



EURO-MED PARTNERSHIP

REGIONAL STRATEGY PAPER 2002 - 2006 & REGIONAL INDICATIVE PROGRAMME 2002 - 2004



TABLE OF CONTENTS

A.	SUMMARY.....	3
B.	REGIONAL STRATEGY PAPER.....	4
1.	EU AND EC ASSISTANCE OBJECTIVES	4
2.	REGIONAL POLICY AGENDA.	4
2.1.	<i>Scope of the Barcelona Process/Euro-Med Partnership.</i>	4
2.2.	<i>The Partners' Response : Towards Regional Co-operation and Integration.</i>	6
2.3.	<i>Specific Policy Objectives for Euro-Med Regional Co-operation</i>	6
3.	REGIONAL ANALYSIS : THE CHANGING CONTEXT	8
3.1.	<i>Analysis of the Regional Political Context.....</i>	8
3.2.	<i>Analysis of the Regional Economic Context.....</i>	10
3.3.	<i>The Regional Cultural Context.....</i>	13
3.4.	<i>Medium-term challenges as regards regional co-operation.....</i>	13
4.	PAST SUPPORT, COORDINATION, COHERENCE AND OWNERSHIP	15
4.1.	<i>Past EC support</i>	15
4.2.	<i>Other programmes and activities</i>	17
4.3.	<i>Co-ordination, coherence and ownership</i>	17
5.	MEDA REGIONAL RESPONSE STRATEGY	16
5.1.	<i>MEDA regional support priorities</i>	16
5.2.	<i>MEDA Support - Complementarity and Conditionality</i>	21
C.	REGIONAL INDICATIVE PROGRAMME 2002-2004.....	22
6.	MAKING THE EURO-MED FREE TRADE ZONE A REALITY/MAKING SURE THE ASSOCIATION AGREEMENTS GET RESULTS	22
6.1.	<i>Helping the Association Agreement signatories to develop free trade among themselves, and with the EU.....</i>	22
6.2.	<i>Training of public administrations and institutions, Furthering the Euro-Med internal market programme.....</i>	23
7.	PROMOTING REGIONAL INFRASTRUCTURE INITIATIVES.....	25
7.1.	<i>Transport</i>	25
7.2.	<i>Energy.....</i>	26
7.3.	<i>Telecommunications</i>	27
8.	PROMOTING THE SUSTAINABILITY OF THE EURO-MEDITERRANEAN INTEGRATION.....	29
8.1.	<i>Environment.....</i>	29
8.2.	<i>Enhancing Opportunities for Women in economic life.....</i>	31
8.3.	<i>Education and Training for Employment.....</i>	32
9.	ENHANCING THE RULE OF LAW AND GOOD GOVERNANCE.....	33
10.	BRINGING THE PARTNERSHIP CLOSER TO THE PEOPLE.....	35
10.1.	<i>Euro-Med Audiovisual.....</i>	35
10.2.	<i>Euro-Med Heritage</i>	37
10.3.	<i>Information and Communication.....</i>	38
D.	ANNEXES.....	40

A. SUMMARY

The purpose of this Regional Strategy Paper is to provide a strategic framework for programming the regional envelope of the European Community's MEDA assistance programme.

The Meda Regulation focuses on supporting the participation of Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, Gaza/West Bank in the Barcelona Process, which is the cornerstone of the EU' policy in the Mediterranean region- Three of these countries -Cyprus, Malta, and Turkey- are candidates for EU Membership; until their accession, these countries are entitled to participate in the Euro-Med regional co-operation.

The Meda Regulation indicates a financial reference amount of €5.35 billion for the implementation of the co-operation with these twelve Mediterranean partners.

This Regional Strategy Paper focuses on the objective of promoting regional, sub-regional and cross-border co-operation between the EU and Mediterranean partners, and between the Mediterranean partners themselves. Some 10% of the available funds will be directed to supporting this objective as a complement to the eight MEDA Country Strategy Papers that focus on helping partners achieve at national level the objectives of the Barcelona Process.

The Regional Strategy Paper considers first the overall framework of the EC's co-operation objectives in the region, and its regional policy agenda-the Barcelona Process/Euro-Med Partnership agreed in 1995 by the EU and the Mediterranean partners. While the overall framework for the strategy is determined by the Barcelona Process, the analysis of the political, economic and social context provides a more detailed justification, a sharper focus on the medium-term challenges for regional cooperation, and a sequencing for the implementation of the regional strategy.

The Strategy Paper then puts forward a MEDA Regional Response along five priority areas, selected for their regional added-value :

- 1) Making the Euro-Med Free Trade Zone a reality ;*
- 2) Promoting Regional Infrastructure Initiatives ;*
- 3) Promoting the Sustainability of Euro-Mediterranean Integration ;*
- 4) Enhancing the Rule of Law and Good Governance ;*
- 5) Bringing the Partnership closer to the People.*

Thus, the MEDA Regional Strategy Paper constitutes a reasoned long term programme for the implementation of particular priorities flowing from the Barcelona strategy framework. The Strategy takes account of the Commission's determination in the forthcoming External Dimension of the EU Sustainable Development Strategy to use Country Strategy Papers to promote a sustainable policy mix in the EU's relationships with its partners.

Attached to the Regional Strategy is the Multi-annual Indicative Programme for the period 2002-2004.

B. REGIONAL STRATEGY PAPER

1. EU AND EC ASSISTANCE OBJECTIVES

The Mediterranean region is of strategic importance to the European Union. A key external relations priority for the EU is thus to promote prosperity, democracy, stability and security in the Mediterranean basin. This not only because of the political, economic, administrative, ecological and social challenges the basin is faced with, but also in view of the recurrent conflicts/instability in this region on the EU's southern flank. The EU's relations with the countries to the South and East of the Mediterranean¹ are based on a proximity policy guided by the principle of partnership between the EU and its Mediterranean partners, to tackle common challenges calling for a co-ordinated response.

The European Community's assistance objective is to support the implementation of the Barcelona Process, a multilateral framework of relations establishing a comprehensive partnership (Euro-Mediterranean Partnership, EMP) which is the centrepiece of the EU's policy towards the region.

Moreover, this regional strategy takes into account the Principles and Objectives of Community Development Policy as elaborated in the Joint Council and Commission Declaration on Development Co-operation of November 2000. Indeed, the reduction and eventual eradication of poverty through providing support for sustainable development, the promotion of the gradual integration of partner countries into the world economy and a determination to combat inequality are fully compatible with and supportive to the goals of the Barcelona Process. The Council Conclusions of 31 May 2001 on the Strategy for the integration of environmental considerations into development policy to promote sustainable development, will be taken fully into account in the treatment of policy issues as well as in programming under this Regional Strategy. Refocusing the Community activities in a more limited number of areas and the implementation of measures that ensure a more effective and efficient co-operation are equally objectives that are pursued in the context of this strategy.

The status of candidate countries of three Mediterranean partners (Cyprus, Malta and Turkey) requires that for these three countries in addition to the priorities of the Barcelona Process, a special attention will also be given to the co-ordination and complementarity with ongoing or planned "pre-accession" initiatives.

2. REGIONAL POLICY AGENDA.

2.1. Scope of the Barcelona Process/Euro-Med Partnership.

The Barcelona Process, established in 1995, is the means through which the EU supports Mediterranean partners in their political, economic and social reforms while at the same time building a closer EU-Med partnership. To tackle in a co-ordinated

¹ Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, Gaza/West Bank. Three of these countries -Cyprus, Malta, and Turkey- are candidates for EU Membership, and the EU's bilateral relations with those are covered by the Accession Process. Until their accession, these countries are entitled to participate in the Euro-Med regional co-operation.

manner the challenges they jointly face, the EU and the partners have created a multilateral regional framework, in which a new bilateral contractual relationship (the Euro-Mediterranean Association Agreements, combined with free-trade Agreements among the Mediterranean partners) and a dedicated assistance programme (MEDA) help each country to progress on the way towards the Barcelona objective.

The three main goals of EU Mediterranean policy are set out in the Barcelona Declaration² and in the Common Strategy³ adopted by the European Council in Feira in June 2000. They can be summarised as follows :

- The creation of an area of peace and stability based on fundamental principles, including respect for human rights and democracy.
- The creation of an area of shared prosperity through sustainable and balanced economic and social development, and especially the gradual establishment of free trade between the EU and its partners and among the partners themselves. This process should be accompanied by substantial EU financial support to help partners deal with economic transition and the resulting social, economic and environmental challenges.
- The improvement of mutual understanding among the peoples of the region and the development of an active civil society.

The European Union's Heads of State reiterated their support to the Euro-Mediterranean Partnership at the Feira European Council in June 2000.

The Euro-Med Partnership is based on certain basic understandings shared by the EU and the Mediterranean partners themselves :

1. The main motivation for the Mediterranean partners to undertake the necessary structural reforms - the economic, social and administrative reforms linked sustainable and balanced economic and social development to the establishment of a free-trade area, and the promotion of democratic values, good governance, transparency and the rule of law- is a relationship with the EU that is based on a credible prospect of increasingly closer co-operation with the EU, once the relevant conditions are met.
2. Against the background of the extremely serious tensions in the region-notably in the Middle-East- greater economic and political stability in the region can only develop if the countries establish, or re-establish, normal relationships between themselves and co-operate as genuine partners.
3. There is a clear need to treat the countries of the region in a manner which takes account of the varying degrees in which they have to take up common challenges. In this way, each country will move closer to the EU at its own pace.
4. The EU's relations must remain conditional on each country's commitment to achieving respect for the principles underpinning the Barcelona Process, namely strengthening of democracy and the rule of law, respect for human rights and fundamental freedoms, promotion of good-neighbourly relations, respect of obligations under international law, intensified regional co-operation and integra-

² Barcelona Declaration adopted at the Euro-Mediterranean Conference of Foreign Ministers, 27-28 November 1995

³ Doc.2000/458/CFSP, published in the OJCE L 183 of 22.7.2000, p.5.

tion, furthering of sustainable market economies, and promotion of greater understanding between cultures.

2.2. The Partners' Response : Towards Regional Co-operation and Integration.

In the five years since the Barcelona Declaration a new spirit of partnership has been built between the EU and its Mediterranean partners. Despite the ebb and flow of the Middle East peace process all partners have participated in the Euro-Med Partnership.

As regards the process of Association between the Mediterranean partners and the EU, a number of Association Agreements have entered into force, the Agreement with Jordan is in the final stages of ratification and the Agreement with Egypt was signed recently. The Euro-Med Partnership now has the critical mass necessary to show that the creation of the Euro-Mediterranean free trade area is irreversible. Three Association Agreements are outstanding, and negotiations are ongoing with a view to completing them shortly.

Because of the fragmented nature of the Mediterranean region, regional co-operation and integration between the *Mediterranean partners themselves* have historically always been tentative. The results obtained so far at an institutional level are minimal, despite the far-reaching objectives which have been set, especially on economic matters- the Barcelona Declaration specifies that the free-trade area will be established through the Euro-Mediterranean Agreements *and free-trade agreements between partners of the European Union*.

However, recently an important sub-regional initiative was that taken at Agadir by Morocco, Tunisia, Egypt and Jordan. This initiative is also significant since it links Maghreb and Mashraq countries. It is no coincidence that it concerns the partners who are furthest advanced in the Association process.

At their Marseilles Conference in 2000, the Euro-Mediterranean Foreign Ministers, noted that « *the south-south regional integration process has only just begun and needs to be enhanced in order to promote the economic reforms and regional integration which are indispensable for attainment of the objectives of the Barcelona Process* ». Having reaffirmed the objective of creating a free-trade area by 2010, the Ministers stressed « *the need for the partner countries, with the support of the European Union, to open up further to one another economically in order to foster their successful integration into the world economy* », and specifically welcomed the desire expressed by the four partners in the Agadir initiative to create a free-trade area among themselves.

The model adopted by the region to achieve this co-operation is essentially plurilateral in nature (involving on an ad hoc basis a limited number of EU and Mediterranean partners in a « cluster » approach), open to all partners, and based on a principle of voluntary participation. Underlying this regional co-operation is the EU's own philosophy that deeper co-operation with neighbouring countries is a route to national as well as regional stability and growth and that such co-operation serves their mutual interests.

2.3. Specific Policy Objectives for Euro-Med Regional Co-operation.

Within the Euro-Mediterranean Partnership, regional co-operation is intended:

- (1) ***to achieve efficiencies through a regional approach, which can act as a catalyst to reinforce the effect of bilateral co-operation.*** This is because the regional or multilateral level has a multiplier effect whereby information, ideas and best practice developed at a bilateral level can be more effectively exchanged across the region, and concrete co-operation activities can have a greater impact, either in terms of demonstration effect, of developing common approaches, or in attaining economies of scale.
- (2) ***to tackle issues that have a trans-national dimension*** (e.g. infrastructure interconnection, pollution or harmonisation of standards); and
- (3) ***to intensify “South-South” co-operation (i-e co-operation among the Mediterranean partners themselves starting, where appropriate, on a sub-regional basis).***

Each partner’s willingness to build good relationships with its neighbours is an important determinant of its readiness to move closer to the goal of close co-operation and integration with the EU. These regional relations can be defined as a series of clear policy objectives for the partners:

- (1) To work with each other in a manner compatible with the political undertakings embodied in the Barcelona Declaration.
- (2) To use possibilities for sub-regional co-operation, while preserving the global character of the Euro-Med Partnership.
- (3) To build a multilateral network of close contractual relationships - the free-trade Agreements - between the signatories of the Euro-Mediterranean Association Agreements. Over time, these bilateral free-trade Agreements with other Association Agreement signatories should deepen co-operation and integration between the Mediterranean partners, and between them and the EU, through the implementation of appropriate economic co-operation and concerted action :
 - (a) bilateral free trade agreements in line with WTO provisions and based on continued asymmetric trade liberalisation with the EU;
 - (b) mutual concessions linked to the economic transition and the adjustment/modernization of economic and social structures, such as those concerning the liberalization of services, and the convergence of regulatory frameworks;
 - (c) co-operation in other fields such as Justice and Home Affairs.
- (4) To link the Association Agreement signatories with the Trans-European infrastructure networks for transport, energy, and telecommunication and create such networks among themselves.
- (5) To tackle common regional challenges affecting the sustainability of Euro-Mediterranean integration: environmental protection and sustainable development.
- (6) To co-operate in developing understanding between peoples, in order to fight intolerance, racism and xenophobia

3. REGIONAL ANALYSIS : THE CHANGING CONTEXT

Given the focus of this Regional Strategy Paper, this section analyses the political and economic situation in the Barcelona Process Mediterranean partners from the perspective of regional co-operation.

In this context, risk assessment is particularly relevant in a region which is subject to political instabilities. For a number of partners, political risks may arise from the direct effects of the situation of the Middle East and its implications in terms of peace, security and stability. A further deterioration of the Middle East, could have a negative impact on regional or sub-regional co-operation, especially in the Mashrak Region. That being said, the flexible approach to regional co-operation developed within the Barcelona Process involving voluntary participation and sub regional clusters has contributed to its resilience in difficult circumstances

While certain problems identified in the analysis below are national in nature, they cannot be addressed at the national level alone. They are included here because they require either additional regional-level solutions or at least enhanced levels of co-operation and co-ordination between the Mediterranean partners, if they are to be tackled effectively⁴.

3.1 Analysis of the Regional Political Context.

The issues related on the one hand to Peace and Security and, on the other hand to democracy, civil society and the rule of law are, by their very nature, strongly interconnected within the Euro-Mediterranean Partnership.

3.1.1. *Peace and Security.*

The Barcelona Conference took place at a time when new opportunities for regional co-operation had been created by a favourable climate in the Middle East Peace Process (MEPP) and in particular the Oslo Accords between Israel and the PLO. So far, co-operative work had been pursued in two main directions :

- the definition of a small number of Partnership Building Measures; and
- the drafting of guidelines for a Charter for Peace and Stability.

Recent developments in the Middle East have led to a virtual stalemate in the peace process, which in turn have impacted on the above work. It remains, nevertheless, the case that the Euro-Mediterranean Process is a unique mechanism, which encompasses the EU's bilateral relations with the Middle East and the possibility of multilateral action. Although such action is handicapped by the present situation, the process has still major potential in setting the cruising speed for the economic, political and human exchanges of the region. The Barcelona Process has lost none of its relevance to the EU's -and its partners'-long-term vision of Euro-Mediterranean relations.

In this perspective, the resolution of all outstanding issues and full implementation of all agreements, in the respect of international law, will continue to require sustained efforts from all parties concerned if a comprehensive and lasting peace in the Middle East is to be achieved.

Thus, in the political domain, the main objective will remain the establishment of a framework - eventually the Charter for Peace and Stability - within which the security concerns of the region may be comprehensively addressed. These include the

⁴ Most of national challenges (e.g. private sector development, social adjustments, etc) that the partners face are not covered here because they must be solved primarily by efforts at the national rather than regional level. These are thus addressed in the individual MEDA Country Strategy Papers

establishment of an area of peace and stability; the promotion of common values and better understanding; conflict prevention, crisis management and post-conflict rehabilitation; the fight against terrorism, organized crime and drug trafficking; promotion of disarmament and arms control.

A second objective will be to increase confidence in the region through positive measures. Any defence-related or military Partnership Building Measure having been opposed so far, the focus will be on expanding where possible the small number of civil measures which have been developed until now⁵.

3.1.2. Democracy, civil society and the rule of law

The systems of government in the Mediterranean region mostly vary between Monarchies and presidential Republics, each with different forms of constitutions, which reflect their varied historical experiences and aspirations for the future. Following a period of instability after independence, over the past twenty years most partners have been strongly centralist, authoritarian and conservative in character, with the army traditionally playing a preponderant role in political life whilst the Parliaments tend to play a secondary role. The Head of State generally concentrates power in his person to a very high degree.

There is now an increasing recognition of the need to liberalise the political systems across the region in order to harness the energies and increase the participation of the populations concerned. The **civil and commercial justice system** is also often over-stretched and inadequate to handle the demands placed on it. The EU has increasingly underlined that **respect of human rights** is a fundamental element of the Euro-Med Partnership⁶. Overall, the challenge faced by the new generation of political leaders in the region is to revitalise the process of government, and to develop **democracy and the rule of law** whilst maintaining stability. This has to be done in the context of the risks to stability posed by significant social tensions due to economic inequalities, and the lure of fundamentalism, which has arisen in certain parts of the region.

In this area, the **actions of civil society** – especially of non-governmental organisations and of a genuinely independent media – are critical. However, most of the partners cannot yet claim to have the level of vibrant and critical media and civil society that is necessary to safeguard democratic advances. For example, public and media access to information, public participation in policy debate and accountability of government and its agencies are aspects of civil society which are still largely underdeveloped in most of the Mediterranean partners. In the past, civil society has benefited significantly from MEDA support through regional programmes, under Chapters I⁷, II⁸ and III⁹ of the Barcelona Declaration. In the future, EU support will therefore need to continue unabated in order to consolidate the foundations of civil

⁵ MEDA funds three of these measures : the EuroMeSCo network of independent political scientists, the disaster management system (a framework for cooperation among the civil protection authorities of the partners); and the diplomatic seminars, currently held twice a year in Malta.

⁶ Since the Barcelona Conference, several amendments to the EU Treaties have strengthened the grounds for action in this field. Respect for Human rights figures among the principles on which the Union is founded (Amsterdam Treaty).

⁷ Supplemented by Meda Democracy Programme, now the European Initiative for Democracy and Human Rights.

⁸ The involvement of civil society in the field of Mediterranean environment has already been positive and will be further promoted.

⁹ Ongoing programmes of decentralised cooperation with civil society include Euromed-Heritage, Euromed –Audiovisual and Euromed-Youth.

society in the Mediterranean partners. Such activities will complement the EC's principal instrument in this area, the European Initiative for Democracy and Human Rights (EIDHR). The creation of the environment NGO network which monitors the operation of the SMAP Programme is a very positive experience in the same direction.

3.2 Analysis of the Regional Economic Context

The legacy of the Mediterranean's structural heterogeneity and frequent political instability is reflected in the present economic marginalisation of the partners from the mainstream of global trading patterns, and inadequate growth.

3.2.1. *Macro-economic situation and reforms policy*

Mediterranean Partners represent a heterogeneous group of small-size economies: three countries (Cyprus, Israel and Malta) have income levels similar to those of some EU countries, and account for almost a quarter of regional GDP, but for only 3% of a population of more than 220 million. The nine others have an income per capita ranging between € 1,000 and 3,000.

While previous policies focused on inward-looking and state-directed development, nearly all partners have over the last decade begun to undertake substantial programmes of structural adjustment designed to restore macroeconomic balances, gradually open their economies to the outside world and make a transition from state-sector based economies to private sector supporting policies.

Today the economic situation of the Mediterranean partners can be summarised as follows: (i) progress in macroeconomic stabilisation and market liberalisation has been considerable, though unequal across the region; but (ii) real GDP growth- mostly in the range of 2 % per annum - has been insufficient to raise living standards, given the rapid population growth, and has proven quite volatile since most economies are still agricultural; and (iii) unemployment, ranging from 15 to 20 %, is especially acute among the young and educated, and in urban areas .

Achieving sustainable higher rates of growth is constrained by the hesitant progress of necessary structural reforms. This issue poses largely a national challenge to the partners and, as such, is not pursued further in this Regional Strategy Paper. The key regional cooperation issues emerging from the economic analysis lie in boosting trade and investment and in finding regional solutions to trans-national transport, energy, telecommunications and environmental problems.

3.2.2. Trade and investment

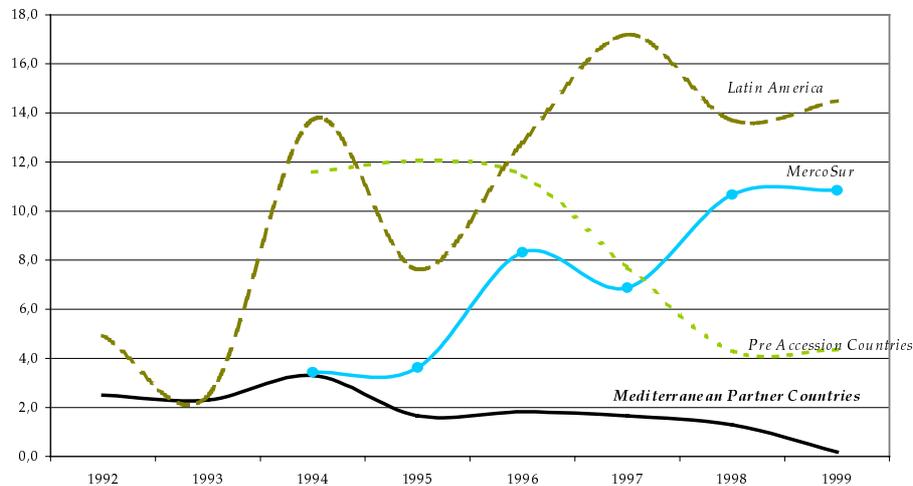
The volume of **foreign direct investment (FDI)** will be crucial to the region's future. But the substantial flow of investment to the emerging economies has passed the Mediterranean partners by.

Graph 1 below shows how foreign investors still shy away from the Middle East and Southern Mediterranean region, preferring to invest in the central European or Mercosur countries. The proportion of EU FDI going to Mediterranean partners has fallen from 2.2% in 1992 to below 1% in 1999.

Figures on FDI given in annex 2 show that starting from roughly similar levels in the early 1990's, annual EU investment flows to the central European countries have increased ninefold to some \$21 billion while investment into the Mediterranean partners has increased only threefold over the entire decade to just over \$7 billion. Despite a recent upturn, the current annual €7 billion flow, in terms of the region's

GDP, is just half of the €12-14 billion estimated to be necessary to bring the Mediterranean up to the average for the emerging economies.

Graph 1: Mediterranean share in EU Foreign Direct Investment



Source : Eurostat, EU Direct Investment Yearbook, 1999, New Chronos, 2001

As regards **trade**, while the openness of the Mediterranean Partners to foreign trade (exports plus imports/GDP) has improved somewhat since 1992, attaining 58% of GDP in 1999, the region ranks nevertheless in this regard behind South-East Asia and the countries of Central and Eastern Europe (CEECs), with Hungary and Poland at 64%. Above all, intra-regional trade still accounts for no more than 5% of the total, despite the fact that successive Euro-Med Conferences have underlined the importance of intra-regional integration. The North-South pattern has changed little since the Barcelona Declaration, with the EU being the Mediterranean Partners' main trading partner in roughly the same proportion (52% of their trade -visible imports plus exports-against 54% in 1995). The export base of all but the most highly industrialised of the Mediterranean partners is still too narrow and/or reliant on low-level processing. To diversify their exports and generally integrate more fully into the global economic context the Mediterranean partners need to overcome their current unspecialised status as producers.

On the whole, therefore, the figures for growth in trade and foreign direct investment in the Mediterranean region fall short of those being achieved by either the CEECs or Latin America, and economic integration with the EU and opening to the world at large is proceeding too slowly.

The importance of trade and investment to the Mediterranean 's future is crucial because of the following:

- (1) The limited size of each partner's internal market means, quite simply, that they must trade to achieve durable economic growth. For example, the combined market size of the three Maghreb Barcelona partners hardly equals that of Portugal.
- (2) The present underdevelopment of intra-regional trade reflects the fragmentation of the markets and represents an obstacle to domestic and foreign investment.

- (3) A number of economic governance issues need to be addressed. In addition to liberalisation of trade in goods, real progress towards greater specialisation and competitiveness will require liberalisation of services and increased convergence of regulatory systems. Weak service sectors, especially transport, energy, telecommunications and financial intermediaries, account for a significant proportion of high transaction costs in the Mediterranean region. At a broader level most of the partners maintain high barriers to trade in services, impeding access to their markets, making their service providers less competitive and hence lessening their attractiveness to foreign investors and dragging down economic performance generally.
- (4) The Barcelona Process makes a strong political link between closer EU association and expanded trade and economic agreements among Association Agreement signatories. Setting up a Euro-Mediterranean FTA will actually be dependent on agreements being concluded between the partners themselves. It would certainly be speeded up by establishing genuine WTO-compliant sub-regional FTAs. The Commission therefore fully backs the partners' action in this regard, in particular the sub-regional initiative most recently undertaken by Egypt, Jordan, Morocco and Tunisia (Agadir Declaration of May 2001), and is willing to provide appropriate technical assistance.
- (5) In line with the EU policy on trade, the EuroMediterranean Free Trade Area (EMFTA) will have to include measures to ensure that trade liberalisation and environmental protection are mutually supportive.

3.2.3. Regional infrastructure bottlenecks

International trade facilitation measures and convergence of regulatory frameworks will not ensure a real increase in the involvement of the Mediterranean in mainstream trade if regional infrastructure bottlenecks are not tackled efficiently. Infrastructure problems are clearly a major trans-national economic issue facing the Mediterranean. The most obvious short-term problem is that the region lacks coherent overall regional strategies for solving in the most cost-effective and sustainable manner its regional transport, energy, and telecommunications problems.

Currently, the key transport bottlenecks more often result from inadequate sector policies and/or administrative procedures than from lack of major physical infrastructure (although there is still a need to improve the current infrastructure in which the EIB could play a role). The priorities should therefore be to improve the functioning of ports and to encourage the interconnection of road and rail transport systems to produce a reliable regional system of transport infrastructure, interconnected with Trans-European Networks. Similarly, energy supply and costs, as well as inefficient energy use, are hindering national economic development. Alongside national production and maintenance problems, the system for distribution of energy between the partners is very limited and yet a single regional market for energy would solve most of the region's energy problems. Finally, similar problems are faced in the telecommunications sector, where there is a need to harmonise positions on common regulatory issues, and to promote the modernisation of the sector/facilitation of interconnections as a prerequisite for the development of the Information Society.

3.2.4. Environmental protection and sustainable development

The Mediterranean basin is characterised by the fragility of its environment and by the seriousness of the numerous challenges with which it is confronted. The industrialisation of the Mediterranean partners took place without adequate attention being paid to the environmental impact of the exploitation of natural resources. In addition, the institutional and administrative capacity of national and local governments in the field of environmental policy is weak. The efforts already undertaken at regional level within the context of the SMAP¹⁰ will have to be continued or even amplified, with an increased focus on the promotion of strong legislative and regulatory frameworks at bilateral level.

3.2.5. The social dimension of sustainable development

Social development must go hand-in-hand with economic development and environmental protection. Although the bulk of the necessary measures have to be taken at national level, there is also room for action at the regional level, for developing common approaches based on experience sharing. This will notably concern the issue of linking training policies with employment needs, of enhancing the role of Mediterranean women in economic development, and of designing modern social safety nets as well as methods of co-operating on health matters.

3.3 The Regional Cultural Context

The Euro-Mediterranean area has a very rich cultural heritage, having been the historic birthplace of numerous civilisations and of the three monotheistic religions. The region is characterised in the modern era by the co-existence of a great diversity of cultures. However, this extremely valuable heritage risks being undermined by the persistence of negative perceptions between civilisations, by stereotypes and xenophobia. Therefore, one of the important challenges for the future development and stability of the area is to combat racism and xenophobia, and to foster greater mutual knowledge and understanding between its cultures.

3.4 Medium-term challenges as regards regional co-operation

The regional analysis set out above reveals five medium term challenges which should be dealt with in part through regional level solutions and enhanced levels of regional co-operation:

3.4.1 Making the Euro-Med Free Trade Zone a reality.

This requires the partners to co-operate together to tackle collectively two inter-linked challenges:

¹⁰ Which had identified five priority areas for action:

- integrated water management ;
- waste management ;
- hot spots (covering both polluted areas and threatened bio-diversity elements) ;
- integrated coastal zone managements ; and
- combating desertification.

- *Helping the Association Agreements signatories to develop free trade among themselves and with the EU.* National trade facilitation efforts must be complemented by regional co-operation to meet the objectives agreed by Euro-Mediterranean Foreign Affairs Ministers in Marseilles (November 2000), and further developed by Trade Ministers in May 2001: (i) encourage South-South trade and co-operation; (ii) introduce the possibility of the Mediterranean partners to participate in the pan-European cumulation of origin ; (iii) liberalise trade in services ; (iv) help with preparation for WTO accession for those not yet members.
- *Laying the basis for a Euro-Med Internal Market in deepening the regulatory convergence of the Mediterranean partners with the EU.* With a view to deepening their rapprochement with the EU, partners should considerably strengthen the institutional capacities of their administrations if their Association Agreements and regional integration EMP goals are to be met. This is a long-term process, and countries should focus in the short to medium term on the most problematic areas. In this regard, all partners have acknowledged that harmonising their legislative and regulatory frameworks in areas such as standards technical, and environment regulations ,customs legislation, competition laws, protection of intellectual property rights, sanitary and phytosanitary measure, will facilitate their access to an enlarged market.

3.4.2 Developing regional solutions to transport, energy and telecommunications problems.

Countries must work together to develop regional solutions to what are essentially regional transport, energy and telecommunication problems. The Mediterranean has not so far been able to draw a competitive advantage from its proximity to its main outlet, the EU market: Ports are the most important yet weakest link in the transport chain of many Mediterranean countries while other modes (air, road and rail) are substantially underdeveloped. The Mediterranean Sea represents only 1% of the total area covered by the world's oceans, yet already about 30% by volume of international sea-borne trade is carried on its waters. As trade and transport increase, issues of marine safety will become ever more important. The regional focus should be on the reform of the transport sector at national level, the definition and promotion of an efficient regional transport infrastructure network, with national transport systems linked to each other and with Trans-European Networks. Similarly, a regional Euro-Mediterranean energy market needs to be developed, which implies the pursuit and development of appropriate energy policies (aiming at responding to the challenges of climate change and encompassing the institutional regulatory framework, environment conducive to investment and facilitation of interconnections in the energy sector). In the telecommunications sector, there is a need to facilitate the formulation of common positions on common regulatory issues, and to promote the modernisation of the sector/facilitation of interconnections as a prerequisite for the development of the Information Society. Work has already started on these areas with support from the Commission, and IFIs for regional infrastructure strategies, but a lot more needs to be done.

3.4.3 Promoting the sustainability of the Euro-Mediterranean integration.

Five environmental (and often security-related) challenges are faced by the region: increasing water shortages, waste management, polluted areas and threatened biodiversity elements ("hot-spots"), the preservation of coastal areas, and desertification.

Regional environmental approaches are needed to reverse damage, and preserve natural assets that will prove critical for quality of life and tourism development. More regional focus should be put on the proper integration of environment in national development strategies. The Mediterranean countries started working within the context of the Euro-Med Partnership regional co-operation for the protection of the environment since 1997, with the Short and Medium-Term Priority Environmental Action Programme (SMAP), aiming at addressing the most important problems of common interest. In spite of the efforts made and the positive experience in the field, there is much more to be done.

Also, the need to take account of the social impact of economic transition is repeatedly stressed in all studies on transition. The national indicative programmes under MEDA already include measures to support the social consequences of transition but there is also room for action at the regional level, notably as regards education and training for employment, and the “societal” issue of enhancing the role of women in economic life.

3.4.4 Enhancing the rule of law and good governance.

The challenge faced by the Mediterranean Partners is to revitalise their process of government, and to develop democracy, human rights and the rule of law whilst maintaining stability. Such an evolution would enhance substantially the attractiveness of the Mediterranean for investors, and would deepen the partners’ rapprochement with the EU. Increased regional cooperation should therefore be developed as regards the promotion and implementation of international law, the reforms of judicial systems, combating organised crime and drugs, and migration. Given the importance of the role played by migration in the EMP, a global and balanced approach should include a strengthening of cooperation to reduce migratory pressures and manage migratory flows, facilitation of travel and integration into European society of legal migrants, as well as combating illegal immigration.

3.4.5 Bringing the partnership closer to the people.

The Barcelona process will only fulfil its real potential when there is a widespread sense of “ownership” of the process in the region. More could be done to explain the objectives and benefits of the process and to make it an active and vibrant partnership. The continuation of existing programmes could help, but a specific effort should be made at regional level for enhancing the visibility of the Partnership.

4. PAST SUPPORT, CO-ORDINATION, COHERENCE AND OWNERSHIP

By 1999, the international community had provided over € 27 billion to the region since the mid-1990’s. The vast bulk of this support has been provided through bilateral co-operation, and the EC is the only substantial player in terms of regional co-operation.

4.1 Past EC support

Euro-Med regional Co-operation for 2002-2006 is based on the lessons learned and the experience gained in recent years, in particular in the implementation of MEDA I. Euro-Med Regional co-operation, when compared with bilateral co-operation with Mediterranean partners, is more complex due to the numbers of partners involved in political sensitivities in the region. Each programme of regional co-operation is open

to the 27 partners although individual projects within programmes may involve smaller numbers of participants.

As mentioned in Section 4.3., the main lessons to be learned from past experience are the necessity to focus activities on a limited number of areas so as to maximise the impact of programmes and projects.

- The need to clearly define objectives so as to avoid lack of focus
- The need for greater concentration and impact oriented programming
- The need for increased synergy between bilateral and Regional Co-operation.

Beside Meda-which has replaced the previous system of financial protocols, a number of budget lines are involved in the EU assistance for specific purposes: Palestine-UNWRA, Rehabilitation, and Democracy.

Between 1995 and 2000, the EC had provided to the Mediterranean region over € 5 billion in aid (see table 1 and annex 2), of which € 4.3 billion for Meda and € 329 million for the Middle East Peace Process.

Under the regional indicative programme priority has been given to six priorities endorsed by Foreign Ministers-**industrial co-operation, environment, water, energy, transport and the information society**, with the emphasis on policy dialogue, networking, the interconnection of infrastructure, and reforming the legal and administrative framework to encourage pro-competitive regulation. Under the third heading of the Barcelona Process the main activities have been in the fields of **cultural heritage, audio-visual co-operation and youth exchanges**.

Table 1: EC Support to the Middle-East and South Mediterranean Region MEDA budget line, 1995-2000. (Commitments, in € million)

	1995	1996	1997	1998	1999	Total 1995-1999	2000
M E D A							
Bilateral							
Algeria	-	-	41	95	28	164	30
Egypt	-	75	203	397	11	686	13
Gaza/Westbank	3	20	41	5	42	111	97
Jordan	7	100	10	8	129	254	15
Lebanon	-	10	86	-	86	182	-
Morocco	30	-	235	219	172	656	141
Syria	-	13	42	-	44	99	38
Tunisia	20	120	138	19	131	428	76
Turkey	-	33	70	132	140	375	310
Total Bilateral	60	370	866	875	783	2 954	720
Total Regional	113	33	93	46	133	418	139
Total MEDA	173	403	981	941	937	3 435	879

Source: European Commission 2001

Table 2: EIB Support to the Euro-Med Partnership (in € Million)

	1995	1996	1997	1998	1999	2000	Total 1995-2000
Commitments	1 038	681	1 122	966	1 002	1 210	6 023
Disbursements	287	453	1 054	1 007	628	600	4 029

Source: European Investment Bank

4.2 Other programmes and activities

As indicated in annex 2, the substantial resources available to the region, alongside EC financial support, include funds from the bilateral aid programmes of the EU member states, US and other governments, from international financial institutions (i.e IMF, European Investment Bank, and World Bank), various United Nations agencies and some Arab countries below). However, the EC is by far the most substantial player in terms of regional co-operation, other (limited) regional activities being essentially that of UNEP, or of the World Bank.

Certain lead roles and division of labour are emerging. The World Bank and the European Investment Bank have taken the lead role in infrastructure development and are also active in economic restructuring and private sector development. The EC in its bilateral programmes has been focusing on economic transition and socio-economic adjustments.

4.3 Co-ordination, coherence and ownership .

In the implementation of its assistance to the Mediterranean partners, the EU endeavours to ensure that partners are fully involved in the assistance programmes, and that EC support remains co-ordinated and coherent with the actions of both national governments and the international community. Ownership of regional co-operation by the partners is addressed at both programming and implementation stages. Partners are involved at the programming stage through the Barcelona Committee, composed of the twenty seven national Barcelona co-ordinators and of the Commission, and through the respective sector Euro-Med fora which have a consultative say on the orientations of the programme. Implementation is regularly monitored by the Barcelona Committee and the sectoral for a.

In order to maximize the impact of regional co-operation in the Mediterranean, the strategy introduces a substantial refocusing of Community activities on a limited number of areas. Given the large number of players involved within the Barcelona Process and in the Mediterranean region, the Commission carries out a key co-ordinating role, both at the international level and at the level of the countries themselves.

First, the Partnership is guided by the Foreign Ministers Conferences which, upon proposals from the Commission, and after proper deliberation among the twenty-seven partners, provides overall guidance on the strategic orientations. Second, the same logic and modus operandi applies, although in a less formal manner, at sector level through the sector Ministerial meetings. Third, the Commission makes sure that the regional strategy is co-ordinated with bilateral efforts, be they organized directly or through its Delegations in each Partner. Finally, in line with the Council Guidelines of January 2001, and the Meda Regulation, the Commission has begun to undertake on-the-spot co-ordination and co-operation with the EU Member States

through regular meetings of Delegation and embassy staff to further ensure coherence and complementarity .

The EC's Development Policy have been taken in account in defining the priorities targeted under this Regional Strategy Paper, which serve not only the direct goals of the Barcelona Process, but also the critical objective of poverty alleviation underpinning all support. Thus, Community policies such as Trade and the Single Market are taken up in the Regional strategy, as are environmental support, enhancing opportunities for women in economic life, providing education and training for employment. Special attention has also been paid on institutional capacity building, in the area of good governance and the rule of law.

5. MEDA REGIONAL RESPONSE STRATEGY

5.1 MEDA REGIONAL SUPPORT PRIORITIES

Based on the analysis made in the previous sections, and on the Presidency's conclusions at the Foreign Ministers' Conference in Marseilles, this Regional Strategy Paper identifies five priorities for the regional MEDA support programme.

The resulting MEDA programmes and projects over the coming five years represent a major refocusing of Community support for regional co-operation, reflecting the very significant regional co-operation challenges that now face the Mediterranean partners as a result of the Barcelona Process.

The MEDA programme budget for the period 2000-2006 is €5.35 billion. The bulk of this MEDA support to the Mediterranean partners will be channelled through national MEDA support programmes¹¹. Experience from MEDA and other Community programmes has shown that this subsidiarity ensures greater levels of national commitment and ownership, better targeting and impact of projects and greater efficiency in implementation.

However, complementing this basic national approach with a regional MEDA programme will ensure the Euro-Mediterranean Partnership objectives are achieved because either : (i) there are significant gains to be obtained in terms of efficiency or enhanced impact by implementing through one regional programme instead of several national ones; or, (ii) the issues addressed have a trans-national dimension and require regional (or sub-regional) co-operation if they are to be corrected, notably in a perspective of South-South integration.

To this end, in the period 2000-2004, some 10% of available funds will be allocated through the regional programme to help countries achieve the regional co-operation objectives of the Barcelona Process The general focus and priorities for these regional funds is outlined below and further detailed in the Regional Indicative Programme 2002-2004 attached to this Regional Strategy Paper.

¹¹ This support is guided by eight Country Strategy Papers , one for each Barcelona Process partner benefitting from bilateral co-operation.

5.1.1 Making the Euro-Med Free-Trade Zone a Reality

The approach here will be to tackle in a coherent manner the two broad and interrelated problems of facilitating trade (in all dimensions, South-South as much as North-South) and deepening the regulatory convergence of the Mediterranean Partners for putting gradually in place a large Euro-Med regional internal market.

The approach involves five clear objectives associated with the concept of a free trade zone:

- (i) the completion of the Euro-Med FTA depends on the conclusion and implementation of agreements between the Mediterranean Partners themselves. The Commission stands ready to facilitate the process by providing trade related technical assistance;
- (ii) the liberalisation of trade in goods should be accompanied by a liberalisation of trade in services. A regional information and guidance exercise can help countries to prepare for negotiations at bilateral level;
- (iii) this liberalisation of trade in goods and services will need to be accompanied by a harmonised regulatory framework in areas able to bring a genuine economic rapprochement with the EU (such as norms and standards, intellectual and industrial property protection, competition policy). The EU experience acquired in the creation of the single market should be made available to the Mediterranean Partners, who should aim at upgrading their administrative frameworks accordingly;
- (iv) the business communities in the Mediterranean partner countries will be in a position to benefit fully from the creation of the Euro-Mediterranean Free Trade Area if the right framework conditions (economic, financial, legal or institutional) are in place. This is especially true with regard to SMEs, which are the main engine for growth and development in the region. Encouraging the partner countries to improve their business environment via appropriate dialogue and support mechanisms will therefore be a priority.
- (v) all Euro-Med partners should adopt harmonised rules of origin, with a common regional model to facilitate their participation in the Mediterranean of the pan-European system of cumulation of rules of origin (as already applied between the EU, EFTA, and the CEECs).

The above objectives will need to be pursued in such a way that the establishment of the Free Trade Area and environmental protection are mutually supportive, through the adoption of appropriate environmental policies to be designed in the light of the Sustainability Impact Assessment Study on the EuroMediterranean Free Trade Area. The objective of the assessment is to obtain independent recommendations on formulation of national and regional policies able to produce the optimal outcome in terms not only of liberalisation and economic growth but also of other components of sustainable development.

5.1.2 Develop regional infrastructures.

In the area of infrastructure, the MEDA regional programme will support the development by the Mediterranean Partners of the appropriate legislative and administrative framework for the transport, energy and telecommunications sectors, and, beyond, the development by the partners of transnational transport, energy, and telecommunications infrastructure strategies that are interlinked with the wider networks of the European Union (TENs) . This will for example include a blueprint showing the main transport links and those needing to be upgraded or built, analogous to the Transport Infrastructure Needs Assessment (TINA) that has been developed for the CEECs. This could be done by encouraging the appropriate mix of financial instruments :

- MEDA should support feasibility studies and preparatory actions for infrastructure projects and technical assistance, notably in co-ordination with the EIB, in particular interconnection and linkage with the TENs and ensuring that the overall strategies aim at the prevention of pollution and take into account the challenge of climate change;
- the existing private participation in infrastructure (PPI) programme, jointly financed by MEDA and the World Bank, should be used to encourage new approaches to infrastructure management and pro-competitive regulation with a leverage effect on private investment. The EIB could also play a role in this area in the future;
- the EIB should finance hard investments in infrastructure development.

5.1.3 Promoting the sustainability of Euro-Med integration

Given the requirements of a sustainable development of the region, environmental protection efforts already undertaken at regional level within the context of the SMAP will have to be continued or even amplified. The five priority sectors previously defined should be maintained as well as the SMAP framework as such, with an increased focus on the promotion of strong legislative and regulatory frameworks at bilateral level. The regional level may also provide opportunities for encouraging adoption of the principles on access of information, participation in decision making and access to justice in relation to environmental concerns (Aarhus Convention Principles).

As regards the social impact of economic transition, regional actions will concentrate on developing common approaches based on experience sharing. This will notably concern the issue of linking training policies with employment needs, of enhancing the role of women in economic development, and of designing modern social safety nets and methods of co-operating on health matters.

In a broader perspective, particular attention will need to be given in the definition of co-operation actions to the results of the Sustainability Impact Assessment which is about to be initiated by the Commission.

5.1.4. Enhancing the rule of law and good governance

In line with the recommendations of the Foreign Ministers in Marseilles, a regional programme on Justice and Home Affairs should, after a joint preparation, be undertaken at regional level. The overall aim of co-operation is to develop good governance and the rule of law and to ensure that international standards on these matters are applied in the Mediterranean region. The focus should be on encouraging

reform of and co-operation between judicial systems, combating organised crime and drugs, and ensuring a joint approach to the management of migratory flows, without losing sight of the global balance of the partnership, notably with regard to the migration issue.

5.1.5. Bringing the Partnership closer to the people

Regional programmes require the partners to work together. This is particularly true of those programmes of the third chapter of the Barcelona process, which aims at developing understanding between people, despite the prevailing political ups-and-downs. Existing programmes such as Euro-Med Heritage, Audiovisual, and Youth, which give an active role to civil society, should be continued. Windows of opportunities will be made available for NGO projects in the calls for proposals of such regional programmes, when appropriate. In addition, a specific regional programme should be launched with a view to enhancing the visibility of the partnership in all its dimensions.

5.2 MEDA Support and Conditionality.

The Barcelona Declaration constitutes a set of principles and political commitments to which all partners have subscribed. Within this context, regional co-operation acts as a catalyst to reinforce bilateral co-operation, to tackle issues that have a trans-national dimension, and to intensify co-operation among the Mediterranean partners. Thus, conditionality at the regional level cannot be developed in the same way as at the bilateral level. For that reason the Barcelona Declaration makes reference to regional co-operation “*on a voluntary basis*”. This does not mean that countries participating in regional programmes can do so in a non-committal way. On the contrary, as the principles and priorities of the partnership bind all participants, they are also expected to act accordingly. This is an important safeguard for ensuring that the regional programme serves the objectives of the partnership. This does not exclude sub-regional programmes, especially when certain partners decide to progress faster in key areas of the partnership. This should however not put in question the global approach of the regional co-operation programme, i.e. participation on a voluntary basis, open to all partners, without any exclusion.

C REGIONAL INDICATIVE PROGRAMME 2002-2004

The Regional Indicative Programme 2002-2004 takes up the five priorities identified in the MEDA Regional Support Strategy (Section B.5 of the Regional Strategy Paper) and lists the programmes to be launched in the 2002-2004 period under MEDA Regional Co-operation.

In a context of limited resources it is necessary to concentrate funds in a limited number of programmes that reflect the strategic priorities developed in the Regional Strategy Paper. The programmes constitute absolute priorities: Co-operation in Free Trade; Regional Infrastructures; Sustainable development; Rule of Law, Human Rights and Good Governance; and finally, in bringing the partnership closer to people and fostering Cultural Dialogue.

These priority areas cover the three chapters of the Barcelona Declaration. The programmes will contribute to maintaining the momentum in the Barcelona Process, and will make a significant contribution to the EuroMediterranean Partnership

Obviously, not all priorities identified in the strategy can be funded in 2002-2004. A selection has been made necessary in light of the high level of Regional Co-operation commitments in 2001 and the need to strike an appropriate balance between Regional and National allocations for the period covered by MEDA Indicative Programmes.

6 MAKING THE EURO-MED FREE TRADE ZONE A REALITY/MAKING SURE THE ASSOCIATION AGREEMENTS GET RESULTS

6.1 Helping the Association Agreement signatories to develop sustainable free trade among themselves, and with the EU

Objectives

Following the conclusions of the Marseilles Foreign Ministers meeting, and as agreed by Trade Ministers, the aim will be to encourage South-South trade and integration, starting on a sub-regional basis; introduce cumulation of origin; and the liberalisation of trade in services. The Commission is ready to make available technical assistance to partners to deepen the free trade arrangements amongst themselves in a sustainable way, for example, in the Agadir process.

Expected results

It is hoped that the Agadir Agreement would be implemented and a date agreed for introduction of free trade among the four signatories to be followed by others. In line with the outcome of the Working Group on rules of origin the necessary changes should be made to the origin protocols to the Agreements to facilitate participation in the pan-European system of cumulation for those partners wishing to do so. The Working Group set up on services should agree on principles for the harmonisation of the regulatory framework and prepare the ground for the conclusion of bilateral

liberalisation agreements. Help will also be needed to consider the implications of trade and environment issues in shaping the Agadir Agreement.

Indicators

The creation of a pool of technical assistance to help progress towards South-South free trade and the implementation of the outcomes of the two Working Groups on rules of origin and on services.

This strategy will be implemented in compliance with the general policy objectives as anchored in the Barcelona Process and taking into account the general and specific guidelines contained in the Joint Council and Commission Declaration on Development Co-operation (November 2000), the Communications on Conflict Prevention (April 2001), on Human Rights (May 2001), on Mainstreaming Gender Issues (June 2001) and Trade and Environment (February 1996)

6.2 Training of public administrations and institutions, Furthering the EuroMed internal market programme

6.2.1 Training of Public Administrations

Background

Good governance and sound public administration are preconditions for socio-economic modernisation. The Mediterranean Partners need to undertake supplementary efforts in this area, to guarantee the success of the objectives of the Association Agreements. Although MEDA bilateral programmes will be the major instrument to finance and assist institutional reforms, a regional action will positively contribute to the identification of needs and define programmes that will then be implemented through the NIPs. In addition, a regional action will provide a co-operation and training mechanism in areas in which economies of scale can be achieved, with a more efficient delivery.

General objectives

The general objectives of this programme can be summarised as follows:

- (1) *Institution building*: contribute to the strengthening and development of institutional and administrative capacity; and, in areas and topics with an EU dimension (e.g. institutions, policies), improve the capacity and management skills in the public administrations and institutions of the Partners at all levels of government (central, regional and, where appropriate, local), and assist in the drafting of laws and regulations.
- (2) *Inter and intra-regional co-operation*: contribute to promoting inter and intra-regional co-operation and integration for the development of the partners, by sharing information on legislative and regulatory changes implemented under the Euro-Mediterranean Partnership.

Specific objectives:

- (1) training of experts from Partners' public administrations (central, regional, and, where appropriate, local);
- (2) transfer of theoretical and practical knowledge on institution building, inter and intra-regional co-operation, EU affairs, management skills, drafting laws and regulations, etc.;
- (3) promotion of regional co-operation between Euro-Mediterranean public administration training institutes.

Expected results

(1) progress on civil service reform; (2) improved efficiency and effectiveness of levels of public administrations; (3) training of 500+ participants from the Mediterranean partners; (4) setting up of a network of public administration training institutes; (5) twinning arrangements whereby EU civil servants will be seconded to work directly with their counterpart officials in the Mediterranean Partners.

Indicators

Number of trained officials; creation of networks; number of twinings; impact on national administrative structures; number of institutions from EU and Mediterranean partners participating in the implementation; number of activities located in the Mediterranean partners; number of complementary/supplementary activities proposed by the participants (e.g. technical assistance).

6.2.2 Furthering the Euromed Internal Market programme

The creation of the Euro-Mediterranean Free Trade Area requires a gradual economic rapprochement between EU and Mediterranean Partners and an in-depth understanding of the concept of the "EU Single Market" and its regulatory framework in areas such as customs and taxation, free movement of goods, public procurement, intellectual property rights, financial services, accounting and auditing, data protection and competition rules and environmental protection

Although support to legal adaptation will generally be done at national level, a harmonised interpretation and increased co-operation among Partners' administrations is an important precondition for a well functioning Free Trade Area. This is the purpose of the forthcoming "Euro-Med Market" regional programme 2001-2003 that will provide a framework for reciprocal information, and tailored training activities and technical assistance. The "Euro-Med Market" regional programme will provide a framework for reciprocal information, tailored training activities and technical assistance. Priority areas identified by the programme are the free movement of goods, customs and taxation, public procurement, intellectual property rights, financial services, accounting and auditing, data protection and e-commerce as well as competitions rules. Actions at regional and national initiatives should be mutually supportive and lead to a shared understanding of the regulatory framework and the development of efficient implementing administrations.

Objectives

During the implementation of "Euro-med Market" programme it is to be expected that new priorities or areas for action might come to *complement* those already included in

the existing programme, in particular following the conclusions of the Euro-Mediterranean Trade Ministerial conference (May 2001), and the results of the discussions in the framework of the forthcoming working groups on rules of origin and services. A specific priority could in particular be the harmonisation of standards and technical regulations with those of the EU, especially in areas where this is likely to increase the export competitiveness of the partner countries.

7. PROMOTING REGIONAL INFRASTRUCTURE INITIATIVES

7.1 Transport

Background

The success of the partnership requires the development of sub-regional and regional strategies for modern integrated multi-modal transport systems. The Euromed Transport Project which is being launched in 2001, will provide support for the reform of the legislative and regulatory framework for the transport sector and for the definition and promotion of a regional transport infrastructure network leading to a blueprint showing the main transport links existing and those needing to be upgraded or built analogous to the Transport Infrastructure Needs Assessment which has been carried out for Central and Eastern European Countries. The aim is to develop South-South interconnection and to link with the Trans-European Transport Network. For the period 2002-2004 this should be complemented by actions focussing on:

- sea and air transport, in particular maritime safety and port and maritime organisation
- global navigation satellite system.

In the proposed programmes, specific attention will be paid to South-South co-operation, the value added of regional co-operation vis-à-vis bilateral co-operation as well as the synergy between regional and bilateral co-operation, a new approach to infrastructure financing (greater synergy between MEDA funds and EIB loans in particular), and finally the link with the Euro-Med Transport Project which should lead to subsequent specific programmes.

Objectives

Maritime Safety

Activities will aim at a sustainable improvement in the protection of Mediterranean waters against the risk of accidents at sea and marine pollution; reducing the gap between national arrangements and the international regulatory framework (IMO rules and especially the new Emergencies Protocol of the Barcelona Convention –the UNEP regional seas Convention for the Mediterranean) and the EU legislative framework (Erika packages); and networking ports at the Euro-Mediterranean level in order to ensure better efficiency of maritime safety rules in Mediterranean waters.

Port and Maritime organisation

Implementation of activities in this field will depend on the progress made on the existing regional project; it would aim to develop this further with a view to fostering competition within and between ports and promoting short-sea shipping as well as waste reception and management

Satellite Navigation

To increase transport safety in the Mediterranean region and to enhance performance and promote integration of Euro-Mediterranean maritime and air navigation systems the aim will be to make available a single navigation and positioning signal to the whole Mediterranean region, to define a master plan for the integration of the partners in a global navigation satellite system (GNSS), comprising EGNOS and GALILEO and to identify national partners for EGNOS/GALILEO in the region.

Expected results

Maritime Safety

The programme would provide capacity building, including for the preparation and implementation of national port reform projects and training. Concretely a Mediterranean Safety Plan should be set up with a traffic monitoring system and an early warning system. Other actions would include hydrography and co-operation with the future European Maritime Safety Agency.

Port and Maritime Organisation

The programme would provide capacity building, including for the preparation and implementation of national port reform projects, policy dialogue and training.

Satellite Navigation

A feasibility study should be carried out for introducing EGNOS and EGNOS-based services in the region and a regional strategy developed (navigation and positioning network master plan in the Mediterranean region). In addition there would be awareness raising activities addressing major categories of potential beneficiaries, assistance in establishing and certifying national operators, networking of current applications, support to specific sub-regional EGNOS applications and training and research.

Indicators

Key indicators would be the nature of policies endorsed at regional and national level (increased maritime safety standards, increased competition in ports, involvement in EGNOS/Galileo) the emergence of national MEDA projects and staff being trained.

7.2 Energy

Objectives

A start has been made on South-South energy interconnection in the electricity sector through the Mediterranean electric link project. In addition to the existing gas pipeline from the Maghreb to Europe a strategy should be developed for South-South interconnection in the gas sector. Energy policies should be developed based on the principles of market economy and their integration; adjustment and modernisation of energy structures, giving priority to the promotion and development of the private sector; establishment of an appropriate institutional and regulatory energy framework; which starts to respond to the challenge of climate change; and the creation of an environment conducive to investment in the energy sector.

There should be a shift in the role of the state from asset ownership and operation to sector policy and regulation (from player to referee); the liberalisation of potentially competitive market segments by subdividing former monopolies in generation and

creating open and transparent markets for energy (solid and liquid fuels, gas and electricity); pursuing social and environmental objectives using policy instruments that are transparent; and attracting the involvement of foreign strategic investors in the restructuring process. Objectives should be agreed at regional level and implemented nationally with support from the National Indicative Programmes.

Expected results and indicators

Activities should lead over time to the full separation of operational and regulatory functions, and a clear, transparent and accountable regulatory framework; rebalancing prices to reflect true economic costs and promotion of efficiency; gradual elimination of production and investment subsidies and closure of uneconomic facilities; providing an efficient and transparent regulatory framework; restructuring utility companies to render them more efficient; and the commercialisation of state-owned utilities.

Following on the existing support for electricity interconnection the promotion of gas interconnections should be pursued as well as the use of best available technologies in the whole gas chain in the Mediterranean region, including prospects for natural gas demand in the Mediterranean partners, and prospects for natural gas production and supply in North Africa and the necessary infrastructures.

A renewable energy sources (RES) network should be set up with the aim of promoting the use of renewable energies and disseminating best practice from the legal and regulatory perspective as well as from a technical point of view and using RES to ensure the security of supply in isolated and rural areas of Mediterranean Partners. This network could examine the scope for using the Clean Development Mechanism of the Kyoto Protocol for promoting sustainable energy projects in the region.

Legislation reforms to promote energy efficiency and rational use of energy (RUE) should be promoted and seminars should be held on the principles and practices of electricity market liberalisation and transfer of know-how from relevant organisations in the EU (TSOs, regulators, power pools, ...).

Partners should be encouraged to become associated to the Energy Charter Treaty (ECT) and, once concluded, the new Transit Protocol.

7.3 Telecommunications

Background

During the last 2 years, a regional project has been implemented on “New Approaches to Telecommunications Policy” (NATP, 2000-2002) focusing on the reform of telecommunications market structure, the introduction of competition between operators and the establishment of regulatory mechanisms as well as on privatisation support. It has provided advice for sector restructuring and regulatory reform for all the partners. It has given rise to bilateral activities, planned or already being implemented, in a number of partners.

General Objectives

Future support for telecommunications should aim to :

- facilitate the formulation of harmonised positions on common regulatory issues in the Euro-Mediterranean area by promoting co-operation between the authorities responsible for telecommunications policy and regulation;
- encourage investments in the sector in order to stimulate economic development by introducing a comprehensive regulatory framework;
- help the telecommunications administrations in developing internationally agreed practices and standards by pursuing harmonised approaches which lead to better regulations and quality of services within their country and in relation to neighbouring countries;
- promote the modernisation of the telecommunications sector as a prerequisite for the development of the Information Society;
- intensify co-operation between the European Commission and the Member States' Regulators with the Mediterranean regulatory authorities by improving the flow of information about regulatory developments in the European Union and the exchange of views on these developments.

Specific Objectives

The programme should assist the partners in defining the legal status of the regulatory authority confirming its separation from the public telecommunications operator and from the Ministry exercising the government's ownership function. There should be agreement at regional level on the responsibilities of the regulatory authority, the options for its organisational structure and models of financing. The relationship of the authority to the State in such matters as competition should be addressed. The possibilities of regional co-operation between the regulatory authorities and other administrations responsible for the telecommunications sector should be explored. The NRAs should be assisted in drafting and implementing regulations in specific fields.

The programme should assess the regulatory and infrastructure requirements related to spectrum allocation and frequency management among regulatory agencies and other bodies, explore schemes for regional financing mechanisms and procurement processes for equipment and recommend mechanisms through which governments could implement arrangements with international financing institutions to finance such infrastructure. It should also deal with regional aspects of numbering, interconnection and data protection.

Objectives should be agreed at regional level and implemented nationally with support from the NIPs from 2005.

Expected Results and Indicators

The "New Approaches to Telecommunications Policy" should be extended for the first half of 2003 pending the introduction of a more ambitious regional programme.

The new programme should come up with recommendations at the regional level for the legal status, financing, staffing, organisation, tasks and responsibilities of NRAs; a report on the options for a regional network of NRAs and their co-operation with international organisations; and a model framework for licensing, interconnection, numbering and universal service and recommendations for implementation.

Three regional events should be organised: a workshop on NRA issues, a workshop on sample regulations and a final workshop on recommendations for the national authorities resulting in:

- A report on the international and European requirements and best practices for frequency allocation, assignment, licensing procedures, monitoring and enforcement;
- reports on the current situation in each country in terms of existing infrastructure and systems, as well as on the infrastructure needs and human resource requirements;
- comprehensive recommendations for the procedures and fees for spectrum allocation and management as well as for sample regulations in this field;
- a compendium of state of the art equipment and approximate prices from the manufacturers and proposals for financing arrangements for the procurement of equipment and a plan of action in close co-operation with appropriate IFI's.

8. PROMOTING THE SUSTAINABILITY OF THE EURO-MEDITERRANEAN INTEGRATION

8.1 Environment

Background

In support of the Barcelona Declaration, the Short and Medium-Term Priority Environment Action Programme (SMAP), adopted at the Euro-Med Ministerial Conference on Environment (Helsinki, 1997) identifies five priority fields: integrated water management, waste management, hot spots (urgent pollution problems or sensitive natural areas), integrated coastal zone management, and combating desertification. Priority actions within each of these fields have also been identified in the SMAP.

Objectives

To further the implementation of SMAP's global priorities, the following objectives should govern the next three years:

- a better integration of environmental considerations at the regional and national levels;
- help the partners in facing the environmental dimension of the establishment of a sustainable free trade area;
- strengthen institutional capacities;
- strengthen civil society and in particular environmental NGOs active in the region, so as to increase environmental awareness and initiatives at national level.

Specific objectives

The regional SMAP should serve the following specific objectives:

- reinforce national capacities through the development and dissemination of appropriate policies, tools and methodologies;
- contribute to a better understanding of and co-operation between Partners on environmental issues of common interest;
- encourage Partners to develop national policies in the five SMAP priority areas and to consider the possible inclusion of well-defined programmes in support of this in the National Indicative Programmes.
- develop the policy dialogue through the SMAP network involving all major actors in the region so as to promote the drawing up of national programmes for the integration of environmental considerations;
- identify initiatives involving concrete operational projects of broader interest for the Mediterranean, the results of which could be replicated (pilot or demonstration projects);
- identify projects that contribute to the implementation of commitments undertaken in major relevant international fora⁴, especially in the Barcelona Convention context, or which relate to international plans and programmes⁵;
- contribute to complementarity and synergies with other programmes and activities of other organisations.⁶

Expected results

The regional SMAP programme should promote the following three categories of action.

- Development and implementation of regional projects in support of the SMAP objectives and priorities;
- Training of project managers at the regional and sub-regional level;
- Identification of bottlenecks delaying the implementation of commitments made. This should contribute to better policy coherence and a more focused capacity building. In this context, and following an existing practice in the OECD for Eastern European countries, the environmental performance of partners will be evaluated on a voluntary basis.

⁴ Mostly in the context of the Barcelona Convention / MAP / MCSDD, the global Conventions such as those on Desertification, Biodiversity, Ramsar Wetlands, as well as in the broader context of the Barcelona Declaration / Euro-Med Partnership.

⁵ For example: METAP, Intra-regional Programme to Combat Desertification.

⁶ MAP = intergovernmental body producing legislation and financing small-scale case-studies, MCSDD = forum for policy dialogue involving also civil society, METAP = programme for small scale technical assistance as regards capacity building and project preparation aiming at facilitating future investments by big donors.

Indicators

The key indicators are:

- evidence of qualitative improvement in information dissemination; increase in the volume of environmental projects implemented and agreement on national environmental programmes.
- creation in each partner of a corpus of people with experience in environmental project preparation and management;
- greater policy coherence among different fora dealing with similar issues, as well as among different development sectors related to the SMAP priority fields of action;
- better knowledge of the legal and institutional framework related to the environment in the partners;
- broader involvement of civil society.

8.2 ENHANCING OPPORTUNITIES FOR WOMEN IN ECONOMIC LIFE

As recognised in the Barcelona Declaration, women play a “key role (...) in development”. Therefore, their “active participation in economic and social life and in the creation of employment” should be promoted. Progress has been made in improving the civil and political rights of women in the Mediterranean partners, but implementation of reforms is uneven. Ways need to be found, consistent with existing religious and cultural values, to promote opportunities for women in economic life and to remove obstacles to using their resources for economic development.

Starting in 1999, a series of initiatives to promote a dialogue aimed at furthering regional co-operation on the role of women have been launched. The latest of these was a regional forum on “The role of women in economic development” (Brussels, July 2001), the conclusions of which have been taken into account in preparing the guidelines for the present regional programme.

General objectives

The programme should promote opportunities for women by: (1) fostering capacity building and awareness including the development of instruments for monitoring the active participation of women in economic life; (2) providing frameworks for exchanging best practices.

Specific objectives and results

The specific objectives of the programme should be to promote the development of action plans at the national level focussing on two areas:

- a) *Access and participation of women in the labour market*: support for reform of the legislative framework and for an active training and labour market policy.
- b) *Promotion of role of women in business*: developing networks for business and professional women; facilitating access of women to financial instruments.

Indicators

- Development and implementation of national action plans;
- Development of business networks.

8.3 Education and Training for Employment

Background

With 40% of the total population in the Mediterranean partners under the age of 15 in 1996, the potential impact of reforms in the field of education, training and labour market systems is very large, in the short as well as the medium and long term. Most partners are currently carrying out a review of their education, labour and training policies and are considering launching – or have already launched - fundamental reform programmes to make these policies more responsive to the new economic requirements.

Despite the heterogeneity of partners in size, population, religion, culture, economic development, education and training systems, some *common features* on education, training and labour market systems can be broadly identified: (1) analysis and monitoring of the quality and relevance of education, training and labour market systems; (2) access to finance; (3) occupational certification and training standards; (4) analysis and role of education and training institutions; (5) definition of relation between employment and labour market measures.

This commonality of problems and challenges confirms the need for comprehensive reforms and action plans to be discussed at regional level, with a view to reforms being implemented nationally. In particular, reform policies should enhance:

- a) cost-effectiveness, efficiency, quality and relevance of education and training systems, with a view to providing relevant skills and competence to young and adult job seekers for rapid occupational integration and to promote equal access of special groups exposed to social exclusion;
- b) relevance and coherence of active labour market measures for employment, including measures for more effective transition from school/university to work, strongly integrated into overall strategies for economic development and based on a partnership model.

Objectives

The overall aims should be (1) to combat and prevent unemployment; (2) support the occupational integration of young people; (3) promote the emergence of shared understanding at region level on strategies for training and labour market systems reforms, with a view to supporting partners' authorities in their design and implementation of reforms and action plans at the national level; (4) assist the educational institutions of Med partners in reinforcing and improving their educational capacities; (5) increase co-operation between Euro-Mediterranean education and training institutions.

Networks among relevant institutions involved in development and monitoring of training and employment policies in the framework of the Euro-Med Partnership should be promoted. There should be support for the transfer and circulation of methodologies for gathering, analysis and dissemination of information in the fields

of training and labour market and exchanging best practice among relevant institutions from Euro-Mediterranean partners, on training and other active labour employment measures for increasing employability.

Expected results

- Creation of a Euro-Mediterranean Observatory network of relevant institutions involved in training and employment policies acting as a strategic forum for discussion and dissemination of information and good practice;
- Progress towards regional systems for mutual diploma recognition and coherence between higher education programmes;
- Increased shared understanding and convergence at regional level of policies aimed to link training to job opportunities;
- Implementation of national reform programmes on education, employment and training to improve the effectiveness of strategies to cope with unemployment.

Indicators

- Functioning of Euro-Med Observatory network;
- Creation or upgrading of national vocational training centres;
- Launching of new legislation to support and promote vocational training;
- Numbers of participants in training activities.

9. ENHANCING THE RULE OF LAW , HUMAN RIGHTS AND, GOOD GOVERNANCE

Justice and Home Affairs

“Justice and Home Affairs” issues (i.e. judicial co-operation, fight against organised crime and terrorism, migrations and human exchanges) play a key role in the politics and actions of the governments. They are no longer purely domestic and their solution can only be developed in the long run through close regional and international co-operation. This has been confirmed by the recent events of September 11 which call for an urgent international co-operation in these matters.

Objectives

Generally speaking, the main objective of a Justice and Home Affairs programme is the reinforcement of co-operation between Euromed Partners in a set of priority domains focused on those which have the greatest direct effect on the smooth development of the partnership.

The overall aim of co-operation is to develop good governance and the rule of law and to ensure that international standards on these matters are applied in the Mediterranean partners. The issues should be addressed in a spirit of co-operation rather than recrimination.

Foremost among these are those related to migration and the circulation of people. Some of the largest communities of legal migrants present in the EU come from the Mediterranean partners. Their perception of their situation has a significant effect on the political relationship: co-operation should therefore aim to reduce the causes of tension. On the other hand geographical proximity and the large prosperity gap

between the EU and the partners gives rise to flows of illegal migration and trafficking in human beings, costly in terms both of human misery and social repercussions, which the EU and the partners have a joint interest in curbing. Finally, concerns about the treatment of visa applicants by EU authorities need to be addressed. These issues need to be tackled in a spirit of co-operation and progress towards means of jointly managing them.

There is also a common interest of the Partners in jointly fighting organised crime, particularly drug trafficking, and terrorism. The EU should offer assistance in sharing best practice techniques in this field.

Problems also arise in judicial matters, particularly those related to family and inheritance law concerning mixed marriages given the differences among the systems which apply. The aim should not be to try to change the differing systems, but rather to improve transparency and knowledge of them to try to improve access to justice for the individual.

Expected results and indicators

- *Judicial co-operation*

In addition to the exchange of knowledge on the application of differing systems, training is the cornerstone of this co-operation. It should be based on the following principles:

- general training of legal staff: judges, prosecutors, lawyers, court clerks and court officials, as well as training law enforcers in respect for fundamental rights.
- general methodological training (legal training, and training in working methods).
- technical training (acquisition of professional skills) and training in professional ethics.
- Promoting and reinforcing the implementation of rules of international law;
- Reinforcing mutual assistance for civil judicial co-operation, including cases in family matters.

- *Co-operation on combating drugs, organised crime and terrorism*

Assistance with the adoption and effective implementation of international instruments is indispensable to combating organised crime and terrorism as they provide a legal framework conducive to efficient international co-operation. The partners should be assisted to develop their crime prevention and crime-fighting systems and machinery by offering them the expertise necessary in the long term, to be implemented through the NIPs from 2005. Priority areas will be:

- training of judicial, police and customs officials,
- co-operation in the prevention and fight against organised crime, money laundering, arms traffic and terrorism and its financing

- *Co-operation in the area of migration and human exchanges*

In view of promoting the social integration of citizens of the Mediterranean partners legally established in the Member States, projects should be provided for in co-operation with the competent authorities of the partners and relevant internal EU programmes. They should be conducted in a spirit of anti-racism and

anti-xenophobia and involving elements of civil society active in this sphere as much as possible.

The resources of legally established migrants in the EU should be used for co-development activities with their countries of origin.

It is proposed to step up co-operation on the study and management of migration. The Action Programme already agreed with Morocco should be used as a model for managing migration flows in general, leading to the adoption of similar plans in other appropriate partners.

Actions regarding the co-operation on combating illegal immigration and trafficking in human beings should help the partners to develop the legal, administrative and technical apparatus to combat this phenomenon. To implement this type of action effectively it is proposed to:

- make an assessment of the situation regarding illegal immigration from the Mediterranean partners and, where appropriate, any illegal immigration into them.
- promote expertise in combating networks by exchanging officials involved in this type of work.
- help partners to develop adequate administrative infrastructure for monitoring and combating illegal immigration.
- plan training activities targeted at developing modern and effective systems of border control and surveillance.
- help the partners to tackle the roots of illegal immigration in a spirit of co-operation.

In general the operation should draw on experience of co-operation with the candidate countries while bearing in mind that the priorities of the Barcelona process are not “accession oriented”.

Co-operation should result in the setting up of networks of permanent contacts who can act upon any request for co-operation swiftly and effectively; increase the number of training schemes with seminars targeting those professional groups whose needs are greatest; and develop a “twinning” system (modelled on the programme for the candidate countries) in areas of co-operation that demand very high levels of expertise (e.g. crime-fighting and crime prevention, border management, and judicial co-operation).

10. BRINGING THE PARTNERSHIP CLOSER TO THE PEOPLE

10.1 Euro-Med Audiovisual

Background

The first phase of the Euromed Audiovisual programme was launched in 1999. Six regional projects for a total budget of € 18 million were approved which are now entering in their second year of activity.

The general objectives of the Euromed Audiovisual programme are the development of the audio-visual sector (radio, television, cinema) in the Partners and fostering the

emergence of a Euro-Mediterranean cultural identity. More specifically, its objectives are to develop co-operation among audiovisual operators in the region; to support training in the audiovisual sectors; to enhance Euro-Mediterranean audio-visual heritage; and to foster the dissemination of TV and cinema productions throughout the region.

Current projects cover areas ranging from support of pre-production of films and documentaries, support for film distribution, preservation of audiovisual heritage and archives, production and training of experts in animation sector, and Euro-Med film festivals.

The positive impact of the first phase of the programme, in terms of increasing of cross-sectoral and regional co-operation, and the visibility of the projects, justifies launching a second phase. This need has been underlined both by the audiovisual professionals at the last Audiovisual Conference of the Euro-Mediterranean Partnership (Rabat, September 2000) as well as by the Ministers of Foreign Affairs at their meeting in Marseilles (November 2000).

General objectives

The main general objectives of Euromed Audiovisual II programme would continue to focus on the (1) promotion of networking between Euro-Mediterranean operators in the audiovisual field; (2) the transfer of expertise and know-how; (3) the strengthening and protection of the audiovisual heritage in the Mediterranean Partners; and (4) providing to the general public better access to Euro-Mediterranean audiovisual productions.

Specific objectives

Some of the specific objectives of the second phase of the programme, should follow the pattern of the first phase, i.e. promotion of co-operation between Euro-Mediterranean operators of the audio-visual sector, protect heritage, promote films distribution, etc.

Some new objectives would be envisaged, particularly training (specifically for specialised operators like image, sound, light, and distribution); support for creation, and co-production (in co-ordination with the MEDIA programme as appropriate); distribution, promotion and exploitation, particularly in TV and radio sectors.

Expected results

The likely results can be listed as follows:

- training for distributors and theatre owners (promotion, marketing, distribution);
- technical training for professionals of the sector (sound engineers, cameramen, light operators);
- training on co-productions (legal obstacles, contracts, financing);
- promoting the participation of EU-MED professionals in fairs and festivals of the sector;
- creation of audio-visual regional professional networking (distributors, directors, authors etc);
- upgrading and/or modernisation of the national legislative framework (legal training, benchmarking, support measures, fight against piracy);

- recovery of the cinematographic heritage: restoration, archives, re-distribution, legal rights, including films, TV and radio.

Indicators

- Number of financed projects; number of training workshops; number of participants; type of co-operation between projects; Number of films distributed; modernisation or launching of new national legislation in favour of the audio-visual sector

10.2 Euro-Med Heritage

Background

The Euromed Heritage programme is one of the most well established Euromed regional programmes. Its main objective is to become a vehicle of understanding among Euro-Mediterranean cultures and civilisations and of exchange between them. Its ultimate objective is to establish a concept of a common Euro-Mediterranean heritage, integrating different traditions and customs and highlighting the links among them, in order to create a tool for a policy of openness, tolerance, peace and stability in the region.

Its first phase was launched in 1998 with a first set of 16 projects most of which have come to an end. This first phase suffered from a certain number of difficulties due, in most cases, to project management problems and the lack of experience of Mediterranean partners. Technically, most of the projects have attained high quality levels. In addition, its political and visibility impact is one of the highest in the Partnership.

The call for proposals for the second phase of the programme has been launched at the beginning of 2001. The selected projects are expected to begin their activities in the autumn of 2001.

General Objectives

The Euromed Heritage III programme should maintain the basic philosophy of its predecessors, i.e. to further the Partners' ability to manage and enhance their heritage and to be a learning process and a channel for the exchange of experiences for all participants, national institutions and international organisations. It will aim to create various sources of know-how, from which local communities can draw knowledge in an autonomous way, thus creating favourable conditions for heritage conservation and enhancement, and using heritage as a vector for social and economic development.

Specific objectives

While the definition of new objectives for the third phase will heavily rely upon the results and evaluation of the second phase, the general objectives of Heritage III should not differ substantially from phases I and II, i.e. promotion of heritage awareness and knowledge; support to institutions and policies for heritage protection and promotion; development of human resources and training; and development and enhancement of heritage as an element of sustainable socio-economic development, mainly by networking of the actors involved and promoting quality cultural tourism. Particular attention will be paid to complementarity and synergy among regional and

bilateral projects. The regular meetings of the network of projects – initiated with Heritage I – would also contribute to the launching of the new phase.

Expected results

- Reinforcement of tools and methodologies aimed at the protection of cultural heritage (national regulations, social education, etc);
- Creation of regional networks of local institutions and organisations;
- Better management and development of the cultural heritage as a vector for socio-economic development;
- Integration of heritage protection in the Partners' bilateral programmes;
- Protection of the cultural heritage accepted at all levels of civil society.

Indicators

Number of approved projects; bilateral programming; south/south co-operation projects; number of newly created networks; visibility and social impact of the programme

10.3 Information and Communication

Background

The raising of mutual understanding and the elimination of misperceptions in the Euro-Mediterranean region are some of the principles of the Barcelona Declaration. Although several Euro-Med programmes (Heritage, Audiovisual, Youth) have already, in one way or another, included this idea of “social rapprochement” as one of their priorities, the need for an increase in the visibility of the Partnership is becoming more and more pressing, in order to upgrade the sense of “ownership” of the Mediterranean Partners. It is clear that more efforts should be devoted to explaining the objectives and the advantages of the process and to strengthening the visibility of the actions carried out. Both the European Commission, in its Communication “Reinvigorating the Barcelona Process” and the Foreign Ministers of the Euro-Mediterranean Partnership, at their meeting in Marseilles (November 2000), have pointed out the need for a programme on information and of communication.

Several information activities have been (or are being) carried out since the inception of the Barcelona Process. A weekly information note on the activities of the Partnership, called “Euromed Synopsis”, is sent to more than 3,000 correspondents. The Synopsis is complemented by a monthly “Euromed report” devoted to specific areas of the Partnership (e.g. new MEDA programme, presentation of Euromed programmes) or events that deserve more in depth information (e.g. signature of an Association Agreement). Study visits to EU institutions of journalists from partners are regularly organised. Furthermore, each on-going Euro-med project is required to include its own information action plan in order to publicise its activities and results. Brochures, leaflets, catalogues as well as TV reports, have been released.

Finally, the Delegations of the European Commission define their own information on Partnership activities and contribute to spreading the philosophy of the Barcelona Process.

Objectives

The overall objective **is** to improve the knowledge of the Barcelona process and its perception by the general public and opinion leaders (media, political institutions, business world and industry, civil society). This should involve the definition of a clear - and didactical - methodology to explain the basic political, social and economic reasons of the Partnership, its methods and its operation and the challenges that it involves, its concrete effects in the short, medium and long term. Modern communication tools would be required to improve the quality of information within the 27 Euro-Med Partners

The aim would be to define an information and communication strategy, coherent and pro-active, which could lead to short-term tangible effects; rationalise and strengthen the existing on-going actions and instruments; and improve the capacity of the Delegations in the Mediterranean Partners.

Expected results

- improvement of the production and distribution of general information products;
- creation of a label « Euro-Mediterranean partnership » to be used in and by all the projects benefiting from MEDA support;
- development of information products specifically intended for the media and for the business world;
- to promote training activities of journalists (communicators in general) on the various aspects of the Euro-Mediterranean Partnership;
- to improve and increase the audio-visual coverage (TV, radio) of the Euro-Mediterranean Partnership.

D ANNEXES

- 1. Map-South and Eastern Mediterranean Region**
- 2. Basic Economic Data and Performance**
- 3. Programmes under MEDA Regional Co-operation**
- 4. Regional Indicative Programme 2002-2004. (Indicative financial breakdown).**

ANNEX 1

MAP-SOUTH AND EASTERN MEDITERRANEAN REGION



ANNEX 2:

BASIC ECONOMIC DATA

I. Population, production and income

	GDP		Average GPD growth		GDP capita	per	Population	Average population growth
	Bln €	-	%	1995 -	€- 1999		mln - 1999	1999
	1999		2000					
Algeria	44.9		3.5		*1,463		30,1	1.5
Cyprus	8.6		4.1		13,100		0,7	0.4
Egypt	83.2		4.8		**1,072		62,0	2.1
Israel	94.6		4.3		15,454		6,2	2.8
Jordan	7.1		2.1		*1,493		4,7	3.2
Lebanon	15.5		3		*3,560		4,0	1.9
Malta	3.4		4.3		8,772		4,4	0.4
Morocco	34.8		1.7		1,159		28,2	1.7
Syria	15.8		4.1		994		15,9	2.7
Tunisia	19.4		5.0		2,059		9,5	1.1
Turkey	172.8		6.0		2,686		64,3	1.5
WBGS	*4.0		4.1		*1,381		3,0	4.1

(*): 1998 figures (**) 1997 figures

II. Social indicators

	Life expect. at birth	Infant mortality rate (per 1,000 live births)	Adult illiteracy rate	
	1999	1999	1995	
			Male	Female
Algeria	69	32.0	26	51
Cyprus	78	6.0	3	10
Egypt	65	51.0	36	61
Israel	77	5.8	3	7
Jordan	67	29.0	7	21
Lebanon	67	28.0	10	20
Malta	77	7.2	1	3
Morocco	69	51.0	43	69
Syria	69	31.0	14	44
Tunisia	71	30.0	21	45
Turkey	66	40.0	8	28
WBGS	72	25.0		

III. The Economic Size of the Mediterranean Zone 1997

		GNP	Population	GNP per capita	Pop. density
		In billion \$	In million	In \$	People per km ²
Maghreb		98	65	1 503	22
Mashrek		110	83	1 319	65
OTHER PARTNERS	MED	293	70	4 191	88
MED PARTNERS : TOTAL		501	218	2 296	43
p.m.					
East Asia		1 701	1 751	970	109
South Asia		493	1 281	380	263
Latin America + Caraibes		1 945	494	3 940	24
Sub-Sah. Africa		311	612	510	25
All countries	developing	6 124	4 893	1 250	49
WORLD		30 125	5 820	5 180	44

Source : World Development Indicators and WEFA

IV. FDI Inflows into the Mediterranean and elsewhere

	1994	(% on Med FDI) 1999
Algeria	18	(0.1%) 6
Morocco	551	(11.9%) 847
Tunisia	566	(5.2%) 368
Egypt	1.256	(21.1%) 1,500
Jordan	9	(2.1%) 151
Lebanon	3	(3.5%) 250
Syria	251	(1%) 75
Cyprus	46	(0.9%) 65
Malta	152	(11.4%) 811
Israel	432	(31.7%) 2,256
Turkey	608	(11%) 783
Med	3.892	7.112
Latin America/ Caribbean	30.091	90,485
South and East Asia	65.954	96,148
Central and Eastern Europe	5.932	21,420
World	255.908	865,487

V-Net ODA Flows to the MED Regions (1)

(Disbursements) (million US \$)

	EC	Memb. States	Other DAC bilateral	Arab count.	Other multi- lateral	TOTAL	p.m. EC+ Memb. States
Maghreb							
1993	319	742	74	10	151	1 296	1 061
1997	371	479	-1	19	44	913	850
Mashrek							
1993	167	749	1 473	509	458	3 295	906
1997	433	1 117	1 151	229	668	3 472	1 550
Other TMC							
1993	-9	173	1 411	137	14	1 734	164
1997	74	33	2370	60	89	2 268	107
Total MED							
1993	477	1 664	2 958	656	623	6 325	2 131
1997	878	1 629	3 520	308	801	6 653	2 507
WORLD TOTAL							
1993	3 882	20 292	19 064	910	12 913	57 061	24 174
1997	5 156	17 255	15 086	433	12 378	50 308	22 411

Source : DAC

(1) All regional assistance excluded

(2) Notice data correspond 1996 rather than 1997

**Importance of the Mediterranean and Middle East In
Total Flows of development assistance, 1996/1997**

Recipient regions

	Sub-Sah. Africa	South/ Cent. Asia	East Asia	Med. Middle East	+ Latin America + Car.	All developing regions
DONORS						
EC	43	9	6	30	12	100
EU Members States	44	12	15	14	15	100
US	26	12	8	41	13	100
Japan	18	22	35	9	16	100
All DAC	35	14	20	16	15	100

ANNEX 3

Programmes under MEDA Regional Co-operation.

Budget line, date signature & date expiration CdF	Title programme incl. description areas of intervention	Amount
		(M €)
XII. Sector :	REGIONAL INTEGRATION	
B7-4100 Com.Med: Ap.Comm:24/01/97	Participation privée dans l'infrastructure méditerranéenne (PPMI I)	0,96
B7-4100 Com.Med: Ap.Comm: 22/12/00	PPMI II	1,68
B7-4100 Com.Med: 24/04/98 Ap.Comm: 5/06/98	Réseau des Instituts Economiques Euromed (FEMISE I)	2,00
B7-4100 Com.Med: 6/12/00 Ap.Comm:14/12/00	Réseau des Instituts Economiques Euromed (FEMISE II)	6,30
B7-4100 Com.Med:15/09/98 Ap.Comm:16/12/98	Partenariat Euro Med des Chambres de commerce "Archimèdes"	1,70
B7-4100 Com.Med:15/09/98 Ap.Comm:16/12/98	Réseau Euro-Med des GEPCI	1,00

B7-4100 Com.Med:19/11/99 Ap.Comm:31/12/99	UNIMED Business Network (Réseau de fédérations Industrielles)	2,50
B7-4100 Com.Med:15/09/98 Ap.Comm:16/10/98	Guides des investisseurs	1,27
B7-4100 Com.Med:15/09/98 Ap.Comm:16/10/98	Euro-med SME cooperation	2,80
B7-4100 26/09/00 Ap.Comm:17/10/00	Com.Med: Contrat d'organisation de réunions Coop. Industrielle 2000-2002 (ME8/AIDCO/2001/0105)	1,40
B7-4100 Com.Med:19/11/99 Ap.Comm:21/12/99	Appui aux Agences de promotion de l'investissement (API) (ME8/B7-4100/IB/99/0304)	3,95
B7-4100 Com.Med:14/11/00 Ap.Comm:15/12/00	Euromed Innovation Technologie et Qualité (Euromed ITQ)(ME8/B7-4100/IB/2000/2075)	15,00
B7-4100 Com.Med:14/11/00 Ap.Comm:15/12/00	Promotion des instruments relatifs au marché Euro Med B35(ME8/B7-4100/IB/2000/2073)	9,90
B7-4100	Risk Capital facility	100,00
B7-4100 Com.Med:13/10/99 Ap.Comm: 2/12/99	SMAP	6,01
B7-4100	SMAP II	30,00

B7-4100 Com.Med:20/11/98 Ap.Comm:23/02/99	EUMEDIS Euro- Méditerranéan information society	45,00
B7-4100	EUMEDIS II	20,00
B7-4100 Com.Med: 06/1998 Ap.Comm:11/1999	Telecom projet NATP	2,15
B7-4100 Com.Med: 10/09/97 Ap.Comm:21/11/97	Programme Regional Transports Maritimes	8,10
B7-4100	Regional Transport Project	20,00
B7-4100 Com.Med:24/09/99 Ap.Comm:30/11/99	Euromed Audiovisuel I (ME8/B7-4100/IB/99/0186)	20,00
B7-4100 Com.Med:15/10/97 Ap.Comm:21/11/97	Euromed Héritage I (MED/B7-4100/IB/97/0353)	17,17
B7-4100 Com.Med: 7/11/00 Ap.Comm: 14/12/00	Euromed Héritage II (ME8/B7-4100/RELEX/2000/2095)	30,00
B7-4100 Com.Med: 15/09/98 Ap.Comm:27/10/98	Programme Euro-méditerranéen d'action Jeunesse I (MEI/B7-4100/IB/98/0418)	6,00
B7-4100	Programme Euro-méditerranéen d'action Jeunesse II (ME8/AIDCO/2001/0186)	10,00

B7-4100 Ap.Comm: 18/07/96	Com.Med:	Medstat I (ME8/B7-4100/IB/96-023)	20,00
B7-4100		Medstat II	30,00
B7-4100 :11/08/00 Ap.Comm:26/09/00	Com.Med	Aide à la recherche agricole internationale 2000 (CGIAR/ ICARDA)	2,00
B7-4100		Aide à la recherche agricole internationale 2001(CGIAR/ ICARDA)	1,50
B7-4100 10/97 Ap.Comm:16/12/99	Com.Med:	Appui au secteur agricole dans le cadre de la transition économique(CIHEAM)	6,00
B7-4100 Com.Med:13/10/99 Ap.Comm:2/12/99		Mediterranean Energy policy Training Network	1,81
B7-4100 Com.Med:18/05/99 Ap.Comm:29/05/99		Applications de l'énergie solaire	2,14
B7-4100 Com.Med:18/05/99 Ap.Comm:29/05/99		Support to the ad hoc groups of the Euro-Mediterranean Energy Forum	2,00
B7-4100 Com.Med:13/10/99 Ap.Comm:2/12/99		Mediterranean Electric Ring	2,10
B7-4100 Com.Med:24/09/98, Ap.Comm:24/11/00		Energie & environment urbain	1,90
B7-4100 28/10/98 Ap.Comm:14/12/98	Com.Med:	Legal and Institution energy framework	2,25

B7-4100 :28/10/98 Ap.Comm:14/12/98	Com.Med	Energy sector companies reforms	2,30
B7-4100 Com.Med:21/09/94 Ap.Comm:21/10/94		EAMS (Euro-Arab Management School) -Granada	8,30
B7-4100 06/10/98	Com.Med: Ap.Comm:4/11/98	Système Euro-Med Information dans le Domaine de l'Eau (SEMIDE)	1,18
B7-4100		Régional Local Water Management Programme	40,00
B7-4100 Com.Med:14/11/00 Ap.Comm:11/12/00		Midle East Peace Process Projets 2000	22,90
B7-4100 Com.Med:16/09/99 Ap.Comm:17/12/99		Midle East Peace Process Projets 1999 (ME3/B7-4100/IB/99/0278)	21,73
B7-4100 Com.Med:28/10/98 Ap.Comm: 25/11/98		Middle East Peace Process Projets 1998 (ME8/B7-4100/IB/98/0417)	8,10
B7-4100 Com.Med:26/09/96 Ap.Comm:20/11/96		Middle East Peace Process Projets 1997 (ME8/B7-4100/IB/1997/0439)	15,00
B7-4100 Com.Med97:9/07/97 Com.Med98:15/09/98		Coopération régionale Euromed, Micro-actions 1997-98-99 (86 actions)	6,30
B7-4100 Com.Med97:9/07/97 Com.Med98:15/09/98		Micro -Actions People to People 1998-99(6 actions)	1,50

B7-4100 Com.Med97:9/07/97 Com.Med98:15/09/98 Com.Med: 26/09/00 Ap.Comm:17/10/00	Programme d'actions dans le cadre du processus de Barcelone 1997-98-99-2000 (62 actions)	8,02
B7-4100 Com.Med:26/09/00 Ap.Comm:17/10/00	Séminaires diplomatiques de Malte 2001-2004	1,00
B7-4100 Com.Med: 6/04/98 Ap.Comm:27/05/98	Euro-med System of disaster Prevention Mitigation, and management of Natural and Man-made Disasters	1,91
B7-4100 Com.Med:26/09/00 Ap.Comm:17/10/00	Réseau EuroMeSCo	1,93
TOTAL		576,75

ANNEX 4 :

REGIONAL SUPPORT ENVELOPE – FINANCIAL BREAKDOWN BY PRIORITY (€ million)

PRIORITY	MEASURES	Annual Allocations			
		2002	2003	2004	Total 2002-2004
1. Making the Euro-Med Free Trade Zone a Reality / Making sure the Association Agreements get Results	1.1. Helping the Association Agreement signatories to develop free trade among themselves, and with the EU		4		4
	1.2. Training of public administrations and institutions, Furthering the Euro-Med internal market programme		6		6
2. Promoting Regional Infrastructures Initiatives	2.1. Transport		9		9
	2.2. Energy		4		4
	2.3. Telecommunications			4	4
3. Promoting the Sustainability of the Euro-Mediterranean Integration	3.1 Environment			15	15
	3.2. Equal Opportunities for Women			5	5
	3.3. Education and Training for Employment			5	5
4. Enhancing the Rule of Law and Good Governance		6			6
5. Bringing the Partnership closer to the People	5.1 Euro-Med Audiovisual			15	15
	5.2. Euro-Med Heritage			10	10
	5.3. Information and Communication	4	6		10
6. Others					
TOTAL		10	29	54	93