

ANNEX

draft

RECOMMENDATION

on the implementation of the EU-Tunisia Action Plan

THE EU/TUNISIA ASSOCIATION COUNCIL,

Having regard to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Tunisia, of the other part, and in particular Article 80 thereof,

Whereas:

- (1) Article 80 of the Euro-Mediterranean Agreement gives the Association Council the power to make appropriate recommendations, for the purposes of attaining the objectives of the Agreement.
- (2) In terms of Article 90 of the Euro-Mediterranean Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Agreement and shall see to it that the objectives set out in the Agreement are attained.
- (3) The Parties to the Euro-Mediterranean Agreement have agreed on the text of the EU-Tunisia Action Plan.
- (4) The EU-Tunisia Action Plan will support the implementation of the Euro-Mediterranean Agreement through the elaboration and agreement between the Parties of concrete steps which will provide practical guidance for such implementation.
- (5) The Action Plan serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties' obligations set out in the Euro-Mediterranean Agreement, and of providing a broader framework for further strengthening EU-Tunisia relations to involve a significant measure of economic integration and a deepening of political cooperation, in accordance with the overall objectives of the Euro-Mediterranean Agreement.

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

Sole Article

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

Done at [...]

For the Association Council

The President

ANNEX

EU/TUNISIA ACTION PLAN

1. Introduction

The enlargement of the European Union, which became fact on 1 May 2004, has profoundly altered the political, geographical and economic situation of the Union, providing the opportunity to consolidate and deepen its relations with the neighbouring countries to the East and South. The European neighbourhood policy will go beyond existing ties to offer the EU's neighbours the prospect of a significant measure of economic integration through gradual integration in the internal market and deepening of political, cultural and social cooperation.

The European Union and Tunisia are determined to seize this opportunity in order to strengthen the ties between them and promote stability, security and prosperity on the basis of a partnership based on solidarity and common interests. The approach is founded on partnership, joint ownership and differentiation.

Tunisia and the EU want to give a new dimension to every aspect of the Association Agreement through the deepening of their political, economic, social, cultural and scientific ties and cooperation on security and environmental questions. Cross-border, transnational and inter-regional cooperation and shared responsibility for conflict prevention, conflict resolution and disaster management also form part of the new European neighbourhood policy.

This EU neighbourhood policy sets ambitious goals based on the mutually recognised acceptance of common values such as democracy, the rule of law, good governance, respect for human rights, market economics, free trade, sustainable development, poverty alleviation and the strengthening of political, economic, social and institutional reforms.

The level of ambition of the future relationship will depend on the degree of commitment of both parties to common values and their capacity to implement undertakings made. The rate of progress of the relationship will acknowledge fully the efforts and concrete achievements in meeting jointly agreed priorities.

Rapprochement with the Union represents a constant and a fundamental foreign policy choice for Tunisia which will continue to strive, in parallel, towards promoting integration in the Maghreb region and strengthening its ties with Arab, Mediterranean and African countries. The neighbourhood policy will allow Tunisia to reinforce the strategic foundation of this choice whilst respecting its national identity and characteristics.

This Action Plan is the first step in a process covering a timeframe of three to five years. It will enable a more targeted implementation of the instruments provided for in the Association Agreement between the EU and Tunisia with a view to bringing Tunisian economic, social and science structures more into line with those of the Union. The process also advances and supports the approximation of Tunisian legislation, norms and standards with those of the Union in the areas covered by the plan.

It will lay foundations for economic integration based on the adoption and implementation of trade-related rules and regulations with the potential to enhance trade, competitiveness, investment and growth in line with the objectives of regional economic integration.

The Action Plan, which by virtue of its flexibility can be adapted to Tunisia's needs and specificities, will also support the development and implementation of policies designed to promote economic growth, employment and social cohesion, reduce poverty and protect the environment, thereby contributing to the long-term objective of sustainable development.

This Action Plan and the priorities it contains will be jointly prepared by Tunisia and the European Union who will work together in close cooperation on its implementation, evaluation and any necessary adaptations.

Implementation of the Action Plan will take account of the necessary balance between speeding up the process of opening and modernising the Tunisian economy and the imperative of sustainable socio-economic development.

New partnership perspectives

The European Neighbourhood Policy opens new partnership perspectives:

- the prospect of moving beyond the existing relationship to a significant degree of integration, including offering Tunisia a stake in the internal market and the possibility of participating progressively in key aspects of EU policies and programmes;
- an upgrade in the scope and intensity of political cooperation through enhanced political dialogue;
- the opportunity for convergence of economic legislation, the opening of economies to each other, and the continued reduction of trade barriers, which will stimulate investment and growth;
- increased financial support: the EU will grant additional financial assistance to Tunisia to support implementation of the Association Agreement and of the operations identified in the Action Plan, in particular to enhance the economy's ability to withstand competitive pressures and to strengthen institutional capacity as well as investments and infrastructure. Furthermore, the Commission will be proposing a new European Neighbourhood and Partnership Instrument (ENPI), which will also cover the key issue of cross-border and transnational cooperation between Tunisia and the EU so as to promote integration and economic and social cohesion and lessen development gaps between regions. The EIB will also help support infrastructure investment and private sector development and partnership through the FEMIP facility;
- the possibility of gradually opening access to or increasing participation in certain Community fora and programmes, particularly in the areas covered by the Action Plan;
- support, including targeted technical assistance and twinning schemes, with a view to approximation with EU legislation through a mechanism such as TAIEX in the areas covered by the Action Plan;
- deepening trade and economic relations which will be progressively extended to cover the sectors of agriculture and services and to create favourable conditions for an increase in investment and export;
- strengthening administrative and judicial cooperation;

- enhanced cooperation between administrations participating in institutionalised thematic subcommittees.

In light of the fulfilment of the objectives of this Action Plan and of the overall evolution of EU - Tunisia relations, consideration will be given to the possibility of a new contractual relationship. The Commission has suggested that this could take the form of a European Neighbourhood Agreement. Tunisia has indicated its support for the Commission's suggestion. The advisability of any new contractual arrangement will be considered in due time in the context of the European Neighbourhood Policy.

Priority actions

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

- the pursuit and consolidation of reforms which guarantee democracy and the rule of law;
- enhancing political dialogue and cooperation in areas such as democracy and human rights, foreign and security policy, cooperation in the fight against terrorism, whilst promoting respect for human rights;
- the development of conditions conducive to foreign direct investment, growth and sustainable development;
- improving the climate and conditions for the development of competitive businesses and entrepreneurship;
- the development of scientific research, higher education, education in general and training as the cornerstones of the knowledge society;
- cooperation on labour issues and social policy and the gradual approximation of Tunisian legislation to EU rules and regulations;
- facilitating trade in goods and services, including through the negotiation of free trade agreements;
- the approximation of technical regulations, standards and conformity assessment procedures;
- development of the transport sector based on safety, security and reinforcement of national and regional infrastructures and their inter-connection with the Trans-European Transport Network (TEN-T);
- with a view to the gradual integration of the Maghreb energy markets into the EU internal energy market, implementing the Memorandum of Understanding on the gradual integration of the electricity markets of the Maghreb countries into the EU's internal electricity market; development of networks;
- effective management of migration flows, including the possibility of concluding a readmission agreement with the European Community;

- facilitating the movement of persons within existing structures in accordance with the acquis, by looking in particular at possibilities of relaxing short-stay visa formalities for certain categories of persons.
- Progress in meeting the priorities contained in the Action Plan will be jointly monitored in sub-committees established by the Association Agreement. On this basis, the EU and Tunisia will review the content of the Action Plan and decide on any adaptations and updates required. After three years, the EU and Tunisia may decide on the next step in the development of bilateral relations, including the possibility of new contractual links. This could take the form of a European Neighbourhood Agreement whose scope will be defined in the light of progress in meeting the priorities set out in the Action Plan.

2. Actions

2.1. Political dialogue and reforms

Democracy and the rule of law

(1) Strengthen institutions guaranteeing democracy and the rule of law

Short term

- Further increase participation by all sections of Tunisian society in political life;
- further develop the role of civil society;
- encourage exchanges of experience between Tunisian and European members of parliament in all the priority areas of the Action Plan;
- set up a subcommittee under Article 5 of the Association Agreement with a view to developing structured political dialogue on democracy and the rule of law;
- continue support to political parties so as to further strengthen their involvement in the democratic process.

Medium term

- Support the efforts of the Tunisian authorities in the area of administrative reform, with a view in particular to greater transparency.
- ##### *(2) Consolidate the independence and efficiency of the judiciary and improve prison conditions*
- Strengthen the efficiency of judicial procedures and the right of defence;
 - consolidate existing initiatives in the area of penal reform;
 - improve detention and prison conditions, in particular for the holding of minors, and ensure prisoners' rights; train prison staff; develop alternatives to incarceration; training and reintegration into society;

- pursue and support reforms to the justice system, notably with regard to access to justice and to the law and modernisation of the justice system.

Respect for human rights and fundamental freedoms

(3) *Respect for human rights and fundamental freedoms pursuant to international conventions*

- Ensure that national legislation complies with international law on human rights and with UN recommendations;
- pursue and extend dialogue on human rights issues, particularly in the context of the UN Commission on Human Rights;
- support training measures in the human rights field aimed at law enforcement agents;
- examine the possibility of accession to the optional protocols to international human rights conventions to which Tunisia is party.

(4) *Respect for the freedom of association, freedom of expression and for media pluralism in accordance with the UN International Covenant on Civil and Political Rights*

- Continue to promote the right to associate and to assemble and the freedom of expression and opinion on the basis of relevant recommendations by the UN's ICCPR Committee, including in relation to the role of NGOs;
- strengthen legislation on private data protection;
- continue the process of liberalising the information industry, including the distribution of foreign media;
- develop information and communication media and further promote the use of and access to the Internet;
- foster exchanges and cooperation between the Tunisian and EU voluntary sectors;
- encourage cooperation initiatives in the Association Agreement framework designed to promote human rights and civil society.

(5) *Promotion and protection of the rights of women and children*

- Strengthen the role of women in social and economic progress (Art. 71 of the Association Agreement);
- continue action on combating discrimination against women in line with the relevant international conventions;
- consolidate children's rights on the basis of the relevant UN Committee's recommendations.

Fundamental social rights and core labour standards

(6) Respect and implement the principles, fundamental rights, core labour standards and conventions pursuant to the 1998 ILO Declaration

- Initiate dialogue on fundamental social rights and labour standards so as to provide a situation analysis and identify potential challenges and measures.

Regional and international issues, cooperation on external relations and security questions, conflict prevention and crisis management

(7) Strengthen cooperation on regional and international cooperation issues, conflict prevention and crisis management

- Promote political and security dialogue on the basis of open exchanges on bilateral and multilateral level;
- participate actively in the Euro-Mediterranean dialogue on the ESDP at the PSC and Senior Officials Group level for political and security cooperation in the Euro-Mediterranean partnership;
- establish points of contact and conduct open exchanges of information on the ESDP with the Council Secretariat and the Commission;
- take part in training activities on conflict prevention, crisis management and civil protection and discussions on possible involvement in EU-led peacekeeping operations under UN auspices;
- participate in the Euro-Mediterranean Peace and Stability Charter as soon as the regional political climate allows;
- extend Tunisian participation in the OSCE's Mediterranean partnership through the contact group and bilateral links.

(8) Strengthen political dialogue and cooperation on foreign and security policy and other subjects of common interest

- Cooperate to make multilateral institutions and conventions more effective, so as to reinforce global governance, strengthen coordination on initiatives for combating security threats and address related development issues.

(9) Continue to develop cooperation on combating terrorism

- Strengthen EU-Tunisian cooperation on the fight against and prevention of terrorism, in particular through implementation of the initiatives identified in this Action Plan which will be discussed in the relevant subcommittees;
- develop EU-Tunisia cooperation on the fight against and prevention of terrorism, including through full implementation of UNSC Resolutions 1267/99 and 1373/01 and through the ratification and implementation of all appropriate international conventions and protocols relating to terrorism; exchange views, information and

experience on combating terrorism and on the ways and means, inter alia with a view to improving the capacity to combat terrorism;

- ensure respect for human rights in combating terrorism.
- Non-proliferation of weapons of mass destruction and their means of delivery
- Co-operation on non-proliferation of weapons of mass destruction, their means of delivery and ballistic missiles, including through implementing UNSC resolution 1540/04, ensuring full compliance with and national implementation of existing international obligations and promoting the accession to and compliance with other relevant international instruments and export control regimes.
- Further develop co-operation in the prevention of, and fight against, the illicit trafficking of WMD-related materials
- Co-operation on establishing effective systems of national export control, controlling export and transit of WMD-related goods, including WMD end-use control on dual use technologies, and effective sanctions for breaches of export controls
- Apply risk-based customs control, ensuring safety and security of goods imported, exported or in transit, and explore possible definitions of standards for certification of operators (exporters and transporters) intervening in commercial exchanges
- Improve overall co-ordination in the non-proliferation area, and examine specific threats related to WMD which undermine regional security and the scope for co-operation in addressing them
- Promote the relevant provisions of the political and security partnership of the Barcelona Declaration, in particular those relating to weapons of mass destruction, in a balanced and incremental way.

Regional cooperation and initiatives

(10) *Support the implementation of integration projects and initiatives within the region and between the Maghreb countries*

- Foster south-south economic and trade integration, notably within the Maghreb region;
- support implementation of the Agadir Agreement;
- step up and support regional initiatives in priority sectors such as energy, transport and information technology.

2.2. Economic and social reform and development

Macroeconomic framework

(11) *Consolidate progress on macroeconomic stabilisation*

Short term

- Maintain a prudent fiscal policy;
- finalise the study on improvements to public debt management.

Medium term

- Continue efforts to put banking institutions on a sound financial footing in accordance with an appropriate provisioning strategy;
- continue the strategy for bringing public debt under control by ensuring a primary balance surplus;
- implement the conclusions of the study on improving public debt management.

Structural reform and progress toward a functioning and competitive market economy

(12) Improving the performance and competitiveness of the Tunisian economy

Short term

- Implement the Tunisian Government's Plan for promoting private investment;
- enforce the recent reform of the legal procedure for calling in guarantees more quickly;
- examine best practice on notification of regulatory changes to commercial operators;
- adopt an action plan for opening up the infrastructure sector to private participation and implement the action plan adopted by the Government;
- take all the necessary steps on a case-by-case basis, to improve the quality of service and make new concessions more efficient, including gradual price adjustments where necessary.

Medium term

- Continue the rationalisation and simplification of administrative and legal procedures, including “one stop shop” procedures and their deployment in the country's main economic centres;
- continue the programme of privatisation and disengagement of the State;
- draw up a framework law on concessions.

Cooperation on social policy and employment

(13) Implement Articles 69 to 73 of the Association Agreement and align Tunisian legislation on EU standards and practices in the social and employment sectors

- Pursue the dialogue on employment and social policy so as to develop a joint analysis of the situation and identify challenges and possible measures to deal with them (social and civil dialogue, labour law, gender equality, health and safety at work, employment policy, social protection and inclusion), including support for Tunisian policies on reducing social inequalities (in education, health, social housing) and combating poverty and vulnerability ;
- pursue the dialogue on living conditions of Tunisian workers legally resident in the EU with a view to identifying ways and means of achieving progress on equal treatment and improving social integration;
- initiate a dialogue with a view to exchanging information on existing programmes and initiatives to facilitate social inclusion, the integration of vulnerable groups in the labour market and combating discrimination, racism and xenophobia;
- step up the collection of employment data, on productivity in particular.

Medium term

- Strengthen social dialogue at all levels (bipartite and tripartite);
- foster cooperation on social security (exchange experience, support reforms to health insurance and pension schemes, extension of social protection coverage to categories and branches of social security where no coverage exists), including social security institution-building;
- approximation of Tunisian legislation to Community laws in common interest social and labour sectors.

Regional development

(14) Pursue regional development efforts in order to reduce regional imbalances and improve local development capacity

- Foster rural development and reduce rural poverty;
- conduct targeted operations in areas of high emigration.

Sustainable development

(15) Promote sustainable development

- Ensure implementation of the sustainable development provisions of the 10th Development Plan (2002-2006);
- continue to integrate environmental considerations into other policy sectors: industry, energy, transport, agriculture and regional policies.

2.3. Trade, market and regulatory reform

2.3.1. Movement of goods

Trade relations

(16) Strengthen and facilitate access to goods markets

Short term

- Continue applying all undertakings made under Article II of the Association Agreement (free movement of goods);
- start negotiations on the revision of the protocols laid down in Article 17 of the Association Agreement from January 2005.

(17) Ensure completion of a free trade area between the EU and all its Mediterranean partners

Medium term

- Conclude and implement free trade agreements with the Mediterranean partners at regional, subregional or bilateral level;
- support implementation of the Arab-Mediterranean Free Trade Agreement (Agadir Agreement) and its extension to other Mediterranean partners;
- apply the new protocol on Pan Euro-Mediterranean origin cumulation between the EU and Tunisia and with the other Mediterranean partners;
- adopt procedural rules for the settlement of trade disputes.

(18) Strengthen the instruments and organs of trade facilitation

- Increase support to the Committee for the Facilitation of Procedures (COFPRO), chaired by a representative of the private sector, and to the administrative bodies responsible for facilitation;
- automate the workflow and decision-making processes of technical control agencies linked to the TTN (Tunisia Trade Net) system by means of “back-office” re-engineering;
- implement an integrated risk management system at the level of each technical control agency;
- implement a digital database on current technical control regulations;
- build the capacity of the authorities responsible for information and enforcement of the legislation.

Customs

(19) Further improve the operation of customs services in Tunisia, simplify and modernise customs procedures and legislation

Short term

- Implement the recommendations on trade facilitation adopted at Palermo in July 2003;
- encourage all traders, including foreign operators, to subscribe to TTN;
- step up cooperation between all border control services;
- step up customs controls on imports and exports of pirated and counterfeit goods;
- develop the administrative capacity of customs, including as regards rules of origin;
- improve implementation of the Customs Ethics Policy based on internationally recognised standards (Arusha Declaration);
- strengthen administrative cooperation to combat irregularities and fraud in customs and related matters;
- revise the Customs Code and implementing provisions on the basis of the results of consultations with users and bring them into line with international standards and the Community Customs Code.

(20) Develop cooperation with regard to securing the international supply chain

- Initiate EU-Tunisia dialogue with regard to risk-based customs controls and define standards for the certification of operators.

(21) Develop and implement customs legislation aligned with international and EU standards

Medium term

- Align customs legislation on the customs control of precursors, dual use goods and cultural goods;
- set up customs laboratories.

Technical rules, conformity evaluation standards and procedures (EU harmonised sectors)

(22) Facilitate market access for industrial products, including through the conclusion of a conformity assessment agreement

- Implement the action plan on the free movement of industrial products approved at Palermo by the July 2003 Euro-Mediterranean Conference of Trade Ministers;
- acquire expertise on Community law in the areas of technical rules, standardisation and conformity assessment; highlight differences with existing national legislation;
- adopt a national programme of legislative harmonisation, including detailed technical assistance requirements;

- build institutional capacity, in particular the human resources for implementing the harmonisation programme;
- raise the awareness of economic operators and ensure that they understand the process;
- assess the commercial impact of the approximation of Tunisian legislation to the Community acquis so as to identify priority sectors with a view to a conformity assessment agreement.

Medium term

- Develop the framework legislation and transpose the necessary sectoral legislation; implement that legislation;
- approximate the legislation on liability for faulty products and general product safety;
- bring national standards into line with EU and international standards for industrial products;
- introduce, adapt if necessary and improve through training, equipment, etc. the national bodies responsible for implementing EU legislation (standardisation, conformity assessment, metrology and market surveillance); integrate them as much as possible in European and international structures;
- negotiate an agreement on conformity assessment and the acceptance of industrial products (ACAA) in sectors of common interest where the legislation is applied to the same standards as in the European Union.

Elimination of restrictions, streamlined administration (non-harmonised EU areas)

(23) Facilitate the movement of goods and improve administrative cooperation

Medium term

- Screen Tunisian legislation on product composition, labelling, manufacture and description to bring it into line with the existing EU general rules;
- develop the capacity of TBT Enquiry points to improve information flows and cooperation between the EU and Tunisia and provide information to operators.

Health and plant health issues

(24) Improve the health safety of food and facilitate trade in agricultural products with the EU on the basis of reforms and modernisation of the veterinary and plant health sectors

- Continue implementation of requirements under the WTO agreement on Sanitary and Phytosanitary measures and agreements with other relevant international bodies (OIE, IPPC, Codex Alimentarius);

- gradually implement EU animal and plant health rules relating to imports of live animals, products of animal origin, plants and plant products. Ensure controls at production level, not just on the finished product;
- progressively apply the EU's food safety rules for the production of agricultural and food products and for production level controls;
- introduce an animal traceability system;
- help organise public campaigns to eradicate certain diseases or harmful organisms identified in the Community acquis which are present in Tunisia;
- develop a strategy on institution-building, including laboratories;
- regulate and, if necessary, ban the sale of certain substances, including phytopharmaceuticals, and guarantee the monitoring of the residues of these substances in animals, products of animal origin, plant products, food products and animal feed, without creating unnecessary barriers to trade;
- step up policies on the eradication of major zoonoses and contagious transboundary animal diseases;
- develop emergency plans to deal with OIE List A animal diseases and set up epidemic surveillance networks to monitor such diseases and major zoonoses.

2.3.2. Right of establishment, company law and services

Right of establishment and company law

(25) *Promote greater freedom in relation to establishment and foreign investment (other than establishment in the agriculture and services fields)*

- Foster suitable conditions for companies, e.g. through effective implementation of bankruptcy legislation;
- comparative study of Tunisian and EU legal systems for all aspects of company establishment, to identify in particular suggestions for improvements that would encourage foreign investment;
- screening by Tunisia of national legislation so as to identify barriers to establishment;
- ensure that the conditions for establishment of companies are not more restrictive than when the Association Agreement was concluded;
- widen the scope of the Association Agreement to include the right of establishment (on the basis of the review clause in Article 31).

Company law

- Establish a high-quality audit profession;

- implement the key principles of accountancy laid down in international and EU rules and standards and ensure their effective application;
- modernisation of the business register and the system of publicity for informing third parties;
- start discussions on a code of corporate governance.

Services

(26) *Gradually eliminate restrictions on trade in services between the EU and Tunisia in a significant number of services and negotiate an agreement to liberalise trade in services in accordance with Article V GATS*

- Contribute to finalisation of the framework protocol on service liberalisation in the Euro-Med services working party;
- launch bilateral negotiations on the conclusion of a free trade area in services in accordance with Article V GATS;
- exchange experience and know-how of existing general or sectoral legislation in the EU;
- identify national priorities and draw up an appropriate schedule of negotiations in the service sector with the EU.

Financial services

- Continue implementation of the IMF's July 2002 Financial Sector Assessment Programme (FSAP).

2.3.3 Capital movements and current payments

(27) *Pursue a strategy of liberalising capital movements (Article 34 of the Association Agreement) in the light of the health of the Tunisian financial system*

- Assess the content of the foreign exchange code with a view to adapting it to other texts at national level and to the legislation in force in foreign partners;
- speed up implementation of Title IV of the Association Agreement (current payments and movements of capital) in order to move gradually towards the full liberalisation of capital movements (Article 34(2)).

Medium term

- Complete the free movement of capital in accordance with Article 34 of the Association Agreement.

2.3.4 Movement of persons, particularly workers, and coordination of social security systems

(28) *Full implementation of commitments under Article 64 of the Association Agreement*

- Ensure full application of the clause on equal treatment irrespective of nationality as regards working conditions, remuneration and dismissal;
- ensure freedom of movement, the right of establishment and professional mobility within the Union for workers and members of their families legally residing in the EU Member States in accordance with Community law;

- facilitate and improve conditions for reuniting families as a factor in ensuring a balanced family life for immigrants and members of their families in accordance with Community law.
- (29) *Ensure equality of treatment as regards nationality and social security (Articles 65 to 68 of the Association Agreement)*
- Ensure full application of the clause on non-discrimination in the area of social security for workers and members of their family via the coordination of social security schemes;
 - adopt a Decision in the Association Council concerning the implementation of Article 65 on the coordination of social security systems;
 - implement the provisions on coordinating EU and Tunisian social security systems in accordance with Article 67 and continue the dialogue in the ad hoc working party on social security.

2.3.5 Other key areas

Taxation

- (30) *Continue reform of the tax system in order to align it as much as possible with international and European standards*
- Progress towards the adoption of bilateral agreements with EU Member States on avoidance of double taxation;
 - undertake a detailed and exhaustive study of the tax system in order to identify improvements required, increase its competitiveness and efficiency and align it as much as possible on international standards;
 - adopt and implement a strategy for modernising the tax administration (vocational training, computerisation and use of new communication technologies, tax administration management and information systems);
 - exchange experience and know-how on EU Member States' tax systems.

Medium term

- Exchange of views on the principles of the Code of Conduct for Business Taxation with a view to creating a suitable and equitable framework for the process of integrating Tunisia into the internal market;
- continue work on approximation so as to align concepts used in the tax field with those used in the EU.

Competition policy

Short term

(31) Adopt the implementing provisions of Article 36(3) of the Association Agreement

- Adopt a decision of the Association Council on the implementing provisions of Article 36(3) of the Association Agreement.

(32) Implement and consolidate undertakings made on competition law (Article 36 of the Association Agreement) and develop legislation and a control mechanism compatible with those in the EU

- Assess the current Tunisian legislative framework and its implementation, in particular respect for the principles of non-discrimination, transparency and procedural fairness;
- consolidate the status of the Competition Council, in particular by (a) guaranteeing its independence and ensuring adequate staffing levels and budgetary resources; (b) endowing it with appropriate powers, notably for decision-making, enforcement orders and effective sanctions (e.g. fines); the possibility in the medium term of own-initiative investigations; (c) ensuring appropriate training for competition authority staff;
- ensure the right of appeal to an independent court against decisions on anti-trust;
- ensure specialist training for judges dealing with competition cases.

State monopolies

(33) Implement commitments made under Articles 37 and 38 of the Association Agreement

- Exchange fully information on State monopolies, public enterprises and enterprises with special or exclusive rights.

State aid

(34) Implement commitments on State aid made under Article 36 of the Association Agreement

Medium term

- Establish full transparency as regards State aid, in particular by (a) laying down a uniform definition of State aid (agreed by both parties); (b) drawing up a complete list of bodies granting aid; and (c) creating a national mechanism for centralising information on State aid granted in Tunisia, with a view to drawing up the report referred to in Article 36(4)(b) of the Association Agreement.

(35) *For Tunisia to participate in a specific sector of the internal market, it must introduce a State aid control regime and legislation compatible with that of the EU:*

Medium term

- a legal principle of prohibition of State aids which distort trade between the EU and Tunisia;
- an ex-ante control system involving the competent authorities.

Intellectual and industrial property rights

(36) *Ensure a level of protection compatible with the highest international standards and strengthen the effective application of these provisions in accordance with Article 39 of the Association Agreement*

Short term

- accede to the main international agreements - including the conventions specified in Article 39 of the Association Agreement - and apply the highest international standards (Article 39);
- ensure enforcement of the rules, particularly as regards fines, to ensure effective protection for right-holders;
- improve administrative cooperation between relevant Tunisian authorities and with third country authorities;
- build capacity in the supervisory structure dealing with the registration, granting and management of rights;
- step up action on counterfeit/pirated goods in specifically targeted sectors;
- step up measures for: creating a climate conducive to the development of industrial property in Tunisia; strengthening the Industrial Property department of the National Institute of Standardisation and Industrial Property; promoting patents and inventiveness.

Medium term

- reinforce the bodies responsible for patents and copyright;
- explore the possibility of enhanced interaction with other Euromed partners;
- move in the direction of levels of protection on a par with the EU's.

Public procurement

(37) *Ensure full and effective implementation of Article 41 of the Association Agreement, which provides for reciprocal and gradual opening of public procurement markets*

- improve the functioning of the current system through increased transparency, information and training, and appropriate legislative adjustments;
- ensure convergence with the key principles governing all levels of public procurement (e.g. transparency, non-discrimination, competition and access to legal recourse);
- introduce a system of appeals against rulings by public procurement committees;
- exchange experience and know-how on the possibility of independent/judicial review in the event of disputes;
- facilitate reciprocal access to procurement markets, including examining ways to eliminate national preference clauses;
- reinforce public procurement structures and institutions, in particular as regards training/information and exchanges of experience/know-how.

Statistics

(38) *Adopt statistical methods fully compatible with European standards in relevant statistical areas, implementation of Article 60 of the Association Agreement and continue to strengthen institution building of the Tunisian Statistical System*

- develop a short- and medium-term strategy for harmonisation with European standards on economic, social and environmental statistics;
- develop a medium-term action plan for the upgrading of Tunisian statistical structures (institutions, law, human resources, statistical programming and production, publication, etc.);
- continue the work on sustainable development indicators.

Financial control

(39) *Introduce sound management of public finances*

- introduce a strategy for the gradual adoption of goal-oriented budget management;
- develop the practice and publication of consolidated accounts of financial transactions of the State, local authorities, social security funds and government administrative enterprises.

(40) *Strengthen internal financial control in the public sector*

- continue development of a strategy for a system of public internal financial control (managerial accountability and internal audit) taking account of internationally agreed standards and methodologies (IFAC, IIA, INTOSAI);
- strengthen the legislative framework for internal financial control in the public sector.

(41) Strengthen external audit

- gradually align the control methods of the Court of Auditors with international standards and EU best practice for external audits;
- promote the development of sufficient administrative capacity to prevent and combat fraud and other irregularities affecting national and international funds;
- exchange experience and know-how on administrative capacity building to tackle fraud in the management of Community funds better and thereby improve their management;
- ensure effective cooperation with the relevant EU institutions and bodies in the case of on-the-spot checks and inspections related to the management and control of EU funds.

Enterprise policy

(42) Improve the climate and conditions for the development of competitive businesses and investment promotion

- implement the strategy approved in Rome in October 2003 by the Euro-Med industrial cooperation working party.

Short term

- Adopt the Euro-Mediterranean Charter for Enterprise;
- identify measures to stimulate entrepreneurship and competitiveness through simplifying the administrative rules, promoting SMEs' access to funding, education and training, promoting innovation and business support services. Enhance the effectiveness of these measures;
- establish dialogue on aspects relating to the promotion of investment and industrial partnerships.

Medium term

- Implement the Euro-Mediterranean Charter for Enterprise in Tunisia; develop a regional dialogue based on the exchange of best practices;
- strengthen the role of enterprises (including SMEs) and their representative organisations in the decision-making process for Tunisian enterprises;
- involve Tunisia in European initiatives for stimulating competitiveness and innovation, including sectoral dialogue in the sensitive areas of tourism and textiles/clothing;
- support the development of partnerships between Tunisian and EU enterprises and networks of SME and investment support structures;

- on the basis of the experience of the new Member States, develop instruments to meet SME financing requirements, including investment guarantee systems; encourage partnerships between public authorities, financial institutions and businesses to improve access to financing.

2.4. Cooperation on justice and home affairs

Migration (legal and illegal, re-admission, visas, asylum)

(43) *Promote legislation based on international principles and standards on asylum and refugees and implement the relevant UN Conventions*

- Implement the principles of the 1951 Geneva Convention and its 1967 Protocol;
- make available EU experience and expertise on transposing the 1951 Convention into national legislation;
- support administrative structures which handle and follow up asylum applications, including support for an asylum authority, training for the staff concerned and reception capacity.

(44) *Ensure and promote effective management of migration flows*

- promote active cooperation on legal migration;
- set up within existing structures a joint expert group on legal migration to Europe: take stock of existing channels and commitments made by Member States, identify and suggest possible ways to facilitate legal migration;
- discuss the development and implementation of the common immigration policy, including the relevant EU legislative instruments;
- set up an observatory to analyse the migration phenomenon: synergies with the EUROMED network for migration research and observation;
- transit migration: discussions on the possibilities for cooperation with countries of origin and transit;
- explore the possibility of inviting Tunisia to participate in or observe the activities organised in the framework of the ARGO and AENEAS programmes on migration and other EU programmes in the same field;
- initiate a dialogue on return and readmission with a view to concluding a readmission agreement with the EU, taking account of the human dimension, socio-economic aspects and back-up measures.

(45) *Prevent and combat illegal migration to and via Tunisia*

- Exchange of information and dialogue on illegal migration in order to promote active cooperation;
- support implementation of a comprehensive, coherent and balanced strategy for combating illegal migration;
- build operational and intervention capacity of land and sea border surveillance and control units, including in the context of improved regional and sub-regional cooperation.

(46) Facilitate the movement of persons

- Establish an open and constructive dialogue between Tunisia and the EU on visas, including ways of facilitating visa issue procedures;
- in order to facilitate the movement of persons, examine, within the existing structures, possibilities for facilitating, simplifying and speeding up the visa issue procedures for certain jointly agreed categories of persons in accordance with the *acquis*.

Border management

(47) Develop an effective, comprehensive border management system

- build organisational and institutional capacity for border control and surveillance of entry and exit areas;
- make travel documents and visas more secure;
- exchange information and experience of border management systems between all competent structures and provide European experience and expertise;
- develop a border management training strategy;
- develop regional cooperation between authorities dealing with border management (police, border police, migration and asylum services/authorities and customs);
- improve the administrative capacity of the Tunisian border police by improving equipment and facilities at border checkpoints.

Combating organised crime (including the smuggling of migrants and trafficking of human beings)

(48) Ratify and implement international instruments for combating organised crime

- Implement the UN Convention against Transnational Organised Crime and its protocols;
- develop legislation in line with international standards.

(49) Develop methods to combat trafficking in human beings and to reintegrate victims of trafficking

- Initiate a dialogue to agree a common approach on tackling trafficking targeting recruiters, transporters, exploiters, other intermediaries, clients and beneficiaries;
- improve support to the most vulnerable groups (women and children);
- set up special training schemes for public prosecutors, police and border officials.

Drugs

(50) Step up action to combat drug-trafficking and drug addiction

- speed up adoption of the implementing provisions of Article 62 of the Association Agreement;
- support implementation of the relevant principles in the 1967, 1971 and 1988 UN Conventions and the principles of UNGASS;
- launch special training measures for drug enforcement agencies;
- development and implementation of prevention, treatment and rehabilitation programmes for drug addicts;
- cooperation in the drafting of norms for preventing the diversion of chemical precursors and other substances used in the illegal production of drugs.

Money laundering, economic and financial crimes

(51) Strengthen efforts and cooperation in the fight against money laundering and other financial crimes

- Implement Article 61 of the Association Agreement;
- promote exchanges of information between the relevant Tunisian and EU bodies, notably concerning implementation of FATF recommendations;
- implement legislation on money laundering and the financing of terrorism (identify requirements and ensure necessary support);
- set up a Financial Intelligence Unit (FIU).

(52) Intensify the fight against corruption by

- exchanging information on EU and Tunisian legislation and strategies and implementation of international instruments;
- sign the 2003 UN Convention on Corruption and apply the measures therein;
- exchange of best practices on combating corruption and developing cooperation in the area.

Judicial and police cooperation

(53) Develop legislation on legal and judicial cooperation between states

- signature and implementation of the main international conventions;
- with reference to the relevant agreements, encourage practical solutions to prevent, manage and settle parental responsibility disputes, including the question of children of separated mixed couples.

(54) *Continue the development of cooperation between the judicial and police authorities in Tunisia and the Member States*

- situation report on EU-Tunisia judicial cooperation;
- support implementation of measures contained in UN Conventions;
- strengthen police cooperation by all appropriate and necessary means, including cooperation with EUROPOL;
- cooperation between Tunisian and EU police training academies and schools and with CEPOL.

2.5. Transport, energy, information society, the environment and science and technology

Transport

(55) *Draw up and implement a national transport and infrastructure policy*

- adopt a sustainable national transport policy for the development of all modes of transport, particularly with a view to security and safety (all modes of transport);
- identify and prioritise investment needs; and work towards their gradual introduction. Adopt financing strategies, including innovative financial solutions, in particular public-private partnerships.

Regional element

- Take part in the planning exercise in the context of the Euro-Mediterranean regional transport project under MEDA;
- contribute to the identification of priority regional infrastructure projects (trans-Maghreb multimodal corridor);
- take part in the development of GNSS (Galileo) in the Mediterranean region and the new MEDA regional project on satellite navigation systems.

(56) *Implement selected measures and reforms in the road transport sector*

- introduce a transparent regulatory process for the issue of licences (for both goods and passenger transport) and access to the occupation;
- implement international conventions, in particular in the field of dangerous goods, and action plans to improve road safety;
- develop the capacity of the bodies responsible for social and technical standards in the sector.

(57) *Implement selected measures and reforms in the rail transport sector*

- Continue implementation of the railway company restructuring policy and reorganise the administration to separate regulatory responsibilities from operational interests;

- promote multimodal services by integrating interoperability.

Regional element

- Explore the benefits of regional cooperation in order to improve the safety, speed and effectiveness (interoperability) of rail services;
- promote closer collaboration between the national regulatory authority in the rail sector, international organisations and the EU.

(58) Implement selected measures and reforms in the aviation sector

- implement a national aviation policy for the development of the sector, further increase administrative capacity;
- introduce competition between operators and continue liberalisation of stop-over services; liberalise authorisation systems to allow the entry of private competitors; implement a policy to encourage private investment in airport infrastructure;
- cooperate on safety and security;
- develop industrial and research cooperation with the EU in the aviation sector;
- the Community designation clause will be proposed by the EU party in the context of the revision of existing aviation agreements with Member States;
- explore the possibility in the long term of integrating air traffic management systems.

(59) Implement selected measures and reforms in the maritime sector

Short term

- Implement a national maritime policy for the development of the maritime sector which would make it more competitive and promote short-sea shipping and multimodal transport;
- implement the relevant international conventions and continue alignment of maritime legislation with that of the EU and step up cooperation in that area (particularly as regards monitoring vessels transporting dangerous goods);
- introduce the changes recently agreed in the IMO Marpol Convention;
- continue reform of the port sector so as to set up an independent regulatory body separate from the port authorities and encourage competition in port services;
- strengthen institutional structures of maritime administration to enable it to take on its responsibilities in the areas of safety, security and maritime pollution prevention and control;
- step up cooperation on maritime security with a view to combating terrorism, in the context of implementing the SOLAS/ISPS code;

- take an active part in the WTO/GATS negotiating round on maritime transport services.

Medium term

- Explore the possibility of participating in EMSA;
- complete restructuring of the State port sector;
- speed up the phasing-out of single-hull oil tankers and introduce the changes recently agreed in the IMO Marpol Convention.

Regional element

- Take part in improving the Euromed framework for cooperation within the IMO in the context of maritime safety; take part in the new MEDA regional project on maritime safety (SAFEMED);
- take part in regional cooperation on maritime policy, ports, short-sea shipping and multimodal transport.

Energy

(60) *Step up energy cooperation with a view to gradual convergence, taking account of the characteristics of the Tunisian market, towards the objectives of EU energy policy*

- Step up energy policy dialogue, including aspects relating to Tunisia's gradual integration into the EU's internal energy market.

(61) *In the light of gradual future integration of Maghreb energy markets into the EU internal energy market, establish a Maghreb electricity and gas market with a view to convergence towards the principles of the EU internal electricity and gas markets*

- Implement the Memorandum of Understanding on the gradual integration of the Algerian, Moroccan and Tunisian electricity markets into the EU's internal electricity market (Rome, 2 December 2003).

(62) *Develop the gas sector*

- Strengthen programmes and measures for the development of Tunisian gas resources, including intensification of exploration, the development of transit and export capacities and increasing the safety of gas installations.

(63) *Reinforce, develop and optimise energy networks and infrastructure*

- Reduce network losses and improve their performance, safety and security;
- continue to encourage electrification of rural areas;
- develop networks, infrastructure and interconnections (gas, electricity, oil) between Tunisia and the EU and within the Euro-Mediterranean region.

(64) *Step up energy efficiency and the use of renewable energy sources*

- Consider the advisability of adopting and implementing an action plan in this area, with financing plan and implementation timetable;
- continue implementation of measures in this area;
- strengthen institutions.

Information Society

(65) *Progress in the area of electronic communication policy and regulation towards the development of a regional electronic communications market*

- Liberalise the fixed telephony market;
- continue liberalisation of the mobile telephony market;
- continue establishment of the regulatory framework to encourage investment in the sector, including licensing, interconnection, numbering, Universal Service, and guaranteeing extended and secure use of electronic communications;
- increase the efficiency of the regulatory authority (INT) by endowing it with additional powers and resources;
- encourage cooperation between the INT and other regulators in the Mediterranean region and in the Member States of the EU.

(66) *Progress in the policy to develop Information Society applications and in scientific cooperation and dialogue*

- Implement the guidelines on the information society in the 2002-2006 national development plan;
- promote the use of new communication technologies by business, public administrations, citizens and in the health and education sectors (e-business, e-government, e-health, e-learning) through the introduction of pilot projects, the establishment of advanced infrastructures and the development of content (e.g. thematic sites on the economy, research, culture);
- improve the use of Internet and online services by citizens via public computer training programmes;
- promote Tunisia's participation in the IST section of the EU's 6th framework research programme and in the EUMEDIS regional programme;
- step up Tunisian cooperation within regional and global strategies, particularly in the context of the World Summit on the Information Society (preparation of WSIS II in Tunis in 2005).

Environment

(67) *Promote good environmental governance*

- Improve strategic planning of environment issues and strengthen national and local structures responsible for the environment, including by ensuring better coordination between the different actors;
- support implementation of environment strategies and programmes at national and local level;
- complete the regulatory framework and introduce procedures for access to information and public participation in the environment field;
- increase the participation of the various stakeholders affected by environment issues (e.g. civil society and local authorities), in particular public participation in environmental impact assessment procedures;
- adopt communication strategies on the environment and natural resource management;
- exchange know-how and experience on environmental governance.

(68) *Prevent and combat the deterioration of the environment, protect human health and promote the rational use of natural resources, in line with the Johannesburg Summit undertakings*

- Strengthen administrative capacity, including the issuing of permits and monitoring and inspection tasks;
- support the necessary measures and means for protection of the environment and natural resources management, in particular: (i) step up implementation of the national waste management plan, particularly as regards collection, recovery, recycling and disposal of waste; (ii) implement the national plan for combating desertification and soil erosion; (iii) implement the national water resources plan;
- introduce Euro-Mediterranean programmes for preventing and combating marine pollution, in particular pollution caused by shipping;
- support industrial and tourism sector efforts in environmental upgrading.

(69) *Enhance and boost cooperation on environmental issues*

- Introduce practical arrangements for cooperation with the EU on implementation of the environment conventions and protocols, particularly as regards biodiversity, climate change, desertification and waste management: special attention will be paid to implementing the provisions of the Kyoto Protocol and the UN Framework Convention on Climate Change, including CDM;
- ratify the new Emergency Protocol of the Convention for the Protection of the Mediterranean Sea against Pollution (Barcelona Convention);

- improve North-South dialogue and consultation on protecting the Mediterranean Sea;
- identify possibilities to enhance regional cooperation with neighbouring countries, especially with regard to water and desertification problems;
- possible participation in certain activities of the European Environment Agency;
- promote cooperation at local level through environmental and sustainable development programmes, including actions involving municipalities in Tunisia and in the Member States;
- promote transfers of environment technologies.

Science and technology, research and development

(70) Speed up Tunisia's integration in the European research area and the Community framework programmes

- Implement and reinforce mutual information systems, in particular as regards reciprocal cooperation opportunities;
- disseminate research results to all potential users, develop a “patent culture” and set up intellectual property offices in technology parks and universities, including support for the introduction of a doctoral-level course in intellectual property law in the framework of the Agreement on Scientific and Technological Cooperation;
- implement and ensure the smooth running of the network of national contact points for the 6th FRDP and link them up with the national RDT and innovation operators;
- organise EU-Tunisia cooperation in RDT-I, identifying the priority sectors of mutual interest, the instruments and means of cooperation and implementation policies and strategies.

(71) Develop research and technological development capacity for the benefit of the economy and society

- Strengthen human, material and institutional resources in order to improve the capacities of RDT-I operators;
- adopt a common strategy for the ten sectoral and regional technology parks with a view to organising a dialogue between all those involved in research and end-users (industry, SMEs) and implementing interaction mechanisms between research and industry, public-private sector;
- strengthen the human and material resources necessary to promote innovation.

(72) Promote Tunisia's integration in high-level scientific exchanges

- Strengthen Tunisia's participation in the international Marie Curie scholarship programmes and provide appropriate return mechanisms;

- step up staff exchanges in joint projects and consider other forms of exchange;
- promote participation of Tunisian scientists in international scientific debates and fora;
- promote science and technology information through reciprocal access to databases and scientific documentation;
- encourage integration into European networks of excellence and/or participation in research groups;
- encourage the establishment of a science and technology observatory as envisaged under the 10th Plan.

2.6. People-to-people contacts

Education, Training and Youth

(73) *Foster the creation of a knowledge-based society in order to enhance mobility, employability, competitiveness and attractiveness*

- Extend the range of technical and vocational courses at basic and intermediate level;
- bring the Tunisian education system into line with those in the EU, taking into consideration the Lisbon strategy;
- improve lifelong learning programmes;
- create programmes of European and Euro-Mediterranean studies, particularly through the Jean Monnet Action and, in part, via the TEMPUS programme;
- improve the higher education system and the institutional and legislative framework in line with the principles of the Bologna process;
- implement the system for recognition of academic credits (ECTS) with support from the TEMPUS programme and step up the introduction of common courses and common degree programmes;
- promote the establishment of employment observatories in universities so as to adapt education to national and regional labour market requirements and develop a university enterprise culture;
- develop new teaching methods, in particular distance teaching and access to interactive databases.

(74) *Increase cooperation in the fields of university education, general education, training and youth*

- promote cooperation between higher education establishments;

- promote exchanges between young people and cooperation in the field of non-formal education;
- promote intercultural dialogue via the relevant programmes and between higher education establishments;
- encourage Tunisian students and universities to participate in the Erasmus-Mundus programme;
- exchange experience and best practice in the areas of university education, general education and vocational training;
- develop methods for monitoring and assessing policies and programmes, in particular indicators and decision-making aids;
- consolidate the development of doctoral schools to meet student supervision requirements in the sector (teachers and researchers).

Cultural cooperation

(75) Improve cultural cooperation

- Ensure Tunisia's full participation in the activities of the Euro-Mediterranean Foundation for the Dialogue of Cultures and in the cultural cooperation programmes of the Euro-Mediterranean partnership (e.g. Euromed Heritage and Euromed Audiovisual);
- implement Article 74 of the Association Agreement;
- develop a dialogue on cultural diversity, including in the context of the relevant negotiations in UNESCO, in order to take account of the specificities of cultural products and services;
- increase the circulation of cultural products;
- develop the capacity of the Tunisian cultural industry to integrate into EU distribution circuits;
- establish triangular cooperation with the countries bordering Tunisia;
- exchanges of experience and know-how to promote culture as a vector of development.

(76) Create an environment conducive to cooperation and the movement of cultural and audiovisual products and services

- Promote an exchange of views on audiovisual policy;
- encourage the exchange of information and experience with regard to regulatory aspects of the audiovisual sector;

- identify mechanisms to intensify Euro-Tunisian co-productions in the audiovisual sector and cinema.

Civil society cooperation

(77) Intensify and facilitate cross-border cooperation

- Encourage local and regional initiatives to develop international cooperation activities;
- encourage further empowerment of consumer associations and strengthen their role in the protection of consumers' economic rights.

Public health

(78) Raise the level of public health and epidemiological safety, in line with EU legislation and in cooperation with the WHO, by participation in information networks.

Information and knowledge:

- Encourage Tunisia's participation as an observer in the network of competent authorities; technical and administrative capacity for integration into the EU public health information system and take measures to integrate Tunisia into that system (EUPHIN);
- exchange information and know-how on health indicators and the collection of data, in particular for the 50 priority indicators selected by the EU;
- organise seminars and meetings to exchange information in the field of health safety;

Epidemiological surveillance and monitoring

- Encourage inclusion and participation in networks for the surveillance of transmissible diseases;
- develop a network of laboratories.

(79) Build capacity for treating non-transmissible diseases in accordance with WHO strategy

- Participation in Euro-Mediterranean networks for research on cancer and cardiovascular diseases.

3. Monitoring

The Action Plan will be submitted to the EU-Tunisia Association Council for formal adoption.

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

The two parties will conduct an initial review of the implementation of the Action Plan within two years of its adoption.

The parties will jointly amend and/or update the Action Plan on a regular basis to reflect progress in addressing the priorities.