

**EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP
INSTRUMENT (ENPI)**

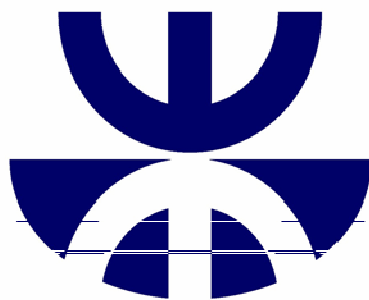
REGIONAL STRATEGY PAPER (2007-2013)

AND

REGIONAL INDICATIVE PROGRAMME (2007-2010)

FOR

THE EURO-MEDITERRANEAN PARTNERSHIP



EUROMED

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1. EXECUTIVE SUMMARY

The purpose of this Regional Strategy Paper is to provide a strategic framework for programming the regional Mediterranean allocation of the European Neighbourhood and Partnership Instrument (ENPI). This Regional Strategy Paper (RSP) 2007-2013 covers the Southern Mediterranean and Middle East, i.e. the countries that are members of the Euro-Mediterranean Partnership established by the Barcelona Declaration (1995). The RSP and the regional RIP are drawn up in accordance with Council Regulation ... (the ENPI regulation), which replaces the previous MEDA financial instrument for the region.

The Mediterranean region is of strategic importance to the EU, in both economic (trade, energy, migration) and political (security, stability) terms. The political situation in the region is characterised by persistent tensions due to the Middle East conflict, the war in Iraq and its spill-overs to other countries, regular upsurges of terrorist activity, and in some countries domestic political tensions, lack of political openness and increasing popularity of political Islam movements. In the economic domain, a combination of fast demographic and labour force expansion and slow economic growth is resulting in high unemployment and stagnating incomes. The economic situation is aggravated by three socio-political “deficits”, the freedom deficit, the women’s empowerment deficit and the lack of access to knowledge and education. The prospects for long-term economic growth are further threatened by the non-sustainable management of the environment and natural resources.

The EU policy response to this situation is guided by two coherent and complementary strategies: the Euro-Med Barcelona Declaration at regional level (1995) and its bilateral Association Agreements and, since 2003, the European Neighbourhood Policy and its bilateral Action Plans. Policy priorities in the region for the next five years (2006-2009) were decided by the Heads of State at the Euro-Mediterranean Summit in Barcelona (November 2005) and relate to four domains: political and security cooperation, sustainable socio-economic cooperation, education and culture, and migration. This Regional Strategy Paper channels the contents of the five-year work programme into three priority objectives to be implemented at regional level:

- a common Euro-Mediterranean area of justice, security and migration cooperation;
- a common sustainable economic area, with a focus on trade liberalisation, regional trade integration, infrastructure networks and environmental protection;
- a common sphere for socio-cultural exchanges, with a focus on cultural and people-to-people exchanges, and raising awareness of the Partnership through the media.

The Regional Indicative Programme 2007-2010 transposes this policy response into concrete action programmes representing a total of €343, 3 million.

2. THE NEED FOR REGIONAL COOPERATION

The Euro-Mediterranean Partnership is intended to provide a regional forum for political and economic cooperation alongside the bilateral Association Agreements and ENP Action Plans.

- In the political domain the Barcelona Process constitutes a unique regional forum to further mutual understanding with a view to abating tensions in the Middle East, even if it is not the forum in which a political settlement will be reached.
- As an economic forum, it tackles issues that have a trans-national dimension and where regional approaches offer value-added compared to purely national programmes. This is for instance the case in infrastructure network connections, regional economic integration among the Mediterranean partners, protection of the environment and the fight against illegal migration (including its Sub-Saharan African dimension).

Beyond generating value-added through economies of scale and scope, regional cooperation may provide an efficient forum for exchanging information and policy experiences, best practices and demonstration effects.

The overall architecture of the European Neighbourhood and Partnership Instrument (ENPI) is defined in the Regulation establishing it. The instrument will comprise two types of programmes: country and multi-country programmes, which will receive about 88% of total funding, and cross-border cooperation programmes. The Euro-Med regional programme will constitute one of the three multi-country programmes of the ENPI covering Med partner countries, i.e. the Southern Neighbourhood, the other two being the Neighbourhood-wide regional programme covering all countries included in the European Neighbourhood Policy and the regional programme for the Eastern Neighbours. Therefore, apart from the Euro-Med Barcelona dimension of regional cooperation under the ENPI, there is also a Neighbourhood dimension to regional cooperation. Some activities, such as programmes to promote good governance and regulatory harmonisation with the EU, higher education cooperation and educational exchanges and infrastructure connections to EU networks, will be carried out under the Neighbourhood-wide regional programme (a separate document) because all Neighbourhood countries will benefit from these programmes. The programmes included in the present Southern ENP regional programme have no counterpart under the Eastern ENP regional programme; they are mostly focused on specific activities for the Mediterranean partners only under the Barcelona process.

3. EU/EC COOPERATION OBJECTIVES IN THE REGION

As indicated above, EU and EC cooperation objectives in the Southern Neighbourhood countries are guided by the Barcelona Process (BP) and the European Neighbourhood Policy (ENP). The former is based on the Barcelona Declaration (1995), including subsequent policy documents approved by Euro-Mediterranean ministerial meetings under the Barcelona Process, and the bilateral Association Agreements, and, more recently, the five-year Work Programme adopted by the 2005 Barcelona Summit.

The goals set out in the Barcelona Declaration are threefold:

- create an area of peace and stability based on fundamental principles, including respect for human rights and democracy;
- create an area of shared prosperity through sustainable and balanced socio-economic development and the progressive establishment of free trade between the EU and its partners and among the partners;
- improve mutual understanding among the peoples of the region and the development of an active civil society.

The Association Agreements (AAs) provide for political dialogue, free trade in manufactured goods between the partner and the EU through tariff dismantling over a transitional period, and various forms of economic cooperation. AAs are now in force with all countries except Syria. An additional protocols to liberalise trade in agricultural goods with Jordan has been negotiated. Negotiations on further liberalisation for agricultural, processed agricultural and fishery products were launched in November 2005. The rendez-vous clause for negotiating free trade agreements in services has been activated. The signature of the Agadir Agreement in 2004 between four Mediterranean countries marked a significant step towards regional free trade.

On the 10th anniversary of the Barcelona Declaration (1995), the Euro-Mediterranean Heads of State Summit meeting in Barcelona (2005) set out the objectives for the next five years for the Partnership, including the following:

- strengthen democracy, promote gender equality, enhance respect for human rights and freedom of expression, and guarantee the independence of the judiciary;
- enhance the security of all citizens, particularly through counter-terrorism policies;
- intensify cooperation on all aspects of illegal and legal immigration;
- develop the Mediterranean Strategy for Sustainable Development and endorse a timetable to de-pollute the Mediterranean Sea by 2020;
- meet the Millennium Development Goals, particularly in the areas of education;
- act jointly against racism, xenophobia and intolerance, rejecting extremist views;
- strengthen dialogue between governmental and non-governmental players;
- promote South-South regional integration.

In the wake of EU enlargement, the European Commission introduced a new European Neighbourhood Policy, for all its neighbours to the east and the south (COM(2003) 104, March 2003). The overall objective of this policy is to draw both old and new neighbours closer into the EU's political, economic and cultural realm, short of full membership. It seeks to contribute to stability and good governance in the EU's immediate neighbourhood and to promote a ring of well-governed countries to the east and south of the EU with whom the EU can enjoy close and cooperative relations. In return for the implementation of political, economic and institutional reforms, the neighbouring countries obtain:

- the prospect of moving beyond the existing relationship to a significant degree of integration, including the conclusion of deeper free trade agreements and the possibility of participating progressively in key aspects of EU programmes;
- enhanced preferential trading relations and market opening;
- perspectives for lawful migration and movement of persons;
- intensified cooperation to prevent and combat common security threats;

- closer dialogue in the context of the EU's CFSP and ESDP, based on shared values, strong democratic institutions and a common understanding of the need to institutionalise respect for human rights;
- integration into EU transport, energy, ICT and research markets and networks.

In support of the ENP, the EU decided to create a single European Neighbourhood and Partnership Instrument (ENPI). The overall objective of the ENPI is to provide assistance aimed at promoting enhanced cooperation and progressive economic integration between the EU and its neighbouring countries and, in particular, supporting the implementation of partnership and cooperation agreements, association agreements or other existing and future agreements. As such, the ENPI provides financial support for the objectives of the Barcelona Process, the Association Agreements, the ENP and the ENP Action Plans.

The Barcelona Declaration, the AAs and the ENP Action Plans are jointly agreed policy documents between the EU and its Mediterranean partners, with fully shared ownership. As such, they constitute a joint strategy to address the policy issues in the region, both at bilateral and at regional level.

This Regional Strategy Paper also respects the principles and objectives of the EU's unilateral declaration on Community development policy (joint Council and Commission declaration on development cooperation of 2005) and the cooperation objectives also take into consideration the objectives and principles of the European Consensus on Development. The reduction and eventual eradication of poverty through support for sustainable development and the gradual integration of partner countries into the world economy, and the combating of inequality, are fully consistent with the goals of the BP and ENP, as repeated in the Barcelona Summit conclusions (November 2005).

4. REGIONAL ANALYSIS

4.1. Political situation

The political challenges facing the region and the options for addressing them have been extensively analysed in several EU and other documents¹ in recent years, in particular by the *UNDP's Arab Human Development Report* of 2002 and the follow-up reports in subsequent years. According to the 2005 UNDP report there is a "freedom deficit" in the region. The score of Mediterranean countries in indicators of voice and accountability, political process, civil liberties, political rights and independence of the media is quite variable. Some of them have made significant progress in recent years to open up the political process and grant more liberties to the media and to civil society.

Extensive debate on the acceleration of political reforms has taken place in most partner countries. Events such as the publication of the four UNDP Arab Human Development reports, the 2004 Tunis Declaration on reform by the Arab League *On the Drive for*

¹ Commission communication of April 2005 on the preparation of the Barcelona Summit (COM (2005) 1039 final); Commission/Council Secretariat document on strengthening the EU's relations with the Arab world (December 2003); Commission Strategy Paper on the European Neighbourhood Policy (May 2004); Commission communication "Wider Europe - Neighbourhood: a new framework for relations with our Eastern and Southern Neighbours" (COM (2003) 109 final); Commission communication on the promotion of human rights in the Euro-Mediterranean Partnership (COM (2003) 294 final).

Development and Modernization in the Region and the Alexandria Library Statement *On Arab reform issues* by Arab civil society organisations have contributed to this domestic debate. The role of Islamic political parties in the political reform process has been a subject of intense debate too.

In the wake of September 11, the second Intifada and the war in Iraq, the Barcelona Process has gradually put more emphasis on the first chapter of the Barcelona Declaration, in particular political and security cooperation. Issues related to justice and home affairs, border control, the fight against terrorism and crime have come to the forefront in the Euro-Mediterranean Partnership. However, security issues have not been emphasised at the expense of basic political rights and freedoms.

There is broad consensus that political reform remains key to achieving sustainable security and stability in the region. The political situation in many of the countries of the region is characterised by the need to further democratic reforms, including free and fair elections and respect for the rule of law and for fundamental freedoms and human rights. While constitutions in the region often provide for freedom of thought, opinion and association, legal provisions may also stipulate numerous restrictions, in some cases under the pretext of safeguarding national security or national unity. In recent years several countries have made considerable progress in these areas. At the same time, the rapid rise of moderate and reformist political Islam movements as well as political extremism has put severe pressure on political regimes in the region and sometimes slowed down progress towards more political openness and pluralism. Unresolved conflicts are also perceived as obstacles to reforms. This is particularly true of the Middle East Peace Process.

In response to the increased political debate in the Arab world, and in some cases effective steps towards democratisation, the dialogue within the Mediterranean Partnership has emphasised the defence of basic human rights including gender equality, freedom of opinion, expression and association, democratisation in the Arab region, free and fair elections, and the fight against racism and xenophobia. The political dialogue with the Mediterranean partners has been taken up at both bilateral and regional level, in the Association Council and Committee meetings, in the discussions on the ENP Action Plans and in the appropriate Euro-Mediterranean meetings (Ministers of Foreign Affairs, Justice and Home Affairs, Euro-Med Senior Officials) that remain the central instrument for partnership and dialogue. A dialogue on human rights and democracy has been initiated with several partners in the context of sub-committees of the Association Committee and the European Neighbourhood Policy Action Plans. Those concluded so far contain mutually agreed priorities for cooperation in the field of the promotion of human rights.

4.2. Economic situation

The region is characterised by wide variations in levels of GDP per capita, ranging from around 1 000 US dollars in Egypt and the Palestinian territories to 5 200 US dollars in Lebanon and over 17 000 US dollars in Israel.

Since the signature of the Barcelona Declaration in 1995, economic growth in the region has averaged 3.9% per year. However, strong population growth of about 2% per year, and especially strong growth in the working age population, leaves little room for increases in employment, income per capita and real wage rates. Unemployment has remained broadly unchanged over the period. The incidence of poverty varies widely across the region, from 7% in Jordan and Tunisia to 44% in Egypt. Macro-economic

stabilisation policies have improved, as demonstrated by the fall in inflation in the region, from 12% in 1995 to 3% in 2004, and reductions in the government deficit. However, the situation has deteriorated again in recent years and further consolidation efforts will be required.

The region has been affected in recent years by a number of external shocks. High oil prices benefit oil and gas exporters (Algeria, Syria). This has had some positive spill-over effects on non-oil-exporting countries (remittances, investments) but has increased the bill for net oil importers. In the wake of the war in Iraq, neighbouring countries (Jordan, Syria) have absorbed many refugees. The Israeli-Palestinian conflict and the recent hostilities in Lebanon and Israel have continued to produce strongly negative repercussions on economic activity in the region. The expiry of the Multi-Fibre Agreement in 2005 has put strong competitive pressures on Mediterranean countries' textile exports, reducing employment in the sector. On the other hand, Israel and Jordan have benefited from increased textile exports to the US from the Qualified Industrial Zones.

Political uncertainty, security risks and weak economic competitiveness continue to weigh on investors' sentiment about the region and foreign direct investment flows remain quite low, after a peak in 2001 and following the September 11 events. The total volume of FDI varies between 5 and 8 billion US dollars per year², with Israel and the Maghreb being the main destinations. This is due not only to external factors but also to domestic economic policies. Assessments of the business climate in the Mediterranean show that it remains significantly below that in the new EU Member States, except for Israel, Jordan and Tunisia. Available economic governance indicators show rather weak institutions and serious concerns about corruption in most countries. This has a negative impact on the business environment, competitiveness, and attractiveness for both domestic and foreign investors.

The degree of economic integration among Mediterranean partners remains low. This can be ascribed to both political and economic factors. Among the latter are often mentioned the similar production structures and exporting patterns of Mediterranean partners and the relatively high tariff protection vis-à-vis each other. South-South trade experienced only a marginal increase from 4.4% of foreign trade in 1995 to 5% in 2003. However, recent efforts (including the conclusion of the Agadir Agreement and the agreement reached on a single protocol of origin including provisions for the cumulation of origin among all pan-Euro-Mediterranean partners) should facilitate South-South economic integration among Mediterranean partners.

4.3. Social situation

The combination of fast (though decelerating) expansion of the working population and a relatively slow economic growth rate leaves little room for reduction in unemployment and poverty. This situation is attributable not only to the insufficient pace and depth of reforms in the economy but also to other factors in society. Apart from the above-mentioned freedom deficit, the UNDP Arab Human Development Reports pointed to two other factors that hinder social progress:

Women's empowerment deficit. Arab women's participation in economic and political life remains among the lowest in the world. In many countries in the region

² UN World Investment Report 2005.

women suffer from inequalities in entitlements. Society as a whole suffers when half of its productive potential is stifled. In some countries, gender equality is recognised and protected by law. However, in some other countries of the region women's participation in economic and political life remains among the lowest in the world, seriously affecting the potential for social and economic development.

Access to knowledge and education. Most countries in the region have made tangible progress in improving literacy. Adult illiteracy dropped from 60% in 1980 to less than 40% in 2002. Female literacy tripled over that time span. Yet many remain illiterate and, as a result, have limited access to knowledge. The region spends a higher percentage of GDP on education than many other developing countries. Enrolment rates in higher education remain limited to about 13%. Over and above gaps in the formal education system, knowledge accumulation is limited by low expenditure on research and development and very limited access to information technology and the internet.

The way forward lies in strengthening capacities to acquire and communicate knowledge in the region, including in education systems and especially in relieving the constraints on women's education, in freeing society from limitations on political and economic participation and in improving political and economic governance in the region.

4.4. Environment situation

Despite nearly thirty years of international efforts to protect the Mediterranean environment, it remains fragile and continues to deteriorate as pressures increase. On current projections 50% of the Mediterranean coastline could be built on by 2025³, just one illustration of the speed of this decline. Recent studies⁴ have begun to quantify the cost of degradation of the environment in several countries⁵. As an example, the cost of environmental degradation was estimated in 1999 at between €2.7 and €5.1 billion per year (or 3.2-6.4% of GDP) in Egypt, €1.5 billion per year (or 3.6% of GDP) in Algeria and €1.2 billion per year (or 3.7% of GDP)⁶ in Morocco. Clearly, if economic development and the health of the region's people are to be protected then inaction is not an option. Mediterranean countries must act now to safeguard their natural resources.

The key environmental problems of the region are:

Quality and quantity of water. This is one of the most serious environmental problems currently facing all the countries in the region. Water scarcity is set to worsen with the projected increase of the population in the region, while poor water quality or water pollution tends to result from high salinity due to over-abstraction and poor irrigation techniques, pollution from agricultural run-off and uncontrolled discharges of wastewater and effluent.

Inadequate municipal and industrial solid waste management, largely caused by factors such as rapid urbanisation; absence of policies or strategies to rationalise waste management approaches; weak control of illegal dumping; lack of adequate landfills and other disposal facilities; and land shortages.

³ A Sustainable Future for the Mediterranean – The Blue Plan's Environment and Development outlook.

⁴ Mediterranean Environmental Technical Assistance Programme (METAP) Cost of Environmental Degradation Studies - http://www.metap.org/main.php?id_menu=12

⁵ Algeria, Egypt, Jordan, Lebanon, Morocco, Syria and Tunisia.

⁶ For Algeria and Morocco estimated mean values used; 1999 exchange rates used for currency conversions.

Poor air quality due to transport and industrialisation, compounded in most countries by a lack of standards and enforceable legislation governing air quality, and by a lack of monitoring networks.

Marine pollution and coastal degradation due to uncontrolled economic activities (including tourism) and urban development, most of which tends to take place in coastal zones. On land, most coastal degradation tends to take the form of waste, water and air pollution, damage to biodiversity or induced coastal erosion. Marine impacts tend to take the form of oil pollution, wastewater disposal or over-fishing.

Land degradation and desertification due to the region's naturally fragile terrestrial environment, which is very vulnerable to soil erosion, contamination and nutrient depletion.

The region's rich **biodiversity – both marine and terrestrial** - continues to be threatened, with alien invasive species and habitat destruction being the two most significant contributions to its loss.

Environment ministries in the countries of the southern and eastern Mediterranean generally have insufficient capacity to address these serious problems and there is also at present insufficient political willingness in the countries of the region to develop and enforce environmental regulation. Given the actual costs of environmental degradation, there is an urgent need to develop the necessary environmental legislation and to enforce it. Ratification and implementation of international environmental agreements also remains a challenge for the region.

5. POLICY MIX

The Barcelona Declaration set out medium- and long-term goals to be achieved: peace and stability in the whole Euro-Mediterranean region based on respect for common fundamental values; the promotion of the prosperity of all the partners through the establishment of free trade and economic integration both North-South and South-South, accompanied by substantial financial and other assistance from the EU to the Mediterranean partners to achieve the transformations this implies; and the development of closer inter-cultural relations to improve mutual understanding and overcome divisions based on differing cultures, religions or ethnicities.

6. PAST AND ONGOING REGIONAL COOPERATION

Regional cooperation between the partner countries of the Southern Mediterranean and Middle East has historically been difficult, both for political (including the Israeli-Palestinian conflict, amongst others) and economic reasons (various obstacles to regional trade integration). The Barcelona Declaration (1995) heralded a new era in which the EU explicitly committed itself to promoting regional political and economic cooperation in the wake of the Oslo Peace Agreements that promised a new start for Israeli-Arab relations. Despite the political problems surrounding the Peace Process

that have occurred since, regional cooperation under the Barcelona process has slowly but steadily increased and now covers a wide variety of sectors and domains⁷.

The ongoing MEDA regional cooperation strategy for 2002-2006 has focused mainly on economic and socio-cultural cooperation. This has included support for regional trade integration, energy and transport sectors, including infrastructure networks, good governance, gender equality, cultural exchanges and dialogue. At the Barcelona Summit in November 2005 a new work programme was adopted that set out precise objectives and a roadmap for their achievement. This work programme constitutes the core of this new regional programme 2007-2010. Political objectives, such as promotion of democracy and good governance, have gained in importance. The ENP is focused mainly on bilateral approaches and Action Plans, without a strong regional policy or institutional set-up. The policies and institutions of the Barcelona Process supplement and are fully compatible with the ENP.

Several lessons have been learned from past regional cooperation programmes. First, the creation of regional networks and dialogue has become an important achievement of the partnership but cannot constitute an objective in its own right. Care should be taken to ensure that Mediterranean regional programmes focus on activities that foster regional or sub-regional integration and identity among the partners, and/or programmes that clearly generate economies of scale and scope at regional level. Second, regional programmes require the support and involvement of participating countries. Decentralisation of the management of regional programmes to countries in the region may facilitate and strengthen effectiveness but should be appropriately managed to ensure sufficient participation by all stakeholders. Regional high-level meetings and institutions created under the Barcelona Process should continue to ensure region-wide ownership. In 2005, EuropeAid commissioned an evaluation of MEDA II (The Mid-Term Evaluation of MEDA II, Ecory-Nei, Rotterdam, April 2005) that gives full details of the results of MEDA including MEDA regional cooperation. The report issues 19 recommendations comprising both regional and bilateral cooperation.

The Commission, through the regional Euro-Med programme, is the main donor in Euro-Mediterranean wide programmes. National donors concentrate their aid programmes on country-specific programmes and activities. Coordination with the few donors who might be operating programmes at regional Euro-Mediterranean level has been ensured through the regular Euro-Mediterranean Senior Officials meetings. Member States are kept aware of ongoing and planned activities and give feedback on any relevant activities they have planned. More importantly, coordination with some of the IFIs operating in the region is ensured through regular policy and technical meetings in the context of the Memorandum of Understanding with the WB, the EIB and the IMF. Third, with organisations who are not part of this MoU, regular ad hoc meetings are held, at both headquarters and field level.

⁷ See overview at http://ec.europa.eu/comm/europeaid/reports/meda-evaluation-midterm-report-2005_en.pdf.

7. THE EC RESPONSE STRATEGY

7.1. General principles

The political, economic and social challenges in the region require a mixture of policy responses.

Political reform

In the political domain, various initiatives have been taken at regional level in recent years to accelerate political reforms, including the publication of the UNDP report *Freedom in the Arab World* (2005), the Arab League's Tunis Declaration and the Alexandria Library Statement by Arab civil society organisations. All these initiatives came in the wake of the September 11 crisis and the war in Iraq, which put considerable political pressure on domestic political regimes. However, the main impulse for political reforms has naturally come from within the countries concerned. Several countries have made progress towards freer elections. Algeria and Morocco have taken initiatives to come to terms with human rights abuses in the past. Most countries still have a considerable way to go, however.

The EU has helped to maintain and step up the domestic political reform momentum, not through external pressures but through political dialogue and strengthening of the underlying domestic political institutions. The EC published two communications in 2003 that include proposals for the use of EU policy instruments to promote basic political reforms, including setting up bilateral democracy and human rights committees and providing additional country allocations to the best performers. The ENP Action Plans, negotiated from 2004 onwards, contain chapters with specific and agreed reform objectives on basic human rights and fundamental freedoms, the rule of law and political democracy. The HRD sub-committees will monitor progress in the implementation of these chapters in the Action Plans. Partner countries will be assessed on their progress in these reforms for the purpose of the ENP progress reports and for the determination of additional allocations under the MEDA Democracy Facility and the ENPI Governance Facility. (The latter was endorsed at the Barcelona Summit but is not part of any regional or national programme; it is an additional country allocation mechanism.) There are no specific EC bilateral or regional programmes that are aimed directly at domestic political reforms. However, a number of programmes aim to enhance the enabling environment for the development of civil society, the rule of law, justice and security, both at bilateral and at regional level – including some that are part of the present regional programme.

Combined with the increasing number of illegal immigrants who attempt to enter the EU from or through the Mediterranean partner countries, this has led to increased security collaboration between the EU and its partners. On 10 and 11 July 2006 a Euro-African Ministerial Conference on Migration and Development was held in Rabat. The Conference adopted a Political Declaration and an Action Plan in which the need for partnership and co-operation between the countries of origin, transit and destination of migrants were stressed. Migration questions will be dealt with at national, regional and global level, in accordance with the subsidiarity principle.

Economic reform

In order to improve the economic situation of the region, a strategy of domestic economic policy reforms and opening up to external trade has been followed by most

partners. While progress has been made in most countries in terms of macro-economic stabilisation, structural reforms are moving forward at a slow pace, in particular economic governance reforms – as demonstrated by the limited improvements in internationally accepted quality of economic governance indicators for the region. Some countries have made significant progress in banking sector reform, privatisation and restructuring of government enterprises and improving the business climate; progress has been very uneven, however, resulting in sub-investment credit ratings in most countries, a very low inflow of FDI and weak competitiveness in general. The World Bank, the IMF and other significant bilateral donors operating in the region, including the EC, have emphasised the need for more and deeper domestic economic reforms. From an EC perspective, domestic economic policy reforms have been promoted through bilateral cooperation programmes, including budget support programmes based on policy conditionality and technical assistance for reforms. Economic governance is also addressed through the G8 Broader MENA Initiative and the OECD MENA Governance for Development initiative, and the Neighbourhood-wide OECD governance programme. Financing for the latter is provided under the ENPI-wide regional programme.

The present regional programme for the Mediterranean focuses on reform activities in sectors where there is scope for regional approaches, either because of regional economies of scale in infrastructure networks (transport, energy, ICT, environment) and/or because of economies of scope in regional convergence and harmonisation of regulatory frameworks for these sectors, in particular harmonisation with EU regulatory standards within the context of the free trade agreements and the ENP internal market policy.

External trade opening has improved over the last decade. Nearly all Mediterranean partner countries have become members of the WTO and have negotiated free trade agreements with the EU (the Association Agreements). These agreements are essentially limited to manufactured goods, however. Negotiations have started to broaden them for agricultural goods and extend coverage to services, two important sectors for Mediterranean economies. As indicated in section 4.2, in spite of recent efforts, little progress has been made in regional trade integration between the partner countries, which could potentially be an important source of trade gains. Neither the Arab League's GAFTA nor the more limited Agadir regional free trade agreement have had real impact on the level of regional economic integration so far.

Social, educational and cultural reforms

Policy changes in the education, social and cultural sectors have been much debated and have led to a wide variety of policy initiatives at national and regional level. In the cultural domain and at international level, policies have mostly focused on promoting intercultural dialogue as a means of achieving security and stability and avoiding a "clash of civilisations". In the social domain, the promotion of civil society organisations where citizens can voice their opinions and promote their interests has become a key issue, both from an Arab society perspective and from an external point of view. Another important social issue is the promotion of gender equality, through domestic legislative changes, civil society organisations and international activities. The EC will support various national activities and projects in these domains, through bilateral programmes. However, a major advantage of regional approaches here is regional peer group reviews and pressure for reforms, and exchanges of experiences and best practice. Regional support networks among the Mediterranean partner countries

provide a source of external policy leverage that is not necessarily perceived as pressure from another culture. Present regional programmes for the Mediterranean focus on cultural dialogue and cultural heritage, youth cooperation and exchange, fostering a vibrant civil society and promoting gender equality.

Most countries have already made significant efforts and investments to improve the coverage and quality of their primary and secondary education systems. Additional EU support for these will be channelled through national programmes. In the ENPI-wide regional programme, attention will be focused on higher education cooperation and exchanges (Tempus and Scholarship scheme), not only to improve the quality of higher education but also to promote intercultural dialogue. Technical and Vocational Education and Training (TVET) programmes at bilateral and regional level would further contribute to human resources development in the region.

7.2. Priorities

The above-mentioned policy issues and responses have been discussed in a variety of Euro-Mediterranean policy meetings and official documents. At the Barcelona Summit (November 2005), the partners made a selection among these issues and prioritised them in a five-year work programme. The objectives and activities included in this work programme constitute the basis for Euro-Mediterranean cooperation at regional level. That cooperation is partly carried out through a variety of regional policy and negotiation meetings under the Barcelona Process (that do not require significant funding or technical assistance). Other aspects of this work programme do require significant funding to be provided at regional level; they constitute the basis for the present regional ENPI programme. The specific regional programmes include monitoring and impact assessment measures. These should generate large flows of information and, in particular, of statistical data. Their effective handling would need regional coordination mechanisms and integrated information systems. Finally, some of these activities have been transferred to the ENPI-wide regional programme, including higher education cooperation and exchanges and economic governance reforms.

Regulatory harmonization and convergence to EU standards in the SPS field will be of utmost importance for the liberalization of agricultural products which will have to comply with EU sanitary and phytosanitary standards, where applicable, before entering the EU market.

In order to address the challenging issues that Mediterranean is facing, with increasing maritime traffic, coastal tourism, aquaculture, pollution, depleted fish stocks and migration, the Mediterranean Partners will be encouraged to have a close cooperation and an active involvement in the implementation of an EU Maritime policy.

The remaining areas selected for regional cooperation programmes in the Mediterranean include:

(a) Justice, security and migration cooperation

This priority area is focused on (a) confidence building measures and (b) justice, police and migration questions. Under the confidence building measures it will provide support for crisis management, partnership for peace and civil protection and the implementation of the agreed Code of Conduct on Countering Terrorism. These activities cannot be carried out efficiently at bilateral or supra-regional level.

Under the justice, police and migration component the objective is to enhance cooperation on managing migration flows between countries of origin, transit and destination; strengthen cooperation in the fight against illegal migration; and develop contacts, training and technical assistance for judicial and legal professionals and for police and law enforcement officers. Management of migration flows, i.e. through enhanced border control, requires cooperation between all the countries bordering the Mediterranean Sea, as well as collaboration with the countries of origin and transit. The EU is negotiating re-admission agreements with these countries to facilitate the return of illegal migrants. With regard to police issues, the programme will focus on enhanced cooperation in the fight against terrorism, human trafficking, money laundering and other forms of international organised crime. This will require the development of closer links between policy and judiciary in both the EU and the Mediterranean partner countries, in a context of deeper dialogue and enhanced contacts. Training and technical assistance for police officers will constitute some of the instruments for the achievement of the above objectives. The efficiency of migration and police cooperation depends, in turn, on the support that can be given for judiciary reforms and international cooperation in justice. Last but not least, this programme will address the settlement of cross-border child custody problems. Complementarity will be sought with the thematic migration programme, where relevant and subject to the principle of subsidiarity. Cooperation will be extended to the Sub-Saharan African countries of origin of these migrants, from 2010 onwards, based on the clause on trans-regional cooperation in the relevant regional financing instruments, as appropriate.

(b) Sustainable economic development

This priority area seeks first and foremost to support the completion of the Euro-Med Free Trade Area by 2010, including liberalisation of trade in agriculture (with accompanying actions in rural development) and in services. While most of that work will be done through various bilateral and regional negotiation meetings, this may require support for economic policy analysis through regional research networks. Related to this, political and technical assistance support will be provided to achieve free trade agreements between the Mediterranean partners, including through the entry into force of the Agadir Agreement (between Jordan, Egypt, Morocco and Tunisia) and the Pan-Euro-Mediterranean protocol on cumulation of origin, to enhance intra-regional trade integration. Attention will also be paid to sub-regional trade liberalisation in the Maghreb (Union Maghreb Arabe) and Mashreq (closely linked to the Peace Process).

The second main component of this policy priority is to encourage interregional cooperation on infrastructure networks (the “hardware” side in transport, energy, telecoms) and on regulatory harmonisation and convergence with EU standards in these sectors (the “software” side), including opening up markets with a view to enhancing competitiveness and efficiency. The infrastructure hardware side will be co-financed by project loans from the EIB under the new FEMIP and Neighbourhood-wide external lending mandate.

The third component of this policy priority is to ensure environmental sustainability of the Euro-Med Free Trade Area and reform environmental standards and infrastructure. The Barcelona Summit called on the partners to implement the Horizon 2020 plan for de-pollution of the Mediterranean Sea and tackle all major sources of pollution, and the Commission adopted a Communication establishing an Environment Strategy for the Mediterranean (COM (2006) 475), on 5 September 2006, outlining the framework for European Commission environmental cooperation within the region. This document

will provide guidance for programming assistance under the ENPI. Again, the infrastructure side will be co-financed by project loans from the EIB under the new FEMIP and Neighbourhood-wide external lending mandate.

(c) Social development and cultural exchanges

Under this priority, support will be given to promote intercultural dialogue and combat the idea that a “clash of civilisations” is inevitable. It seeks to bring cultural, social and political stakeholders together from both sides of the Mediterranean.

Secondly, under this priority the regional programme will support the involvement of civil society organisations in the Euro-Med partnership, thereby fostering the development of civil society on the southern shore of the Mediterranean and promoting the exchange of ideas between civil society organisations from both sides. This includes support to promote gender equality through political, economic and social cooperation, strengthening youth dialogue and promoting youth exchanges and cooperation.

Finally, this programme component will seek to enhance the role of the media in intercultural exchanges and understanding and improving communication towards the different components of civil society.

These three priorities will be implemented through Mediterranean programmes under the present regional programme. As explained, they may be supplemented by activities in bilateral programmes and by non-financial policies and support through the various institutions under the ENP and the Barcelona Process (Association committees and subcommittees, Barcelona regional ministerial and expert meetings, trade negotiations, etc.).

8. REGIONAL INDICATIVE PROGRAMME (2007-2010)

GLOBAL ALLOCATION

In addition to the priorities and programmes set out below, and in accordance with Article 16 of the ENPI Regulation, the necessary funds will be provided to cover expenditure associated with the preparation, follow-up, monitoring, and evaluation activities directly necessary for the implementation of the Regional and National Indicative Programmes and for the achievement of its objectives, e.g. studies, meetings, information activities, networks, platforms, awareness-raising, publication and training activities.

PRIORITY 1:

POLITICAL, JUSTICE, SECURITY AND MIGRATION COOPERATION

CONFIDENCE BUILDING MEASURES: CIVIL PROTECTION

A. CONTEXT AND JUSTIFICATION

The first project aimed at promoting cooperation in the field of civil protection, the Pilot Programme for the creation of a Euro-Mediterranean system of mitigation, prevention and management of natural and man-made disasters, was initiated in 1996 in the framework of the Barcelona Process. It was launched jointly by Egypt and Italy. While the pilot project (1996-2004) concentrated on training and information, networking of civil protection schools, exchanges of civil protection experts and technical assistance, the Bridge Programme (2005-2007) introduced new and more ambitious objectives, namely risk prevention, information to the public and the identification of measures to facilitate requests for mutual assistance in the event of major emergencies and consolidate the Euro-Mediterranean Civil Protection System in the long term.

The need to further strengthen cooperation in the field of civil protection and natural disaster prevention was recognised during the Barcelona Summit (November 2005) as a confidence building measure particularly relevant for the first chapter of the Barcelona Declaration (Political & security partnership: Establishing a common area of peace and stability).

In this context, a long-term project (2008-2013) will be carried out in order to develop an effective and sustainable Euro-Mediterranean system to ensure the mitigation, prevention and management of natural and man-made disasters, with a specific focus on the sub-regional dimension of cooperation.

B. OBJECTIVES

Several partner countries are disaster-prone. The main objective of the long-term programme is therefore to support the development of a regional civil protection system to ensure the effective prevention of, preparedness for and response to natural and man-made disasters. This Euro-Mediterranean system will have to be closely linked to the civil protection systems existing at European level, such as the Community Civil Protection Mechanism. It thus fits within the scope of the Barcelona Process aimed at contributing to foster trustful relationships by promoting cooperation and interactions between governments, civil population and the different institutions concerned.

C. EXPECTED OUTCOMES

The long-term programme will contribute to the development of stronger civil protection response capacities in the region, in both institutional and operational terms. It will ensure more efficient protection of people but also of the environment and property, including the cultural heritage, in the event of major emergencies, i.e. natural, health, technological, radiological or environmental accidents, including marine pollution.

D. PERFORMANCE INDICATORS

Implementation of genuine operational assistance between all the Mediterranean countries sharing the same risks. Creation of a communication and transmission network specific to all Mediterranean countries. This network would contribute to the interconnection of national civil protection operational centres. Promotion of voluntary work in all Mediterranean countries and protection of “vulnerable” populations in the event of major disasters. Promotion of women inside civil protection organisations through the development of specific actions.

E. BRIEF DESCRIPTION OF THE PROGRAMME

The long-term programme will deal with the prevention and management of disasters according to the following approach:

- Prevention
- Risk mitigation
- Preparedness (including pre-disaster planning)
- Preparedness in case of emergency
- Return to normal life (recovery and post-emergency reconstruction).

The main thematic components cover the main risks related to the general hazards, identified by the Member States and the partners, as being the main cause of natural and man-made disasters.

This approved list of risks and hazards specifically cover the following topics:

- Seismic risk
- Risks related to tsunamis
- Hydro-geological events (in particular flash floods)
- Forest fires
- Urban and industrial fires in particular in the field of petrochemicals
- Health risks (epidemic, pandemic).

The activities to be carried out during the long-term programme include the following components, the scope of which should be broadened:

- Self-training workshops, seminars and training sessions
- Exchange of experts
- Strengthening sub-regional cooperation (countries of the South)
- Technical assistance
- Operational assistance when and if needed
- Setting-up of the national civil protection schools network
- General staff relief simulation.

* * *

CONFIDENCE-BUILDING MEASURES : PARTNERSHIP FOR PEACE

A. CONTEXT AND JUSTIFICATION

The conclusions of the Barcelona European Council in March 2002 on the MEPP emphasised the need for support to direct contacts and dialogue between the parties.

Civil society activities are considered as an important tool to broaden the base of support for the Middle East Peace Process in both Israeli and Arab societies and could help underpin official negotiations once relaunched. Projects supported under the Partnership for Peace programme have received significant media coverage, and have successfully exposed Israelis and Palestinians to messages of peace, cooperation, and mutual understanding. There is also a need to promote cooperation between official bodies in Israel, West Bank –Gaza, Jordan on themes of interest to the peace process such as environmental, commercial and other topics which can be dealt by experts in these fields.

B. OBJECTIVE

To help support the conditions for relaunching the peace process and provide a solid foundation at civil society and intergovernmental level for a just and lasting peace in the Middle East by strengthening and increasing direct civil society relationships and interagency/intergovernmental co-operation based on equality and reciprocity between Arabs/Palestinians and Israelis, including the Arab Palestinian minority in Israel.

C. EXPECTED OUTCOMES

The initiatives supported under the programme should contribute to the rebuilding of confidence within each society and between societies by strengthening civil society and other transnational links. Particular attention should be paid to public opinion with a view to broadening support for the peace process. The results of the projects are expected to provide factual/technical information and assistance to politicians and negotiators in developing solutions and strategies both on the European side and the parties in the region, as well as concrete cooperation between the parties on issues of common interest, in particular those in the ENP Action Plans.

D. PERFORMANCE INDICATORS

- Increase in the number of new applicants.
- Increase in the number of joint Israeli-Palestinian/Arab projects.
- Increase in the number of Israeli/Arab cooperation projects between public or private bodies, focusing on priorities in the ENP Action plans.
- Increase of the awareness in general public on work done by Peace NGOs.

E. BRIEF DESCRIPTION OF THE PROGRAMME

The European Council of Luxembourg in 1997, recommended that the EU actively support initiatives of the civil societies in the Middle East as an essential means of reinforcing dialogue and restoring mutual confidence between the parties at the level of civil society'. Until 1998, a number of People to People projects had received Community support under different budget headings.

In order to focus and increase its support to civil society in the region acting in support of peace, the European Commission decided to set up a specific People to People Programme. The EU Partnership for Peace programme (PfP), established in 2002 as the

successor to the “people-to-people programme”, aims at promoting initiatives in areas which are likely to have an impact on people’s everyday lives and welfare, including practical activities which will promote communication and understanding by demonstrating the advantages of working together for mutual benefit and tangible results.

The Commission will also promote sub-regional cooperation through the ENP Action Plans with Israel, the Palestinians and Jordan.

JUSTICE, SÉCURITÉ ET MIGRATION (JSM)

A. CONTEXTE ET JUSTIFICATION

Le « document d’encadrement » adopté à Valence en avril 2002 a marqué une étape déterminante. Depuis, les questions judiciaires de lutte contre le crime organisé et le terrorisme ainsi que les questions de migration sont des éléments fondamentaux des relations euro-méditerranéennes, tant sur le plan bilatéral que régional. Le sommet de Barcelone des 27 et 28 novembre 2005 a adopté le programme de travail quinquennal et le code de conduite en matière de lutte contre le terrorisme, qui portent sur ces sujets qui constituent les préoccupations communes de tous les membres du partenariat euro-méditerranéen et qu’il convient de traiter selon une approche globale et intégrée. En ce qui concerne la migration, la communication de la Commission du 30 novembre 2005 sur le « suivi de Hampton Court » adopte une approche globale qui aborde aussi bien les aspects liés à la sécurité qu’au développement. Cette vision a été reprise dans les conclusions du Conseil Européen du 15-16 décembre 2005 et les Conclusions de la Conférence euro-africaine sur les migrations et le développement à Rabat du 8 – 10 juillet 2006.

Le programme régional IEVP (Instrument européen de voisinage et de partenariat) – JSM (période 2010-2013 -15 millions d’euros), est une réponse flexible et concrète à ces préoccupations qui, tout en prolongeant ce qui a été accompli dans le cadre de MEDA, représente une étape ultérieure dans la perspective de la politique européenne de voisinage (PEV).

B. OBJECTIFS

Il s’agit de consolider les résultats obtenus avec les programmes régionaux MEDA-JLS 1 et 2, et d’assurer la mise en œuvre du programme de travail quinquennal et du code de conduite en matière de lutte contre le terrorisme adoptés à Barcelone. Le volet « migration », qui représente l’un des trois volets du programme à côté de la justice et de la sécurité, vient en complément du programme thématique et sera mis en œuvre en synergie avec celui-ci.

Justice

- Assistance aux réformes judiciaires, y compris la modernisation et l’efficacité dans l’administration de la justice et la facilitation de l’accès à la justice pour les citoyens.

- Amélioration de la coopération judiciaire civile et pénale, y compris avec les organisations européennes (type Eurojust) et facilitation de la fonction de magistrats de liaison.
- Coopération en matière de droit de la famille, y compris pour la solution de problèmes découlant des séparations de couples mixtes et de garde d'enfants.

Sécurité

- Lutte contre le crime organisé, la drogue, le blanchiment, le trafic/la traite des êtres humains.
- Lutte contre le terrorisme, et mise en œuvre du code de conduite.
- Amélioration de la coopération y compris avec les organismes européens (type Europol) et facilitation des tâches des officiels de liaison.

Migration

- Améliorer la connaissance des phénomènes migratoires par une recherche accrue et l'établissement de réseaux.
- Gestion des migrations et frontières, contrôle des frontières maritimes et des sauvetages en mer.
- Lutte contre l'immigration clandestine en partenariat avec les pays d'origine et de transit.
- Protection et asile, y compris application des conventions internationales.
- Promotion des canaux d'immigration légale ; promotion de la mobilité des travailleurs.
- Promotion des synergies entre la migration et le développement.

C. RÉSULTATS ATTENDUS

Résultats généraux :

- consolidation des réseaux Euromed dans les domaines de la justice, de la police et de la migration ;
- continuation de la formation et définition conjointe de bonnes pratiques ;
- définition et mise en place de points de contact et passage à un stade opérationnel.

Résultats dans le domaine de la justice et de la sécurité :

- mécanismes de coopération dans les domaines pénal et civil, facilitant l'accès à la justice, la bonne administration et la résolution des conflits familiaux transnationaux ainsi que la mise en œuvre des conventions internationales pertinentes ;
- développement de la coopération judiciaire et policière Euromed (y compris avec les organismes/agences européennes, tels que Europol, Eurojust, CEPOL) dans la lutte contre la criminalité organisée et le terrorisme, et mise en œuvre du code de conduite ;
- effets indirects sur la réforme judiciaire et légale en cours dans plusieurs pays MEDA.

Résultats dans le domaine de la migration :

- consolidation de l'activité de recherche et observation des phénomènes migratoires, et soutien au débat politique sur ces thèmes ;
- coopération opérationnelle Nord-Sud et Sud-Sud, y compris dans la gestion des frontières ;
- protection des migrants/demandeurs d'asile en accord avec les conventions internationales ;
- appui à l'intégration sociale des travailleurs migrants et de leurs familles.

D. INDICATEURS DE PERFORMANCE

- participation des pays partenaires aux actions de formation, d'échanges de pratiques ;
- nombre d'actes juridiques internationaux émis ou reçus par les autorités judiciaires des pays concernés (rogatoires, enquêtes, échanges d'information,...) ;
- nombre de rencontres de professionnels de haut niveau ;
- nombre de saisines de structures de coopération en matière civile, notamment dans le cadre de la résolution de conflits familiaux transnationaux ;
- existence de sources d'information et d'échange entre professionnels des pays concernés ;
- nombre de textes de référence (« charte », guide de bonnes pratiques, conclusions de séminaires,...) ainsi que recueil de données sur le fonctionnement des institutions judiciaires et policières et nombre d'études scientifiques diffusées en matière migratoire ;
- nombre de rencontres de préparation et de séminaires ;
- implication des organes européens de coopération : Europol, Cepol, Eurojust, Frontex.

E. DESCRIPTION SUCCINCTE DU PROGRAMME

Le futur programme IEVP-JSM, partant des premières expériences de la phase I et II du programme MEDA-JAI, doit optimiser l'utilisation de ces réseaux professionnels et mettre en œuvre de nouvelles actions découlant du programme de travail quinquennal et du code de conduite en matière de lutte contre le terrorisme approuvés à Barcelone.

Les actions cibleront principalement les domaines énumérés ci-après.

Justice: assistance aux réformes judiciaires ; amélioration de la coopération judiciaire civile et pénale ; coopération en matière de droit de la famille.

Sécurité : lutte contre le crime organisé ; lutte contre le terrorisme, et mise en œuvre du code de conduite ; amélioration de la coopération.

Migration : amélioration de la connaissance des phénomènes migratoires ; gestion des migrations et frontières ; lutte contre l'immigration clandestine ; protection et asile ; migration légale et mobilité des travailleurs ; migration et développement.

POLICY ANALYSIS

POLICY AND SECURITY ISSUES ANALYSIS AND NETWORK OF POLITICAL SCIENCE RESEARCH INSTITUTES

A. CONTEXT AND JUSTIFICATION

The political and security aspects of the Barcelona Process are the area where least progress has been made, due mainly to the persistence of tension and conflict in the Mediterranean region. However, the network of foreign policy institutes set up by EuroMeSCo has been one of the few successful partnership building measures. Successive Euro-Mediterranean Conferences of Foreign Affairs Ministers have called for such measures to be maintained.

B. OBJECTIVE

Consolidate and develop the network of Euro-Mediterranean foreign policy institutes.

C. EXPECTED OUTCOMES

The network will draw up a work plan for the next three years which will set out the results to be achieved. The work plan should take account of the comments of the Senior Officials responsible for the Euro-Mediterranean political and security dialogue. It will typically include:

- A series of themes to be followed up by working groups of the foreign policy institutes in line with the main themes of the Senior Officials' political and security dialogue, such as the fight against terrorism, the fight against proliferation of weapons of mass destruction, efforts to promote respect for human rights and democratisation, as well as cross-cutting themes such as the role of sub-regional cooperation, the relationship with other relevant forums (NATO, OSCE, Mediterranean Forum, Western Mediterranean dialogue) and complementarity between regional and bilateral actions;
- Actions to promote the visibility of the network – website, publications, meetings, etc.;
- Actions to improve the functioning of the network, including the recruitment of institutes from the 27 Member States and a programme of activities;
- Organisation of annual conferences, working groups, seminars on specific topics and meetings with Senior Officials.

D. PERFORMANCE INDICATORS

- Drafting of a coherent programme of activities
- Number of new institutes from the 27 Member States incorporated in the network
- Annual conferences held
- Set-up a Steering Committee
- Number of meetings, working groups and seminars held
- Number of publications and newsletters (paper / electronic) issued

- Improvement in the web-site and number of ‘hits’
- Number of proposals followed up by Senior Officials.

E. BRIEF DESCRIPTION OF THE PROGRAMME

Established at Sesimbra in 1996, the EuroMeSCo network of Euro-Mediterranean foreign policy institutes exists to foster cooperation among them and provide output on issues related to the political and security partnership. It is independent of, but interacts with, the Senior Officials meetings on the political and security dialogue. It hosts a website with information on its work, organises meetings and conferences according to its work programme and issues publications.

In 2005, the EC launched a Call for Tenders to support a new Euro-Mediterranean network of Foreign policy institutes. The contract was signed in October 2005 with the EuromeSCo network for a four years period. The current network supported by the EC is composed of more than 50 members from both sides of the Mediterranean area.

ECONOMIC POLICY ANALYSIS AND NETWORK OF ECONOMIC POLICY RESEARCH INSTITUTES

A. CONTEXT AND JUSTIFICATION

In the context of the economic and financial aspects of the Barcelona Process, the EC supported from 1998 to 2005 the FEMISE network (Forum Euro-Méditerranéen des Instituts de Science Economique) which has contributed to substantial research studies to the Euro-Mediterranean partnership, thus facilitating policy dialogue and improving knowledge of the economic development of the region.

The FEMISE network now involves more than 50 members (economic research institutes), representing the 27 partners in the Barcelona Process.

In 2005, the EC launched a Call for Tenders to support a new Euro-Mediterranean network of Economic institutes. The contract was signed in October 2005 with the FEMISE network for a four years period. Supported by the European Commission within the framework of the MEDA regional programme, FEMISE is currently co-managed by the Institut de la Méditerranée (France) and the Economic Research Forum (Egypt).

B. OBJECTIVE

Consolidate and develop the network of Euro-Mediterranean economic institutes, in particular by incorporating economic institutes of the 27 European Union Member States.

C. EXPECTED OUTCOMES

1. Taking part in the strengthening of the dialogue on the economic and trade issues of the Partnership, in particular between the member institutes of the network which will be selected, relevant ministry officials of the Mediterranean partner countries and Commission representatives;
2. Monitoring the progress of the Mediterranean partner countries on their way towards economic transition and opening, in particular as regards free trade and South/South cooperation, the New Neighbourhood policy;
3. Furthering economic research on priority subjects for the Partnership.

One of the principal activities of the future network will be to undertake socio-economic research on topics identified as priorities for the future of the Euro-Mediterranean region. The various results will have to be presented to the governmental partners of the Barcelona Process. Among these broad topics, the following can be mentioned in particular:

- Economic transition and reforms ;
- Agricultural liberalisation ;
- Rural development policies ;
- Development and the treatment of poverty ;
- Policies as regards health and work ;
- Education, training and the role of women in the company ;
- Integration and cooperation between the countries of the southern Mediterranean;
- Role of the State.

D. PERFORMANCE INDICATORS

- Drafting of a coherent programme of activities ;
- Number of new members recruited from the 27 Member States ;
- Annual conferences held ;
- Number of meetings held ;
- Number of research publications, newsletters (paper / electronic) and articles issued ;
- Set-up a Steering Committee ;
- Improvement in the website and number of “hits” ;
- Number of proposals followed up by economic dialogue meetings.

E. BRIEF DESCRIPTION OF THE PROGRAMME

Financing socio-economic research

One of the main goals of the future Euro-Mediterranean network of Economic Institutes will be to undertake research devoted to implementing the economic aspects of the Euro-Mediterranean Partnership carried out since November 1995.

Development of country profiles

Country profiles will be developed as part of the activities of the network.

The aim of this module will be to monitor the advances made by the ten Mediterranean partners in their progress towards economic transition and opening, with special reference to the Euro-Mediterranean Free Trade Area and South-South cooperation.

A document by country will be drawn up, published and made available on-line on the network website including overall monitoring of the situation of the Mediterranean partners by means of a quantitative and qualitative multi-criteria analysis using, in particular, the most reliable international statistical data.

Organisation of international conferences

Annual conferences will be organised by the winning consortium and will focus on the economic relations between Europe and the Mediterranean Region within the ENP. These Conferences will aim in particular to discuss the work which will be carried out by the networks' members and to ensure its broadest possible distribution.

Annual reports

The co-ordinators of the network will draw up a report submitting a synthesis of the analyses and proposals of the network.

This report will cover all the research topics of the network. For each one of them, the report has to reflect:

- The principal issues raised by the topic and its development;
- The analyses from the networks' studies;
- The economic policy recommendations for the Euro-Mediterranean Partnership.

These reports will have to be produced in English and French and will have to be available for download on the Internet site of the network.

Encouraging the dissemination of information and studies on the economic dimension of the Euro-Mediterranean Partnership

The network will also ensure the coordination of an Internet site which will constitute the main information channel, allowing the distribution of data and of various reports produced as part of the network's activities.

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PRIORITY 2:

SUSTAINABLE ECONOMIC DEVELOPMENT

PROMOTION DES INVESTISSEMENTS ET DYNAMISATION DES RÉFORMES

POUR ATTIRER LES INVESTISSEMENTS

A. CONTEXTE ET JUSTIFICATION

La stabilité de la région méditerranéenne passe par une forte croissance économique - elle-même largement tributaire de l'investissement privé. S'il est relativement facile de lancer des programmes d'investissement public, par exemple en matière d'infrastructure, il est beaucoup moins évident de développer les investissements privés qui résultent de décisions multiples, décentralisées et autonomes.

Les entreprises n'investiront pas sur ordre, mais parce qu'elles seront convaincues que la Méditerranée est une région d'avenir. Il faut pour cela :

- améliorer le climat des affaires et en particulier le climat des investissements et dynamiser l'agenda de réforme des pays, en tenant compte des résultats des programmes « Anima », « Euromed Marché » et en liaison avec les programmes de mise en œuvre des accords d'association ;
- le futur programme devra tenir compte des résultats de la mission d'identification en cours d'un programme régional MEDA de promotion des investissements ;
- encourager les PME à examiner des projets au Maghreb ou au Machrek ;
- améliorer l'image de la région pour les entreprises étrangères ;
- inciter les entrepreneurs et le système bancaire de la région à affecter davantage leurs capitaux à des projets productifs ;
- tirer davantage parti des moyens de financement que représentent les transferts des immigrés.

Le sommet de Barcelone des 27-28 novembre 2005 a confirmé l'importance que les partenaires euro-méditerranéens accordent aux investissements comme moteur de la croissance et de la création d'emploi. Le programme de travail quinquennal adopté lors du sommet stipule que les partenaires euro-méditerranéens encourageront l'accroissement du taux d'investissement dans la région en soutenant des programmes et des réseaux régionaux en ce sens; et mettront en place un groupe ad hoc chargé d'examiner les moyens d'intensifier les flux d'investissement dans la région méditerranéenne et d'assurer le suivi des progrès enregistrés.

B. OBJECTIFS

L'objectif global d'un programme régional est de promouvoir les investissements et de dynamiser les réformes sur l'environnement économique des pays partenaires méditerranéens.

Ce programme prendra en considération les résultats de l'étude d'impact sous l'angle de durabilité de la mise en place la zone de libre-échange (SIA-EMFTA), ainsi que la stratégie méditerranéenne de développement durable, en encourageant plus particulièrement les investissements non susceptibles d'aggraver les problèmes de pollution ou de pénurie d'eau auxquels la région méditerranéenne est confrontée.

C. RÉSULTATS ATTENDUS

Un programme régional de promotion des investissements pourrait contribuer à l'obtention des résultats suivants :

- augmenter le nombre de projets d'investissement ;
- multiplier les flux d'IDE (moyenne sur trois ans) ;
- contribuer d'ici 2010 à la création de nouveaux emplois de façon directe et indirecte (cette estimation est la plus délicate à définir et à mesurer).

D. INDICATEURS DE PERFORMANCE

Le succès ou l'échec d'un programme de promotion des investissements pourra être mesuré par les indicateurs quantitatifs mentionnés ci-dessus (flux d'IDE, nombre de projets enregistrés, emplois directs et indirects créés), mais aussi par des indicateurs qualitatifs sectoriels (par ex. impact de la formation, publications...) ou globaux (transfert effectif du pilotage d'un programme régional aux pays bénéficiaires, responsabilités et efficacité des API nationales ou locales, amélioration du climat d'investissement, nouvelle image économique de la région, intégration économique Nord-Sud via des projets industriels conjoints, etc.).

E. DESCRIPTION SUCCINCTE DU PROGRAMME

Pour atteindre ces objectifs, le programme régional pourrait développer des assistances techniques, la formation et des actions génératrices de projets, axées principalement sur:

- la transformation de l'image de la région auprès des investisseurs et la mise en place d'une stratégie concertée de prospection d'investisseurs;
- l'accompagnement des politiques d'amélioration du climat des affaires et la promotion des réformes réglementaires nécessaires pour créer un environnement propice aux investissements;
- l'encouragement à une interaction opérationnelle accrue au niveau du secteur privé, notamment par les rencontres ciblées des milieux d'affaires et la promotion d'alliances stratégiques génératrices d'investissements;
- l'identification de mécanismes ou dispositifs d'incitation visant à acheminer des flux financiers vers des projets rentables dans la région, notamment en valorisant les transferts des immigrés ou les fonds arabes.

TRANSPORT AND ENERGY COOPERATION

A. CONTEXT AND JUSTIFICATION

Cooperation in the field of transport and energy markets is essential in order to contribute to the sustainable economic and social development of an increasingly integrated Euro-Mediterranean region and to the development and stability of the region and the growth of intra-regional trade.

As regards the **energy sector**, the Euro-Mediterranean Energy Ministerial Conferences held in Athens in May 2003 and in Rome in December 2003 laid the basis for the

development of a comprehensive Euro-Mediterranean energy policy. The policy is based on the security of energy supplies and the objective of working towards a fully interconnected and integrated energy market through the implementation of sub-regional initiatives in the Maghreb, the Mashreq and between Israel and the Palestinian Authority. This was taken forward by the meeting of the Euromed Energy Forum held in Brussels in September 2003 that outlined the following priorities of energy cooperation in the near future: continued integration of energy markets, promotion of energy projects of common interest and sustainable energy development.

As regards the **transport sector**, the Marrakech Ministerial Conference of December 2005 adopted a series of recommendations in order to boost transport sector reform and promote the development of a Euro-Mediterranean Transport Network. These recommendations, based on the Blue Paper on transport in the Mediterranean region and the Final Report of the High-Level Group on the extension of the Trans-European Transport Network to neighbouring countries and regions, focus on the opening-up of transport markets, the development of infrastructure, in particular interconnections, safety and security of transport systems, and the smooth functioning of the multimodal freight transport chain.

The European Neighbourhood Policy also attaches priority to cooperation in the transport and energy sectors. The European Neighbourhood Policy (ENP) will help intensify cooperation with a view to greater economic integration between the EU and the Mediterranean partners, including in the transport and energy sectors. Reforms by the Mediterranean partners, in particular in terms of market opening and separating regulatory and operational functions, will constitute a major objective in Mediterranean partner countries with a view to modernising the transport and energy sectors and attracting investment. The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) will continue to finance infrastructure projects in the region.

The achievements of regional cooperation to date militate in favour of continuing cooperation in these areas:

- In the energy sector, with a view to the integration of the Euro-Mediterranean energy markets, the regular dialogue will continue through the Euro-Mediterranean Energy Forum and Euro-Mediterranean Energy Conferences and the launching of the sub-regional programmes in gas and electricity cooperation in the Maghreb and the Mashreq respectively and energy cooperation between Israel and the Palestinian Authority as well as the two Euro-Med energy programmes. As permitted by the ENP and due to the importance of Sub-Saharan energy resources, the aim will also be to facilitate the progressive integration of the Sub-Saharan region into the southern Mediterranean energy market with a view to the possible transit of Sub-Saharan energy resources to the EU.
- In the transport field, the regular dialogue established through the Euro-Mediterranean Transport Forum and its working groups will be pursued, and work will continue under several projects, in particular the Euromed Main Transport Project, the transport Infrastructure project, the Euromed GNSS Project (Egnos/Galileo satellite navigation programmes), the Safemed Project (maritime safety and security in the Mediterranean region) and the MEDA Motorways of the Sea project. A new regional project is under preparation in the field of aviation. At sub-regional level, a transport cooperation process has been initiated between Israel and the Palestinian Authority which may, depending on

political developments in the region, lead to the setting-up of a Joint Transport Office between the parties.

B. OBJECTIVES

In the field of energy, the main objectives are to:

- (a) Speed up reforms and harmonise rules and standards, as well as the energy information systems and statistics of the countries on the southern shore of the Mediterranean with a view to gradual integration of the Euro-Mediterranean energy markets;
- (b) Increase the security and safety of Euro-Mediterranean energy supplies and infrastructure and of oil shipping;
- (c) Develop South-South and North-South energy interconnections, including the interconnection with Sub-Saharan energy markets;
- (d) Promote the potential of renewable energy sources and support the Kyoto process;
- (e) Promote more efficient energy demand management.

In the field of transport, the main objective will be to ensure operational follow-up to the Marrakech Ministerial Conclusions, where it was agreed that a Regional Transport Action Plan for the Mediterranean should be elaborated. In this context, the following specific objectives will be pursued:

- (a) Continuing the transport sector reform process in the region;
- (b) Developing the Mediterranean regional transport infrastructure network and its links to the Trans – European Transport Network (TEN – T);
- (c) Promoting intermodality;
- (d) Strengthening the safety and security of transport modes, especially in maritime and air transport;
- (e) Supporting sub-regional cooperation initiatives.

C. EXPECTED OUTCOMES

In the energy sector: more integrated energy markets, increasingly secure energy supplies, developed interconnections and renewable energy sources around the region.

In the transport sector: a more secure, open and investment-friendly transport sector, with strong and independent regulatory bodies and simplified/harmonised border crossing procedures.

D. PERFORMANCE INDICATORS

Energy

- Enhanced regional cooperation in the energy sector, gradual integration of energy markets, reforms of energy markets, improved safety of the energy infrastructure and security of energy supplies.

Transport

- Transport sector reforms, convergence with EU rules and standards, especially in the field of safety and security, launching of sub-regional cooperation initiatives, conclusion of aviation agreements with the EU, development of Motorways of the Sea links in the region, development of main multimodal transnational routes in the region.

E. BRIEF DESCRIPTION OF THE PROGRAMME

In order to implement the above objectives **for energy**, the following concrete actions could be envisaged in the period 2007-2013:

- (a) Progressive integration of the Maghreb gas market with the EU gas market and the possible extension of Energy Community Treaty to cover Maghreb countries:
 - Extension of the Integration of the Maghreb electricity market project to include natural gas, resulting in the creation of a Maghreb natural gas market and its progressive integration with the EU internal market;
 - Support the possible extension of the Energy Community Treaty to cover Maghreb countries ;
- (b) Progressive creation of a Mashreq gas and electricity market and its interconnection with the EU, the Balkans and the candidate countries:
 - Extension of the Euro-Mashreq gas market project to include electricity, resulting in the creation of a Mashreq electricity market and its progressive integration with the EU internal market;
- (c) Progressive integration of the Israeli/Palestinian electricity and gas markets and their integration into the Mashreq electricity and gas market:
 - Support for the harmonisation of the electricity and natural gas market between Israel and the Palestinian Authority according to the principles of the EU internal energy market;
 - Support for the progressive integration of the Israeli and Palestinian energy markets with their neighbouring countries;
- (d) Energy demand management and sustainable development:
 - Implementation of a comprehensive strategy in the field of energy efficiency and renewable energy sources in the Mediterranean partner countries based on EU policy in the field of Energy Efficiency and Renewable Energy Sources;
- (e) Progressive integration of Libyan energy markets with neighbouring countries;
- (f) Possible interconnections in the South–South direction.

In order to implement the above objectives **for transport**, the following concrete actions could be envisaged:

- (a) Support for the development of the following trans-national multimodal routes:

- The trans-Maghreb route (from Rabat up to Alexandria);
- The trans-Mashreq route (Mersin-Damascus-Aqaba-Suez-Cairo).

This action will include the setting-up of sub-regional secretariats for each route, the coordination with the IFI's and the private sector for the financing of feasibility studies for cross-border projects and projects aimed at removing existing bottlenecks, as well as technical assistance for ensuring seamless traffic flows along the routes;

- (b) Development of the network of Motorways of the Sea ports (technical assistance for implementing advanced IT port management systems, including banking, simplification of customs procedures and organisation of the passage of freight through the ports) and implementation of the regional plan for Motorways of the Sea to be established under the MEDA Motorways of the Sea project;
- (c) Technical assistance for the further reinforcement of maritime safety and security in the Mediterranean;
- (d) Technical assistance for the further reinforcement of aviation safety and security in the Mediterranean;
- (e) Promotion of and support for sub-regional initiatives and forums relating to the transport sector.

SOUTH-SOUTH REGIONAL ECONOMIC INTEGRATION

A. CONTEXT AND JUSTIFICATION

Mediterranean partners' markets remain highly fragmented, their average tariff protection is high, intra-regional trade is insufficiently developed and the potential for trade and investment liberalisation and economic integration remains largely unexploited.

The Barcelona Summit in November 2005 advocated the acceleration of Free Trade Agreements (FTA's) among Mediterranean partners confirming the Euro-Mediterranean Trade Ministers' commitment in Istanbul (July 2004) to carry on with the efforts on regional integration, with a view to stimulating investment within an integrated economic zone and making concrete progress towards the objective of a Euro-Mediterranean Free Trade Area by 2010. This objective was confirmed at the Euromed Trade Ministerial held on 24 March 2006 in Marrakech. Efforts to this effect should be encouraged at a moment when some South-South FTA's start to take effect. These include the Agadir Agreement (between Morocco, Tunisia, Egypt and Jordan), now at its initial stage of implementation, and the FTA's concluded bilaterally between Morocco, Tunisia, Israel, Egypt, on the one hand, and Turkey, on the other.

Such FTAs are, inter alia, instrumental to operating diagonal cumulation of origin, now in full swing, on the basis of the new Pan Euro Med Protocol, which is progressively being adopted by an increasing number of partners. Origin cumulation, which presupposes the existence of an FTA in force between the cumulating partners and their adoption of the Protocol, will create new trading patterns and increase trade flows by enlarging outsourcing possibilities within the Euromed area.

EC support to South-South FTA endeavours has so far materialized through a € 4 million programme under MEDA to support the implementation of the Agadir Agreement. Under such a programme, funding has been made available to support studies/analysis in the economic and trade domain, institution and capacity-building to the technical unit established in Amman as a precursor to a fully-fledged Secretariat of the Agreement, and training for administrations and customs officials for the sake of operating the agreement. The programme is ongoing but progress is limited due to the partner countries' inability to agree on the institutional and financial aspects of their own commitments.

B. OBJECTIVE

The objective of the programme on South-South Regional Economic Integration is to pursue the support to partner countries to promote and further develop South-South regional and sub-regional integration agreements and liberalisation instruments.

C. EXPECTED OUTCOMES

- Expansion and reinforcement of the network of South-South FTA's with a view to the regional Free Trade Area by 2010.
- Full and effective implementation of the Agadir agreement, including functioning of its secretariat/technical unit, and any other South-South FTA's and sub-regional endeavours in the Euromed.
- Increase of trade flows, investment and economic integration among the countries signatories of South-South FTA's;
- Enhanced involvement of the business community to develop new trading patterns and to take better advantage of liberalisation.

D. PERFORMANCE INDICATORS

- Number of FTA's in force covering substantial trade and allowing effective liberalization;
- Measured increase in the degree of economic integration and trade flows among partners which are parties to South-South FTA's;
- Measured increase of total FDI flows to the partners which are members of FTA's within a few years from its entry into force.

E. BRIEF DESCRIPTION OF THE PROGRAMME

The EC will support the development of policies promoting regional integration and developing South-South trade and (sub-)regional cooperation initiatives, including continued support to the implementation of the Agadir Agreement and any other FTA's, as well as to sub-regional institutional efforts aiming at trade facilitation and liberalisation.

The programme would revolve around three components.

A first component would concern continued support to the Agadir Agreement through ongoing institutional capacity-building to the secretariat, further analysis of untapped trade potential from the agreement including in the field of non-tariff barriers and on business cooperation, as well as continued support to trade facilitation and training to customs administrations, namely in the area of rules of origin and cumulation. This component would build on the achievements of the regional programme to support Agadir currently under way, and pursue assistance forward. This is based on the assumption that partner countries will eventually sign up to their institutional and financial commitments under the Agreement.

A second component would assist any efforts on trade facilitation undertaken at regional, sub-regional or bilateral level among partners that are signatories to or are negotiating FTA's, or are generally undergoing trade liberalisation processes. Modernisation of customs administration and procedures, and removal of trade impediments have been undertaken by most partners and are often supported through EC bilateral schemes. However, no regional approach to trade facilitation has so far been developed, by sharing best practices, pooling together assistance on the basis of common identified needs and increasing modalities of customs cooperation within administrations in implementing preferential agreements. This component would usefully address this need. It could build on the policy recommendations on the simplification of customs procedures adopted at the Palermo Euromed Trade Ministerial in July 2003 as a follow-up to the regional working group, and on international best practices, including those on customs security measures for a safe and secure trade in the region.

The third component builds on the assumption that the private sector and the business community will actually make such FTA's meaningful and take advantage from them. Some facilities would need to be created to enable them to be aware of the new trade opportunities and by facilitating the interaction among businesses. This component will assist, through networking with the key business associations and chambers of commerce of concerned partners, in: i) any operational sector/product analysis where comparative advantages can generate trading opportunities in the preferential zone; ii) any sector-focussed matchmakings and strategic alliances among businesses through the organisation of targeted events bringing together relevant business communities from countries having, or about to have FTA's, possibly together with concerned EU business sectors and associations.

ENVIRONMENTAL PROGRAMME

A. CONTEXT AND JUSTIFICATION

Environmental problems do not respect borders, and a regional response is frequently required. For this reason, over recent years, the EC has provided considerable financing for cooperation in the Mediterranean on environmental issues including water management.

The European Neighbourhood Policy and the Euro-Mediterranean Barcelona Process both emphasise environmental protection as a key sector for cooperation:

- The Barcelona 10th Anniversary Summit called on the partners to implement the Mediterranean Strategy for Sustainable Development and adopt a road map for de-polluting the Mediterranean by 2020, with a view to tackling all the major sources of pollution including industrial emissions, municipal waste and particularly urban wastewater;
- The ENP Action Plans provide for the possible participation of partner countries in activities of the European Environment Agency, and support for the implementation of the Barcelona Convention on a regional basis;
- The EU Water Initiative, adopted at the World Summit on Sustainable Development (WSSD), is the EU contribution to the achievement of the water and sanitation Millennium Development Goals, within a context of an integrated approach to water resources management. It applies in particular to the Mediterranean region where water is a very scarce resource;
- NGO's are key actors in the development and implementation of the environmental policy, as a complement to government agencies. They and other stakeholders from the civil society can act where government agencies are unable or unwilling to intervene. However, NGO capacity is weak in the region and should be built up.

B. OBJECTIVE

Improve the quality of the environment in the Mediterranean partner countries, with particular emphasis on the challenges identified in Commission Communication COM (2006) 475.

C. EXPECTED OUTCOMES

- Adoption and implementation of the Horizon 2020 road map for the de-pollution of the Mediterranean, as adopted by the EMP Environment Ministers on 20 November 2006 in Cairo. Investment finance mobilised from a variety of sources for projects that address environmental threats;
- Integrated water management developed, in particular in transboundary basins resulting in an increased number of people served with safe drinking water and basic sanitation;
- Better implementation of the Barcelona Convention in synergy with EU policy;
- Implementation of the commitments in the ENP Action Plans related to involvement of Mediterranean in EEA actions, through development of regional activities;
- Enhanced availability and regular monitoring of environmental indicators;
- Local NGOs better equipped to participate in and influence environmental decision making and policy development;
- Greater public awareness of the need for environmental protection and the effects of failure to provide it.

D. PERFORMANCE INDICATORS

- Environmental data availability across the region in formats compatible with EU standards;

- Number of environmental pollution indicators that are monitored on a regular basis;
- Measured improvements in these environmental quality indicators, including reduction of prevalence of water-borne diseases and reduction of air pollution in major urban centres;
- Completion of a number of steps in the de-pollution roadmap, including the number of projects for which financing has been identified.

E. BRIEF DESCRIPTION OF THE PROGRAMME

De-pollution of the Mediterranean

One of the main Euro-Mediterranean environmental goals identified by the Barcelona Summit (2005) is to launch an initiative for the de-pollution of the Mediterranean sea. In a first phase, the main sources of pollution and measures that can be taken to diminish/eradicate these sources will be identified. In a second phase, finance will be mobilised to implement the plan. It is expected that most infrastructure investment requirements will be financed through loans, and assistance may be needed with project preparation to bring priority projects to the point where they can attract finance. These actions will need to be supplemented with region-wide capacity building measures to support the initiative (including in coastal area planning, urban management, information campaigns to raise the awareness of citizens/the private sector, initiatives to promote integration of environmental concerns into other sectors, etc.).

Collaboration with the European Environment Agency and the secretariat of the Barcelona Convention

In addition to the de-pollution initiative, Mediterranean partners will be encouraged to collaborate with the European Environment Agency (EEA), in line with the ENP Action Plans, participate in specific activities under the Barcelona Convention and implement the regional strategies developed under the Mediterranean Action Programme (MAP). This includes involvement in the implementation of the EU Marine Strategy and future Directive, once adopted.

Regional water initiative

This component will support activities related to the Mediterranean component of the EU Water Initiative, including integrated water resources management, transboundary river basin management and specific instruments dedicated to their implementation.

Capacity building and support to civil society actors

Under this component, activities will be pursued to develop regional networks and contacts, so that civil society can be strengthened through coherent approaches and sharing of best practice.

TECHNICAL ASSISTANCE AND RISK CAPITAL SUPPORT FOR FEMIP

A. CONTEXT AND JUSTIFICATION

In March 2002 the Council decided to establish a Euro-Mediterranean Facility to support investments in the Mediterranean partner economies (FEMIP). FEMIP became operational in October 2002 and is expected to increase the volume of EIB commitments in the region to around €2 billion per year by 2006. In November 2003 the Council endorsed a strategy to reinforce FEMIP, including through a special allocation for private sector risk sharing operations and the establishment of a multi-donor trust fund to supplement EC budget support.

FEMIP's main objective is to promote private sector development in the region. This requires a combination of the supply of appropriate financial instruments and reforms in the recipient economies to facilitate private sector development. Pending a reform of its statutes, the EIB is not yet in a position to take equity stakes in Mediterranean private enterprises. Risk capital financed from the MEDA budget helps it to circumvent this constraint. At the same time, the MEDA technical assistance facility contributes to upstream project design as well as to downstream project implementation, often within the context of a sectoral reform strategy.

B. OBJECTIVES

The overall objective of FEMIP is to promote sustainable economic growth in the region through investments in infrastructure and especially in private sector development.

The specific objectives of FEMIP are to enhance the supply of foreign and domestic financing mainly for private, but also for public, investments in the region. First of all through direct supply of financial resources (in particular through the development of risk sharing operations with the private sector, through global loans and risk capital operations). Second, by promoting improvements in the domestic institutional environment which facilitate endogenous private sector development and financing.

C. EXPECTED OUTCOMES

The expected outcome of the risk capital facility is a series of investments, either directly in privately owned companies in the Mediterranean partner economies, or indirectly through privately owned investment funds, other types of intermediaries and private companies. The EIB will strive to channel risk capital as much as possible through private sector operators. Investment funds with public sector participation may also be eligible provided their management board offers sufficient guarantees of independence and they are sufficiently private sector development-oriented. The final beneficiaries of risk capital will be fully privately owned companies. This risk capital facility may be reviewed when a proposed revision of the EIB's statutes, which will permit it carry out equity operations using its own resources, is approved.

The expected outcomes of the technical assistance facility are knowledge products that contribute to project design and project implementation, preferably within a sectoral

strategy. Development of environment infrastructure will be supported with greater levels of available assistance than was the case under previous programmes. Funds allocated to technical assistance for projects that directly benefit the private sector will be a priority, and if possible will reach half of total funding. Functional and economic criteria will be established to decide on the eligibility of technical assistance projects for financing.. Technical assistance may include both project-related for all steps in the project cycle; TA for intermediaries, for SMEs, as well as sector studies.

D. PERFORMANCE INDICATORS

The EIB will regularly report to the Commission on implementation of projects (use of funds) and on outputs produced and results obtained through these projects. Performance indicators will include, among other things, the share of private sector beneficiaries, the performance of enterprises financed through risk capital operations and the rate of return on these, the number of SMEs reached through risk capital operations, and the technical and economic benefits generated by technical assistance projects.

E. BRIEF DESCRIPTION OF THE PROGRAMME

The programme provides the EIB with (a) a technical assistance facility to assist the design and implementation of projects as well as reform programmes to improve the private sector environment and (b) a risk capital fund to take equity stakes in private enterprises, and other instruments such as risk-shared loans with financial intermediaries, loans in local currency, SME loan guarantee schemes with local banks, and other forms of guarantees and potentially trade finance instruments.

F. BENEFICIARY INSTITUTIONS AND INDICATIVE AMOUNTS

A total of €32 million per year will be allocated to FEMIP, to be used for technical assistance and risk capital. Risk capital contributions will be put into a revolving fund that will also receive the re-flows from liquidated past risk capital and special loan operations. This grant contribution will be managed and implemented by the EIB in accordance with the relevant articles of the ENPI Regulation and the Framework Agreement between the Commission and the EIB. The EIB may seek financial cooperation and coordination for these operations with other IFIs operating in the region.

DEVELOPMENT OF THE INFORMATION SOCIETY

A. CONTEXT AND JUSTIFICATION

Cooperation in the field of the information society is essential in order to contribute to the sustainable economic and social development of an increasingly integrated Euro-

Mediterranean region. It is an essential requirement to the development of the region, in the field of Information Technology (IT), enabling the growth of intra-regional trade in services and the promotion of research in the IT domain.

The Dundalk Ministerial Conference on the Information Society in May 2005 adopted a series of recommendations aimed at promoting sector reform and development of the Euro-Mediterranean information society. These recommendations were taken up in April 2006 by the Senior Officials Forum on the Information Society, which adopted a work programme focusing on the opening-up of electronic communications markets, cooperation between regulatory authorities, promotion of online services, the extension of the EUMEDCONNECT project and boosting Mediterranean participation in the European Union's Research Framework Programme.

The achievements of regional cooperation to date militate in favour of continuing cooperation in the following areas:

- The EUMEDIS programme (€ 65M, 2000-2006) is the largest international project ever undertaken by the European Commission in the development of the global Information Society. The main objectives of the programme were the interconnection between the European research network and the Mediterranean research networks and the funding of 21 regional pilot information society projects in five sector of intervention (Healthcare, e-Commerce, Tourism and Cultural Heritage, Research applied in industry, business and innovation, Education).
- EUMEDCONNECT, one of the EUMEDIS projects, is the first regional research and education network in the Mediterranean region. The network started in 2004 and directly connects the research networks in Algeria, Egypt, Jordan, Morocco, Palestine, Syria and Tunisia. EUMEDCONNECT partners are very keen to see the network continue and to use it as research infrastructure for common IST projects of the EU Member States and the Mediterranean countries.
- The regional MEDA New approaches to telecommunications policy (NATP) project 2000-2002 has successfully established a Euro-Mediterranean dialogue in this field. The new project NATP II (2005-2007) will continue this dialogue and intensify cooperation in the field of regulatory reform and e-government. This regional project is supporting several bilateral MEDA projects for assistance to the electronic communications regulators.

The first outstanding result of EUMEDIS is the establishment of a regional community of professionals, researchers, students and several other people coming from different countries and institutions working together. Around 1000 persons have been directly involved in projects implementations while more than 10.000 participated in the events organised by the pilot projects all around the region. Over 30.000 students use the EUMEDIS projects produced distance learning courses in a number of universities to the date.

EUMEDIS has also shown the potential of ICT as a powerful force to raise the standard of living in the areas related with the living conditions of the population, as health care, education, culture, vocational training and consequently employment.

In addition, the EUMEDIS pilot projects (mainly the education, health and cultural heritage projects) have succeeded in producing a large amount of outputs available on the Internet. The new challenge now is to organize this content in a searchable database format to allow users to create their own patterns and preferred structure.

The sectors most promising for a new phase are **e-learning and e-culture**. It should be noted that for e-learning and distance education sector the focus should be set not again only on production of contents, but more on the capacity of end users (students, trainers or long term returning students) to fully benefit from the services developed. This means:

- accreditation and joint management through well established institutional co-operation (including higher education and vocational training entities);
- effective delivery (via international broad band connections and local hubs);
- accessibility and interoperability (based on different languages);
- capacity to co-ordinate contents selection (indexation) and subsequent knowledge management processes.

Concerning contents to be created and delivered by the system, it should be noted that a broader view on cultural contents should be assumed to integrate economic, territorial development, art and cultural heritage of the Mediterranean Area. To achieve this, the need of **proper infrastructure** (EUMEDCONNECT can offer the basis) as well as **intelligence/know-how and skills** are the basic priorities (new phase in producing and distributing applications).

It should be stressed that all actions must have a clear set of indicators for benchmarking and for the needed efficiency assessment (real improvement in the local environment).

B. OBJECTIVES

- Develop cooperation between European and Mediterranean participants, building on current achievements of EUMEDIS;
- Facilitate the integration of the Mediterranean countries into a global information society;
- Continue the dialogue between all stakeholders and users of the information society and promote the electronic communications sector reform process in the region;
- Contribute to bringing the ICT to the Mediterranean region via the promotion of the participation in the FP7 and the production of new content (e.g. education and culture);
- Promote innovative ICT applications in priority fields like education and culture;
- Obtain the final convergence of EUMEDIS originated products and services on a common platform to be distributed through the principal channel of EUMEDCONNECT;
- Continue to feed ICT developments in the wider Mediterranean Region via the production of new content (education and culture);
- Promote innovative applications in the above-mentioned priority fields consolidating a large effort in multilingual e-libraries and shared knowledge management processes.

C. EXPECTED OUTCOMES

- **Extension of permanent research and education regional network** serving the Mediterranean area and cooperation with the European research and education community. Collaborative research projects in health, environment and other scientific areas are benefiting from EUMEDCONNECT, such as AVICENA (education), Anna Lindh Foundation (cultural and social), EUMEDGRID (Grids), MedGenet (medicine) ;
- **Contribution to an investment-friendly environment in the electronic communications sector:** open markets, predictable transparent regulatory frameworks and more independent regulatory authorities; by a dialogue between these authorities and the European Regulators Group (ERG) on major regulatory challenges; monitoring of the efforts of the Mediterranean countries towards approximation with the EU internal market for electronic communications will be monitored via reports and comparative analysis in order to assist the European Commission in assessing progress in the region;
- **Promotion of online services** through advice and exchange of experience in the implementation of priority applications, such as e-learning and e-culture. Synergies could be developed with ICT research cooperation, as most of the Mediterranean countries could participate in the Seventh Framework Programme.

D. PERFORMANCE INDICATORS

Networking in the field of research and education, reform of the electronic communications sector, approximation with EU regulation, development of online services and participation in the ICT Research Programme.

E. BRIEF DESCRIPTION OF THE PROGRAMME

1. Policy dialogue on the Information Society, in particular through Euromed ministerial conferences and senior officials meeting covering :
 - Promotion of the progressive approximation of the Mediterranean electronic communications regulation with the EU framework;
 - Exchange of views and exchange of experience in the development of e-Learning and e-Government as priority applications;
 - ICT Research cooperation under the 7th Framework Programme.
2. Support the EUMEDCONNECT 2 initiative to ensure a longer term financial and organisational stability of research and education networking in the region, focussing on providing services and on applications by the user communities, including Euro-Mediterranean organizations.
3. Technical assistance for the implementation of regulatory frameworks and the strengthening of the regulators.
4. Monitoring of the Mediterranean e-communications markets by providing regular reports and comparative analysis (benchmarking).
5. Support of sub-regional initiatives and fora related to the Information Society.

PRIORITY 3:

SOCIAL DEVELOPMENT AND CULTURAL EXCHANGES

ÉGALITÉ DE GENRE ET SOCIÉTÉ CIVILE

A. CONTEXTE ET JUSTIFICATION

La communication de la Commission du mois d'avril 2005, établit qu'« il faudrait s'entendre sur des mécanismes qui permettent d'accorder à la société civile une place plus grande dans le partenariat ».

Par ailleurs, les conférences ministérielles Euromed ont salué (i.e. déclaration commune de Barcelone VII) la création d'une plateforme non gouvernementale qui devrait servir à structurer les activités d'une société civile indépendante et à assurer une meilleure interface avec les activités officielles du partenariat à l'avenir. Le sommet de Barcelone, dans son programme de travail quinquennal, souligne le besoin d'encourager la participation de la société civile dans le partenariat et l'importance de renforcer les moyens à sa disposition, grâce à une meilleure interaction avec les gouvernements et les parlements.

En outre, et en ce qui concerne la promotion de l'égalité entre les femmes et les hommes, il y est affirmé qu'il s'agit d'« une question transversale qui a une incidence sur le développement humain et économique ». En ce qui concerne ces questions, les partenaires euro-méditerranéens se sont mis d'accord, dans le programme de travail sur cinq ans approuvé à Barcelone en 2005, pour prendre des mesures visant à instaurer l'égalité entre les hommes et les femmes, afin d'empêcher toute forme de discrimination et de garantir la protection des droits des femmes.

B. OBJECTIFS

Le programme Euromed « Égalité de genre et société civile » a pour objectifs principaux :

- de stimuler l'exercice de la citoyenneté active ;
- d'encourager la reconnaissance du rôle des femmes en promouvant le respect de leurs droits fondamentaux, notamment à travers de l'application des mesures préconisées dans la signature de la convention sur l'élimination de toutes les formes de discrimination à l'égard des femmes (CEDEF) et en soutenant les réformes des codes du statut personnel ;
- de favoriser la reconnaissance de la contribution des femmes au développement économique ;
- de contribuer à instaurer la représentation et la participation intégrale et égalitaire des femmes à la vie politique, sociale, économique et culturelle de leurs pays et leurs sociétés ;
- de renforcer la prise en compte de l'égalité de genre dans le partenariat Euromed ;
- de renforcer la démocratisation et la participation de la société civile dans le partenariat Euromed ;

- d'accroître l'appui institutionnel visant à la création de plateformes nationales non gouvernementales.

Plus spécifiquement, le programme vise à :

- favoriser, autant que possible, la participation des hommes et des femmes au sein des organisations non gouvernementales, et cela dans tous les secteurs ;
- soutenir la réalisation de programmes concrets visant l'égalité de genre ;
- encourager le développement et la mise en réseau d'ONG indépendantes (y compris ONG de femmes) et autonomes, insérées dans la vie sociale, économique et politique des pays partenaires méditerranéens ;
- promouvoir des échanges d'expérience et de bonnes pratiques entre les organisations de différents pays, de même que l'acquisition de nouvelles qualifications (« capacity building ») ;
- offrir des activités de formation et de renforcement des capacités pour améliorer pour améliorer la gestion des organisations de la société civile afin de mieux préparer celles-ci à participer aux mécanismes de concertation du partenariat, et ceci au niveau national et régional ;
- impliquer la société civile dans toutes les affaires liées à l'immigration, aussi bien dans les pays d'origine que dans les pays de destination, ainsi que dans l'ensemble des secteurs importants pour le développement des pays partenaires (commerce, environnement, lutte contre la pauvreté, etc).

C. RÉSULTATS ATTENDUS

Il est espéré que ces actions permettront d'atteindre les résultats suivants:

- l'observation et le suivi au niveau régional des écarts et des progrès réalisés dans le domaine de l'égalité de genre, y compris le plan de travail approuvé lors de la Conférence Ministérielle d'Istanbul ;
- établissement et/ou renforcement des réseaux d'organisations de femmes, au niveau national, sous-régional et régional ;
- amélioration de la participation active et de la visibilité de la société civile et notamment des femmes dans le partenariat, et de la visibilité des actions ;
- réalisation, au niveau régional et subrégional, d'activités de mise en contact, d'échange d'expériences et de communication de bonnes pratiques, ainsi que de formations multisectorielles ;
- création, dans les pays partenaires, de plateformes nationales non gouvernementales indépendantes, qui puissent exercer le rôle d'interlocuteurs /intermédiaires face à leur gouvernement respectif, et ce dans tous les sujets du partenariat.

D. INDICATEURS DE PERFORMANCE

- le lancement d'actions visant à identifier la situation des femmes en Méditerranée, en terme politique, économique et social et à évaluer l'impact de l'égalité de genre dans les politiques des pays partenaires ;
- le nombre de réseaux de femmes créés ou soutenus dans le cadre du programme ainsi que le nombre de femmes qui y participent ;

- le nombre et l'impact des programmes sur l'égalité de genre lancés ;
- la participation totale de hommes et femmes dans les actions de formation ;
- le nombre de plateformes non gouvernementales indépendantes créées ;
- la visibilité atteinte.

E. DESCRIPTION SUCCINCTE DU PROGRAMME

Le futur programme sera mis en application à travers notamment des actions suivantes :

- 1) En ce qui concerne l'égalité de genre, celle-ci sera encouragée à travers des deux actions principales suivantes :
 - a) le lancement d'un programme d'appui aux actions concrètes pour l'égalité entre les femmes et les hommes. Ce programme sera défini en détail conformément aux conclusions de la conférence ministérielle sur les femmes prévue en 2006 et des priorités inscrites dans le plan d'action qui en résultera ;
 - b) l'établissement d'un mécanisme de monitoring et de suivi de l'égalité entre les femmes et les hommes dans les pays de la région, de façon à promouvoir les meilleures pratiques, de même que l'analyse des situations d'inégalité.
- 2) Le renforcement des capacités de la société civile sera effectué notamment à travers :
 - a) la mise en réseaux et la coordination: renforcement du processus engagé par la plate-forme non gouvernementale Euromed pour la mise en place de plates-formes sous-régionales, locales, ou nationales dans le cadre des mécanismes de participation mis en oeuvre ;
 - b) le soutien à l'organisation de sessions de formation pour les responsables de réseaux et d'organisations locales, de façon à préparer les mécanismes de concertation ainsi que l'apprentissage de la gestion interne des organisations autonomes ;
 - c) la production de supports et d'outils plurilinguistiques pour aider les acteurs à mieux participer à toutes les facettes du partenariat (programmes, réunions, concertations, etc.) ;
 - d) l'organisation de foras civils locaux, et le forum civil Euromed ;
 - e) la visibilité et la communication par la mise en place d'une newsletter et d'un calendrier mensuel des actions de la société civile dans le cadre du partenariat.

INFORMATION AND COMMUNICATION II

A. CONTEXT AND JUSTIFICATION

The first regional information and communication programme (2003-2006) was carried out following a preliminary external assessment of the information situation concerning the Partnership. This was initiated following comments made at successive Euro-Mediterranean Foreign Ministers' meetings in which concern was voiced concerning the lack of visibility of the Barcelona process. A €10 million budget, mainly deconcentrated to the Mediterranean Delegations, was allocated to redress this deficiency in information and communication.

Despite the limited nature of this initial exercise (which is still ongoing), the programme has been nonetheless successful, while highlighting the need for deeper, wider and better coordinated information and communication activities throughout the region. A final evaluation of the current exercise will also assist in mapping the way forward. In efforts to bring the Partnership closer to the people there is a need for a sustained, interactive and integrated communications strategy that, over time, will correct the information deficit, by ensuring the visibility of the EMP and the European Neighbourhood Policy not just among decision makers in the region, but also across the wide spectrum of civil society.

The second regional information and communication programme seeks to consolidate this effort, but also to build on the foundations by extending its activities:

- (a) to promote the EMP and the European Neighbourhood Policy;
- (b) to improve cooperation between the EU and pluralistic, professional and independent media in the region.

Various MEDA projects promoted the different aspects of the Partnership through the local and regional media, while, in parallel, the Euromed and the Media initiative underlined the necessity of actively engaging with the region's media to assist in removing the impediments that inhibit journalists in the proper pursuit of their profession.

B. OBJECTIVES

The second regional information and communication programme will:

- Consolidate the work already done under the first regional information and communication programme and build on its successes by launching a new and improved region-wide programme of activities and events. The overall goals are:
 - (1) to raise levels of awareness and understanding of the EU and its policies in the region;
 - (2) to continue to build on and enhance the effectiveness of EU communication through the key channels.

These overall goals are to be met through a strategy of involvement with the key partners and support for EU communicators;

- Devise and implement an information and communication strategy that actively engages with the media constituency, decision makers and appropriate sectors of civil society;
- Make the Partnership visible at all levels of society;
- Make the European Neighbourhood Policy a concept understood and used in all levels of society;
- Contribute to more independent media and wider freedom of expression; assist in the creation of safer and more secure working environments for journalists;
- Improve career opportunities and professionalism of female journalists;
- Contribute to the reduction of xenophobic and racist journalism.

C. EXPECTED OUTCOMES

- Wider and deeper awareness of the EU and the Euro-Mediterranean Partnership and Neighbourhood Policy throughout the region, at all levels of society;

- Improved visibility of the EU and its policies including the EMP throughout the EU and partner countries;
- Wider media networks, North and South, and improved working relations;
- More and better trained journalists; a safer and more secure working environment for journalists;
- Increased freedom of expression in the information and communication sectors; increased number of independent media outlets;
- Broader access to more senior positions for female journalists.

D. PERFORMANCE INDICATORS

- Increased levels of awareness and understanding of specific sectors of local populations as measured by polls and surveys;
- Number of articles in the press and magazines and hours of TV and radio broadcasting;
- Frequency of visitors to the relevant websites maintained by Delegations and HQ;
- Number of conferences/seminars/workshops between northern and southern journalists, creation of media networks;
- Number of journalists trained, especially female journalists;
- Volume of awareness activities carried out concerning the safety and security of journalists;
- Advances in regulatory situations and reforms concerning freedom of expression and independent media in line with the commitments undertaken in various ENP Action Plans.

E. BRIEF DESCRIPTION OF THE PROGRAMME

The new programme will benefit from the evaluation of the current exercise and will endeavour to apply the lessons learned. It will also try and incorporate some of the recommendations made following the “Euromed and the Media” trilogy of conferences/workshops and the follow-up recommendations from the interim working group/task force and national forums/debates.

Main priorities to be developed:

- (1) Professionalism in the sector; capacity building in existing broadcast and print media in and affecting the countries of the region;
- (2) Cooperation: increased cooperation between the EU and key media organisations and players in the region and enhanced interaction and cooperation between northern and southern partners;
- (3) Conditions in and surrounding the information and communication sector; sectoral support to ensure enhanced freedom, independence, neutrality and gender equality within the media sector.

These priorities will be pursued by building on existing networks and relations and extending them through a series of activities to be identified in the strategy phase:

- Joint projects with the region’s written media and creation of media network(s) in both North and South;
- Creation of dedicated regional information outlets (physical and/or virtual);

- Close cooperation with the Mediterranean region's broadcast corporations (national, regional and local);
- Improvement of domestic and regional capacity in the information and communication sectors;
- Organisation of seminars and conferences throughout the region;
- Increasing the number of projects carried out with young people.

* * *

EUROMED JEUNESSE

A. CONTEXTE ET JUSTIFICATION

Dans le contexte du partenariat euro-méditerranéen et de la politique de voisinage, le programme Euromed « Jeunesse » – grâce au mécanisme de coopération directe entre les personnes - contribue à la stabilité politique, au développement économique et à la cohésion sociale.

Le programme Euromed « Jeunesse » dans les phases I, II et III a impliqué des jeunes de 35 partenaires euro-méditerranéens dans un dialogue interculturel permanent, dans un climat de tolérance et de paix. La prochaine phase devrait permettre de maximiser l'impact du programme.

B. OBJECTIFS

Le programme Euromed « Jeunesse » vise à stimuler le développement d'un dialogue, d'une connaissance et d'une compréhension mutuelle entre les jeunes des deux rives de la Méditerranée ; la citoyenneté active et l'intégration des jeunes (en particulier des femmes) dans la vie sociale, professionnelle et politique de leurs communautés; la démocratisation et la participation de la société civile.

Plus spécifiquement le programme Euromed « Jeunesse » vise à :

- permettre au plus grand nombre de jeunes de participer à des expériences éducatives, non formelles et multilatérales, basées sur le dialogue interculturel ;
- promouvoir des échanges d'expérience et bonnes pratiques, l'acquisition de nouvelles qualifications (« capacity building ») et la diffusion de nouvelles approches d'animation des jeunes, et en même temps offrir des activités de formation qui permettent aux animateurs socio-éducatifs de développer des nouvelles connaissances pour la gestion de projets au niveau international ;
- encourager le développement d'ONG de jeunesse indépendantes et la participation active des jeunes à la vie sociale, économique et politique des pays partenaires méditerranéens et favoriser la participation des ONG de jeunesse des pays partenaires dans les réseaux euro-méditerranéens existants pour intensifier le dialogue.

C. RÉSULTATS ATTENDUS

- **Augmenter l'impact du programme :** impliquer un plus grand nombre de jeunes et d'animateurs socio-éducatifs dans les activités de contact, dans l'échange d'expériences et de bonnes pratiques, le service volontaire et la formation multilatérales.
- **Tirer parti de la structure consolidée du programme** (dimension sous-régionale, Nord-Sud et Sud-Sud) par la mise en réseau permanente de tous les acteurs du programme.
- **Soutenir la création des conseils de la jeunesse indépendants** dans les pays partenaires.
- **Améliorer la visibilité du programme** par la diffusion plus ciblée des résultats au niveau national dans les pays partenaires et au niveau européen.

D. INDICATEURS DE PERFORMANCE

- Nombre croissant de projets réalisés et de participants dans les pays partenaires MEDA ;
- impact du programme sur le public cible et niveau de satisfaction des participants ;
- visibilité atteinte (publicité et medias) ;
- nombre de conseils de la jeunesse ou structures équivalentes créés.

E. DESCRIPTION SUCCINCTE DU PROGRAMME

Le programme, comme par le passé, sera axé sur les actions prévues dans le programme européen « Jeunesse » en Action (2007-13). En principe, on prévoit trois types d'actions:

1. **des échanges multilatéraux de jeunes et d'animateurs socio-éducatifs:** portant sur des thèmes prioritaires spécifiques communs à la région euro-méditerranéenne ;
2. **un service volontaire à court ou long terme, individuel ou en groupe:** expériences éducatives non formelles avec préparation pré-départ, formation à l'arrivée, formation linguistique, évaluation intermédiaire et finale ;
3. **des formations et mise en réseaux des animateurs et travailleurs dans le secteur jeunesse:** échanges de pratiques et méthodes de travail via séminaires/ateliers/formations/visites d'études.

En outre, des interactions entre certaines initiatives des différents programmes MEDA pourraient être stimulées et mises en évidence afin de donner davantage de visibilité et augmenter l'impact des programmes.

* * *

DIALOGUE BETWEEN CULTURES AND CULTURAL HERITAGE

A. CONTEXT AND JUSTIFICATION

The dialogue between cultures in the Euromed region constitutes the core of the third strand of the Barcelona Process. It seeks to bring peoples closer together, promote

mutual understanding and improved perception of each other. It is also an important tool for the promotion of peace in the region.

In the past, actions were developed around two themes: promotion of historical and cultural heritage in the region through official institutions and civil society organisations; and production and distribution of audiovisual products in the region. More recently, the establishment of the Anna Lindh Foundation (ALF), with its involvement in promoting dialogue between cultures and thanks to its network (Member States and MEDA partner countries), should help to bring people and organisations from both sides of the Mediterranean closer together, with a special focus on youth.

Over the next seven years, the objective with respect to this third strand of the Barcelona Process is to consolidate achievements so far in order to strengthen identified priority fields as described below. The objectives are in line with the five-year programme approved during the Barcelona Summit (November 2005). Two sub-programmes are envisaged: Euromed Heritage and support for the Anna Lindh Foundation. In parallel with other regions, a small separate action may be carried out in support of the objective of improving mutual understanding.

B. OBJECTIVES

Dialogue between cultures programmes will support Mediterranean partners in order to contribute to:

- Improving mutual understanding between EU and Mediterranean partners. The intercultural dialogue constitutes a cornerstone for common understanding and mobility;
- Positioning culture as a factor contributing to sustainable development. Investment in culture diversifies income generation in a sustainable way and creates new job opportunities (tourism, cultural engineering, etc.) (Heritage);
- Stimulating educational values. Culture is essential for human capital formation and inculcating both local and common identities;
- Strengthening intellectual cooperation and capacity building in fields such as human rights, democratic citizenship, sustainable development, learning, knowledge and the information society, gender and youth (ALF).

C. EXPECTED OUTCOMES

- Active Euromed networks of intercultural dialogue partners and/or professional players extended and consolidated in terms of intensity of exchanges and knowledge;
- Intercultural dialogue in Mediterranean countries increased in terms of accessibility to civil society groups and involvement of local communities;
- Reforms of Mediterranean partners' institutions responsible for all aspects of cultural dialogue initiated according to international standards in the cultural field (Heritage);
- Positive contribution of culture and tourism to local GDP in selected areas (Heritage).

D. PERFORMANCE INDICATORS

Identification of indicators (quality/quantity) to measure accessibility and visibility of the programmes, among others:

- Number of networks created and maintained after the programmes;
- Number of participants in different programmes, and people who have participated in different activities and how they took advantage of it;
- Number of local communities involved in projects and how;
- Number of countries where programmes had an impact on reform and how (Heritage);
- Multiplier effect indicators;
- Increase in local GDP in the areas where programmes are implemented (Heritage);
- Number of publications in newspapers and radio or TV programmes contributing to visibility.

E. BRIEF DESCRIPTION OF THE PROGRAMMES

The design of the programmes will take into account the lessons learned from the previous phases of the programmes.

Heritage

Specific measures will be taken in order to secure the balanced participation of Mediterranean partners as project coordinators. Vertical partnership has to be encouraged in order to stimulate interaction among governments and civil society in parallel to horizontal partnership.

Future programme priorities will be based on the Mediterranean partners' sectoral needs and regional commonalities, paying special attention to impact and project sustainability. On a preliminary basis, priority areas will comprise the following in particular:

- Institutional building and reforms: legislation, organisational strategies, coaching, mobility, exchanges and training of officials;
- Facilitating access to intercultural dialogue actions for civil society and involvement of the local community;
- Activities for the economic and cultural development of the region;
- Education and training in culture as tools for job creation;
- Measures in support of conservation and restoration of cultural sectors;
- Public awareness and visibility;
- Contemporary cultural creation as a key asset for common understanding;
- Raising quality standards in cultural tourism.

The support for the Anna Lindh Foundation will contribute to implementation of its three-year programmes, taking in account the following principles:

- The principle of networking and connecting existing activities in order to multiply their effects and to add value and visibility;
- Education and use of information technology (IT) for reaching out to civil societies at large;

- Youth is the priority target group;
- A dynamic concept of dialogue between cultures implies going beyond intellectual exchanges towards cooperation, while culture is understood to include all aspects of life;
- Major fields of action are education, culture, science and communication as well as human rights, sustainable development, and women's empowerment;
- The activities of the Foundation are a joint endeavour combining the efforts of its 35 national networks and the Secretariat at its Headquarters in Alexandria.

Subsidiary action on mutual understanding

- The specific focus would be on promoting and deepening understanding of the countries in the region by EU policymakers and stakeholders and/or promoting and deepening understanding of EU policy towards the region by policymakers and stakeholders in the countries of the region, with a view to contributing to the development of the region and its relations with Europe;
- The action would cover information activities and exchanges of knowledge such as conferences, seminars, publications, information campaigns, awareness-raising events, exchange visits, etc.

ANNEX I

REGIONAL SUPPORT ALLOCATION – FINANCIAL BREAKDOWN

Year in which commitments will be made under the programme

Programme heading / title	2007	2008	2009	2010	Million EUR
Global allocation ⁸	10	6,9	6,1	8,9	31,9
Political, Justice, Security and Migration Cooperation					
Confidence building measures: civil protection	6				6
Confidence building measures: partnership for peace	5	5		10	20
Justice, security and migration (JSM)			13		13
Policy analysis				8	8
Sustainable Economic Development					
Investment promotion and reform dynamisation to attract investments	4,4				4,4
Transport and energy cooperation		9	14		23
South - South regional economic integration			4		4
Environmental programme		9	9	15	33
Technical assistance and risk capital support for FEMIP	32	32	32	32	128
Development of the information society		5			5
Social Development and Cultural Exchanges					
Gender equality and civil society	8			8	16
Information and communication II	12			10	22
Euromed Youth			5		5
Dialogue between cultures and cultural heritage	17	7			24
TOTAL	94,4	73,9	83,1	91,9	343,3

⁸ The global allocation can be also used to ensure continuation of Horizon 2020 support measures in 2007 such as capacity building activities or studies of limited cost.

ANNEX II

DONOR MATRIX AND COORDINATION WITH OTHER DONORS

There are very few significant programmes being carried out by other donors at regional level in the Mediterranean. In fact, until very recently, the EC was the only donor in the region providing a significant volume of aid for regional programmes.

In 2005, the US launched the Broader MENA initiative during its G8 presidency. Two regional programmes have since then been started under this initiative, including the USD 10 million Forum for the Future (a foundation to support civil society activities in the MENA region) and the USD 100 million Fund for the Future (to support SMEs in the region). The EC is taking part in the former (€1 million) and the EIB has expressed interest in participating in the latter (€10 million).

Also in 2005, the OECD launched the MENA Governance for Development initiative, which seeks to promote good governance practices in the region through the typical OECD approach of peer-group policy reviews. This initiative is financed by OECD member states (total budget around USD 6 million). A second OECD MENA initiative, (Promoting Investment), has recently been launched, with a similar approach.

None of the IFIs operating in the region (IMF, WB, AfDB, IsDB) has region-wide programmes; all their programmes are national. Similarly, the EIB has no regional programmes except for a MEDA-financed technical assistance programme to provide support for FEMIP lending operations. This operates on a regional MEDA budget but the projects are in fact national, without a cross-border component. Coordination with the most important IFIs in the region takes place in the context of the Strategic Partnership Agreement between the Commission, the European Investment Bank, the World Bank and the IMF. The WB and the EIB do collaborate on and co-finance some sub-regional projects, for instance the connection of the Israeli and Palestinian electricity and transport grids, and the creation of a gas pipeline in the Mashreq, albeit through separate national projects.

No EU Member State finances significant regional projects in the Mediterranean, except for a few very small research projects or conference events. The Barcelona Process is the sole Euro-Mediterranean gathering on a regional basis. The programmes identified under the Barcelona Process are the only true rallying point for regional cooperation. The US has only recently acknowledged the value of this approach and has tried to imitate it to some extent under the MEPI programme, which started in 2004.

ANNEX III

MEDA COMMITMENTS PER COUNTRY

The list of MEDA programmes can be found at:

http://ec.europa.eu/comm/europeaid/reports/meda-evaluation-midterm-report-2005_en.pdf

	Morocco	Egypt	Tunisia	Jordan	WBG	Algeria	Lebanon	Syria	Regional prog.
Population in 2000 (millions)	28.7	63.8	9.6	5.0	3.0	30.6	3.5	16.1	160.3
GDP per capita in 2000 (USD)	1217	1490	2210	1680	1381	1590	4810	990	1529
Total commitments MEDA I 1995-1999 (€ million)	644	685	431	257	106	164	182	107	211
Average commitment per year MEDA I (€ million)	129	137	86	51	21	33	36	21	42
Total commitments MEDA II 2000-2004 (€ million)	632	353	328	204	397	201	77	127	483
NIP 2005-2006 (€ million)	275	243	144	110		106	50	80	205
Total MEDA II 2000-2006 (€ million)	907	596	472	314		307	127	207	688
Average per year MEDA II (€ million)	130	85	67	45		44	18	30	98
Average per year per inhabitant MEDA I (€)	4.49	2.15	8.99	10.28	7.05	1.07	10.41	1.32	0.26
Average per year per inhabitant MEDA II (€)	4.52	1.33	7.02	8.97		1.43	5.18	1.84	0.61

Measured in average €per year per inhabitant, significant differences appear between countries. Mostly this is due to a scale effect: small countries (Jordan, Tunisia, Lebanon) receive relatively more money per inhabitant. In Syria this effect is more limited.

Differences also appear between MEDA I and MEDA II: whereas the average yearly allocations to Egypt and Lebanon decrease, Morocco, Tunisia, Jordan remain stable, whereas the regional activities in Algeria and, most of all, Syria significantly increase.

Average disbursement ratio over time

Year of commitment	Total commitments	% spent after:				
		1 year	2 years	3 years	4 years	5 years
1995	119	0%	6%	15%	25%	31%
1996	384	31%	58%	68%	74%	76%
1997	804	8%	19%	31%	41%	50%
1998	745	7%	10%	15%	20%	24%
1999	736	6%	23%	31%	36%	42%
2000	555	6%	26%	37%	46%	61%
2001	567	2%	25%	33%	44%	
2002	600	23%	30%	38%		
2003	552	25%	36%			
2004	528	17%				
Total	5.590	12%	25%	33%	40%	47%
Total MEDA I	2.788	10%	22%	31%	38%	44%
Total MEDA II	2.802	15%	29%	36%	45%	61%

Average disbursement ratio over time per instrument type

	Average percentage of committed funds disbursed after:				
	1 year	2 years	3 years	4 years	5 years
Budget support	32%	66%	82%	84%	92%
EIB instruments	6%	15%	20%	40%	46%
Regional programmes	1%	10%	18%	28%	43%
Bilateral technical assistance	3%	5%	12%	19%	28%

ANNEX IV

LIST OF ACRONYMS

AA	Association Agreement (with the EU)
EIB	European Investment Bank
WB	World Bank
EC	European Commission
RSP	Regional Strategy Paper
FEMIP	Facility for Euro-Mediterranean Investment and Partnership
ENPI	European Neighbourhood and Partnership Instrument
MENA	Middle East and North Africa
UN	United Nations
WTO	World Trade Organization
NGO	Non-governmental organisation
AP	Action Plans
ENP	European Neighbourhood Policy
RIP	Regional Indicative Programme
UNDP	United Nations Development Programme
EU	European Union
FTA	Free Trade Agreement

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