

Results strategy for Sweden's
reform cooperation with

Eastern Europe, the Western Balkans and Turkey

2014 – 2020



REGERINGSKANSLIET

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**Government Offices
of Sweden**

Results strategy for Sweden's reform cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014–2020

1. Expected results

This results strategy governs the use of funds allocated under appropriation item *Reform cooperation in Eastern Europe, the Western Balkans and Turkey* in the appropriation directions of the Swedish International Development Cooperation Agency (Sida) and the Swedish Institute, and appropriation item *Section for Turkish-Swedish cooperation at the Consulate-General in Istanbul* in the Ministry for Foreign Affairs' appropriation directions for the relevant financial years. In total, the strategy encompasses approximately SEK 8 billion for the strategy period. For Sida, the strategy encompasses a total of about SEK 7.6 billion during the strategy period, for the Swedish Institute, the total figure is around SEK 191 million, and for the Consulate-General in Istanbul, funding totals around SEK 49 million.

The strategy is composed of three parts and includes the countries of Eastern Europe, the Western Balkans and Turkey. The strategy is to apply during the period 2014–2020, which coincides with the period covered by the European Neighbourhood Instrument and the Instrument for Pre-accession Assistance.

Cooperation with *Eastern Europe* comprises the countries included in the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). Support to Eastern Europe during the strategy period totals about SEK 4.2 billion, of which Sida is expected to manage about SEK 4.1 billion and the Swedish Institute is expected to manage about SEK 80 million. Cooperation with the *Western Balkans* (Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia) totals about SEK 3.6 billion, of which Sida is expected to manage about SEK 3.5 billion and the Swedish Institute is expected to manage about SEK 60 million.

Cooperation with *Turkey* totals about SEK 610 million, of which Sida is expected to manage about SEK 510 million, the Swedish Institute is expected to manage about SEK 50 million and the Consulate-General in Istanbul is expected to manage about SEK 49 million.

The results strategy aims to assist the countries in the Eastern Partnership, the Western Balkans and Turkey to forge closer links with the EU.

The activities in Eastern Europe are expected to result in the following.

Table 1 – Expected results in Eastern Europe

1) Enhanced economic integration with the EU and development of market economy

- Partner countries better fulfil EU requirements for entering into and applying association agreements, including deep and comprehensive free trade areas (AAs/DCFTAs).
- Competitive small and medium-sized enterprises make up a greater share of the economy.

2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on strengthened public administration and judicial systems

- More efficient public administration with administrative capacity to implement reforms for EU-integration.
- Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption.
- More efficient judicial systems that guarantee the right to a fair trial and include a developed sentencing system in accordance with European standards.
- A reduction in gender-based violence, hate crimes and human trafficking.

Focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence.

- More pluralistic civil society, including political parties with strengthened popular support.
- Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections.
- Freer and more independent media.
- Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination.
- Women and men have, to a greater extent, the same power to shape society and their own lives.
- Increased trust between the parties in protracted conflicts.

3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

- Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy.
- Enhanced environmental responsibility among the general public, the business sector and civil society.
- More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy.

The activities in the Western Balkans are expected to result in the following.

Table 2 – Expected results in the Western Balkans

1) Enhanced economic integration with the EU and development of market economy

- Enhanced capacity among institutions to continue economic integration with the EU.
- Competitive small and medium-sized enterprises make up a greater share of the economy.

2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on strengthened public administration and judicial systems

- More efficient public administration, with stronger administrative capacity to implement reforms for EU-integration.
- Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption.
- More efficient judicial systems that to a greater extent guarantee the right to a fair trial in accordance with European standards.
- A reduction in gender-based violence, hate crimes and human trafficking.
- More democratic and effective police forces.

Focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence.

- A more pluralistic civil society, including political parties with strengthened popular support.
- Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections.
- Freer and more independent media.
- Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination.
- Women and men have, to a greater extent, the same power to shape society and their own lives.
- Increased trust and reconciliation between parties in and between countries.

3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

- Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy.
- Enhanced environmental responsibility among the general public, the business sector and civil society.
- More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy.

The activities in Turkey are expected to result in the following.

Table 3 – Expected results in Turkey

i) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on a strengthened public administration and judicial system

- An efficient public administration with administrative capacity to implement reforms for closer relations with the EU, with emphasis on fundamental rights.
- A more efficient judicial system that better guarantees the right to a fair trial in accordance with European standards.
- A reduction in gender-based violence.

Focusing on increased enjoyment of rights and greater opportunities to exercise democratic influence

- A more pluralistic civil society with strengthened popular support, which promotes democratic accountability.
- Turkey better fulfils its international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination.
- Women and men have, to a greater extent, the same power to shape society and their own lives.

2. Context

Sweden is one of the strongest advocates of continued EU enlargement. EU-integration is crucial to these countries' pursuit of democracy, the rule of law and openness, as well as sustainable economic development. Strengthened conditions for accountability and political participation are of particular importance in those countries where democratic development is weak or at risk of deteriorating. In addition, the EU imposes strict requirements in terms of environmental adaptations.

There has been progress in the reform efforts in several of the countries, but challenges remain. Political instability, short-sighted economic and political decisions and difficult social and economic conditions have affected the pace of efforts to implement necessary reforms. The initiatives need to be adapted and designed in different ways depending on the different conditions in the countries and the level of their EU ambitions.

The Eastern Partnership (EaP) is the political framework for relations between the EU and the six partner countries in Eastern Europe. The EaP was launched in 2009 – Sweden was one of the initiators – and has meant increased focus by the EU on closer ties with those countries. Association agreements (AAs), including deep and comprehensive free trade areas (DCFTAs), are intended to pave the way for deepened cooperation with the EU institutions, adaptation to the common EU legal framework (the *acquis communautaire*) and increased access to the EU internal market, as well as a broader exchange of knowledge, ideas and experience. The partnership also includes reforms in those countries that are necessary to be able, in time, to realise their citizens' wish to travel to the EU without visas.

The process of closer ties between the EU and the Western Balkans is being implemented within the Stabilisation and Association Process (SAP), which is the common EU policy framework for the Western Balkans. The aim of the SAP is to create the conditions for the countries of the Western Balkans to become members of the EU. This requires them, among other things, to comply with the Copenhagen criteria, which means extensive reforms in the partner countries. The starting point for

closer Turkish ties with the EU and its values is also adaptation to the Copenhagen criteria¹ and the implementation of the Association Agreement with the EU.

Reform cooperation will gradually be phased out as the individual countries become democratically and economically closer to the EU. The strategy for reform cooperation with Eastern Europe, the Western Balkans and Turkey therefore has a perspective above and beyond development assistance.

3. Activities

Support should be coordinated with and/or act as a complement to the initiatives implemented by the EU under the European Neighbourhood Instrument (ENI) and the Instrument for Pre-Accession Assistance (IPA II). This increases Sweden's chances of influencing the orientation and implementation of EU support. Sida should make use of opportunities to implement projects using funds delegated by the EU. Strategic secondments can be used in the implementation of initiatives. Collaboration should be sought with other EU Member States and with international financial institutions (IFIs). Sweden should work for coordinated initiatives involving several donors. Sida is encouraged to identify innovative development aid methods and financing mechanisms. It is important that the positive effects of closer ties with the EU and of the Eastern Partnership (EaP) are made visible.

In the case of Eastern Europe, Sida can contribute to implementing the bilateral European Neighbourhood Policy (ENP) action plans between the EU and each country, and assist the countries integrate with the basic values of the EU. Sida should also work to ensure that the regional initiatives complement and assist develop the multilateral EaP-cooperation.

¹ Under the Copenhagen criteria, a country that wishes to join the EU must be a stable democracy that respects human rights and protects minorities; it must have a functioning market economy and a public administration with the ability to implement the *acquis communautaire*.

In the case of closer ties between the EU and the Western Balkans and Turkey, the EU's enlargement policy framework, in accordance with the assessments of the European Council and the Council, are an important starting point. The progress reports on partner countries drawn up by the European Commission within the annual enlargement package and the country strategies produced as part of EU support should also be taken into account.

To achieve the strategy's results for Eastern Europe, the Western Balkans and Turkey, Swedish support should be directed at areas in which Sweden has comparative advantages over EU support, and can offer added value in the form of experience, know-how, credibility and flexibility. In areas to do with key Swedish values, such as human rights, gender equality, democracy, LGBT issues and non-discrimination, Swedish support should have prospects of strengthening EU development assistance.

Anti-corruption efforts should include all of the result areas in all of the partner countries via integrated measures. Given the extent of the problem and its negative impact on the prospects of achieving the objectives of the strategy, targeted measures should also be considered. Gender equality should also be a recurrent theme that should be promoted via targeted and integrated measures and dialogue.

Support should be adapted to the conditions in each country and its particular challenges in the process of EU integration. For the countries concerned, this can mean that activities target the results in each of the three areas that are particularly relevant. The situation in countries with a democratic deficit should be taken into account when designing and implementing the initiatives. Initiatives in Belarus should continue to be a priority. Great importance should be attached to identifying, assessing and managing risks. In the event of a lack of political willingness for reforms, it may be necessary to spread the risks through the choice of areas, initiatives or type of cooperation partner. Swedish development assistance as a whole should be designed from a conflict-sensitive perspective.

A more regional approach should be sought. The choice between bilateral and regional initiatives should be made based on what initiatives have

the best chance of achieving results, are cost-effective and contribute to strong ownership in the partner country.

Through activities such as exchanges, cooperation and dialogue, the Swedish Institute should contribute to achieving results, primarily in the result area *Strengthened democracy, increased enjoyment of human rights and a more fully developed state under the rule of law*. The Swedish Institute can also, using its own added value, contribute to results in the other result areas in Eastern Europe and the Western Balkans.

The activities of the Consulate-General in Istanbul should complement Sida's operations in Turkey and thereby contribute to achieving the strategy results in the result area. The Consulate-General in Istanbul should promote greater public debate and communication, within the result area, between civil society actors, the media, the cultural sphere, higher education, public administration and the business sector.

In the first year of the strategy period the initial indicative allocation of funds per country under the strategy should be based on previous bilateral cooperation strategies adopted by the Government². The allocation of funds within and between the three parts of the strategy should be re-examined during the strategy period based on an analysis of political and economic developments, commitments, completed reform progress and result achievement in the countries. The analysis of fund allocation should be based on the EU's continuous reporting on partner countries' progress in the EU integration process, as well as the assessment made by the Swedish missions abroad concerned.

² The Sida allocation for 2013: **Albania** SEK 90 million/year (UD2008/33439/EC), **Belarus** SEK 115 million/year (UF2010/20658/EC), **Bosnia and Herzegovina** SEK 170 million/year (UF2010/27582/EC), **Georgia** SEK 120 million/year (UF2010/2122/EC), **Kosovo** SEK 80 million/year (UF2009/45168/EC), **Moldova** SEK 120 million/year (UF2010/59609/EC), **Serbia** SEK 130 million/year (UF2009/18792/EC), **Turkey** Sida SEK 73 million/year, Consulate-General Istanbul SEK 7 million/year (UF2010/2097/EC), and **Ukraine** SEK 220 million/year (UF2008/11210/EC).

3.1 Cooperation with Eastern Europe

Cooperation with Eastern Europe covers the six countries that are members of the EU's Eastern Partnership. In Georgia, Moldova, Ukraine and Belarus, both bilateral and regional initiatives should be possible. In Armenia and Azerbaijan, there should be scope for regional initiatives. Activities in Eastern Europe are expected to contribute to results in three results areas.

1) Enhanced economic integration with the EU and development of market economy

The association agreements (AAs), including the deep and comprehensive free-trade areas (DCFTAs) for some partner countries in Eastern Europe are expected to enter into force during the strategy period, and for other partner countries reforms in this direction are expected. The AAs/DCFTAs aim to bring about increased economic integration with the EU in a number of policy areas, including business, agriculture and energy. In efforts to meet and apply the EU requirements there is a need to strengthen capacity among the responsible institutions in the area of trade. Competitiveness in the business sector, not least among small and medium-sized enterprises (SMEs), needs to increase for the partner countries to be able to take advantage of the opportunities offered by the AAs/DCFTAs. Initiatives to facilitate enterprise and entrepreneurship are an important part of efforts to promote a favourable business climate, strengthened competitiveness and productivity and reduced unemployment, particularly in rural areas and among young people. Projects with similar aims should also be implemented in countries that are not in the process of concluding AAs/DCFTAs with the EU, on the basis of their commitments to the EU.

2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on a strengthened public administration and judicial system

There is a need to strengthen partner countries' administrative capacities to enable them to implement the commitments made as part of each country's EU integration.

Despite general elections, citizens often lack opportunities for real influence. Centralisation and short-term private economic and political interests have been given priority over reforms that could lead to long-term improvements for the population and economy as a whole, particularly in rural areas. Support should therefore go to initiatives that strengthen local self-determination and promote decision-making and implementation that is closer to the people.

Inefficiency and lack of transparency in the judicial system affect citizens' prospects of a fair trial. In several of these countries there are no alternative penalties to imprisonment, resulting in a large number of people in prison. Gender-based violence, hate crimes and human trafficking are widespread problems that should be tackled. Sweden can contribute to efforts to strengthen the law enforcement chain with respect to investigation, prosecution and the enforcement of sentences for these crimes.

Focusing on increased respect for human rights and greater opportunities to exercise democratic influence.

Civil society's role as a force for change in the countries of Eastern Europe is a catalyst for democratic development. Swedish support should include initiatives to increase the capacity and sustainability of civil society, including political parties, independent media and other actors for change working for democratic values and human rights. Sweden can also contribute to greater safety and security for these actors.

Particular account should be taken of experiences from Sweden's long history of cooperation with civil society organisations in Belarus, and continued priority should be given to supporting groups whose rights are curtailed by repressive legislation or who are otherwise oppressed. Support to vulnerable civil society organisations can also be given outside the customary forms in the strategy, depending on the prevailing situation in the countries of the region.

Free and open internet access is important for civil society's possibilities to organise and advocate, as well as for people's possibilities to access information and knowledge.

One important task of Swedish support is to contribute to transparent and democratic institutions and processes in public administration, at national, regional and local level. The aim of this is to improve the conditions for democratic accountability to the people.

In some countries there is no free and independent higher education. Initiatives in these countries should contribute to strengthening and enhancing the availability of free and independent higher education based on democratic values. This may include initiatives outside the countries' borders.

Discrimination against vulnerable and marginalised groups is a problem in general. Activities can be particularly directed at strengthening the rights of vulnerable children. It is also important to strengthen the rights of LGBT people, ethnic and religious minorities, etc. and to increase recognition of and respect for such groups. Initiatives to increase awareness of and combat discrimination and intolerance are important.

Another important task of Swedish support is to help ensure that gender equality issues are given greater political priority and that initiatives strengthen women's and girls' empowerment and opportunities to enjoy their rights. Initiatives should contribute to altering gender-stereotyped attitudes and unequal gender roles. Men and boys need to be involved to achieve a more gender-equal society.

There are a number of conflicts in the region, both between countries and with respect to breakaway regions. This constitutes a barrier to economic and democratic development in the region and serves to undermine human rights protection. Initiatives to increase trust between the parties in prolonged conflicts and thereby increase the prospects of sustainable resolutions to these conflicts and counteract the chances of new conflicts arising are therefore important. Support can also be given to increase young people's participation in the political process.

3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

In recent years, several of the countries have brought their legislation and regulations into line with the EU's requirements and international agreements on the environment, climate and energy. Sweden's support should serve to strengthen the countries' implementation via support for capacity-building.

A change of attitude and a strong political will are needed for the transition towards a more sustainable economy in environment and climate terms. Activities can contribute to innovative and cost-effective initiatives to integrate environmental issues into overall policy. This can be supplemented with initiatives to improve companies' environmental and corporate social responsibility.

Use of energy and natural resources is in general very inefficient, and emissions and waste management is often substandard. Initiatives for sustainable public services should be supplemented with initiatives to promote more economically, socially and environmentally sustainable management of natural resources. Initiatives can also include energy diversification.

3.2 Cooperation with the Western Balkans

Cooperation with the Western Balkans covers Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. In Albania, Bosnia and Herzegovina, Kosovo and Serbia, both bilateral and regional initiatives should be possible. In Macedonia and Montenegro, there should be scope for regional initiatives. The initiatives should contribute to creating the conditions for the countries of the Western Balkans to become members of the EU. In light of developments in the region, the EU is focusing particularly on reforms to do with the functioning of the rule of law and economic development. Activities in the Western Balkans are expected to contribute to results in three results areas.

1) Enhanced economic integration with the EU and development of market economy

There is a need to strengthen administrative capacities to create the conditions for the continued economic integration of the partner countries with the EU and its internal market, to allow the implementation of the free trade areas, for example. Initiatives to facilitate enterprise and entrepreneurship are an important part of efforts to promote competitiveness, productivity and increased employment.

2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on a strengthened public administration and judicial system

There is a need to strengthen the capacity of public administration in order to be able to implement the reforms needed to approach EU membership. Support should go to initiatives that strengthen local self-determination and promote decision-making and implementation that is closer to the people.

Shortcomings in the capacity and independence of the judicial system constitute a barrier to citizens' access to justice. Within efforts to strengthen the judicial system, initiatives should also focus on legal proceedings against war crimes. Gender-based violence, hate crimes and organised crime, including human trafficking, are widespread problems that should be tackled. Sweden can contribute to efforts to strengthen the law enforcement chain with respect to investigation, prosecution and the enforcement of sentences for these crimes.

In addition, the role of the police needs to be clarified and their law enforcement work improved. The links between police forces and European law enforcement cooperation structures need to be strengthened.

Focusing on increased respect for human rights and greater opportunities to exercise democratic influence

Civil society's role as a force for change in the countries of the Western Balkans is a catalyst for democratic development. Swedish support should

include initiatives to increase the capacity and sustainability of civil society, independent media and other actors for change working for democratic values and human rights.

Free and open internet access is important for civil society's possibilities to organise and advocate, as well as for people's possibilities to access information and knowledge.

One important task of Swedish support is to contribute to transparent and democratic institutions and processes in public administration, at national, regional and local level. The support should contribute to protecting human rights in line with the commitments undertaken by these countries in the Council of Europe. The aim of this is to improve the conditions for democratic accountability to the people.

Initiatives that strengthen the rights of the Roma are urgently needed. It is also important to strengthen the rights of vulnerable children, LGBT people, ethnic and religious minorities, etc. and to increase recognition of and respect for such groups. Initiatives to increase awareness of and combat discrimination and intolerance are important.

Another important task of Swedish support is to help ensure that gender equality issues are given greater political priority and that initiatives strengthen women's and girls' empowerment and opportunities to enjoy their rights. Initiatives should contribute to altering gender-stereotyped attitudes and unequal gender roles. Men and boys need to be involved to achieve a more gender-equal society.

A context of conflict characterises some parts of the region. This may affect both democratic and economic development in the countries and their relationship with one another and with the EU. Initiatives should therefore target increasing trust within and among the parties in the different countries and contribute to reconciliation, so as to counter the emergence of new conflicts.

3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

Via support for capacity-building, Sweden should contribute to strengthening these countries' implementation of the requirements imposed by the EU and international agreements on the environment, climate and energy.

A change of attitude and a strong political will are needed for the transition towards a more sustainable economy in environment and climate terms. Activities can contribute to innovative and cost-effective initiatives to integrate environmental issues into overall policy. This can be supplemented with initiatives to improve companies' environmental and corporate social responsibility.

Use of energy and natural resources is in general very inefficient, and emissions and waste management is often substandard. Initiatives for sustainable public services should be supplemented with initiatives to promote more economically, socially and environmentally sustainable management of natural resources. Initiatives can also include energy diversification.

3.3 Cooperation with Turkey

Initiatives should contribute to expediting Turkish membership of the EU. Activities in Turkey are expected to contribute to results in the following result area.

1) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

Focusing on a strengthened public administration and judicial system

Turkey has a functioning administration, but it should be developed towards less central governance and greater independence. Sweden can contribute to a more efficient and citizen-oriented administration. This will strengthen Turkish democracy and Turkey's capacity to fulfil the obligations associated with membership.

Shortcomings in the capacity and independence of the judicial system constitute a barrier to citizens' access to justice. It is crucial that Swedish-Turkish cooperation contributes to expediting reform of the Turkish judicial system. Support should particularly contribute to strengthening the capacity of the judicial system to combat gender-based violence and protect human rights, in accordance with Turkey's commitments in the Council of Europe. Sweden can contribute to efforts to strengthen the law enforcement chain with respect to investigation, prosecution and the enforcement of sentences for these crimes.

Focusing on increased respect for human rights and greater opportunities to exercise democratic influence

In spite of the reforms implemented, Turkey faces further challenges before it can achieve the level of respect for human rights required for EU membership. Civil society is a catalyst for continued development and has the potential to act as a force for change and demand accountability. Swedish support should target initiatives to increase the capacity and sustainability of civil society, media and other actors for change, so that they will be able to work for democracy and human rights and demand greater accountability of those in political power, for example by working for increased freedom of expression.

It is essential that Turkey fulfils international and national commitments on gender equality, human rights and non-discrimination, including through a greater degree of compliance with the objectives of the EU strategy for equality between women and men. It is also important to strengthen the rights of vulnerable and marginalised groups and to increase recognition of and respect for such groups. Initiatives to increase awareness of and combat discrimination and intolerance are important.

Women are underrepresented in political decision-making and economic activities. One important task of Swedish support is to help ensure that gender equality issues are given greater political priority and that initiatives strengthen women's and girls' empowerment and opportunities to enjoy their rights. Initiatives should contribute to altering gender-

stereotyped attitudes and unequal gender roles. Men and boys need to be involved to achieve a more gender-equal society.

4. Follow-up and results analysis

The forms of results follow-up are indicated in the Government's guidelines for results strategies within Sweden's international aid. According to these guidelines, indicators should be established by the relevant government agencies.

The annual reports and the in-depth report produced towards the end of the strategy period should be drawn up collectively for the activities of Sida and the Consulate-General in Istanbul. Sida is to have responsibility for coordinating these reports. The Swedish Institute is to report separately to the Government. There is to be a mid-term review of the results strategy.

In connection with the decision on the distribution of funds among the countries concerned, viewpoints should be obtained from the relevant Swedish missions abroad and from the Government Offices (Ministry for Foreign Affairs), and the planned distribution of funds should be presented. This can take place in conjunction with the regular consultations.