

NOTE

From: General Secretariat of the Council
To: Delegations
Subject: EU-Egypt Partnership Priorities 2017-2020

EU-EGYPT PARTNERSHIP PRIORITIES 2017-2020

I. Introduction

The general framework of the cooperation between the EU and Egypt is set by the **Association Agreement** which was signed in 2001 and entered into force in 2004. While all elements of the Association Agreement remain in effect, this document sets the priorities jointly defined between the EU and Egypt in light of the revised **European Neighbourhood Policy** that will guide the partnership for the next 3 years.

These **Partnership Priorities** aim to address common challenges facing the EU and Egypt, to promote joint interests and to guarantee long-term stability on both sides of the Mediterranean. The Partnership Priorities are guided by a shared commitment to the universal values of democracy, the rule of law and the respect of human rights. They also aim to reinforce cooperation in support of Egypt's "Sustainable Development Strategy – Vision-2030".

II. Proposed Priorities

The Partnership Priorities should contribute to meeting the aspirations of the people of both sides of the Mediterranean, particularly in ensuring social justice, decent job opportunities, economic prosperity and substantially improved living conditions, thus cementing the stability of Egypt and the EU. Inclusive growth, underpinned by innovation, and effective and participatory governance, governed by the rule of law, human rights and fundamental freedoms, are key aspects of these goals. The priorities also take into account the respective roles of the EU and Egypt as international players and aim both to enhance their bilateral cooperation as well as their regional and international cooperation. As such, the following overarching priorities will guide the renewed partnership:

1. Egypt's Sustainable Modern Economy and Social Development

The EU and Egypt as key partners will cooperate in advancing socio-economic goals set out in Egypt's "Sustainable Development Strategy – Vision 2030" with a view to building a stable and prosperous Egypt.

a) Economic modernisation and entrepreneurship

Egypt is committed to attaining long-term socio-economic sustainability through, *inter alia*, creating a more conducive environment for **inclusive growth and job creation**, particularly for youth and women, including by encouraging integration of the informal sector into the economy. For long-term economic sustainability, this will include measures that can generate a larger fiscal space to better implement its sustainable development strategy, further reform of subsidies and taxation, strengthening the role of the **private sector** and **enhancing the business climate** to attract more foreign investment, including through a more open and competitive trade policy, fully benefit from the digital dividend and through support to key infrastructure projects such as the development of an efficient transport system. Furthermore, the EU will support Egypt's efforts towards **public administration reform** and good governance, including through the use of high quality statistics and taking into account the digital revolution and the related new business and societal models.

The Egyptian Sustainable Development Strategy attaches great importance to small and medium enterprises (SMEs) and to "Mega Projects" such as the Suez Canal Development Project, the Golden Triangle Project for Mineral Resources in Upper Egypt and reclaiming four million hectares for agriculture and urbanization, as well as to the Egyptian Knowledge Bank as major contributors to the long-term socio-economic development process. Given the importance of SME development for inclusive growth, this sector will continue to play a central role in EU co-operation with Egypt. The EU will also consider ways to further the potential for socio-economic development of the Suez Canal Development Project (Suez Canal Hub). Moreover, the EU and Egypt will cooperate across sectors in research and innovation and in advancing digital technologies and services. In this context, Egypt and the EU highlighted their interest in intensifying cooperation in a number of relevant research and higher education activities, including in the framework of Horizon-2020 and Erasmus +.

Given Egypt's invaluable and diverse heritage, and the significant contribution of the cultural sector (to which tourism is strongly linked) to the country's GDP, employment, foreign exchange reserves and society more broadly, a particular emphasis will be placed on the **link between culture, cultural heritage and local economic development**.

b) Trade and investment

The EU and Egypt are important **trading partners**. They are committed to **strengthening the existing trade and investment relationship** and to ensuring that the trade provisions of the EU-Egypt Association Agreement establishing a free trade area (FTA) are implemented in a manner that enables it to reach its full potential. While the EU has previously put forward the idea of a comprehensive Deep and Comprehensive Free Trade Agreement (DCFTA) initiative to both deepen and widen the existing FTA, the EU and Egypt will also jointly identify other suitable approaches to enhance trade relations.

c) **Social development and social justice**

Egypt reiterates its commitment to reforming and promoting social development and social justice, to address the social and demographic challenges it is facing, and to boost the country's human resources that will advance economic and social development. In this regard, the EU will support Egypt's efforts to **protect marginalised groups** from potential negative impacts of economic reforms through **social safety nets and social protection**. Moreover, the EU and Egypt will continue to promote **rural and urban development**, as well as to improve the delivery of basic services, with an emphasis on modernising **education** (including technical and vocational training) and **health systems**. The EU will share its experience in establishing an inclusive health care coverage and improved health care services.

d) **Energy security, environment and climate action**

The EU and Egypt will cooperate in the **diversification of energy sources**, with a particular focus on **renewable energy sources**, and in **energy efficiency** actions. The EU will, upon request from the Egyptian government, support Egypt's efforts to update its integrated energy strategy that aims at satisfying the country's sustainable development requirements and reducing greenhouse gas emissions. Further, the discovery of offshore gas fields in Egypt, provides an important scope for **synergies between the EU and Egypt in conventional energy sources**, given the existing liquefaction infrastructures in Egypt. This would allow for a **more predictable generation of energy**, which would serve the interests of both Egypt –given the significant consumption needs of the country and the income generation potential (including for the business environment and social development) –and the EU, in diversifying its supply. **Strengthening the energy dialogue** between the EU and Egypt will contribute to the identification of key areas of cooperation (such as technical assistance to establish a regional energy hub), joint research, sharing experience and best practice, technology transfers and promoting sub-regional (intra-Mediterranean) cooperation, while being cognizant of the need to preserve the Mediterranean marine ecosystems.

The EU and Egypt will cooperate in the promotion of **action on climate** and the **environment within the context of achieving sustainable development**. In line with their commitments following the adoption of the Paris Agreement on climate change, the EU will support the implementation of Egypt's **Intended Nationally Determined Contributions** in the fields of mitigation and adaptation. Further, the EU and Egypt will cooperate towards achieving the goals identified in, *inter alia*, the 2030 Development Agenda and the Sendai Framework for Disaster Risk Reduction.

Egypt and the EU will explore potential cooperation in areas such as **sustainable resource management**, including water resources, **biodiversity conservation, sanitation, solid waste management**, including the abatement of industrial pollutants, chemicals and hazard waste management, as well as combating desertification and land degradation. Egypt and the EU are also exploring the opportunities provided for in the Union for the Mediterranean (UfM) Ministerial Declaration on Blue Economy through IMP/CC¹ facility. Potential fields of cooperation under consideration include smart seaports, maritime clusters, integrated coastal zone management, and marine fisheries.

2. Partners in Foreign Policy

The EU and Egypt have a shared interest in reinforcing cooperation in foreign policy at the bilateral, regional and international levels.

¹ Facility for Regional Policy Dialogue on Integrated Maritime Policy / Climate Change

Stabilising the common neighbourhood and beyond

Egypt has a role to play using its seat on the UN Security Council as well as its seat on the African Union Peace and Security Council. Egypt is also hosting the headquarters of the League of Arab States (LAS), with which the EU intends to deepen and broaden cooperation. Egypt and the EU will seek greater cooperation and a common understanding of a range of issues, including in the multilateral sphere. The partnership between the EU and Egypt is important for the stability and prosperity of the Mediterranean, the Middle East and Africa. Cooperation between the EU and Egypt, including within regional fora, will aim to contribute to the resolution of conflict, to building peace and to tackling political and economic challenges in these regions. Further, the EU and Egypt will reinforce the exchange of information on major regional and international challenges that affect both sides.

Cooperating in crisis management and humanitarian assistance

The EU and Egypt will step up cooperation and consultations and will exchange experience in crisis management and prevention, both bilaterally and regionally, to address the complex challenges to peace, stability and development arising from conflict and natural disasters, in their common neighbourhood and beyond.

3. Enhancing stability

Stabilisation is a common challenge facing the EU and Egypt. Establishing **a modern, democratic state that delivers benefits equitably** to all people is essential for this. Human rights –civil, political, economic, social and cultural rights, as set out in international human rights law, the Treaty on European Union and the Egyptian Constitution –are a common value and constitute the cornerstone of a modern democratic state. Egypt and the EU are therefore committed to promoting democracy, fundamental freedoms and human rights as constitutional rights of all their citizens, in line with their international obligations. In this context, the EU will provide support to Egypt in translating these rights into law.

a) A modern, democratic state

Egypt and the EU are committed to ensuring accountability, the rule of law, the full respect of human rights and fundamental freedoms and responding to the demands of their citizens. The EU will support Egypt's efforts to **enhance the capacity of state institutions** for effective **public sector reform**, to enhance the capacity of **law enforcement institutions in implementing their duties in providing security to all**, as well as to develop **the new Parliament's constitutional functions**. Further, the EU and Egypt will enhance cooperation in **modernising the justice sector** and increasing access to justice for all citizens through legal aid and establishing specialised courts, in public finance management reform and in **tackling corruption**. The EU and Egypt will also consider developing judicial cooperation on criminal and civil matters. Parliamentary cooperation between the EU and Egypt, including through structured exchanges between parliamentary committees and groups, would reinforce coordination and promote mutual understanding. The EU will also support Egypt's efforts to **empower local authorities** in planning and delivering public services, as well as in further ensuring equality in economic, social and political opportunities and to promote social integration for all.

b) Security and terrorism

Security is a shared objective. **Terrorism** and violent extremism conducive to terrorism threaten the social fabric of nations across both sides of the Mediterranean. They pose a major threat to the security and well-being of our citizens. Combating these threats represents a common goal of the EU and Egypt who can cooperate through a comprehensive approach that will address the root causes of terrorism with due respect for human rights and fundamental freedoms, in order to successfully **counter and prevent radicalisation** and promote socio-economic development. The EU and Egypt remain committed to cooperating in fighting extremism and any form of discrimination, including Islamophobia and xenophobia.

Other fields of cooperation include, inter alia, strengthening the aviation security and protective security as well as the capacity to prevent and fight trans-national organised crime such as migrant smuggling, human trafficking, the illicit drugs trade and money laundering.

Both parties agree to strengthen their cooperation in the area of the implementation of the UN Programme of Action on Combating Illicit trade in Small Arms and Light Weapons, including through exchanging experiences, training and other capacity building activities.

c) Managing migratory flows for mutual benefit

The political declaration of the Valletta Summit and the Joint Valletta Action Plan will provide the main context for cooperation between the EU and Egypt in the field of migration. The EU will support the Egyptian government's efforts to strengthen its **migration governance** framework, including elements of legislative reform and strategies for migration management. The EU will support Egypt's efforts to prevent and combat irregular migration, trafficking and smuggling of human beings, including identifying and assisting victims of trafficking. It will also seek to support and strengthen Egyptian capacity to protect migrants' rights and to provide protection to those who qualify for it, in line with international standards. The EU and Egypt will explore cooperation on the voluntary return of irregular migrants to their country of origin to ensure that migration is globally managed in a legal manner. This will go hand in hand with cooperation in addressing root causes of irregular migration, in particular underdevelopment, poverty and unemployment.

Mobility of persons can contribute to the development of skills and knowledge which could in turn contribute to the development of Egypt. It can also build sustainable bridges between a high skilled labour force in the EU and Egypt. The EU and Egypt are committed to the full protection of the rights of migrants.

III. Principles of cooperation

Promoting the human factor and people-to-people contacts will reinforce the links, thereby consolidate the partnership, between the EU and Egypt. Mutual accountability and responsibility, towards the European and Egyptian people are an essential aspect of the Partnership Priorities.

Issues of common interest should also be tackled through a **stronger regional and sub-regional (South-South) cooperation**. In this respect, the EU and Egypt will work together within the framework of the UfM and through the Anna Lindh Foundation, particularly on cross-cultural dialogue.

The culture of dialogue has proven to be a valuable tool in developing mutual respect. **Deepening the political dialogue** on democracy and human rights and maintaining those technical aspects that reinforce it will be essential. Dialogue will also provide the means to substantiate the partnership and to take stock of its depth and achievements.

In line with the Egyptian's government's priorities, a focus on **youth** –on which the long-term stability of our societies lies –and on **women** –essential for progress in any society –will be mainstreamed in the Partnership Priorities. A key objective is to empower and equip them with the legal and practical tools to assume their due role in society through their active participation in the economy and the governance of their country. The EU will continue to share its experience in fighting discrimination against women and promoting gender equality, as well as in promoting inclusion and providing opportunities for the young.

The EU and Egypt agree that **civil society** is an important and potent contributor to the implementation of their partnership priorities and to transparent, participatory governance and can support the sustainable development process underway in Egypt. They will work with civil society in contributing effectively in the economic, political and social development process in compliance with the Egyptian Constitution and the respective national legislation.

IV. Conclusion

In the spirit of co-ownership, the EU and Egypt have jointly defined Partnership Priorities and will develop an agreed evaluation and monitoring mechanism. A mid-term review is also foreseen to evaluate the impact of the Partnership Priorities. In line with the focused approach of the Partnership Priorities, the EU and Egypt will jointly **rationalise the implementation of their Association Agreement** for their mutual interests. The Association Committee and Association Council will remain the key bodies that will carry out the overall assessment of the implementation of the Partnership Priorities on an annual basis.