



Council of the
European Union

Brussels, 17 October 2016
(OR. en)

13026/16

CFSP/PESC 796
PE 99
COPS 292

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
No. prev. doc.: 12898/16
Subject: CFSP Report - Our priorities in 2016

Delegations will find enclosed "CFSP Report - Our priorities in 2016", as endorsed by the Council on 17 October 2016.

CFSP Report – Our priorities in 2016**Introduction**

The High Representative presented an EU Global Strategy on Foreign and Security Policy to the European Council in June 2016. The second half of 2016 is dedicated to follow-up and implementation in the priority areas identified by the EU Global Strategy, namely on resilience building and an integrated approach to conflict and crises, security and defence and strengthening the link between internal and external policies, with attention to migration, as well as to counter terrorism. Work on implementing the strategy takes place on the basis of an HR/VP roadmap for implementation and Council conclusions in October 2016. Efforts in communication and public diplomacy, as well as to increase public resilience against information manipulation by third parties and anti-EU messages, to reach EU citizens as well as the publics of third countries are also being stepped up.

In 2016 CFSP is focusing above all on continuing the quest for solutions to the acute crises in the EU's neighbourhood, whilst protecting and defending human rights, and on building and strengthening peace and stability globally, also through CSDP missions and operations. To the east, Russia's violation of international law and the destabilisation of Ukraine, on top of protracted conflicts in the wider Black Sea region, challenge the European security order at its core. To the south, efforts will continue to focus on bringing the conflict in Syria to a close. In addition to deepening regional instability and insecurity, the crisis in Syria also has an impact on the EU internally - both as a major security risk and in terms of mass movement of people fleeing to safety.

The EU will also focus on taking forward positive developments, such as in Iran, where it will continue its work on the implementation of the Joint Comprehensive Plan of Action (JCPOA) and renewing bilateral relations. Other priorities include taking forward the EU's work in Libya. Building on an already active role in Africa the EU will continue strengthening peace and resilience including through CSDP missions and operations. The EU will also continue developing working partnerships in Central and South-East Asia, and nourishing the crucial transatlantic relationship. The Brussels Afghanistan conference in October 2016 was an important opportunity to foster peace, stability and security. The EU will continue working with the United Nations, acknowledging the importance of an international system based on multilateralism.

In order to reflect the comprehensive approach, this report includes, when appropriate, references to non-CFSP policies and instruments.

GEOGRAPHICAL

EUROPE AND CENTRAL ASIA

Eastern Neighbourhood/EaP

A democratic, stable and prosperous Eastern Neighbourhood will remain a priority for the EU. The EU's approach to the Eastern Partnership (EaP) will continue to build on the principles agreed at the Riga summit of 2015 and stipulated in the European Neighbourhood Policy (ENP) review. The EU will strive to maintain the inclusiveness of EaP multilateral cooperation. The Eastern Partnership ministerial meeting in May 2016 discussed the need for continued reform and stability in the region, with a view to preparing the next summit in 2017.

In its relations with Georgia, the Republic of Moldova and Ukraine, the EU will continue to focus on the implementation of the respective Association Agreements (AAs), which will help to steer reform processes in these countries. The AAs entered into force on 1 July 2016 for Georgia and the Republic of Moldova; the Association Agreement with Ukraine is being provisionally applied.

Visa liberalisation, already in place with the Republic of Moldova, will be an important tangible sign of the benefits of association with the EU. In the first half of 2016, the Commission presented legislative proposals to lift visa requirements for Georgian and Ukrainian citizens holding biometric passports, after its confirmation that they had successfully met all benchmarks under their respective Visa Liberalisation Action Plans.

In the relations with Eastern Partners, who do not seek Association Agreements - Armenia, Azerbaijan and Belarus – the EU will develop attractive and mutually beneficial alternatives based on common values and fundamental principles of the EU for promoting comprehensive cooperation and sustained reform processes in the Eastern European partner countries.

Ukraine's economic situation has been stabilised in large part due to international and EU support. While an impressive range of reforms have been initiated, continued efforts are necessary to ensure their implementation and sustainability, notably as regards the rule of law, fight against corruption and the creation of a conducive environment for foreign investments. The EU will continue to foster institutional change, modernisation and stabilisation in Ukraine through regular high-level political dialogue and the timely implementation of ENI programmes. Cooperation on energy will continue, including negotiations on a Memorandum of Understanding for a Strategic Energy Partnership. The annual EU-Ukraine Summit and the Association Council later this year will provide further impetus to the political association and economic integration of Ukraine with the EU.

The EU will continue to support diplomatic efforts within the Normandy format and the Trilateral Contact Group for full implementation of the 2014 and 2015 Minsk Agreements, as well as to provide financial and in-kind support to the OSCE Special Monitoring Mission in Ukraine. The EU will remain committed to the policy of non-recognition of the illegal annexation of Crimea and Sevastopol, which also led to restrictive measures against Russia. The EU will remain open to all contacts aimed at the constructive resolution of trade problems (including retaliation measures taken by Russia against Ukraine), even though the trilateral EU-Ukraine-Russia talks on deep and comprehensive free trade agreement (DCFTA) implementation concluded unsuccessfully in December 2015. The trilateral gas talks in the context of the winter package are being followed up.

Political instability in **the Republic of Moldova** during 2015 has been a major obstacle to overall progress on the reform agenda. In 2016, though fragile, the Republic of Moldova has recovered its stability with the appointment of a new government in January. The EU will continue to follow the situation closely, as provided for in the February 2016 Council conclusions, focusing on much-needed key reforms. The EU remains ready to assist the Republic of Moldova, including through technical assistance and project support, such as peer-review missions and high-level advisers. The EU also remains committed to supporting the territorial integrity of the Republic of Moldova within its internationally-recognised borders, as well as to further supporting the Transnistrian settlement process and the efforts undertaken by the OSCE in this regard.

Parliamentary elections in **Georgia** were held in October 2016. The EU welcomed the parliamentary elections in Georgia, which were held in a generally peaceful and orderly way. Besides some incidents of violence near and in polling stations, the preliminary assessment of the OSCE/ODIHR Election Observation Mission found the elections to be competitive, well-administered and respecting fundamental freedoms. The EU looks forward to working with the democratically elected new parliament and government once the electoral process is complete and calls for all representatives elected to the new parliament to work together in the interest of Georgia. The EU will continue to support Georgia's efforts to overcome the consequences of conflict in Georgia's breakaway regions of Abkhazia and South Ossetia, including through the activities of the EU Monitoring Mission and the EU Special Representative (EUSR) for the South Caucasus and the crisis in Georgia. It will remain firmly committed to its policy of supporting Georgia's sovereignty and territorial integrity within its internationally-recognised borders.

The focus in the EU's relations with **Armenia** is on the negotiation of a new framework agreement that will provide a new impetus for intensifying our bilateral relations. Moreover, new Partnership Priorities will be agreed jointly to replace the outdated ENP Action Plan. Following last year constitutional referendum, it is important for Armenia to implement the new Electoral Code and all OSCE and CoE recommendations well before the next parliamentary elections in 2017. The EU will contribute, as the main donor, to cover most of the financial burden for the forthcoming parliamentary elections.

EU dialogue with **Azerbaijan** will aim at launching negotiations on a new Comprehensive Agreement. Although there has been some progress in the country's human rights situation, it still remains a concern. Azerbaijan has a key role in the diversification of EU's energy supplies. The Southern Gas Corridor, once completed, has the potential to increase Azerbaijan's share of the EU energy market and to establish the country as a gateway for the supply of gas from the eastern and southern banks of the Caspian Sea.

The EU will continue to support the mediation efforts carried out by the OSCE Minsk Group Co-chairs in order to find a negotiated solution to the Nagorno-Karabakh conflict.

The Council agreed in February 2016 to lift most of the restrictive measures applied to **Belarus**, acknowledging the steps taken by the country over the last two years which have also contributed to improving EU-Belarus relations. Nevertheless, the EU remains concerned about human rights, democracy and the rule of law situation in the country. Condemning the application of the death penalty, the EU urges Belarus to set up without delay a formal moratorium on executions as a first step towards abolition of the death penalty. There is now an opportunity for EU-Belarus relations to develop a more positive agenda including commencing work on the agreement of joint Partnership Priorities. Increased EU assistance will be geared towards Belarus modernisation efforts. Tangible steps taken by Belarus to respect universal fundamental freedoms, the rule of law and human rights will remain key to the shaping of future EU-Belarus relations.

Russia

Russia's illegal annexation of Crimea and Sevastopol and continuing destabilisation of Ukraine will continue to have an impact on the relations with the EU. In keeping with the outcome of Foreign Affairs Council discussion of March 2016, which set out five principles of engagement and the European Council conclusions of March 2015 which linked the duration of the restrictive measures against Russia to the complete implementation of the Minsk agreements, the Union will continue its double-track approach of firmness coupled with diplomatic outreach.

Although EU-Russia dialogue and cooperation remain limited in the absence of a settlement of the Ukraine conflict, and are further complicated by Russia's military actions in Syria since 2015, the EU will keep communication channels open and selectively engage with Russia on issues where there is a clear EU interest, such as Syria, Libya, the Middle East Peace Process, Afghanistan, Iran as well as global issues. Regional and cross-border cooperation programmes are also ongoing.

The EU will also continue to call on Russia to abide by its international commitments, such as respecting the sovereignty and territorial integrity of other countries, rule of law and good-governance issues, and WTO. In view of the continuing pressure on civil society, the problematic human rights situation and the narrowing of media freedom in Russia, the Union will continue raising human rights issues with Russian interlocutors and will intensify its support to Russian civil society as well as contacts between our peoples. The EU took note of the concerns raised by OSCE/ODIHR with respect to restrictions to fundamental freedoms and political rights, firmly controlled media and a tightening grip on civil society, as well as shortcomings related to candidate registration and the legal framework, that negatively affected the electoral environment ahead the elections for the State Duma in the Russian Federation. The EU expects the Russian authorities to do their utmost to address these concerns based on ODIHR recommendations. The EU does not recognise the illegal annexation of Crimea and Sevastopol by the Russian Federation and therefore does not recognise the holding of elections in the Crimean peninsula. The EU also expects that all states that are in a position to assist the investigation and prosecution of those responsible for the tragedy of flight MH17 must do so, as demanded by UN Security Council Resolution 2166.

Turkey

The EU has been working in 2015 and 2016 to consolidate and develop a high level of dialogue and engagement with Turkey as a candidate country and a key partner beyond the migration/refugee crisis, as demonstrated by the intensified high-level contacts between the EU and Turkey since autumn 2015 and following the European Council conclusions of October 2015. While they focused primarily on addressing the refugee/migration crisis, they culminated in a summit on 29 November 2015 which recognised the importance for the EU and Turkey to work closely together on issues of vital interest to both.

The EU strongly condemned the attempted coup in Turkey on 15 July 2016. A state of emergency was subsequently announced on 21 July. In the 18 July 2016 Council conclusions, the EU strongly condemned the coup attempt, while reiterating its full support to the legitimate institutions of the country, and called for full observance of Turkey's constitutional order, stressing the importance of the rule of law prevailing. The EU underlined the need to respect democracy, human rights and fundamental freedoms and the right of everyone to a fair trial, in full compliance with the European Convention for the protection of Human Rights and Fundamental freedoms, including Protocol 13 on the abolition of the death penalty. In the light of these events, the EU will follow these issues with the highest level of scrutiny, while remaining committed to working together with a democratic, inclusive and stable Turkey to address common challenges.

The EU-Turkey Summit of November 2015 initiated renewed cooperation with Turkey (re-energised accession negotiations, acceleration of visa liberalisation, increased financing of EUR 3 billion via the Facility for Refugees in Turkey, and the activation of the Joint Action Plan on migration and refugee management). It was also agreed that a structured and more frequent high-level dialogue was essential to advance the potential of EU-Turkey relations: regular summits twice a year; comprehensive regular political dialogue meetings at ministerial/high representative/commissioner level, in addition to regular Association Councils; regular discussions and cooperation on foreign and security policy, including on counter-terrorism, as well as high-level dialogues on key thematic issues such as the economy and energy.

The summit was followed by an EU-Turkey High-Level Political Dialogue (HLPD) held in Ankara on 25 January 2016. On this occasion, a six-month joint Work Plan was agreed upon. Additionally, the HLPD provided the opportunity to discuss in a comprehensive and coherent manner all key issues on the agendas of both sides to feed into preparation of future EU-Turkey summits. On 28 January 2016, a High-Level Energy Dialogue took place in Istanbul. A High-Level Economic Dialogue was held on 25 and 26 April 2016 in Ankara and Istanbul. The EU and Turkey launched preparatory steps on upgrading and modernising the customs union and the Commission is currently completing an impact assessment study with a view to presenting draft negotiating directives in the fourth quarter of 2016.

The unabated urgency of the refugee and migration crisis led President Tusk to call for an extraordinary meeting of Heads of State or Government with Turkey. Following a first meeting on 7 March 2016, a Joint Statement was agreed with Turkey, based on the EU-Turkey Action Plan, on 18 March 2016, aiming inter alia at breaking the people-smugglers' business model and removing the incentive to seek irregular routes to the EU, in accordance with EU and international law. According to the latest assessments on the progress made in the implementation of the Joint Statement¹, the substantial fall in both crossings and fatalities since the entry into force of the Statement is testament to its effective delivery and in particular that the business model of smugglers exploiting migrants and refugees can be broken. While the overall scale of flows towards Greece remains far less than before the Statement, this deserves careful monitoring. It is therefore important to continuously monitor the situation, and to take preventative measures. Reinforcing communication and exchange of information between Turkish authorities and their counterparts in the EU will be an important factor in addressing any emerging risks. Within the EU, measures have been taken to protect vulnerable borders. Following the request from the Bulgarian authorities for additional support, Frontex has been gradually reinforcing its presence at the Bulgarian borders with Turkey (as well as with Serbia). Turkey should continue efforts towards implementing the Joint Statement in an effective and sustainable way. The EU commends Turkey for its generosity in hosting and addressing the needs of over two million Syrian refugees.

The Facility for Refugees in Turkey was established in response to the need for significant additional funding to support Syrian refugees in the country. The Facility focuses on humanitarian assistance, education, migration management, health, municipal infrastructure, and socio-economic support. It is now fully operational and much of the overall €3 billion foreseen for the years 2016-2017 has been allocated. With regard to lifting of visa requirements for Turkish citizens, Turkey has yet to meet seven of the 72 benchmarks defined in the Visa Liberalisation Roadmap. While regretting Turkey's unilateral statements in this regard, which have no legal effect, the EU underlines the importance of full and effective implementation of both the readmission agreement and the visa road map vis-à-vis all Member States, including cooperation on JHA issues and non-discriminatory visa free access to the Turkish territory for the citizens of all EU Member States.

¹ COM(2016) 634 final, 28 September 2016.

A High Level Political Dialogue in Ankara was held on 9 September 2016 which covered developments on various strands of cooperation including key foreign policy developments, counter-terrorism, migration, energy and economic relations. The EU reiterated its support for the Turkish people and the democratic institutions while sending a clear message that Turkey must respect the rule of law, protect media freedom and guarantee every individual's right to a fair trial and due process. The situation for the Kurds and the Kurdish issue were also discussed. The EU stated that all violence and terrorist attacks have to be stopped and arms laid down accompanied by a political process.

In December 2015, the EU took note of the Commission's intention to present the preparatory documents of a number of chapters in the first quarter of 2016, without prejudice to Member States' positions. The EU also stated that Turkey can accelerate the pace of accession negotiations, by advancing in the fulfilment of benchmarks, meeting the requirements of the negotiating framework and by respecting its contractual obligations towards the EU. The EU continues to call on Turkey to progressively align with the EU Common Foreign and Security Policy in line with the Negotiating Framework.

Turkey needs to commit itself unequivocally to good neighbourly relations and to the peaceful settlement of disputes in accordance with the United Nations Charter, having recourse, if necessary, to the International Court of Justice. In this context, the Union expresses once again serious concern, and urges Turkey to avoid any kind of threat or action directed against a Member State, or source of friction or actions, which damage good neighbourly relations and the peaceful settlement of disputes. Moreover, the EU stresses again all the sovereign rights of EU Member States. This includes, inter alia, the right to enter into bilateral agreements and to explore and exploit natural resources in accordance with the EU acquis and international law, including the UN Convention on the Law of the Sea and also stresses the need to respect the sovereignty of Member States over their territorial sea and airspace. Turkey is urged to show restraint and to respect Cyprus' sovereignty over its territorial sea and Cyprus' sovereign rights in its exclusive economic zone.

Turkey, despite repeated calls, continues refusing to fulfil its obligation of full, non-discriminatory implementation of the Additional Protocol to the Association Agreement towards all Member States, the fulfilment of which could provide a significant boost to the negotiation process. In the absence of progress on this issue, the EU will maintain its measures from 2006, which will have a continuous effect on the overall progress of the negotiations. Furthermore, Turkey has regrettably still not made progress towards the necessary normalisation of its relations with the Republic of Cyprus. The EU recalls its position on accession of EU Member States to international organisations.

Noting recent encouraging developments over the past year, and as emphasised by the Negotiating Framework, the EU expects Turkey to actively support the negotiations aimed at a fair, comprehensive and viable settlement of the Cyprus problem within the UN framework, in accordance with the relevant UN Security Council resolutions and in line with the principles on which the Union is founded. Turkey's commitment and contribution in concrete terms to such a comprehensive settlement remains crucial.

Western Balkans

In 2016, the EU's attention has focused on addressing the following political stability and security factors: continuing to facilitate normalisation of relations between Kosovo* and Serbia, mitigating stability risks from political polarisation in Kosovo and in the former Yugoslav Republic of Macedonia, fostering Bosnia and Herzegovina's functional statehood and socio-economic development, consolidating Serbia's EU orientation and further strengthening reform and the rule of law in Albania and Montenegro. The EU remains committed to the European perspective of the Western Balkans. The EU will also continue to stress in the dialogue with the relevant Western Balkans countries its expectations to further deepen cooperation on foreign policy issues and progressive alignment with the EU's foreign policy positions, notably on issues where major common interests are at stake, such as restrictive measures.

* This designation is without prejudice to positions on status, and is in line with UNSC resolution 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

The **normalisation process between Belgrade and Pristina** (EU facilitated dialogue) must continue in good faith through 2016 and beyond, and all Dialogue agreements must be implemented by both sides. Meetings of the High-Level Dialogue between Pristina and Belgrade, facilitated by the HR/VP, are expected to continue. Following elections in Serbia and Kosovo, there is a new momentum in the process. Further progress in the implementation of all Dialogue agreements remains essential for advancing their European perspective.

In **Kosovo**, although the opposition has lost its former unity, significant polarisation with potential for a recurrence of occasional violence from the opposition will be a continued risk in 2016. The mandate of the European Union Rule of Law Mission (EULEX) has been extended until June 2018. The SAA between the EU and Kosovo entered into force on 1 April 2016 and the first SA Council will be held before the end of 2016.

Kosovo made significant progress in fulfilling the requirements of the visa liberalisation roadmap, which led to a formal proposal by the Commission in May 2016 to transfer Kosovo to the Schengen visa-free list, on the understanding that by the day of the adoption of this proposal by the European Parliament and the Council, Kosovo will have ratified the border/boundary agreement with Montenegro and strengthened its track record in the fight against organised crime and corruption. The EU recalls that the two remaining benchmarks must be met. The EU also recalls that, as for other beneficiaries of visa liberalisation, a safeguard clause may apply in the event of non-respect of relevant conditions.

Following the opening of the first two negotiating chapters with **Serbia** in December 2015, it will be important to address rule of law issues in the accession negotiations. The two chapters concerned (23 - Judiciary and Fundamental rights and 24 – Justice, freedom and security) were opened in July 2016, which should inter alia encourage the establishment of a track record in these areas. The EU encourages Serbia to take this positive momentum forward and to intensify legislative reforms and their effective implementation in the key areas of judicial reform, fight against corruption and organised crime, and freedom of expression and the media. Particular attention needs to be paid to the full respect of fundamental rights, including protection of the most vulnerable groups, particularly the Roma, as well as to the effective implementation of legislation on the protection of minorities, the non-discriminatory treatment of national minorities throughout Serbia, including in the areas of education, use of minority languages, access to media and religious services in minority languages, and tackling discrimination on the basis of sexual orientation or gender identity.

After early general elections in April 2016, in which Prime Minister Vucic won a clear endorsement for the policy of pursuing EU integration, the new government needs to focus on key reforms. It will also be important that Serbia maintains a constructive attitude towards all its neighbours and remains positively engaged in regional cooperation initiatives. The EU will continue to call on Serbia to progressively align with the EU Common Foreign and Security policy in line with the Negotiating Framework.

In September 2016, the Council invited the Commission's Opinion on **Bosnia and Herzegovina's** EU membership application. Continued and effective implementation of the Reform Agenda and its Action Plan, focused on the socio-economic, rule of law and public administration reform, is vital. EU will pay particular attention to the implementation of the Sejdic-Finci ruling.

The Protocol on adaptation of the SAA to take into account Croatia's accession to the EU has been initialled in July 2016. The coordination mechanism on EU affairs, established in August 2016, will have to function effectively so that the SA Committee and SA Council meetings planned can deliver their work, also in view of the Commission opinion process related to the EU membership application. A new IMF arrangement was signed in September 2016. A UNSC vote on renewing the mandate of the European Union military operation in Bosnia and Herzegovina (EUFOR/ALTHEA) is due in November 2016. BiH is also aiming to advance on its NATO membership aspirations.

The former Yugoslav Republic of Macedonia remains fragile with early general elections (agreed on under the June/July 2015 EU-facilitated political agreement between the four main parties to take place in early 2016) after being postponed twice, now set for 11 December 2016. However, the government will need to address the systemic rule of law issues exposed by the revelation of illegal surveillance of public figures. Failure to address these concerns could cause further political instability and public unrest. The trial of the Kumanovo suspects on terrorism charges will continue. The EU expects the country to address good neighbourly relations with Greece and Bulgaria, in line with Council conclusions of December 2015, and to translate into practice the relevant commitment by the main political party leaders under the 2 June agreement. The EU will continue following the situation closely and will remain committed to the EU accession process of former Yugoslav Republic of Macedonia.

In **Montenegro**, government and mainstream opposition parties agreed on a power-sharing arrangement in spring 2016 with the aim of holding credible general elections in October 2016, demonstrating the country's political maturity. After the opening of another two chapters in June, Montenegro continued progress on rule of law, including by establishing a solid track record in the fight against corruption and organised crime, is essential for the opening and closing of the remaining accession negotiation chapters. NATO members signed the Accession Protocol for Montenegro in May 2016 and ratification is underway. The country's Euro-Atlantic integration will have a positive impact on stability in the wider region.

Albania has continued to make a steady progress in addressing the five key priorities (public administration reform, judiciary, fight against corruption, fight against organised crime, human rights - including the protection of minorities and the implementation of property rights) identified for the opening of accession negotiations. Their sustained, comprehensive and inclusive implementation has to be ensured. Key legislation for a comprehensive reform to strengthen the independence and accountability of the judicial system was adopted by the Albanian parliament in summer 2016, and it should be possible for the country to begin serious implementation steps during the year. Further efforts in these key priorities will be required.

To help address remaining **migration** issues on the Western Balkans route, close coordination and cooperation with the countries of the region will need to continue throughout 2016, including follow up of assistance provided to manage borders, improve reception capacities and fight smuggling networks. Contingency planning regarding alternative migration routes will need to be in place in the rest of the Western Balkan countries and continuous monitoring in particular through EU Agencies is a priority in order to curtail possible further developments of the smuggling businesses in the region.

Inclusive **regional cooperation and good neighbourly relations** will remain essential for the stability and the European perspective of the Western Balkans. Continued efforts to facilitate inclusiveness will remain necessary in 2016 especially regarding regional rule of law initiatives/fora. The 1st June South East Europe Cooperation Process Summit in Sofia and the 4 July 2016 Paris conference under the Berlin Process (Western Balkans Summit) discussed pressing political issues and advance transport and energy connectivity within the region and with the EU. The Paris conference also focused on youth initiatives, such as the Positive agenda for the youth of Western Balkans launched in 2015 within Brdo-Brijuni process. The Regional Cooperation Council (RCC)'s 2017-2019 programme, which was endorsed in June 2016, will further emphasise fundamentals such as the rule of law, economic governance and public administration reform to ensure greater integration across Western Balkan and other RCC members. The EU will continue to support the initiatives and structures which reinforce inclusive regional cooperation in South Eastern Europe and the Western Balkans.

The EU has identified the Western Balkans as a priority region for external action on **counter-terrorism**. EEAS and Commission services will enhance cooperation between EU agencies and relevant Western Balkan authorities on counter-terrorism/countering violent extremism, focusing on coordination efforts through the Western Balkan Counter-Terrorism Initiative initiated by Slovenia. The EEAS, Commission services and other stakeholders will prepare a 2017-19 regional assistance project on counter-terrorism, organised crime and border security under the Instrument for Pre-accession Assistance.

Western Europe

As far as the EU's relations with **Switzerland** are concerned, 2016 is a crucial year. The Federal Council is required by the Swiss Constitution to translate the popular vote of 9 February 2014 into implementing legislation by February 2017. This legislation risks being incompatible with the EU-Swiss Agreement on the Free Movement of persons. Strategic choices will have to be made both by the Swiss side and by the EU. The nature of our overall relationship will obviously depend on the outcome of this process.

Close cooperation and exchange continued with Switzerland in areas such as the South Caucasus (Swiss OSCE-Special envoy), the democratic process in North Africa, the Middle East Peace Process and Iran. Although there is no alignment agreement between the EU and Switzerland, Switzerland is likely to continue to autonomously align itself to EU positions and measures.

There is very good and close cooperation between the EU and **Norway** in the field of foreign policy, notably on the Middle East (where Norway is the Chair of the Ad-hoc Liaison Committee), Syria, Russia/Ukraine and Arctic issues. Norway is also involved in peace talks in Colombia (co-facilitator with Cuba). Norway will remain a key partner in the area of energy security, security, migration, fight against climate change, crisis settlement, development aid and promotion of human rights.

Relations with the **small-sized states Andorra, Monaco and San Marino**, have changed gear since the opening of negotiations for one or several Association Agreement(s) in early 2015. The negotiation process will continue throughout 2016 with an extensive screening exercise of relevant EU acquis in the area of the four freedoms, and the discussion on the future institutional setup of our relations.

Central Asia

In Central Asia, the EU is focusing on promoting economic development and good governance to strengthen the stability of the region, in line with the **EU Strategy for Central Asia**, adopted in June 2015. The EU, in cooperation with other countries and organisations active in the region, also aims to promote synergies particularly with Afghanistan. In addition to economic development and good governance, the EU strives to promote further cooperation in the education sector, water and environment issues and rule of law, as well as enhanced protection for human rights. There is an established strong institutional relationship manifested by the High-Level Political and Security Dialogue in May 2016 and the EU-Central Asia Ministerial meeting on 4 October.

It will be important to ensure the successful provisional application and ratification of the Enhanced Partnership and Cooperation Agreement with **Kazakhstan**. **Kyrgyzstan** is heading for presidential elections in 2017 and a successful democratic transition of power will serve as an important example for the entire region. **Uzbekistan** is embarking on the post-Karimov era and it will be important for the EU to reach out to the new leadership of Central Asia's most populous country. **Tajikistan** faces numerous challenges from an economy in decline to increasingly repressive measures towards the opposition, which need to be carefully monitored. It is important to strengthen ties with **Turkmenistan** in light in particular of the country's potential as a major gas supplier to the Southern Gas Corridor.

Arctic

Global attention to the **Arctic** has increased considerably, in view of the challenges and opportunities arising from climate change, in terms of access to new energy and mineral sources, and the opening up of new shipping routes. In April 2016, the HR and the Commission presented a Joint Communication on an integrated European Union policy for the Arctic, welcomed by the Council in its conclusions of 20 June 2016. This policy takes into account these recent developments, as well as the socio-economic aspirations of local inhabitants and the need to maintain the Arctic as a region of constructive international cooperation.

MIDDLE EAST AND NORTH AFRICA

Southern Neighbourhood

The stabilisation of the region in political, economic, and security related terms is at the heart of the EU's policy. The EU will open a new phase of engagement with countries in the Southern neighbourhood aiming at building more effective partnership within the context of the reviewed European Neighbourhood Policy, based on enhanced differentiation and joint ownership. The EU will also continue to promote further regional integration in particular through initiatives within the framework of the Union for the Mediterranean (UfM) and to increase dialogue with the Arab world developing the potential of cooperation with organisations such as the League of Arab States and the OIC.

The EU is stepping up its engagement with countries that are implementing political and economic reforms such as Tunisia, Jordan and Morocco. This will translate into enhanced political dialogue, significant EU financial assistance (both grants and loans), agreement on the priorities for our partnership, as well as progress in key policy areas. Specifically on security, following up to the Council conclusions and the Statement of the Members of the European Council of February 2015, the EU has launched counter-terrorism dialogues with partners and the ENP review proposes measures to reinforce partners' resilience against threats, such as countering the terrorist threat and preventing radicalisation, as well as supporting security sector reform and border management. Dialogue will also continue as a priority in the field of migration management. Jordan and Lebanon will receive comprehensive support in the form of EU compacts for their key role in hosting almost 2 million Syrian refugees².

The EU is committed to **Tunisia's** democratic transition and will strengthen its support to the country's efforts to address the critical challenges it is facing and promote long-term stability, resilience, good governance, socio-economic development, and security based on the Joint Communication presented by the Commission and the HR in September 2016.

² See Communication on New Partnership Framework

In **Libya**, the EU supports the Presidency Council and the Government of National Accord (GNA), established following the signing of the UN-supported Libya Political Agreement and the adoption of UNSCR 2259 in December 2015, to help them put an end to the current political and security crisis. The EU has mobilised a EUR 100 million cooperation package in support of the GNA and the Libyan people, part of which is already being implemented.

The EU aims to strengthen its strategic dialogue with **Morocco** in particular on security, democratic reforms and migration with a view to overcoming recent developments and developing the full potential of our partnership.

Algeria has proven a reliable partner when it comes to security and energy. Negotiations on new partnership priorities are ongoing.

The EU is also negotiating Partnership priorities with **Egypt**, with whom democratic reforms, socioeconomic development and human rights will continue to be a central part of our relations, taking into account Egypt's pivotal role for regional security, including on counter-terrorism.

In line with the review of the ENP, Partnership priorities are also negotiated with **Jordan** and **Lebanon**.

MEPP

In the context of a stalled Middle East Peace Process, the EU, including through its EUSR, will reinforce its engagement with the parties and international partners to create a new dynamic conducive to negotiations. The EU reiterates its firm commitment to the two-state solution and its existing policies, as set out in its successive Council conclusions, and its concerns about the growing threats to that solution. The EU recalls that settlements are illegal under international law, constitute an obstacle to peace and threaten to make a two state solution impossible, and reiterates its strong opposition to Israel's settlement policy and actions taken in this context, such as demolitions and confiscation, including of EU funded projects. The EU is deeply concerned that the continuing cycle of violence has led to a serious loss of human life in Israel and the Palestinian territory. The EU firmly condemns the terror attacks and violence from all sides and in any circumstances, including the death of children.

In the coming months, engagement within the Quartet and other stakeholders in the region and beyond will be essential to ensure a reinforced multilateral framework. The EU will continue to remind both parties to take the recommendations of the recent Quartet report seriously. The EU is determined, alongside other international and regional partners, to bring a concrete and substantial contribution to a global set of incentives for the parties to make peace, with a view to an international conference planned to be held before the end of the year. The EU also reaffirms its proposal of an unprecedented package of political, economic and security support to be offered to and developed with both parties in the context of a final status agreement.

Gulf/Levant

The EU is seeking closer cooperation with **Gulf States** in addressing challenges in the region (in particular in Yemen, Syria/Iraq, Horn of Africa) as well as in developing a more structured framework for its engagement on a range of common challenges, including security, counter-terrorism, counter-radicalisation, migration. Regular dialogue on human rights in the region will also remain on the joint agenda. To this end, the EU will continue developing its important relationship with the Gulf Cooperation Council (GCC).

The EU will continue to implement its Strategy on Syria, Iraq and the threat of Daesh, as per the Council conclusions adopted on 23 May 2016. **Syria** will remain a key priority for the EU which is fully committed to the implementation of UN Security Council resolution (UNSCR) 2254, notably in relation to humanitarian access, cessation of hostilities leading to a ceasefire and advancing political transition. The EU will sustain these efforts and play its part in supporting the intra-Syrian talks and de-escalating regional tensions.

Regarding **Iraq**, the EU will provide enhanced support to the Iraqi government in its efforts to carry out reforms crucial to achieving national reconciliation and the consolidation of a democratic system based on inclusive governance, and rule of law. The EU will explore further means to help the Iraqi Federal Government and the Kurdistan Regional Government to recover economic and financial health. The EU will also focus on stabilization and reconstruction of Daesh liberated areas in close coordination with international partners.

The continued full and effective implementation of the JCPOA on **Iran's** nuclear programme and UNSCR 2231 will remain a priority. The renewal of bilateral relations on the basis of the JCPOA's full implementation will be crucial to reverse a decade-long hiatus; our strategy of gradual engagement will include cooperation on economic and trade issues, and cover regional matters and human rights. The HR/VP's visit to Tehran on 16 April 2016 set a foundation for taking this intensive work forward.

The migration crisis in Europe has further underlined the importance of upgraded EU engagement in the region. Following the Valletta Summit on migration in November 2015, additional support on migration is being provided to North African countries, in particular through the Africa Trust Fund and that support may be further increased. In addition, the sizeable humanitarian assistance already provided to the countries in the region will be further stepped up on the basis of the results of the London Conference 'Supporting Syria and the region' held in February 2016, where the EU pledged over EUR 2.4 billion for 2016-2017 to alleviate the consequences of the crisis for neighbours of the Syrian conflict, on top of Member States' contributions. Altogether the EU pledge counted for more than two thirds of international aid. This will include finalising the EU compacts with Lebanon and Jordan whereby these countries will have a wider access to the full EU tool box in order to boost their economy while ensuring protection as well as access to social services and work for refugees. Furthermore two Regional Development and Protection Programmes are active in the Middle East and in North Africa supporting partner countries on the management of refugee flows.

Security concerns will remain at the top of political agendas, determining the work and priorities of regional governments in many countries, often to the detriment of democratic governance, although the social and political conditions lying behind the Arab spring five years ago have not yet been properly addressed. Political pluralism remains under strain and has even decreased in some countries. Educational deficiencies remain high and have been aggravated by the refugee crisis. Economic growth has been severely affected by the collapse of the oil price.

The year 2016 will be a crucial one for the region, with important new variables at stake in already difficult and polarised relations among several countries. The impact of a possible continuation of the recent trend of plummeting oil prices, the increasing sectarian rift and the new dynamic which may result from the lifting of international sanctions on Iran will need to be carefully evaluated.

AMERICAS

The EU-US strategic partnership remains vital for global and foreign policy challenges, such as the conflict in Ukraine, the fight against Daesh and the efforts to secure peace in Syria and Libya, addressing the challenge of migration, and the implementation of the JPCOA with Iran. The EU remains fully committed to completing an ambitious, comprehensive and balanced high standard Transatlantic Trade and Investment Partnership (TTIP) with the US. EU-US energy cooperation and the EU-US Privacy Shield will deserve special attention. Full visa waiver reciprocity for all EU citizens travelling to the US remains an important priority. In the area of security and defence the EU and the US should finalise as soon as possible negotiations on the Acquisition and Cross-Servicing Agreement. In space security, this year the Council will begin negotiations on the US access to the Galileo Public Regulated Service (PRS).

The new Government in **Canada** has signalled its willingness to further strengthen the already very good cooperation with the EU. There is indeed an opportunity to do so, notably through the signature and implementation of the Strategic Partnership Agreement (SPA) and the Comprehensive Economic and Trade Agreement (CETA). The objective of full visa waiver reciprocity for all EU citizens travelling to Canada will remain an important priority for 2016. The EU will also be looking towards Canada's commitment to cooperation in CSDP. An official visit of the HR/VP took place in June and the next EU-Canada Summit is foreseen for 27 October 2016.

In 2016, the EU will continue to work towards the upgrade of **Mexico's** Global Agreement in order to update the Trade pillar of the Agreement and enhance the framework of our bilateral dialogue on global issues (notably on climate change and energy, food security, global economy and security). Formal negotiations on the upgrade of the Agreement started in June 2016. In **Central America**, the EU will continue to closely follow the situation in **Guatemala**. The new Government's election in 2015 was observed by the EU. In **Honduras**, the EU has sent an Election follow-up mission to assess the progress made in electoral reforms in governance. In both countries, the EU will continue supporting the national efforts to implement reforms and improve rule of law and human rights. As regards **Nicaragua**, the political situation and in particular the upcoming electoral process will be followed; **Costa Rica**'s relations with the Central American Integration System (SICA) and the evolution of the Cuban migratory crisis are of interest to the EU. The reactions by countries concerned to the recently launched EU External Strategy for Effective Taxation will have the EU's attention.

The EU will continue to support the regional strategies for improving the security situation in Central America and the Caribbean. In the **Caribbean**, the EU and **Cuba** relaunched their formal political dialogue, the setting up of a human rights dialogue was agreed and the EU and Cuba have completed negotiations for a Political Dialogue and Cooperation Agreement and are preparing for its signing. **Haiti** will require continued close monitoring towards the interim Government during a complicated electoral process. In the **Dominican Republic** the regularisation of persons of Haitian origin will be followed closely. Lastly, the EU supports the OAS mission mediating in the border dispute between **Belize** and **Guatemala**, while encouraging political initiatives from both sides. Regarding the **regional Caribbean approach**, building on the Joint EU-CARIFORUM Declaration, key issues in 2016 include inter alia reinforcing the EU-CARIFORUM political dialogue and stepping up efforts to implement the 2012 Joint EU-Caribbean Strategic Partnership.

Concerning **South America**, the EU will reinvigorate negotiations with **MERCOSUR** for an Association Agreement; maintain the Strategic Partnership with **Brazil** and deploy initiatives to deepen the partnership and cooperation with **Argentina**. The EU will remain vigilant on the unstable situation in **Venezuela**. The peace process in **Colombia** will continue to be a special focus. Support for the peace process in **Colombia** will continue to be a special focus with the HR/VP's special envoy Eamon Gilmore and the perspective of an EU Trust Fund. On **Ecuador** the EU will monitor its implementation of the Trade Agreement, which the EU expects to be in force as of 1 January 2017. In **Chile** the EU will continue its collaboration under the EU crisis management ("Framework Participation Agreement"). The EU reiterates its commitment to continue to working towards an ambitious modernised Association Agreement. Negotiations on the modernisation of the EU-Chile Association Agreement could begin in the near future. Relations with **Paraguay** and **Uruguay** will focus on economic integration and governance. With regard to **Peru**, the Visa Waiver Agreement and the electoral observation mission will have to be followed up. Regarding **Bolivia**, further cooperation in the fight against illegal drug production and the government's policies to reform the justice sector will be important.

The EU will also continue to engage with the Organization of American States and the Community of Latin American and Caribbean Countries (CELAC). The October 2016 EU-CELAC Ministerial meeting should set the stage for the preparation for the EU-CELAC Summit in 2017. They are important regional interlocutors with which the EU cooperates in key areas like human rights and the rule of law, climate change and sustainable development. They also give a continental dimension to EU policy initiatives. The EU also welcomes the achievements of the Pacific Alliance and is committed to deepening dialogue with its members.

SUB-SAHARAN AFRICA

2016 is an important year for the EU relations with Africa. The continent has seen increasing growth and prosperity in some parts. At the same time political challenges persist, often exacerbated by other factors, particularly on the economic side, demography and security. The most worrying parts are twofold: (i) the vulnerability of many countries to security threats from radicalisation, violent extremism and terrorism, from the Sahel, over the Lake Chad Basin to the Horn; (ii) stalled progress in governance, most visible in the slow evolution of representative democracy but also in the areas of security and economy. Extreme poverty and food insecurity remain a challenge for parts of Sub-Saharan Africa.

Inevitably, a lot of work will go into building on our active role in efforts to resolve crisis and conflicts. In the Horn, a crucial test stands before **Somalia** in the form of an electoral process by the end of the year, in order to put in place a sustainable federal system. In **Sudan**, the EU should support efforts towards a holistic and inclusive political solution. The South Sudanese Transitional Government of National Unity faces enormous political, economic and humanitarian challenges in the aftermath of civil war, with strong risks of resurgence of violence; sustained engagement by the EU will be essential to support comprehensive implementation of the 2015 peace agreement and the displacement generated by the conflict.

The Sahel will remain fragile. In **Mali**, the implementation of the Peace Agreement signed in June 2015 is still slow, leading to a deteriorating security situation that affects Northern and Central Mali. Therefore, Mali continues to be of concern in the region. Malian parties need to commit further to the implementation of the Peace Agreement. Concerns related to Libya also continue. The stronger regional cooperation (G5) is welcome and supported by the EU through our financial instruments and political dialogue: the HR organises a ministerial meeting with G5 Sahel countries on 17 June 2016. The comprehensive response to the **Lake Chad crisis**, including the fight against Boko Haram should be more effective and efforts for a more coordinated regional action should continue.

In Central Africa, following recent presidential elections, the **Central African Republic** (CAR) new government can start rebuilding the country and its institutions although overall the situation remains fragile. In **Burundi**, the crisis puts the international "responsibility to protect" commitment to the test as there is still a risk of mass atrocities and regional conflagration if no political solution can be offered. The situation in the **Democratic Republic of Congo** is critical; all parties must engage in an inclusive process to ensure the protection of fundamental freedoms and pave the way for peaceful, credible, inclusive, transparent and timely elections. Evolution of the situation in **Gabon** will continue to be further scrutinised by the EU.

In this context, **security, respect for human rights and resilience** will become even more important in Sub-Saharan Africa. In February 2016, the AU hosted a Donor's Conference to mobilise additional resources for the Multinational Joint Task Force (MNJTF) to combat Boko Haram. Renewed efforts to combat extremism will continue to be addressed. The EU needs to improve counter-radicalisation strategies and potential EU policy responses. This includes increasing our CSDP and capacity building means. But the call for "stronger" States will need to be embedded in an appropriate overall political governance approach, including full respect for fundamental rights and rule of law.

The **migration crisis** has introduced a new dimension and new actors in our relations with Africa. The return of thousands of irregular migrants poses challenges to the EU. The EU will focus on addressing the root causes of migration in order to curb irregular migration from Africa to Europe. The EU can make a difference in implementing the agenda set in the Valletta Summit and incorporating migration – including readmission – into the overall political relations by making the best use of the Emergency Trust Fund as an additional tool. The country high level dialogues, the migration compacts, the Rabat and Khartoum processes and the follow up to the Valletta conference all require strong, integrated work. All this will be brought into a higher gear through the implementation of the new partnership approach building on the European Commission's Communication on "establishing a new Partnership Framework with third countries under the European Agenda on Migration", in line with the European Council conclusions of June 2016.

Ethiopia, Mali, Niger, Nigeria and Senegal are being identified as priority countries for the new approach put forward by the EU³.

Sound and credible electoral processes and respect for constitutional term limits in Africa are at issue again, in particular in a number of Central African countries that will see elections in 2016. 2016 will therefore be a crucial turning point for the credibility of Africa's commitment to democratic change. The EU will be present through its Election Observation Missions (EOM) and Election Experts Missions (EEM). Contentious processes have made our political dialogue more tense and we will have to respond in a way which is consistent on fundamental principles as well as responding to the context of each country. Our efforts are most likely to be effective as part of a broader African and international effort. It will be a priority given the risk of election-related violence.

Work with the **African Union** (AU) continues, with the last College-to-College meeting with the current AU Commission held in Addis Ababa in April 2016. Work to be taken further in the preparation of the Africa-EU Summit 2017.

The EU will continue to build on the Ministerial meeting with G5 Sahel held in June; the Ministerial Dialogue with Nigeria in Brussels in March; the Second Regional Security Summit in Abuja in May and the Ministerial dialogue with Angola planned for the second half of the year in Brussels.

The EU will continue the strategic reflection on the EU-ACP relations after 2020, exploring a range of options on the future shape of the post-Cotonou Agreement.

³ Ref communication New Partnership on Migration

ASIA-PACIFIC

The EU's engagement with Asia and the Pacific will continue to deepen as the region hosts four of the EU's strategic partners (China, India, Japan and the Republic of Korea), continues to achieve strong growth rates, despite the recent slowdown and faces important security and stability challenges that have direct and indirect implications for the EU. The EU will continue to be a leading investor and donor of financial assistance for development, will just as importantly play a key developmental role through increasing its trade relations with the region and work to support the stability and security of the region.

The EU is moving ahead in its negotiations of **political, security and trade agreements** with countries throughout the region, aimed at supporting our goals of sustainable development, broader-based cooperation and enhanced market access in the region. The Free Trade Agreement with South Korea will be taken forward. A number of agreements were initialled and the process towards signature and implementation will be pursued: the Framework Agreement negotiations with Australia and New Zealand; the Free Trade Agreement negotiations with Vietnam; and the Cooperation Agreement on Partnership and Development negotiations with Afghanistan. The EU remains fully committed to working towards the completion of the negotiations for a Strategic Partnership Agreement and an FTA with Japan.

Following the conclusion of bilateral FTA negotiations with Singapore and Vietnam, the EU has started work on the bilateral FTAs with the Philippines and Indonesia, while aiming to the final goal of a region-to-region FTA with ASEAN. A stock-taking is currently taking place with Malaysia to assess the prospects of resuming FTA negotiations and preparations for a FTA with Australia have started.

In May 2016, EU and **Japan** leaders reviewed progress with the negotiations on a Strategic Partnership Agreement and a Free Trade Agreement, agreeing to drive the negotiations forward towards the ambitious deals that both want. Leaders also noted that the EU and Japan are enhancing their security partnership. Japan is already providing concrete support to European Union crisis management missions in Africa, and the two sides have carried out a number of joint counter-piracy exercises in the West Indian Ocean. EU Leaders expressed the hope that future developments will allow for a fully-fledged Japanese participation in EU crisis management missions.

At the 2015 EU-**Republic Korea** Summit, leaders agreed to continue to invest in these comprehensive, mutually beneficial and future-oriented relations. In particular, Leaders looked forward to the completion of the ratification of the Framework Participation Agreement establishing a framework for joint crisis management operations. In this respect, the EU welcomed the intention of the ROK to join the EU's counter-piracy efforts in the Gulf of Aden of Somalia in the EU Atalanta operation with the understanding that the ROK will require the National Assembly's consent to this end.

In June, a Joint Communication on **China** by the High Representative and the Commission was presented. This Joint Communication and Council conclusions from July 2016 provide the political framework for the EU engagement with China over the coming years, as they identify the opportunities for bilateral cooperation, including on global and regional challenges. The EU's engagement with China will be principled, practical and pragmatic, staying true to its interests and values, in particular adherence to international rules and norms, and respect for human rights. It focuses on three main areas of priority: prosperity and reform; foreign and security policy; global governance. It consolidates an ambitious approach to one of our most important strategic partners and identifies a positive agenda of partnership with the constructive management of differences. The EU-China Summit in Beijing in July provided the opportunity for strategic discussions around issues of shared interest.

The bilateral Summit with **India** in March relaunched the relationship and instilled a new dynamism into the Strategic Partnership identifying priorities for coming years and shared interests in new agendas for jobs and growth, inter alia trade, investment, green energy/technology, water, research and education.

The EU will step up its engagement with **Afghanistan, Bangladesh and Pakistan**. As key countries of origin and transit for migration, the EU will remain committed to enhanced and more effective cooperation with these countries, focusing on addressing the root causes of migration and readmission and returns.

As a global security actor and facilitator of peace, the EU has a long-term commitment to **Afghanistan** and the Afghan people. The commitment to support the Afghan peace process will be strengthened through the Brussels Conference on Afghanistan held in October, affording the opportunity for the EU to play a leading diplomatic, financial and technical role in Afghanistan's transformation. On 2 October, a "Joint Way Forward" (JWF) on migration issues between Afghanistan and the EU' was agreed. It will ensure a comprehensive framework for cooperation on return, readmission and reintegration, benefitting both parties - the EU and its Member States and Afghanistan. Engagement with **Pakistan** will, inter alia, focus on a framework for deepening relations beyond the EU-Pakistan Five-year-Engagement Plan, which will expire in June 2017. The EU expects full and effective implementation of the readmission agreement.

The EU will continue to support **Myanmar/Burma's peace process** in the post-election climate, capitalizing on the trust it has already established with the government and ethnic groups and as a key donor in the transition to democracy. Following a Joint Communication by the High Representative and the Commission, the Council welcomed setting out a vision for ambitious and forward-looking EU engagement with Myanmar/Burma.

Following the destructive earthquakes in **Nepal** of April and May 2015, the EU will remain engaged actively in the reconstruction effort with a state-building contract of EUR 105 million. In parallel, the EU continues to support the consolidation of the peace process and country's democratic transition.

Particular investment will be made in developing strategic level relations with the **Association of Southeast Asian Nations (ASEAN)**. To this end, the Joint Communication on relations with ASEAN, endorsed by the Council on 22 June 2015, sets out the programmes and policies, including expanded cooperation programmes and the appointment of an EU Ambassador to ASEAN, to take the relationship with this key strategic partner to the next level. The EU-ASEAN Ministerial Meeting of October 2016 approved the guidelines for a future Plan of Action and a roadmap to increase the level of the strategic partnership.

The 11th **Asia-Europe Meeting (ASEM)** Summit was held in Mongolia in July 2016. Celebrating 20 years of ASEM, the Summit provided an important opportunity to further the EU's interest in promoting deeper cooperation with Asia on issues of common interests.

The region continues to face a number of **challenges**. The EU will continue its efforts to promote peaceful solutions and dispute settlement mechanisms based on international law as regards the territorial and maritime disputes in the South China sea. Heightened tensions may occur due to a variety of reasons, including the fifth nuclear test of the Democratic People's Republic of Korea and related developments, threats of military action as well as persisting disputes over territorial and historical issues. The EU seeks to engage early with the countries concerned, in particular by holding close and regular contacts with them, with a view to contribute to easing tensions in the region.

Efforts to raise the EU's profile and presence in the **Pacific** will continue. Contacts with the Pacific Islands Forum will be strengthened and cooperation on issues of concern such as disaster risk reduction, adaptation to climate change, renewable energies and fisheries management will continue.

CSDP AND CRISIS MANAGEMENT

MISSIONS AND OPERATIONS

CSDP has continued to provide valuable strategic impact within the broader context of the EU comprehensive approach in Europe. In the Western Balkans, the military operation EUFOR ALTHEA in Bosnia and Herzegovina (BiH), launched in 2004, continues to support BiH efforts to maintain a Safe and Secure Environment (SASE) and conducts capacity-building and training of the Armed Forces of BiH in order to contribute to the stability. EULEX Kosovo, launched in 2008, focuses on assistance and support to the Kosovo authorities in relation to the rule of law, monitoring, mentoring and advising national authorities with regard to the police, judiciary and customs areas, while retaining executive responsibilities in specific areas of competence. In the Eastern Neighbourhood, the European Union Monitoring Mission in Georgia (EUMM), also launched in 2008, provides civilian monitoring of parties' actions and situational analysis of the stabilisation process, centred on full compliance of the Six Point Agreement and subsequent implementing measures throughout Georgia, including South Ossetia and Abkhazia. The European Union Advisory Mission (EUAM) to Ukraine is a non-executive mission that began operations in 2014, and aims to assist the Ukrainian authorities in developing a sustainable reform of the civilian security sector through strategic advice and hands-on support. All such measures and activities are based on EU standards and international principles of good governance and human rights. Following a strategic review, mission activities have been strengthened to enhance impact.

In the Maghreb and Mediterranean, efforts have been stepped up to build on the effect of the European Union military operation in the Southern Central Mediterranean (EUNAVFOR MED operation SOPHIA) with an enhanced mandate, going beyond disrupting the business model of human smuggling and trafficking networks in the Southern Central Mediterranean, including now supporting tasks: - training of the Libyan Coast Guards and Navy; - contributing to the enforcement of the arms embargo on the high seas off the coast of Libya (on the basis of UN Security Council Resolution 2292). In addition, operational planning is well under way for European Union Integrated Border Management Assistance Mission in Libya (EUBAM Libya) for enhanced support and assistance to the Libyan institutions to re-establish a foothold in Tripoli, as soon as political and security conditions allow.

In the Middle East, the European Union Police Mission for the Palestinian Territories (EUPOL COPPS) continues to assist the Palestinian Authority in building the institutions of a future State of Palestine in the areas of policing and criminal justice and has been granted an extension to its current mandate for another year from July 2016, as has the European Union Border Assistance Mission for the Rafah Crossing Point (EUBAM RAFAH), currently located in Tel Aviv, with a standby operational capacity to provide a third-party presence at the Rafah Crossing Point as part of the 2005 Agreement on Movement and Access (AMA agreement). The Mission forms part of the confidence-building measures between the Government of Israel and the Palestinian Authority.

In Africa, efforts to draw together the impact of the several CSDP Missions and operations currently *in situ* are progressing, with the planning of the regionalisation concept under way. CSDP operations and Missions cover a broad range of activities and competencies; military operations exist on the seas off the Horn of Africa (Operation ATALANTA) countering piracy to great effect and on land with the Somalia Training Mission (EUTM Somalia), based in Mogadishu, developing the capacity of the Somali National Army. The European Union Mission on Regional Maritime Capacity Building in the Horn of Africa (EUCAP NESTOR) (soon to be rebranded and relaunched as EUCAP Somalia in December 2016) is a civilian mission with a focus on contributing to Somali maritime civilian law-enforcement capacity to combat piracy and to tackle the 'normal' suite of coast guard functions, such as fisheries inspection / enforcement, search and rescue and countering smuggling on land and at sea. CSDP features in the EU's efforts to tackle irregular migration at source and in transit countries in the Sahel. Stability in the Sahel region is enhanced through CSDP missions in Mali and Niger (EUCAP Sahel Mali, EUTM Mali, EUCAP Sahel Niger) in close cooperation with host governments. The strengthening of cooperation in the region, including building on efforts under CSDP, for example in terms of training and capacity-building, goes hand in hand with the strengthening of coordination between the CSDP missions in the Sahel and other EU instruments, as well as Member States' projects in the region, particularly in the context of the initiative for capacity building in support of security and development (CBSD). In Central Africa, the European Union mission to provide advice and assistance for security-sector reform in the Democratic Republic of the Congo (EUSEC RDC) ended in June after over ten years providing practical support for security-sector reform through advice and assistance to the relevant Congolese authorities. In the Central African Republic, the European Union CSDP Military Advisory Mission in the Central African Republic (EUMAM RCA), an advisory mission that was launched in the spring of 2015, has been replaced by the European Union CSDP Military Training Mission in the Central African Republic (EUTM RCA) on 16 July 2016, demonstrating the strong EU commitment to restoring peace and stability in the country.

In Afghanistan the civilian Mission EUPOL Afghanistan will close on 31 December 2016. However, the EU will remain engaged in supporting the civilian security sector through financial support (EUR 320 million per year, mainly to the Law and Order Trust Fund Afghanistan (LOTFA) until 2020) and political and diplomatic endorsement.

HYBRID THREATS

Following the Foreign Affairs Council (FAC) tasking in May 2015, the Joint Communication "Joint Framework on countering hybrid threats" was adopted by the Commission and the HR on 6 April 2016. The Joint Communication offers some 22 actionable proposals. These focus on four main areas:

- (1) improving situational awareness (an EU Hybrid Fusion Cell is the heart of this initiative);
- (2) building resilience, including the protection of critical infrastructure to protect the EU and its partners against hybrid attacks;
- (3) responding to and recovering from crisis;
- (4) increasing cooperation with NATO.

The Council welcomed the Joint Communication. The implementation of the proposed actions will be taken forward jointly, and with due respect for respective procedures and the competences of the Member States, the Commission and the High Representative, over the coming months: (a) the EU Hybrid Fusion Cell has been established and has already achieved an Initial Operating Capacity; (b) a Member State has completed a scoping survey and is actively considering establishing a multinational European Centre of Excellence to conduct research, training and exercises; (c) in line with the Joint declaration by the leaders of the institutions of the EU and NATO, and respecting the principles of inclusiveness and autonomy of decision-making of each organisation, Services have stepped up cooperation and coordination with NATO in key areas such as situational awareness, cyber security, crisis prevention and response, as well as Strategic Communication; (d) EEAS and Commission Services have published an EU Joint Operational Protocol for countering hybrid threats to ensure appropriate alerts to the EU's IPCR and Crisis Response Mechanisms; (e) EEAS and Commission Services are to provide a report by July 2017 to assess progress.

CSDP PARTNERSHIPS

EU partnership with **third countries, regional and international organisations** in the area of security, defence and crisis management is consistently being developed throughout 2016, in support of the EU's expanding global role as a security and defence actor and its CSDP operational activities. On **EU-NATO cooperation**, following the June European Council and July Warsaw NATO Summit, including the Joint Declaration by the leaders of the institutions of EU and NATO, the EU will be looking at ways to demonstrate **ongoing broad cooperation** as well to translate the wish of EU Member States and NATO nations to take the partnership further (in theatre, cyber-, maritime and capabilities development) as well as to prepare the ground for further strengthening of our partnership, notably on hybrid threats and support to our partners in the East and South in developing their capabilities, in the spirit of full openness and in full respect of the decision-making autonomy and procedures of both organisations, based on the principle of inclusiveness and without prejudice to the specific character of the security and defence policy of any Member State.

The EU will aim to further enhance cooperation with the **UN** on crisis management and peacekeeping, including using CSDP to complement UN peacekeeping. The EU-UN Steering Committee will follow up on concrete action points, relating notably to cooperation in the Sahel, CAR, Horn of Africa and Libya.

Third-country partners continue actively **supporting CSDP operational activities**, in parallel to **regular consultations on CSDP and training**. As of January 2016, 11 partner countries were deploying a total of 350 personnel and troops in eight CSDP Missions and operations, and a number of new **Framework Participation Agreements** have been finalised.

The review of the **ENP** (Joint Communication on the ENP review, 18 November 2015, Council conclusions 14 December 2015) highlighted the importance of the security aspects of working with EU partners. With the implementation of the ENP security dimension the aim remains to support partners, ensuring they become more resilient to security threats and are better prepared to prevent and respond to conflict and crises thereby stabilising the EU's Neighbourhood. This is consistent with the approach outlined in the EU Global Strategy. Several other EU work strands (CBSD, SSR, cooperation in countering hybrid threats and on maritime security) have potential for further boosting EU partnerships on CSDP, within a comprehensive approach along with other tools and instruments.

As regards **Human Rights and Gender in CSDP**, which is our priority, the main focus remains on developing and conducting the Baseline Study on Integrating Human Rights and Gender into CSDP (Council conclusions, 18 May 2015). The study is a stock-taking exercise to determine where we are in our efforts to make human rights and gender equality integral parts of CSDP. In line with the new Action Plan on Human Rights and Democracy, further steps will also be taken on the implementation of the code of conduct and discipline for staff in CSDP missions and operations.

DEFENCE CAPABILITIES/DEFENCE COOPERATION

In accordance with the European Council conclusions of December 2013 and June 2015, the EU will continue to encourage and facilitate greater European defence cooperation to ensure that Europe has at its disposal key military capabilities. As stated in the EU Global Strategy, Europeans must be able to protect Europe, respond to external crises, and assist in developing our partners' security and defence capacities, carrying out these tasks in cooperation with others.

The EU's capability development must concentrate on critical enablers and shortfalls, with greater emphasis to be given to collaborative projects, drawing on the support of the European Defence Agency. Work will continue on consolidating the four major European programmes endorsed by the European Council in 2013 (air-to-air refuelling; remotely piloted aircraft system; Governmental Satellite Communications; and cyber), and on potential new projects. In the interest of usability, it is important to ensure that capability development concentrates on actual output, i.e. on capabilities that Member States are willing to acquire in view of potential deployments.

In parallel, efforts to foster longer-term and more systematic European defence cooperation will continue to be pursued. Further progress is expected, mainly through the work carried out by the EDA (including on implementing the dedicated Policy Framework with a view to a full implementation report in 2017 and on improving the EU capability-development process) and the Commission initiative on developing an European Defence Action Plan (EDAP). These initiatives will help the EU respond to the diverse challenges identified in the EU Global Strategy and meet the corresponding defence capability needs and priorities.

In particular, the EDAP, to be adopted in 2016, should help stimulating defence research and technology in order to strengthen the European defence industrial and technological base and prepare the capabilities of tomorrow. In that regard, the preparatory action on defence research, paving the way towards a possible EU-funded dedicated programme, will be a core element of this endeavour; other areas envisaged include notably industrial policy/internal market, security of supply, and incentives.

Finally, work will progress with NATO, with the goal of maintaining coherence of military capability development where requirements overlap and reinforcing complementarity in this area. Close EU-NATO interaction is required with regard to both collaborative projects and work processes.

INTERNATIONAL SECURITY

The EU will continue to develop the external dimension of European security policy and to add to the policy coherence between the internal and external security of the Union. A number of strategic documents with security policy implications, such as the Joint Communication on "Elements for an EU-wide strategic framework to support the Security Sector Reform (SSR)" and on "Joint Framework on countering hybrid threats", have been adopted and will be implemented to strengthen complementarity and effectiveness of the EU's external action instruments. To this aim the EU will also take further steps to increase collaboration with partner countries on capacity building in support of security and development. The adoption of the Communications on the EDAP and the "Space Strategy" is expected by the end of 2016. The implementation of the ENP review and the preparations for the 2017 mid-term review of the Instrument contributing to Stability and Peace (IcSP) will provide opportunities to further mainstream security policy and conflict prevention priorities. Work is ongoing to increase the cyber-resilience of CSDP missions and to strengthen EU cyber-diplomacy. Maritime multilateralism and increased maritime capabilities for security and defence will be pursued. The EU conflict Early Warning System will be run twice in 2016, and results will feed into priorities for early preventive action. As part of the comprehensive approach, joint conflict and crisis analysis will continue to support the formulation and review of the EU strategic approach to conflict-affected and fragile contexts. The Commission services and the EEAS will continue to implement the EU's policy commitment to establishing and promoting the use of mediation as a 'tool of first response' to emerging and ongoing crisis situations. In this regard, the Union continues to support specific peace processes for example in Libya and Syria, and the aftermath such as in Colombia and Myanmar/Burma.

The EU will maintain its policies aimed at strengthening the global disarmament architecture and the multilateral non-proliferation regimes. This includes continued diplomatic efforts towards the goal of achieving a Zone Free of Weapons of Mass Destruction in the Middle East. The threat from illicit small arms and light weapons will continue to be addressed through international cooperation and support for concrete projects in third countries. Important priorities for the second half of 2016 will be the preparation of the Biological and Toxin Weapons Convention review conference and the comprehensive review of UN Security Council Resolution 1540(2004). The EU and its Member States have a long standing commitment to the Convention on Conventional Weapons and looks forward to the Fifth Review Conference in December 2016 to provide renewed impetus to this important instrument. The EU will also support international efforts to enhance outer space security.

The EU will work to strengthen its response to international terrorism through multilateral cooperation, political dialogue and concrete support to third countries. The necessary coherence between internal and external policy will be ensured in the course of this work. The EU supports the Plan of Action to Prevent Violent Extremism presented by the UN Secretary-General (UNSG) in early 2016 and supports work to mainstream Countering Violent Extremism (CVE) in counter-terrorism and related efforts, including in respect of strategic communication, radicalisation and foreign terrorist fighters. Following the Council conclusions and the Statement of the Members of the European Council of February 2015, the focus of efforts continues to be on the immediate neighbourhood: Middle East and North Africa (MENA) countries, Turkey and the Western Balkans, without losing sight of the wider Arab world, the Sahel and the Horn of Africa as well as Central and South-East Asia. Key deliverables will include: upholding a close dialogue with priority countries through bilateral high-level counter-terrorism (CT) political dialogues; finalising CT action plans with these countries, in particular Lebanon, Jordan, Tunisia and Turkey and on this basis strengthening EU support through concrete projects; expanding the EU CT experts network to the Sahel and the Western Balkans; holding high-level seminars addressing CVE/Youth; and focusing preventive action on conflict and violent extremism prevention priorities identified through the EU Early Warning process.

The EEAS will continue to support the High Representative in ensuring the implementation of the JCPOA with the aim that Iran's nuclear programme is used for purely peaceful purposes.

The High Representative will continue to propose new or amended restrictive measures, including autonomous measures, in response to international political and security developments and as part of the EU's CFSP. Key areas may include counter terrorism, Russia/Ukraine, Syria, DPRK and Libya. The HR will also submit the required proposals for CFSP Decisions and, together with the Commission, will propose the required Regulations to transpose UN measures as quickly as possible to provide for uniform application in EU Member States.

GLOBAL ISSUES

The implementation of the 2030 Agenda for Sustainable Development offers an opportunity to strengthen the security-development nexus. The Sustainable Development Goals represent an opportunity to catalyse coherence between the internal and external dimensions of EU policies.

HUMAN RIGHTS

Against the background of an unprecedented migration crisis, continued conflict in a number of countries, including in the EU's own neighbourhood, and increasing harassment of and attacks on human rights defenders and civil society, 2016 remains a year of extraordinary human rights challenges for the European Union. These challenges require resolute efforts from the EU to uphold human rights standards and the principle of non-discrimination, to protect civilians, promote and protect the rights of women and girls and to support human rights defenders while strengthening civil society. To raise awareness about human rights challenges in the world and to discuss human right priorities in EU foreign policy, the HR launched in March 2016 the #EU4HumanRights initiative with the effective involvement of the EU institutions and Member States. In June 2016, Council conclusions reaffirmed EU's strong support for the UN Guiding Principles on Business and Human Rights and expressed full support for the valuable work of the UN Working Group on Business and Human Rights.

In July 2015, EU Foreign Ministers adopted the new Action Plan on Human Rights and Democracy, which sets out the EU's priorities for the next five years. The Action Plan ensures the continued implementation of the 2012 Strategic Framework for Human Rights and Democracy, and guides the EU's activities on human rights in 2016 and beyond. It aims to better address problems through focused actions and the systematic and coordinated use of all EU instruments, notably EU guidelines, toolkits and other agreed positions, and the various external financing instruments, in particular the European Instrument for Democracy and Human Rights (EIDHR).

At the multilateral level, the EU will continue to be a vocal advocate of the universal promotion and protection of human rights, working in particular through the Third Committee of the United Nations General Assembly and the United Nations Human Rights Council. In 2016, the EU will promote its thematic priorities, through resolutions focusing on a moratorium on the death penalty, the rights of the child and freedom of religion or belief at the UN General Assembly in the autumn of 2016, as well as country-focused resolutions. The EU was a strong advocate for a human rights-based approach to the sustainable development goals, adopted through the 2030 Agenda in September 2015. The implementation of the 2030 Agenda has begun and the EU will maintain its support for the human rights-based approach in 2016.

The EU will be consistent in pressing partner governments to respect the principle of freedom of association and to protect human rights defenders, including in public statements. The EU and member state diplomats will continue to monitor trials and visit detained activists in dozens of countries where required.

Support for civil society space and human rights defenders will remain a key priority for the EU in 2016. The EU will support resolutions on civil society space and human rights defenders at the UN Human Rights Council and UN General Assembly, and continue to make use of its financial instruments, including the EIDHR Emergency Fund for human rights defenders at risk. The new EIDHR-funded Human Rights Defenders Mechanism, entitled 'ProtectDefenders.eu', which was launched in the autumn of 2015, is expected to make an important contribution in 2016.

The EU policy framework on support to transitional justice, adopted by the Council in November 2015, will continue to be implemented in order to strengthen the consistency of the EU's engagement in this field and provide guidance to staff of the EU and of the EU Member States. In this context, the EU reaffirms its strong policy in support of the International Criminal Court.

The protection, fulfilment and the enjoyment of human rights by women and girls and the fight against gender-based violence remained high on the EU agenda. After the high-level review of the global Women, Peace and Security agenda in 2015, the EU's focus in 2016 will be, inter alia, on strengthening efforts to enhance the participation of women in conflict prevention and resolution, on preventing and addressing sexual and gender-based violence in conflict and on addressing the gender dimension in countering emerging threats, such as terrorism and violent extremism.

MIGRATION

Migration will remain an integral part of the EU overall foreign policy, with more work to be undertaken based on the commitment to a comprehensive and geographically balanced approach on the basis of the European Agenda on Migration. The implementation of the Joint Statement with Turkey will continue and the EU will support the countries of the Western Balkans. Along the central Mediterranean the flows must be reduced, thus saving lives and breaking the business model of smugglers. The EU will continue the joint work with a number of key partner countries in Africa and Asia. At the same time, EU will continue to offer assistance and support to the frontline EU Member States to ensure control of the external borders and to avoid uncontrolled migratory flows. The EU will work with third partners to implement the Partnership Framework approach with a view to improved migration management, reduced flows of irregular migration and increased returns. Our approach aims at addressing the root causes of irregular migration and forced displacement, by building strong partnerships with countries of origin, transit and host third countries, making full use of existing policies, processes and programmes.

The EU recalls the need to reinforce the control of EU external borders to meet both migration and security objectives in line with European Council conclusions of October 2015 and June 2016.

The EU also acknowledges the specificities of maritime borders in line with European Council conclusions of February 2016.

The High-Level Dialogues with countries of origin and transit have been an important tool, with a view to further embedding coherent and comprehensive cooperation in the field of migration, including on return/readmission and security aspects, into the overall political dialogues. They will now be expanded and deepened through the implementation of stronger partnerships among others with key countries of origin and transit identified in the Communication on a new Partnership Framework adopted by the Commission on 7 June 2016 and in line with the European Council conclusions of June 2016, alongside the development of broader regional cooperation under instruments including the Khartoum and Rabat Processes, the Prague Process and the Budapest Process / Silk Routes Partnership. Such efforts will be underpinned by a more strategic use of resources under the European Emergency Trust Fund for Africa and the establishment of an ambitious External Investment Plan to address root causes of migration while contributing to the achievement of other development goals.

Similarly, in the framework of the implementation of the Valletta Action Plan (adopted at the Summit of 11-12 November 2015), the EU will ensure follow-up on all five pillars, including return, readmission and reintegration, not overlooking the security aspects. The EU will also ensure a proper follow-up on the key actions provided in the declaration adopted at the High-level Conference on the Eastern Mediterranean/Western Balkans route (8 October 2015).

The EU will continue to work with its southern partners in the North Africa, the Sahel and the Horn of Africa disrupting the business model of smugglers and reinforcing border management capacity including through CSDP missions and operations.

The UNGA Summit on Movements of Refugees and Migrants in September 2016 has underscored that this is not a European problem but a major global challenge, and to secure a firm commitment from the international community, thereby cementing the idea that dealing with the current issue is a global responsibility. The follow-up of the Summit and the development of the two compacts will be key.

The EU will remain extremely vigilant as regards possible new routes for irregular migration and will take measures that might be necessary in that respect. Any sudden heating-up of alternative routes, following the de facto closure of the Western Balkan route, will lead to a swift reorientation of EU actions.

The EU will maintain its commitment to ensuring the safety and human rights protection of all migrants and refugees, and in particular the increasing numbers of women and child migrants. The European Agenda on Migration, which was adopted by the Commission in May 2015, prioritised respect for human rights across each pillar of action. The importance of protecting the human rights of migrants was underlined by the African and European leaders at the Valletta Summit. This commitment to respecting the dignity of migrants and refugees was restated at the High-Level Conference on the Eastern Mediterranean and Western Balkans Route. In 2016, the EU will take further steps to protect refugees and migrants in neighbouring countries, to support host communities, and to ensure that its external actions on migration are in compliance with international human rights and refugee law, including the principle of non-refoulement. This will be further strengthened in the implementation of the new Partnership Framework under the guidance of the HR/VP.

ELECTION OBSERVATION AND DEMOCRACY

Democracy is under pressure globally and the space for civil society is shrinking. The EU has an important role to play in promoting and supporting institutions, organisations and actors in increasingly repressive environments.

The EU has become a key actor in democracy support in part thanks to the credibility of its EOMs, which apply high standards of integrity and independence, in line with the Declaration of Principles for International Election Observation (DoP). The EU re-committed to the DoP in the context of the 2015 Action Plan on Human Rights and Democracy.

EU EOM recommendations are key to engaging with all interlocutors in order to improve future electoral processes, and the EU has strengthened its commitment to giving a thorough follow-up to the recommendations of the EU EOMs and also of the OSCE/ODIHR EOMs. These recommendations are now raised consistently in political dialogues with partner countries and contribute to shaping EU election assistance. The EU's New Action Plan on Human Rights and Democracy further emphasises the need to consolidate best practices to ensure effective follow-up to EU EOMs.

The EU finalised its pilot exercise on democracy support to improve the consistency of its work on democracy in February 2016. A number of EU delegations, together with Member States on the ground, strengthened the joint analysis of democratic challenges in their partner countries, identifying areas of work with potential to engage in democratic reforms with the partner country in a tailor-made and effective manner. The development of Democracy Action Plans will follow in 2016.

The pilot exercise indicated the need to broaden EU support for democratic institutions by focusing on interactions between state institutions and citizens, supporting legislatures, strengthening the link between political parties and citizens and supporting local democracy, as well as reaching out to traditional actors playing a role in strengthening democracy. It has also encouraged greater synergies between democracy analysis, Human Rights Country Strategies, and Civil Society Roadmaps. The EU Action Plan on Democracy and Human Rights commits the EU to strengthening its work in support of multi-party systems, political parties and parliaments - with the aim of expanding political space - and to strengthening the link between the election observation missions and the broader democracy support agenda. More systematic follow-up to the EOMs' recommendations, including through election assistance, is contributing to this goal.

Direct support from the European Endowment for Democracy (EED) to target groups is funded through additional resources coming from voluntary contributions from their Member States and other stakeholders, such as private foundations, etc. In June 2015, the Commission decided to allocate a new contribution of EUR 12 million for the EED's operating costs from 2015 to 2018.

OTHER AREAS OF ACTIVITY

Climate Diplomacy

European Climate Diplomacy played a key role in paving the way towards achieving an ambitious global climate agreement at the Paris COP21. This positive engagement for global climate action has been re-confirmed in the context of the EU Climate Diplomacy Action Plan, adopted by the Foreign Affairs Council on 15 February 2016.

The EU will continue to support the implementation of the Paris Agreement and will engage with other countries to support full implementation of their reduction pledges as contained in their Intended Nationally Determined Contributions. Efforts will continue to address the nexus of climate change, natural resources, including water, prosperity, stability and migration. The destabilising effects of climate change will be further dealt with by the EU with some of its partner countries, including through climate risk assessments and support to capacity building.

Energy Diplomacy

Following Council conclusions on EU Energy Diplomacy and EU Energy Diplomacy Action Plan adopted in July 2015, considerations of external dimension of energy diplomacy were more widely incorporated into EU activities. Energy partnerships and dialogues should continue to be coherent with relevant foreign and external policy goals- including climate goals- and promote diversification of sources, suppliers and routes, as well as safe and sustainable low- carbon and energy efficiency technologies including with a view for business opportunities for EU companies. Energy dialogues should, where appropriate, include discussions of global and regional energy security developments and where possible, take into account particular specificities and existing relevant engagements of EU Member States. They should also ensure that sovereignty and sovereign rights of Member States to explore and develop their natural resources are safeguarded. The EU remains committed to the promotion and continuous improvement of the highest level of standards of nuclear safety in third countries.

Value-based policy

On 28 January 2016, the EU published its first report on the impact of the "Generalised Scheme of Preferences" (GSP), including the impact of GSP+ on 14 vulnerable low or lower-middle income countries. GSP+ is based on the integral concept of sustainable development. Through this system, the countries involved pay no duties when exporting a range of products to the EU. In return, they must have ratified 27 core international conventions – including the United Nations (UN) conventions on human rights and the conventions of the International Labour Organisation (ILO) on labour rights – and agree to cooperate in monitoring their implementation. All the assessed 14 GSP+ beneficiary countries have made significant efforts and have shown genuine political and institutional engagement, but more needs to be done. Regular monitoring and dialogue with the current beneficiary countries (Armenia, Bolivia, Cape Verde, Georgia, Kyrgyzstan, Mongolia, Pakistan, Paraguay & Philippines) continues. The next biennial report on the impact of GSP will concern the period 2016/2017.

Conflict minerals

The EU is actively preparing the next and possibly enhanced steps for funding a number of projects to support responsible sourcing of minerals originating in conflict affected and high risk areas. Further work will take into account the experience with the on-going EU programmes – currently under the Instrument contributing to Stability and Peace– on the OECD outreach on "conflict minerals" (EU support of EUR 1 million for 2014-2015) and the International Conference for the Great Lakes Region/Regional Initiative on Natural Resources (EU support of EUR 3 million for 2014-2016).

European Economic Diplomacy

The goal of economic diplomacy is to help deliver prosperity for EU economies in the global context. By leveraging regulatory, political, commercial, financial or cultural aspects, it creates incentives to trade, cooperation and investment in the global context, exploiting Europe's strengths and leadership, with effective cooperation between EU actors and improving the coherence and the effectiveness of the external action of the EU in the economic field.

Work on a truly integrated and effective EU economic diplomacy agenda has continued based on the following building blocks: 1) enhanced coordination and coherence of EU policies; 2) better structured relations with EU Member States and EU businesses; 3) enhanced role of the European Investment Bank, which would play an important role in internationalisation of SMEs as well as in providing guarantees for investors in risky areas; and 4) strengthened role of EU Delegations.

LOOK AHEAD TO 2017

The work on implementing the EU Global Strategy will provide the framework for the EU's external relations, including CFSP for years to come. Implementing the Strategy across the range of policy fields will enable the European Union to confront challenges and crises in a more effective and joined up way. Work started in 2016 on follow up initiatives aimed to make the EU's external action more credible, responsive and joined-up, notably in the fields of resilience building and an integrated approach to conflict and crisis, Security and Defence, as well as strengthening the link between internal and external policies, with attention to migration and counterterrorism, which will continue throughout 2017 and beyond.