Council Decision (EU) 2018/1925 of 18 September 2018 on the position to be taken on behalf of the European Union position within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Tunisia, of the other part, with regard to the adoption of the EU-Tunisia strategic priorities for the period 2018-2020

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on the position to be taken on behalf of the European Union position within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Tunisia, of the other part, with regard to the adoption of the EU-Tunisia strategic priorities for the period 2018-2020

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 217, in conjunction with Article 218(9) thereof,

Having regard to the joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission,

Whereas:

(1) The Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Tunisia, of the other part[(1)] (hereinafter referred to as the 'Euro-Mediterranean Agreement') was signed on 17 July 1995 and entered into force on 1 March 1998.

(2) Article 80 of the Euro-Mediterranean Agreement gives the Association Council, established under the Euro-Mediterranean Agreement, the power to take decisions it considers appropriate for the purpose of attaining the objectives of the Agreement.

(3) In accordance with Article 90 of the Euro-Mediterranean Agreement, the parties are to take any general or specific measures required to fulfil their obligations under the Euro-Mediterranean Agreement and are to see to it that the objectives set out therein are attained.

(4) The Joint Communication from the High Representative of the Union for Foreign Affairs and Security Policy and from the European Commission of 18 November 2015 on the Review of the European Neighbourhood Policy was welcomed in the Council Conclusions of 14 December 2015. The Council confirmed in particular its intention to start a new phase of engagement with its partners in 2016 which could lead to the setting of new partnership priorities, where appropriate, focused on agreed priorities and interests.

Changes to legislation: *There are currently no known outstanding effects for the Council Decision (EU) 2018/1925. (See end of Document for details)*

(5) The Joint Communication from the High Representative of the Union for Foreign Affairs and Security Policy and from the European Commission of 29 September 2016 on Strengthening EU support to Tunisia was welcomed in the Council Conclusions of 17 October 2016. The Council reiterates its commitment to supporting Tunisia's transition and underlines the exceptional nature of the situation in Tunisia and the EU's strategic interest in supporting the emergence of a democratic, strong and stable Tunisia in its neighbourhood, as well as the need to support political progress with economic progress on a similar scale. To that end, it calls for the mobilisation of all the instruments available to the EU and the reinforced commitment of the EU and Member States in close collaboration with the Tunisian authorities.

(6) The Union and the Republic of Tunisia should work together in order to achieve their common objective as defined under the strategic priorities. The development of a prosperous and stable democratic Tunisia is of mutual strategic interest.

(7) While addressing the most urgent challenges, the Union and the Republic of Tunisia should continue to pursue the main objectives of their long-term partnership, and to work in particular towards creating future prospects for young people, speeding up socio-economic reforms and continuing and strengthening the process of transition to democracy.

(8) The position of the Union within the Cooperation Council with regard to the adoption of the EU-Tunisia strategic priorities for the period 2018-2020 should be based on the attached draft Decision,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on behalf of the European Union within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Community and its Member States, of the one part, and the Republic of Tunisia, of the other part, with regard to the adoption of the EU-Tunisia strategic priorities for the period 2018-2020 is based on the draft Decision of the Association Council attached to this Decision.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 18 September 2018.

For the Council

The President

G. BLÜMEL

***Changes to legislation:** There are currently no known outstanding effects for the Council Decision (EU) 2018/1925. (See end of Document for details)*

ANNEX

Strengthening the EU-Tunisia privileged partnership: the strategic priorities for the period 2018-2020

1. Introduction

Tunisia made a strategic choice in anchoring itself to the European area, and the development of a prosperous and stable Tunisian democracy within the neighbourhood of the EU is of mutual strategic interest.

The EU-Tunisia privileged partnership testifies to the special and dynamic bilateral relations that have been established, and the shared ambition to advance towards increasingly close links between Tunisia and the European area. The long-term objective is to develop an ambitious framework for future relations post-2020, building on the progress achieved and making full use of the opportunities for closer links provided by the European Neighbourhood Policy in the period 2018-2020.

In the context of the privileged partnership, Tunisia is fully committed to implementing the reforms necessary for the sustainable socio-economic development of the country and to ensure long-term progress in the democratic transition. Realising the scale of the challenge and the difficulties Tunisia is going through, the European Union reiterates its commitment to supporting implementation of these reforms as soon as possible.

The strategic priorities developed in this document translate the privileged partnership into practical terms for the period 2018 to 2020. The creation of future prospects for young people will be at the core of the actions of both sides. The focus will be placed on speeding up socio-economic reforms including improvement of the business environment, and the conclusion of a deep and comprehensive free trade agreement (DCFTA). Democratic consolidation, in particular effective implementation of the 2014 Constitution and good governance will also remain essential. Both sides will reinforce cooperation in the field of security and counter-terrorism, and in relation to migration and mobility with the completion of negotiations on visa facilitation and on readmission, and the increasingly active participation of Tunisia in EU programmes. Enhancing high-level political dialogue and dialogue with civil society and also the visibility of the partnership will go hand in hand with these efforts.

These priorities are based on the Tunisian 2016-2020 Five-Year Development Plan[(3)] and the Joint Communication Strengthening EU support for Tunisia[(4)].

2. Strategic priorities of the EU-Tunisia privileged partnership for the period 2018-2020

The EU and Tunisia consider enhancing young people's prospects for the future to be a major objective, as shown by the EU-Tunisia partnership for youth launched by the Tunisian President and the High Representative/Vice-President on 1 December 2016. In order to respond better to the needs of young Tunisians, the various ongoing and future actions should be more consistent. On the basis of the dialogue launched for implementing this partnership, the EU and Tunisia have undertaken to consolidate measures to promote youth employment and employability, mobility, and increased participation of young people in public life and politics, in particular in local initiatives. Employability will require the reform of education and vocational training, the creation of closer links between the private sector and educational and training systems, and the promotion of and support for innovative initiatives launched by young people, particularly in the areas of new technologies and culture. Support for the development of a Tunisian national strategy for youth will be a key element of the partnership, as will be strengthening institutions and organisations dedicated to youth.

Partnership for Youth

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Complementing this commitment to youth, both sides will work on the following strategic priorities:

2.1 Inclusive and sustainable socio-economic development

Tunisia's political progress can only be sustained if it is accompanied by economic progress on a similar scale. In view of Tunisia's fragile socio-economic situation, with high youth unemployment (especially among the educated) and significant regional and social disparities, one of the key objectives will be to contribute to turning round the Tunisian economy, to making it more competitive and diversified and to transforming it in an inclusive and sustainable fashion, with due regard for international commitments on the environment and climate change. The EU will continue to support and encourage structural reforms.

More particularly, measures in the area of socio-economic development will be organised around the following commitments:

— improving the business climate and supporting the development of the private sector and private investment, in particular through: (i) simplification and streamlining of administrative procedures for businesses, (ii) improving access to finance, and (iii) boosting public and private investment – in particular effective implementation of the 2016 law on investment and the 2017 law recasting tax benefits, taking account of harmful arrangements as regards abolition of tax advantages;

— there will also be an emphasis on actively promoting entrepreneurship and the development of SMEs/VSEs;

— defining and implementing missing sectoral strategies, for instance for tourism;

— improving protection of the environment and the management of natural resources (including water), in particular through implementation of the national green economy strategy and implementation of Tunisia's international commitments on climate change (determined national contribution), the blue economy and fishery resources;

— improving the competitiveness of traditional and growth sectors in industry and agriculture, in particular through support for innovation and ensuring sustainable resource management, and diversifying export markets;

— developing the energy sector, including electricity interconnections between the EU and Tunisia, and the promotion of renewable energy sources and energy efficiency;

— developing a safe, secure, sustainable and efficient transport system based on harmonised transport standards and an integrated multimodal network in order to facilitate south-south and north-south connections;

— consolidating the public finance management system through the adoption and implementation of a new organic budget law, reform of the state audit system and improving the governance of public enterprises. Implementing the reform of the tax system (simplification of the tax system, tax fairness, decentralisation, modernisation of the administration, fighting tax avoidance and implementation of relevant international commitments) represents a crucial step towards more inclusive development of the country. Support for the on-going banking reforms and the 2017-2021 national financial inclusion strategy concerning access, use and quality of services are also important;

— implementing the decentralisation process, with a view to developing public services and social infrastructure (in particular in the fields of education,

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culture, health, water and sanitation) to meet the needs of local communities; and accelerating the process of development of the regions in Tunisia's interior, a commitment shared by both parties to gradually reduce socio-economic disparities.

To foster social progress, both parties undertake to continue to promote:

— employment, in particular through further reforms to ensure fair access to high quality education and vocational training in line with the needs of the labour market; in the framework of an active policy to improve opportunities for entering the labour market;

— an integrated and efficient Tunisian policy on social inclusion and effective social protection, in particular through strengthening the capacities of the relevant public bodies, supporting the reforms undertaken by Tunisia in the field of social cohesion, and implementing Article 67 of the EU-Tunisia Association Agreement on the coordination of social security schemes and guaranteed application of principles of fair treatment in social legislation; and

— inclusive social dialogue to enhance capacity to mitigate socio-economic imbalances, reduce social tensions and promote real social peace – and thus also to improve the attractiveness of the country to foreign investors.

Both sides remain fully committed to the process of negotiations towards a Deep and Comprehensive Free Trade Agreement (DCFTA) and have agreed on a concrete action plan for 2018 to enable progress to be made with a view to accelerating the negotiations with a view to concluding them as soon as possible. The EU and Tunisia will continue to promote the modernisation of the Tunisian economy for the benefit of all, including the most disadvantaged regions and communities, and to boost job creation, particularly for young people. Both sides undertake to increase Tunisia's economic integration in the European market as well as in the Maghreb region.

In order to strengthen the role of innovation and research in economic, social and regional development, the EU and Tunisia will work on integrating Tunisia in the European Research Area, in particular by promoting higher education, strengthening governance, mechanisms for promoting public research and technology transfers between academia and industry.

2.2 Democracy, good governance and human rights

The EU and Tunisia will continue to attach particular importance to the process of democratic reform and the promotion of good governance and the rule of law, to respect for human rights and fundamental freedoms and to the reinforcement of the role and participation of civil society. Both parties will continue to promote the process of political reforms through the effective implementation of the Constitution and of international commitments entered into by Tunisia.

Priority aspects in the areas of good governance and respect for the rule of law will include in particular:

— reinforcement of the institution of parliament and the creation and effective establishment of independent bodies;

— establishment of the Constitutional Court

— consolidation of a democratic, transparent and independent electoral process;

— the fight against corruption and fraud, inter alia through support for the national authority for combating corruption;