritime policy, ports and short-sea shipping.

Implement selected measures and reforms in the aviation sector

- Implement the existing national aviation policy including as regards the development of the airports and further reinforce administrative capacity (including the foreseen separation of regulatory and management functions of the ECAA).
- Explore the possibility of extending to all airports open competition in ground-handling services.
- Assess the possibility of extending to all airports the liberalization of charter flights and examine the specific situation of Cairo airport.
- Negotiate a horizontal aviation agreement with the EC. Exchange of information on the possibility of developing a Euro-Mediterranean Aviation agreement.
- Enhance administrative and technical capacity to fully implement jointly agreed JAA standards. Explore possibilities to involve Egypt in the work of EASA and for involvement in the Single European Sky.
- Co-operate on aviation security matters (common rules to combat international terrorism) in accordance with international conventions to which Egypt and the EU Member States are party.
- Explore the possibilities of cooperation in establishing a Safety Management System Programmer.

– **Regional element**

- Take part in regional cooperation on safety, security and air traffic management.

b) Energy

Cooperate in the development of an overall long term energy strategy converging towards EU energy policy objectives

- Take steps to prepare (under the auspices of the Ministry of Petroleum and the Ministry of Electricity and Energy) an overall Egyptian energy strategy converging towards EU energy policy objectives (security of supply, competitiveness and environmental protection) and covering, inter alia, all subsectors, the strengthening of institutions and financing.
- Enhance energy policy cooperation through information exchange (eg workshops on general energy policy; energy statistics, data mining and forecast systems; energy investments; energy technologies transfer and industrial cooperation; and electricity and gas markets and interconnections.
- Adoption and start of implementation of energy strategy documents.
- Continue energy policy cooperation.

Cooperation on electricity and gas markets

- Explore possibilities for gradual legal and regulatory convergence towards the principles of the EU internal electricity and gas markets.
- Further develop energy pricing methodologies and exchange of views on gas pricing and transit gas fee policies in view of the relevant EU experience.
- Cooperate to build the capacity of the Electric Utilities and Consumer Protection Regulatory Agency including its development towards an electricity regulator independent from market operators.
- Cooperate to develop an oil and gas Regulatory Agency.
- Cooperate to study the different models of electricity markets for establishing a local and regional electricity market and setting the rules and procedures in cooperation with the electricity sector.
- Continue sector restructuring; to explore possibilities for gradual convergence towards the principles of the EU internal electricity and gas markets and the Euro-Mashrek-Maghreb gas cooperation.

– **Regional element**

- Cooperate, in the context of the Declaration of Intent of 2 December 2003 on the Euro-Mashrek cooperation in the field of natural gas including as regards the development of a regional Gas Master Plan expected to facilitate the transportation of natural gas in particular between Egypt and the EU.

- Cooperate in the field of the EU-Mashrek-Maghreb electricity market.

Progress on energy networks.

- Reduce electricity network losses.
 - Further develop regional energy infrastructures including upgrading the electricity link with Jordan and Libya.
 - Improve the safety and security of energy infrastructure.
 - Further develop electricity networks in rural areas.

Progress on energy efficiency and the use of renewable energy sources.

- Take steps to develop an Action Plan including a financial plan for improving energy efficiency and enhancing the use of renewable energy.
- Reinforce the institutions dealing with energy efficiency and renewable energy sources.
- Cooperate to develop mechanisms for effective introduction of renewable energy into the Egyptian Electricity Market and promote technology transfer and know-how in this area.
- Pursue measures in energy efficiency and renewable energy sources.
- Progress to reach Egypt's target to ensure that 3 % of the electric energy needs are covered by the year 2010 by renewable energy sources.

c) Environment

Improve environmental performance and enhance good environmental governance

- Implement national priorities in the field of environment protection as specified in the national environmental action plan 2002–2017, with particular attention to the establishment of administrative structures and procedures to ensure strategic planning of environment issues by the Ministry of State for Environmental Affairs; to the environmental policy implementation framework and to co-ordination between relevant actors.
- Enhance coordination with line ministries through development of Policy Implementation Framework (an initiative to assess adopted environmental policies; prioritization for their integration into sectoral policies and activate their implementation).
- Establish procedures regarding access to environmental information and public participation.
- Reinforce structures and procedures to carry out environmental impact assessments.

- Exchange of experiences in the implementation of strategic environmental impact assessment.
- Improve co-operation between different Ministries to implement the national strategies on cleaner production and air quality.
- Implement the environmental communication strategy.
- Support civil society actors and local authorities, in order to implement the decentralised environmental management policy.

Take active action for prevention of deterioration of the environment, protection of human health, and achievement of rational use of natural resources, in line with the Johannesburg Plan of Implementation

- Implement national priorities in the field of environment protection with particular attention to legislation and its implementation as specified in the national environmental action plan 2002–2017.
- Take steps towards adoption of plans and programmes related to air quality, water quality and biodiversity.
- Implement the national plan for combating desertification.
- Exchange of experience on protection of biological diversity and rural landscape, with special attention to the relevant migratory species.
- Carry out strategic environmental impact assessment of industrial and tourist facilities.

Enhance co-operation on environmental issues

- Develop modalities for co-operation with the EU to implement multilateral environmental agreements with particular emphasis on climate change, desertification, biodiversity and waste management.
- Enhance co-operation to achieve the commitments by the parties with regard provisions under the Kyoto Protocol and the UN Framework Convention on Climate Change.
- Complete the ratification process of the new Emergency Protocol and the amendments to the Land-Based Sources Protocol of Barcelona Convention.
- Possible participation in selected European Environment Agency activities.
- Identify possibilities to enhance regional cooperation in the field of environment.
- Initiate actions which will contribute to the implementation of the objectives of the De-pollution Initiative for the Mediterranean Sea (Horizon 2020), and promote Egyptian efforts in this regard.

- Promote technology transfer and know-how in the following areas: waste management, including recycling and treatment of industrial and agricultural wastes.
- Enhance co-operation between Egypt and EU for protecting marine environment through the adoption of specific actions, and taking into consideration activities within the Mediterranean Action Plan (MAP).
- Enhance Euromed co-operation regarding the integrated coastal zone management.

2.4. Migration, social integration, justice and security

Further develop co-operation between Egypt and EU Member States judicial and law enforcement authorities

a) Judicial cooperation in criminal and civil matters

- Exchange information on ratification as well as implementation of relevant international conventions related to co-operation in criminal and civil matters to which either side is a party.
- Develop further judicial cooperation on criminal, commercial and civil matters.
- Facilitate solutions to problems arising from mixed marriage disputes and child custody cases and encourage cooperation in accordance with the principles of the UN convention of 1989 on the Rights of the Child and national legislation⁷.
- Promote judicial cooperation through strengthening the capacity of law enforcement and assistant bodies as well as through the training of judges and prosecutors.

b) Law enforcement cooperation

- Explore the possibilities for co-operation between Egyptian and EU law enforcement agencies, in particular Europol and Eurojust.
- Establish a network of contact points with EU Member States law enforcement authorities with a view to exchange technical, strategic and operational information.
- Promote cooperation between law enforcement agencies of the EU Member States and Egypt.

c) Promoting transparency

Exchange information on ratification and implementation of the UN Convention against Corruption and other relevant international instruments to which either side is party

⁷ This indent should not be interpreted in a way that may imply interference in cases before courts.

- Develop dialogue, exchange information and strengthen cooperation between law enforcement agencies on fighting corruption and further promote transparency, including exchanges on best practices, methods and standards in these areas.
- Strengthen measures against corruption through preventive anti-corruption policies and practices in accordance with the UN Convention against Corruption.

d) Border management

Enhance border management cooperation between Egypt and the EU Member States

- Develop co-operation between relevant law enforcement bodies in Egypt and in the EU, and initiate appropriate technical contacts with FRONTEX (European Border Agency).
- Cooperation in reinforcing organisational capacities of controlling and surveillance of entry and exit points, including ad hoc training.

e) Migration issues (legal and illegal migration, readmission, visa, asylum)

- Develop a comprehensive and balanced dialogue with Egypt on various migration-related issues, including legal migration, seasonal migration, status of Egyptian migrants and workers residing legally in Europe, brain drain, asylum, movement of people, control of illegal migration and return, visa.
- Monitoring and analysis of the migration phenomenon: synergy with the Euro-Med initiatives on research on migration and the Consortium on Applied Research on International Migration (CARIM) in particular.
- Promote the possibilities of Egypt to benefit from the Community programs and the AENEAS program aimed at providing technical and financial assistance to third countries in the areas of migration and asylum in particular.
- Promote the discussion between Egypt and the EU and its Member States on the economic, political, social and cultural dimensions of the migration issues, in addition to its security dimension.

Ensure an effective management of migration flows

- Exchange of information and experiences on legal migration, entry and stay, integration, reunification of family, inventory of existing routes and commitments made by Member States.
- Enhance cooperation to facilitate the legal movement of people between Egypt and the EU through strengthening of the concerned institutions dealing with the promotion of employment, capacity building, as well as providing information about the employment opportunities for labour migrants in the EU, risks of smuggling and trafficking of migrants; ensuring fair treatment of legal Egyptian migrants, and facilitate the flow of remittance transfers.
- Exchange of information and promotion of co-operation on transit migration.

Cooperate in combating illegal immigration into Egypt and the European Union

- Exchange of information and experiences on migratory movements, illegal migration including the scale of illegal immigration into and via Egypt.
- Pursue and support effort to prevent and counter illegal migration into Egypt and the European Union.
- Develop a dialogue and cooperation to curb illegal migration flows, including in the regional context.

Improve cooperation regarding readmission

- Develop the cooperation between Egypt and EU on readmission, including negotiating readmission agreements between the parties, building on Article 69 of the Association Agreement, taking into account the human dimension, socio-economic aspects and accompanying measures.
- Cooperation on consular affairs and issuing of travel documents.

Facilitate the movement of persons

- Cooperate in the field of improving the movement of persons, including to facilitate the uniform visa issuing procedures for certain agreed categories of persons as stated in the Association Agreement and in accordance with the acquis.
- Cooperate to improve security of travel documents and visa in conformity with *ICAO standards*.

Asylum issues

- Exchange information and best practices in the field of asylum policy, refugee status determination, and legislation, and cooperate on the inter-linkages between migration and asylum.

f) Fight against organised crime (including trafficking in human beings)

Enhance international co-operation in accordance with the UN Convention against Trans-national Organised Crime and its protocols on smuggling of migrants and trafficking in persons and on illicit manufacturing and trafficking of firearms

- Implementation of the UN Convention against Trans-national Organised Crime and its Protocols.
- Exchange expertise and experiences, also through appropriate training on best practices in combating organised crime, including security and legal aspects.

Cooperate in the fight against cyber crime

- Work together to fight cyber crime.

Reinforce the fight against trafficking in human beings, especially women and children, and smuggling of illegal migrants, as well as activities to prevent trafficking in human beings and to reintegrate victims

- Promote co-operation between relevant law enforcement bodies in Egypt and in the EU on this issue.
- Develop legal, social and psychological support to victims aiming at their reintegration.

g) Fight against drugs

Continue the fight against drug trafficking, including the trafficking of essential chemicals and precursors, and against drug abuse in particular through prevention and rehabilitation, in accordance with the 1988 UN Convention on Illicit Traffic of Narcotic and Psychotropic Substances and with Article 58 of the AA

- Develop international cooperation in fight against trafficking narcotics and drug addiction, in particular prevention of drugs abuse, treatment and rehabilitation of drug addicts.
- Cooperate in the implementation of the relevant UN Conventions.
- Support national efforts in the fight against trafficking and smuggling of narcotics and drug addiction as well as enhancing the capacity of the Egyptian Fund for the control and treatment of addiction, and supporting civil society organisations in this field.

h) Fight against money laundering, financial and economic crime

Strengthen efforts and co-operation in the fight against money laundering, financial and economic crime

- Intensify co-operation and promote exchange of information among law enforcement agencies and co-operation between Egypt and international organisations, such as FATF, as well as with corresponding services of EU Member States.
- Exchange information on the existing European structures (Financial Intelligence Unit (FIU)) and the existing system in Egypt as regards money laundering.
- Strengthen Egypt's system of financial and security information.
- Identify administrative/technical support and training requirements especially for the Egyptian Unit on combating money laundering.

i) Fight against terrorism

In the framework of the counter-terrorism related UN resolutions and conventions

- Strengthen cooperation on measures to tackle the financing of terrorism.

- Develop cooperation between Egypt and EU Member States counter-terrorism and law enforcement agencies including through effective measures to preclude the access of terrorist elements to Egypt and EU Member States.
- Develop judicial cooperation on combating terrorism.
- Work together to fight cyber crime and to fight the use of the Internet for terrorist purposes.
- Cooperate in the fight against terrorist crimes in conformity with national legislation.
- Support the institutional capacity building and the development of human resources and technological capabilities of law enforcement institutions.

2.5. Science and technology, research and development, information society and audio-visual cooperation

a) Science and technology, research and development

Accelerate the integration of Egypt into the European Research Area and the Community Framework Programme

- Start implementation of the agreement on Scientific and Technological Cooperation.
- Put into place and ensure the well-functioning of a network of national contact points for the 6th/7th Framework programme and link them up with the national RDT and innovation operators as well as with other EU Science and Technology activities.
- Pursue EU-Egypt cooperation in RDT-I, identifying the priority sectors of mutual interest, the instruments and means of cooperation and implementation policies and strategies, including the promotion of links between centers of excellence on both sides.
- Disseminate research results to all potential users, develop a “patent culture” and set up intellectual property offices in technology parks and universities, including support for the introduction of a doctoral level programme in intellectual property law in the framework of the Agreement on Scientific and Technological Cooperation.

Develop the scientific and technological capacity with a focus on the use of RTD results by the industrial and SME sector

- Strengthen human, material and institutional resources in order to improve the capacities of RDT-I operators, including quality evaluation and management processes.
- Adopt a strategy for regional technopoles with a view to organising a dialogue between all those involved in research and end-users (industry, SMEs) and

implementing interaction mechanisms between research and industry, public-private sector.

- Explore possibilities for EU support in the setting up and running of a National Fund for Scientific Research and Development.

Promote the integration of Egypt into scientific high-level exchanges

- Reinforce Egypt's participation in international exchange and mobility programmes, in particular the Marie Curie scholarships; foresee appropriate mechanisms for return and integration to Egypt.
- Reinforce the exchange of personnel in the joint projects and Centres of Excellence as well as promote and facilitate the participation of Egyptian scientists in international scientific debates and fora.
- Promote the access of Egyptian scientists to European scientific databases.
- Promote the participation of Egyptian scientists in European research groups also in the field of innovation.

b) Information society

Further progress in electronic communications policy and regulation

- Pursue and support the implementation of the national policy on the development of the information society sector.
- Pursue and support the development of a comprehensive regulatory framework that would fulfil effectively all aspects of its mandate. Areas of interest would include: number portability, privacy protection and information security, a state-of-art cost accounting system and subsequent cost-orientation of tariffs, users' rights, and universal service obligations and management.
- Liberalise the fixed telephony market and continue the liberalisation of the mobile telephony market according to national priorities.
- Improve the efficiency of the National Telecommunications Regulatory Authority by providing capacity building in areas of competition and regulation to ensure fair competition in a de-regulated market.

Further progress in the development and use of Information Society applications

- Promote the use of new technologies and electronic means of communications by businesses, government and citizens in areas such as e-Business, e-Government, e-Health, e-Learning, e-Culture and e-content.
- Cooperate in regional eStrategies such as EUMEDIS, New Approaches on telecommunications Policies (NATP) and similar programs.
- Adopt a specific plan to promote the participation of Egypt in the IST part of the Framework Programmes as well as other EU science and technology activities.

- Continue broadband development in order to increase internet penetration.
- Reinforce the skills of citizens and their access to ICT in order to overcome the digital divide.
- Encourage the different stakeholders to contribute efficiently to the implementation of the Information Society in Egypt.
- Exchange experience and cooperate on Information Society policies of global relevance, such as Internet Governance, information security and combat against cyber crime, convergence between electronic communications and media.
- Promote the transfer of know-how in the introduction of Information Society networks and services.
- Improve connectivity between Egypt and Europe.

c) Audio-visual cooperation

Create conditions for an environment favouring co-operation in the audio-visual area

Work towards the development of a transparent, efficient and predictable regulatory system including through the establishment of an independent regulatory authority in the audio-visual sector

- Promote an exchange of views on audiovisual policy.
- Encourage the exchange of information and experience with regard to regulatory aspects of the audiovisual sector.
- Strengthen human resource capacities and exchange of experience in the domains of audiovisual.

2.6. People-to-people contacts

a) Culture

Enhance cultural co-operation between Egypt and EU and its Member States

- Enhance cooperation through exchange of information, experience and expertise, in cultural sectors in line with Article 71 of the AA, in particular as regards the protection of historic monuments and cultural heritage, promotion of translations as well as capacity building and communication skills development.
- Enhance Egypt's participation in the relevant EC cultural cooperation programmes of the Euro-Med partnership inter alia by developing appropriate structures.

Dialogue between cultures

- Enhance dialogue between cultures, taking into consideration the principles embodied in the Action Programme for the Dialogue between Cultures and

Civilizations, adopted by the Valencia Ministerial Meeting in April 2002 and taking advantage of Egypt's hosting Anna Lindh Euro-Mediterranean Foundation for the dialogue between cultures.

- Exchange views on the UNESCO Convention on the protection and promotion of the diversity of cultural expressions including its development aspects, and promote its ratification and cooperate in its implementation.
- Promote initiatives aiming at bringing closer cultures and civilizations.

b) Youth and sport issues

Enhance co-operation in the field of youth and sport

- Enhance youth exchanges and co-operation in the field of non-formal education and intercultural dialogue.
- Promote mutual knowledge among Egyptian and European youths of their respective cultures and fostering tolerance.
- Provide the best practices in establishing national councils for youth in EU Member States and on drafting youth policies.
- Promote a dialogue between EU and Egypt on sport issues.
- Exchange of experience with the EU Member States on the management of various sports sectors.
- Ensure the continued successful implementation of the Euro-Med Youth programme by developing an effective national management structure.

c) Civil society co-operation

- Examine the scope for further improving the legal and administrative framework for the operation of civil society organizations.
- Support the Egyptian Non-Governmental Organizations in contributing effectively in the economic, political and social development process in accordance with national legislation.

3. Joint monitoring

The Action Plan will give orientation for the cooperation between the EU and Egypt.

The joint bodies established under the Association Agreement will advance and monitor the implementation of the Action Plan on the basis of regular reports on its implementation.

A first review of the implementation of the Action Plan will be undertaken within two years of its adoption.

The Action Plan can be regularly amended and/or updated jointly to reflect progress in addressing the priorities.

Glossaire

EASA: European Aviation Safety Agency

ECAA: Egyptian Civil Aviation Authority

EUMEDIS: Euro-Mediterranean Information Society

FATF: Financial Action Task Force on Money Laundering

FDI: Foreign Direct Investments

FEMIP: Facility for Euro-Mediterranean Investment and Partnership

GATS: General Agreement on Trade in Services

GFCM: General Fisheries Commission for the Mediterranean

ICAO: International Civil Aviation Organization

ICT: Information and Communication Technology

IPPC: International Plant Protection Convention

ILO: International Labour Organisation

IMO: International Maritime Organization

IPR : Intellectual Property Rights

ISPS: International Ship and Port Facility Security

IST: Information Society Technologies

JAA Joint Aviation Authorities

MARPOL: International Convention for the Prevention of Marine Pollution from Ships

NCHR: National Council for Human Rights

NEPAD: New Partnership for Africa's Development

OECD : Organisation for Economic Co-operation and Development

OIE: Organisation Mondiale de la Santé Animale

R&D: Research and Development

RDT-I: Research, Technological Development and Innovation

SME: Small and Medium Enterprises

SOLAS: International Convention for the Safety of Life at Sea

TAIEX: Technical Assistance Information Exchange

TRIPS : trade-related aspects of intellectual property rights

TVET: technical vocational education and training

UNSC : United Nations Security Council

VTMIS: Vessel Traffic Management and Information Systems

WMD : Weapons of Mass Destruction

WTO: World Trade Organization