

PARTENARIAT EURO-MEDITERRANEEN

**CALENDRIER MENSUEL
DU PROCESSUS DE BARCELONE**

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Commission européenne

***PARTENARIAT EURO-MEDITERRANEEN
CALENDRIER MENSUEL DU PROCESSUS DE BARCELONE***

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**CALENDRIER DES ACTIVITES PRIORITAIRES DU PROCESSUS DE
BARCELONE**

COMITE DU PROCESSUS DE BARCELONE

Date	Evénement	Lieu	Fiche
19 septembre 2002	Comité Euromed	Bruxelles	Aucune
21 novembre 2002	Comité Euromed	Copenhague (à confirmer)	Aucune

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PARTENARIAT POLITIQUE ET DE SECURITE

Date	Evénement	Lieu	Fiche
18 septembre 2002	Réunion des Hauts Fonctionnaires	Bruxelles	Aucune
20 novembre 2002	Réunion des Hauts Fonctionnaires	Copenhague (à confirmer)	Aucune

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PARTENARIAT ECONOMIQUE ET FINANCIER
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Date	Evénement	Lieu	Fiche
8-10 Juillet 2002	Deuxième Conférence Ministérielle sur l'Environnement	Athènes	Edition de septembre 2001
10 Juillet 2002	Groupe de travail sur les Règles d'Origine	Bruxelles	Aucune
16-17 juillet 2002	Forum des Transports	Bruxelles	Aucune
7-10 octobre 2002 (à confirmer)	Groupe de travail sur les Services	Brussels	Aucune
Octobre 2002 (à confirmer)	Réunion du Dialogue Economique renforcé	Bruxelles	Aucune
Second Semestre 2002 (à confirmer)	Forum euro-méditerranéen de la société de l'information	Bruxelles	Edition de mars 2000

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PARTENARIAT SOCIAL, CULTUREL ET HUMAIN

Date	Événement	Lieu	Fiche

AUTRES EVENEMENTS*

* Cette rubrique comprend des événements qui ne sont pas formellement approuvés par le Comité euro-méditerranéen du Processus de Barcelone.

**REPORT OF THE 4th MEETING OF THE SMAP
CORRESPONDENTS AND 2nd PREPARATORY MEETING
FOR THE 2nd EURO-MEDITERRANEAN MINISTERIAL
CONFERENCE ON THE ENVIRONMENT**

(Brussels, 23-25 April 2002)

A. SUMMARY

The Correspondents of the Euro-Mediterranean Partners for the Short and Medium-Term Priority Environmental Action Programme (SMAP) met for the fourth time, in Brussels, on 23-25 April 2002. Over 60 people including representatives of all 12 non-EU Partners including Israel and the Palestine Authority attended the meeting. Members of environmental NGOs Steering Committee, representatives of the Mediterranean Action Plan (MAP), the Mediterranean Environment Technical Assistance Programme (METAP), the Ramsar Convention programme for the Mediterranean Wetlands (MEDWET) and the UN Convention to Combat Desertification (UNCCD) attended as observers. In spite of the tense political situation in the Middle East, political controversy was largely avoided and instead there was a smooth discussion of the technical issues foreseen in the agenda.

The **main objectives and results** of this annual meeting of SMAP Correspondents were:

A productive exchange of information on national / regional SMAP (and related) activities

- (2) Finalisation of the Report on 5 years of Implementation of SMAP, which will be published and submitted to the Euro-Mediterranean Environment Ministers for information and for consideration of its recommendations
- (3) Finalisation of the related Country Profiles of the Mediterranean Partners, which will be put on the SMAP website; the July Ministerial is expected to confirm that countries are responsible for giving the Commission the material needed to update these Profiles
- (4) Information from Greece on the organisational aspects of the 2nd Euro-Mediterranean Environment Ministerial Conference taking place on 9-10 July 2002
- (5) An intensive round of largely consensual negotiation on the Draft Ministerial Declaration prepared by the Commission.

The meeting was **chaired** by Mr F. Thurmes, Director of DG ENV.E.

B. DETAILS OF THE DISCUSSION

1. Review of implementation at regional and national levels since the last meeting

In his opening statement, *Mr F. Thurmes* referred to the international context including the still on-going 5th Foreign Affairs Euro-Mediterranean Conference in Valencia, the forthcoming World Summit on Sustainable Development (WSSD) in Johannesburg, as well as the Declaration for the WSSD and Recommendations adopted in November at the Monaco CoP to the Barcelona Convention. These frameworks needed to be taken into consideration when implementing SMAP and preparing the Environment Ministerial in July.

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Mrs Mourmouris (DG ENV) presented a brief report on the Commission's actions since the last Correspondents meeting related to SMAP implementation (*Presentation available on request*). Emphasis was put on environmental integration within the Euro-Mediterranean Partnership (reflected mostly in the new NIPs/RIP and respective Strategies and in the Valencia papers), assessment of the implementation to date of SMAP, preparation of the 2nd Euro-Mediterranean Ministerial on the Environment, co-ordination, dissemination of information and the SMAP web site. She referred to major meetings where the SMAP Programme was presented (international fora, European Parliament, and training courses for journalists and NGOs organised by RELEX). She also mentioned, as an example of synergies and complementarity among different Programmes, the inclusion in MEDSTAT II of the indicators for sustainable development, developed by the Mediterranean Commission for Sustainable development (MCSD) and adopted by the CoP of the Barcelona Convention.

All *Correspondents* made oral presentations of the major activities in their countries aimed at implementing the SMAP over the last 10 months. Written National Reports, based on the outlines suggested by DG ENV for each category of participants (Mediterranean partners, EU countries, NGOs, observer Organisations), were submitted by 12 of the 27 Partners: Algeria, Egypt, Germany, Greece, Israel, Italy, Lebanon, Morocco, Palestine, Portugal, Tunisia and Turkey. A synthesis note reflecting the major points raised in these Reports has been prepared.

Major common points in the Correspondents' presentations were the need for more visibility and awareness-raising, more focused capacity building, stronger interlinkages between SMAP and other Euro-Med regional programmes, and greater environmental integration at national level.

All Correspondents agreed that the Sustainability Impact Assessment (SIA) of the Euro-Mediterranean Free Trade Area (EMFTA) needs to be launched urgently, in line with the Valencia Action Plan. This would contribute to making the trade and environment policies mutually supportive in the region. There was very strong interest in consultation on the Terms of Reference for this SIA/EMFTA by the SMAP Correspondents, MAP Secretariat and the NGOs.

Several Correspondents referred to the limited involvement of Environment Ministries in the Euro-Mediterranean activities at national level and all agreed that there is much room for environmental action in this context. They expressed the view that it would be of great help if the **involvement of Environment Ministries** in the meetings organised in the context of the **Association Agreements** (Association Councils, Working Groups etc) and in work to prepare the next round of NIPs could be encouraged.

Mr L. Salazar (European Environment Agency / EEA) presented relevant activities of the Agency, referred to on-going co-operation with the MAP and noted that the EEA had the capacity to provide more environmental information to the MEDA context and to contribute to fulfilling the SMAP objectives.

A representative of the *NGO Steering Committee* presented the joint statement of the NGOs, which was very supportive to the SMAP activities. The main concerns expressed by the NGOs were the slow Euro-Med procedures and the lack of funding opportunities for small actors representing civil society.

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Mr A. Hoballah (Mediterranean Action Plan / MAP) expressed the MAP Secretariat's wish for close co-operation with SMAP. He put emphasis on the Recommendations and Declaration of the Contracting Parties (Monaco, November 2001) calling for more synergies with the Euro-Mediterranean Partnership. He referred to the intention of the MAP Co-ordinating Unit to prepare two Reports as a contribution to the Athens Ministerial: one on MAP experience regarding environmental integration (in co-operation with EEA) and another on possible synergies between MAP and SMAP/EMP. It is to be noted that MAP had long and successful experience in environmental protection and actions for sustainable development in the region. He suggested that **the Euro-Med Committee** might wish to invite the Co-ordinating Unit of MAP to present specific aspects of common interest on an ad hoc basis at some E-MC meetings, as a response to the universal desire for greater synergy.

Mr Sherif Arif (Mediterranean Environment Technical Assistance Programme / METAP), having arrived on the second day, disseminated his report to participants, putting emphasis on water, waste and capacity building. Efforts to improve synergy with MAP and SMAP are a key issue of the METAP Partners.

The *MEDWET* and *UNCCD* representatives, attending a SMAP meeting for the first time, briefly presented their activities, highlighted the points of common interest with SMAP and stressed their willingness to co-operate with the SMAP Network.

Mr A. Bassols (DG RELEX), on his return from Valencia on 24 April, updated the participants on the outcome of the Foreign Affairs Ministerial Conference and disseminated the Presidency Conclusions and the Valencia Action Plan adopted by the Ministers. He stressed the fact that the Presidency Conclusions and the Action Plan referred explicitly to sustainable development and environmental integration, which are of particular interest for the SMAP Correspondents and their work. He also noted that the Association Agreement with Algeria had been signed.

Many Correspondents considered that the lack of any SMAP material in Arabic hampered visibility. The Commission explained that translation had been done for the basic brochure but could not be verified. Syria and Egypt volunteered to check and finalise the translation.

At the end of the discussion, the Chairman drew the following **conclusions**:

- All members of the SMAP Correspondents Network (including the NGO Steering Committee) would continue presenting their Annual Reports following the suggested outline formats;
- All members of the SMAP Correspondents Network (including the NGO Steering Committee) would continue systematic efforts to enhance *visibility of the SMAP activities*.
- The offer of Egypt and Syria to verify the Arabic version of the SMAP brochure was very welcome and would be followed up.
- The feasibility of ad-hoc presentations to the Euro-Mediterranean Committee by the Co-ordinating Unit of MAP would be explored.

2. Report on the 5-year Implementation of SMAP and Country Profiles

Mrs Mourmouris briefly presented the major differences between the current version of the Report and the previous version discussed in Malta on 19-20 February. Comments made during that discussion and others received in writing had resulted in a restructuring of the 2nd and especially the 3rd chapter referring to evaluation and lessons learnt. Small updates were made also on the Country Profiles of 4 Mediterranean Partners. Given the volume and nature of the information included in the Profiles, she proposed that they be printed separately for information at the Ministerial Conference and put on the SMAP website. The Profiles had value as a tool if they were updated annually, since they would contribute to assessing progress made.

The *Correspondents* welcomed the new version of the documents and focused mostly on the Conclusions and Recommendations of the Report. Led by the Palestine Authority representative they attached particular importance to putting a reference to peace and stability upfront in the Report. They also underlined the need to bring forward the next financial commitment and related Call for SMAP regional projects to 2003, provide potential applicants with clear guidelines regarding preparation of project proposals, promote better environmental integration in the agriculture and tourism sectors in addition to the ones already foreseen by the Partnership, as well as clarify the Terms of Reference of the Monitoring Unit and the Focal Points (national institutes, which have still to be selected, that will assist the Correspondents in playing their role).

At the end of the discussion, the Chairman drew the following **conclusions**:

An updated version of the Report on Implementation, taking on board amendments agreed upon during the meeting, will be sent to the SMAP Network by the Commission by the 3rd of May;

- Correspondents wishing to do so should send their comments and suggestions on the Report and their Country Profile to DG ENV by the 13th of May;
- On the basis of the comments, the Commission will finalise the Report and the Country Profiles. The Report will be then printed in English and French for distribution at the Athens Ministerial. The Country Profiles will be put on the SMAP website and will also be presented for information at the Ministerial. Decisions on updating the Profiles would depend on countries providing the information, since the Commission would not have the resources needed to maintain the information unaided.

3. Organisational aspects of the 2nd Euro-Mediterranean Environment Ministerial Conference

The *Greek representative* presented the proposed agenda of the 2nd Euro-Med Ministerial Conference on the Environment (See *Annex 1: Agenda of the Ministerial*), to be convened in Athens on 9-10 July 2002. A 3rd Preparatory Meeting will take place in Athens on 8 July. The Greek representative explained their intention to organise a Forum of stakeholders on 9 July to participate in round-table discussions on synergies and integration policies. The morning session on synergies would be for officials and would be expected to concentrate on technical issues. Environment Ministers as well as some other key Ministers of Mediterranean countries

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would be invited to participate in the afternoon round-table discussion on integration policies, which, while informal, would be more political in character. The actual Ministerial Conference would take place on 10 July.

The *NGO Steering Committee* informed the participants of the intention of NGOs to organise a meeting on 7th of July in Athens, with the support of the Greek government, in order to have a broader NGO dialogue and better prepare their input to the Ministerial.

4. Draft Ministerial Declaration

The draft English text prepared by DG ENV with agreement from DG RELEX and AIDCO, based on the preparatory discussions held in Malta in February, was discussed by section. The Commission will prepare a French version of the negotiating text, while Egypt and Algeria offered to prepare a final version of the Declaration in Arabic. The latter would not be a negotiating text and only the English and French would be considered as authentic.

Correspondents and observers welcomed the structure and content of the draft Declaration in principle. Initially, some Correspondents wished to prepare a full Sustainable Development Strategy for the region in the Euro-Mediterranean context and to use the draft Declaration as a framework for that exercise. However, it was agreed that such a Strategy is already being prepared in the context of the MCSD/MAP for completion by 2003. This exercise will involve all the countries of the Mediterranean region and will allow for the consultation with stakeholders. The Environmental Integration Process within the EMP, as described in the draft Declaration, is meant to be a contribution towards the overall Sustainable Development Strategy. Accelerated implementation of SMAP would also assist it.

During a very productive discussion, participants agreed on a number of concrete amendments to the Declaration text, including on the need to update it in line with the outcome of the Valencia Conference.

The *French representative* raised their proposal for an initiative for the Mediterranean, already presented in the context of the preparations for the WSSD. Correspondents appreciated the intention but found the proposal very general and not easily usable in the context of the draft Declaration.

At the end of the discussions, the Chairman set out a timetable for the completion of the preliminary work on the Declaration:

All in all, the meeting was very fruitful and reached the initial objectives. The July Environment Ministerial should be able to take stock of actions and experience to date, draw the necessary conclusions and make commitments to reinvigorate SMAP and to further promote sustainable development in the Euro-Mediterranean Partnership in practical terms.

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*For more information on the SMAP Programme, please, visit its web site at:
<http://europa.eu.int/comm/environment/smap/home.htm>*

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2nd Euro-Mediterranean Ministerial Conference on the Environment

Athens, July 8-10, 2002¹

REVISED DRAFT AGENDA

Monday July 8, 2002: 3rd Preparatory Meeting

Morning (9.30-12.30)

-Draft Declaration (presentation by DG Environment)

-Discussion

Afternoon (14.00-18.30)

-Discussion

-Finalisation of the Declaration

Tuesday July 9, 2002: Environment and Sustainable Development Forum

Morning (10.00-13.00)

-Official opening

-Round Table 1: “*Seeking synergies in environmental co-operation*”

Key participants: senior officials, environmental Programmes, private sector (tourism, energy, transport) and environmental NGOs

Afternoon (15.00-18.00)

-Round Table 2: “*Seeking the greening of policies*”

Key participants: Ministers of Environment, key-speakers from Mediterranean countries (invited Ministers of Regional Development, Planning, etc), senior officials and stakeholders

Both Round Tables will focus their discussions on 2 crosscutting issues: Coastal Zone Management and Desertification. Each Round Table will be co-chaired by one person from an EU country and one from a Mediterranean non-EU country.

Evening (20.00-22.30)

Official Reception for Ministers and participants

¹ A meeting of environmental NGOs will take place on 7 July to prepare common positions on the issues to be dealt with by the Ministerial Conference.

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Wednesday July 10, 2002: Ministerial Conference

Morning (10.00-13.00) and Afternoon (15.00-17.00 or 18.00)

Opening (GR Minister, EU Presidency, Commissioner, UNEP Executive Director)

SMAP Review: Conclusions and Recommendations of Regional Report

Discussion on:

- Environmental Integration, including the SIA/EMFTA
- Synergies
- Climate Change effects
- Mediterranean contribution to the WSSD

Adoption of the Ministerial Declaration

Closing

A Press Conference by the GR and DK Ministers and the Commissioner is foreseen in the course of the day. It will be also open to the participants interested to attend.

IV^e FORUM PARLEMENTAIRE EURO-MEDITERRANEEN

Bari (Italie), 17 et 18 juin 2002

DECLARATION FINALE

- A. La quatrième réunion du Forum parlementaire euro-méditerranéen a eu lieu à Bari (Italie), les 17 et 18 juin 2002, avec la participation de membres représentant les parlements des pays méditerranéens associés au processus de Barcelone, les parlements nationaux des Etats membres de l'Union européenne (UE) et le Parlement européen.
- B. Les participants au Forum formulent leurs regrets et leur inquiétude concernant l'absence de la délégation palestinienne. Le Forum euro-méditerranéen est un espace de dialogue et de respect mutuel. A cet égard, ils réaffirment le droit démocratique pour tous les membres du Forum d'être présents à ses réunions.
- C. Les participants ont examiné la relance du processus de Barcelone suite à la Conférence ministérielle de Valence des 22 et 23 avril 2002, ainsi que la question des migrations et des échanges humains et culturels dans la zone euro-méditerranéenne.
- D. L'actualité politique dans plusieurs pays européens, nord-africains et du Proche-Orient démontre, encore plus que par le passé, le besoin urgent d'un renforcement et d'une plus grande institutionnalisation du processus de Barcelone, ainsi que d'une volonté politique ferme et sans ambiguïté pour faire face aux graves enjeux auxquels est confronté l'espace méditerranéen.
- E. Dans ce contexte, les participants au Forum recommandent la tenue régulière d'un Sommet au niveau des chefs d'Etat ou de gouvernement, pour donner l'élan politique au plus haut niveau au processus du partenariat euro-méditerranéen.

Le Forum:

1. Réaffirme le caractère singulier de la Méditerranée, vaste aire géographique et culturelle dans laquelle la paix, la prospérité et le progrès social ne pourront s'affirmer que grâce à une prise de conscience sincère des valeurs, des intérêts, des enjeux, des menaces et des défis communs ou propres à l'un ou à l'autre. Les flux migratoires méritent un examen en profondeur. Les conclusions des participants en la matière font l'objet d'une résolution séparée.
2. Estime que tous les pays associés au processus de Barcelone doivent œuvrer à la promotion de la démocratie et au respect des droits de la personne. Considère que tous les pays sont également concernés par le développement et la concrétisation de tous les aspects économiques, sociaux, culturels et politiques du partenariat tels que définis par le processus de Barcelone.

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3. Appuie le plan d'action adopté par la Conférence ministérielle de Valence et demande à la Commission européenne et au Conseil de l'UE de tout mettre en œuvre pour que les recommandations deviennent de véritables actions opérationnelles.
4. Constate que le Proche-Orient est de plus en plus le théâtre d'un conflit d'une extrême gravité. La communauté des nations doit s'engager de manière décisive pour que la violence aveugle cesse, la loi soit appliquée, les conventions internationales soient respectées et les actions humanitaires déjà engagées puissent se poursuivre sans entraves. Dans cet esprit, soutient la convocation d'une conférence internationale qui puisse rétablir la perspective politique dans le conflit, tout en tenant compte des différentes initiatives de paix.
5. Considère qu'il ne peut y avoir de solution militaire au conflit du Proche-Orient. La paix fondée sur l'existence de deux Etats sûrs, démocratiques, viables et aux frontières définies - Israël et Palestine - est la seule option. Il est pour cela urgent de continuer à travailler et d'intensifier les efforts internationaux pour la reprise rapide du dialogue et des négociations entre toutes les parties concernées, en ayant comme objectif la création des conditions pour un accord de paix définitif.
6. Déploie l'absence de progrès dans les négociations bilatérales en cours à Chypre. Réaffirme sa conviction quant à la nécessité de trouver au problème de Chypre une solution conforme aux résolutions des Nations Unies et rend hommage aux efforts accomplis par le Secrétaire général de l'ONU, afin de trouver une solution au problème chypriote.
7. Est d'avis que la relance du processus de Barcelone passe aussi par une coopération efficace, et non seulement rhétorique, dans le combat contre le terrorisme international, de pair avec l'établissement d'une véritable association politique et de sécurité euro-méditerranéenne. Cela, dans le respect des droits de l'homme, des libertés individuelles et des principes démocratiques, devenus éléments essentiels des accords d'association signés par l'UE avec les partenaires méditerranéens.
8. Condamne le terrorisme sous toutes ses formes et appuie la convocation par l'ONU d'une conférence internationale sur le sujet, en souhaitant que tous les partenaires euro-méditerranéens adoptent une approche commune lors de la rédaction d'une Convention générale sur le terrorisme. De même, il est essentiel que les associés au processus de Barcelone signent, ratifient et appliquent tous les traités internationaux concernant la lutte contre ce fléau et la criminalité organisée. L'établissement d'un réseau euro-méditerranéen de contacts pour l'échange d'informations et la coopération dans la lutte contre le terrorisme, ainsi que l'élaboration d'un code de conduite commun, s'avèrent indispensables.
9. En ce qui concerne l'établissement d'une zone de libre-échange euro-méditerranéenne, exprime sa satisfaction après la signature des accords d'association qui lient l'Egypte, l'Algérie et le Liban à l'UE et espère que les négociations avec la Syrie ne connaîtront pas de nouveaux retards. Estime nécessaire la réalisation d'études d'évaluation permettant de mesurer les impacts économiques, sociaux, culturels et environnementaux des mesures économiques prévues pour la zone de libre-échange. Accueille très favorablement la Déclaration d'Agadir visant à la création d'une zone de libre-échange entre l'Egypte, la

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Jordanie, le Maroc et la Tunisie, tout en souhaitant que les initiatives d'intégration entre partenaires du Sud se multiplient dans un avenir proche.

10. Estime que le développement de formules d'intégration régionale reste un des éléments clés du processus de renforcement des liens dans l'espace méditerranéen. En ce sens, se félicite de la réunion du 19 janvier 2002 des ministres des Affaires étrangères de l'Union du Maghreb Arabe et de la décision des chefs d'Etat de l'UMA de se réunir prochainement à Alger. Se réjouit également de la reprise des activités du Conseil Consultatif de l'UMA.
11. Considère que les propositions du Conseil européen de Barcelone des 15 et 16 mars 2002 et la décision du Conseil Ecofin ne sont pas en contradiction avec la perspective de créer ultérieurement une banque euro-méditerranéenne de développement. Considère, dans cette optique, la décision de créer un mécanisme d'investissement euro-méditerranéen renforcé au sein de la BEI, ainsi que la création, dans la région, de deux bureaux de la BEI, comme un premier pas positif capable de favoriser dans l'immédiat un flux d'investissements. Estime qu'il doit émettre un avis sur cette question et demande à la Commission européenne de présenter rapidement une nouvelle communication spécifique examinant les besoins financiers, les flux de financement existants et la structure financière institutionnelle la plus appropriée.
12. Souhaite la pleine utilisation des possibilités offertes par MEDA II et exige des améliorations de la part de la Commission européenne et des destinataires des fonds dans la gestion et l'exécution de cet important instrument de coopération. Un assouplissement des contraintes bureaucratiques, ainsi qu'une adaptation de MEDA Démocratie, s'imposent.
13. Dans le cadre de la politique de développement durable, estime qu'il est nécessaire de promouvoir les initiatives scientifiques et entrepreneuriales pour la revalorisation des ressources historiques et naturelles. La mise en valeur de ces dernières et leur exploitation en tant que sources de richesse pourra se faire en adoptant des modèles compatibles avec l'environnement et le respect de la diversité culturelle.
14. Au chapitre des relations entre les peuples, prend acte avec satisfaction de l'approbation par la Conférence ministérielle de Valence du principe de la création de la Fondation euro-méditerranéenne pour la promotion du dialogue entre les cultures et les civilisations et réclame sa constitution dans les meilleurs délais.
15. Afin de renforcer la visibilité du processus de Barcelone à travers des échanges culturels et sociaux, considère que la Fondation devra disposer de ressources budgétaires suffisantes, conformément aux propositions de la Commission européenne. Les acteurs de la Fondation devraient être les institutions gouvernementales et parlementaires du partenariat, ainsi que des organismes publics et privés.
16. Appuie le développement de la dimension représentative du partenariat euro-méditerranéen et s'engage à promouvoir dès que possible la création de l'Assemblée parlementaire euro-méditerranéenne, suivant les conclusions de la Conférence de Valence et dans la conviction que l'expérience acquise lors des sessions régulières du Forum parlementaire euro-méditerranéen pourra y trouver son plein épanouissement. Cette Assemblée mettra également en exergue la contribution du Parlement européen, celle des

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parlements nationaux des Etats membres, ainsi que celle des pays partenaires méditerranéens. A cette fin, le Forum établit un groupe de travail chargé de la préparation de cette nouvelle structure.

17. Remercie le parlement italien d'avoir bien voulu accueillir, pour la première fois, le Forum dans une ville des bords de la Méditerranée et accepte l'invitation du parlement hellénique à accueillir le Ve Forum en Grèce, au cours du premier semestre 2003.
18. Charge ses coprésidents de transmettre la présente Déclaration, ainsi que la résolution sur les migrations, aux présidents des parlements des Etats participant au processus de Barcelone, à la Commission européenne, au Conseil de l'UE, aux gouvernements des pays du processus de Barcelone et, pour information, aux parlements et gouvernements des pays des Balkans.

Euro-Mediterranean Partnership

6th Meeting of Experts on Economic Transition

(Brussels, 18-19 June 2002)

Chairman's Summary and Conclusions

The group of government experts on economic transition is an established feature of the Euro-Mediterranean Partnership. Its importance is further underlined by the fact that we are now on the verge of having Association Agreements between the EU and all Mediterranean partners in the Barcelona Process. The Euro-Mediterranean Free Trade Zone is becoming a reality. Transition policies will now take a central role in the policy agenda of the Mediterranean partners. This makes the sharing of views and experiences all the more important.

These expert meetings have proven to be of value in providing inputs to successive Ministerial Conferences; there is the ambition to do better still and to demonstrate the usefulness of these meetings in terms of providing inputs into the design of concrete economic strategies related to the implementation of the Association Agreements and Free Trade Zone in partner economies. This is an informal event, enabling participants to freely voice their opinion on key policy issues, in order to foster a better understanding of these issues and help decision makers.

This year, there were two main subjects on the agenda: the possible economic consequences of September 11 and growth and employment policy issues in the Mediterranean partner economies. The latter then included a look at EU and candidate member states' employment policies and approaches. At the end of the meeting, a web site with documents and useful links for the Euro-Mediterranean Economic Transition Network was launched (www.europa.eu.int/comm/external_relations/euromed/etn/).

1. The possible economic impact of the September 11 events

At the outbreak of the September 11 crisis, most of the world economy was already in recession and the Mediterranean partner economies were facing a structural growth deficit. The events compounded this un-supportive economic environment. The September 11 crisis was transmitted through various channels: tourism receipts, workers remittances and the transport sector. Financial markets were characterised by an initially strongly negative reaction and an equally strong rebound shortly thereafter. Emerging market bond spread indicators showed a rapid return to normalcy, apart from a slight impact of the Argentina crisis.

Impact differs however from partner to partner. Turkey seemed to be heavily affected because the September 11 shock came only a few months after a major financial crisis. Egypt was mostly affected through a strong reduction in tourism. Tunisia was already affected by a prolonged drought. Lebanon, Israel and the Palestinian Territories were less affected by the September 11 events, though the latter two suffer much more from the negative impact of the recent wave of violence. For the Maghreb countries, Jordan and Syria, the direct effects of September 11 seem to be pretty much absorbed. The negative impact on tourism has been

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rapidly reversed and some partners even experienced stronger growth as a result of switching consumer preferences.

Most Mediterranean partner economies responded in an encouraging way, tightening fiscal policy (reduced recurrent and delayed capital expenditures), sometimes opting for a nominal correction (exchange rates) and combined with some external financial support. It shows however that the partner economies are still quite vulnerable to shocks and need to strengthen their capacities to respond, including through more flexible and diversified economic structures.

In order to re-establish economic confidence in the region, a number of approaches can be recommended:

First, “second generation” reform policies need to be pursued vigorously: institutions for economic governance and effective competition in domestic markets, functioning of financial markets and access to international financial flows, strengthening the attractiveness for private sector investments, including in the housing sector.

Second, the Euro-Mediterranean Association Agreements can serve as a platform to re-launch confidence in the region. Their implementation could be accelerated and deepened (notably through application of the pan-Euro-Med cumulation of rules of origin, and increased regional integration) and even more emphasis on the economic transition agenda. The establishment of a monitoring system for the implementation of the Agreements would send a strong signal that implementation is taken seriously.

2. Growth and Employment

2.1. Employment issues in the Mediterranean partner economies

The task of defining appropriate labour market policies in the Mediterranean partner economies during economic transition towards a Free Trade Zone is made more difficult because of unfavourable demographic trends. Labour force growth has outpaced economic growth over the last decade and is projected to accelerate substantially over the next 10 to 15 years and some 25 million additional jobs will have to be created over that period in order to absorb this increased labour force. Fast labour force growth constitutes both an opportunity and a challenge. It may potentially increase participation rates and thereby boost per capita and household incomes, with positive effects on overall welfare. The challenge is that this opportunity can only be realised if the increasing workforce is able to find productive employment in the economy. Job creation will thus be the key to meeting this challenge. To some extent, labour force growth can fuel employment and economic growth by itself through supply- and demand-side effects, for example in the labour-intensive housing sector. Lifting the many institutional and legal constraints that currently impede private housing development would enable private investment, employment and economic growth to take a ride on the demographic wave, and thereby contribute to the achievement of both social and economic policy objectives.

However, given the high level of structural unemployment, these self-fuelling effects are unlikely to be sufficiently strong to keep unemployment down and more active economic growth- and employment-promoting policies, including labour market reforms, may be required.

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While the economic growth performance picture varies considerably by country, some general conclusions were drawn regarding the causes of slow growth at regional level. Human capital accumulation (in terms of educational attainment) has been remarkably strong. Physical capital accumulation (investment) was strong throughout the 1960s and 1970s but slowed down in the 1980s and 1990s. Since accumulation was largely driven by the public sector, fiscal constraints are a major cause for that slowdown. Total Factor Productivity growth was negative throughout the 1970s and 1980s and zero in the 1990s. Factor productivity growth is triggered mostly by structural reform measures: trade openness and enhanced competition in markets, lower transaction costs, enhancing the quality of property rights institutions, improving governance in public and private sector, etc.

One lesson that could be drawn from this economic growth performance evaluation is that the region needs more investment, to re-fuel physical capital accumulation that slowed down so much in the 1990s. However, the enabling environment for private investment remains rather weak. Another lesson therefore is that the region needs to become more attractive for (domestic and foreign) private sector investment, which brings the discussion back to measures that enhance total factor productivity growth.

Though unemployment rates in the region are high, hovering close to 20% of the labour force, this should not put partner governments in a policy dilemma and slow down reforms. Public sector employment is already at high levels and fiscal constraints leave no room for more recruitment. More adaptable labour markets and more active employment policies are needed to reinforce the role of the private sector in generating employment. As examples from partner economies showed, improved employment performance requires a comprehensive approach. In addition to devoting direct attention to improving the functioning of the labour market, it is useful to mainstream employment and labour market concerns to cover all aspects of economic and social policy.

Three conclusions have been drawn from this debate:

First, the Mediterranean partner economies share a number of typical characteristics: high labour force growth, an already high educational attainment, low labour force participation rates and high unemployment, and the public sector as a large provider of employment.

Second, several diagnoses of economic growth performance, presented at the meeting, highlighted the importance of variables such as investments, employment and total factor productivity. The latter is a measure of the efficiency of production factors in an economy. All these variables interact with each other; growth policies should not focus exclusively on one of them.

Third, and as a consequence of the second, we need to take a comprehensive approach to design policies that respond to all aspects of the employment and growth challenge in the region. Policies need to address a combination of continued macro-economic stabilisation, individual sectoral issues, enhance private sector financed investment (domestic and foreign investment, housing) and looking at the legal and regulatory environment. Within the domain of employment itself, various issues need to be addressed, including size, composition and efficiency of public sector employment, gender issues, wages and regulatory issues.

2.2. EU employment policies and Joint Assessments

To illustrate the use of labour market policies for employment promotion during economic transition periods, examples from inside the EU as well as from the EU's candidate member states in Central and Eastern Europe were discussed, including labour market reform policies in EU member states in the framework of the Lisbon Agenda for structural reform.

EU employment policy has changed, from reducing unemployment to creating employment opportunities. It focuses attention on improving employability, developing entrepreneurship and job creation, encouraging adaptability, and strengthening equal opportunities. Particular attention is paid to prevention of early retirement, increased participation and stimulation of life long learning. A right balance is sought between increased flexibility and increased security of employment, notably through investments in human capital and the quality of labour, which involves a shift from passive benefits towards an active and preventive approach. EU policies set specific performance indicators, for instance in terms of labour force participation rate targets, both for men and women, employability of job seekers, adaptability and the creation of an entrepreneurial culture, and policies aimed at particularly vulnerable groups. Some EU countries were able to trigger a substantial acceleration in employment growth as a result of reforms in the 1980s and 1990s. The cases of Spain and the Netherlands were discussed at the meeting.

There was also extensive debate about labour market policies in the transition economies of Central and Eastern Europe and how these countries managed to cope with the employment challenges induced by economic transition. While the experience of the transition economies in Central and Eastern Europe is not strictly comparable to that of the Mediterranean partners, a rapid rise in unemployment and the initial dominance of the public sector are two common characteristics. Strong labour market pressure during the initial years after the collapse of the centrally planned economies put labour market policies under considerable strain and created policy dilemmas as well. The requirements related to accession to the EU led to further employment policy changes and the so-called "Joint Assessments of Employment Priorities", between the European Commission and the candidate countries, as a policy tool in the framework of closer economic co-operation and integration. These Joint Assessments have contributed to the identification of employment policies that were better geared to the requirements of accession to the EU and the economic reforms that this entails. They have become reference documents for employment policies in these countries, and have contributed to the mainstreaming of employment concerns into a wide range of policy decisions. In fact, the Joint Assessments are part of a three-step exercise: an analysis and understanding of what is happening in terms of employment, a joint assessment of policy priorities, and an annual progress report on implementation of these priorities.

Participants reflected on the possibility of developing a similar type of Joint Assessment on Employment Policies between the Commission and the Mediterranean partners. In addition to the current high level of unemployment, establishing a free-trade zone with the EU entails a period of economic transition, which may entail dislocation and friction in labour markets, especially in the later stages of tariff dismantling when import-substitution industries will be affected. Policies should be put in place to facilitate transition and enhance adaptability in labour markets (labour legislation and regulation, vocational training, wage bargaining, taxation issues). Female labour force participation should be encouraged.

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Employment issues and policies will no doubt play a major role in the successful implementation of the Association Agreements and the Free Trade Zone. Successful implementation requires that an equitable balance be found between the economic and social aspects of the Agreements. Employment policies constitute one of the major links between these two. In this respect, the EU's own experience as well as the experience of the EU's candidate member states may be of use to the Mediterranean partners. In particular, the "Joint Assessments" on employment policy issues could help to focus policy makers' minds on employment policy concerns that typically come up in economic transition. It would be useful to reflect on migration issues within the framework of Joint Assessments with the Mediterranean partners. Migration should not be seen as a substitute for domestic labour market reforms in the Mediterranean partner economies however.

3. Overall conclusions

Subjects retained for follow-up and further investigations:

Housing: At several points in the meeting, the housing sector, being one of the most labour intensive sectors with considerable potential for job creation, was mentioned. Housing development offers very significant prospects for growth in view of prevailing demographic forces and high unsatisfied demand in some countries: a young population, with fast growing working age population, will fuel demand for housing. Housing development can be made self-financing, provided the necessary institutional reforms have been put in place: real estate property should be titled, enforceable and transferable; an operational and efficient mortgage market must be put in place, which can then form the basis of a long-term credit market. It is recommended that the situation with regard to housing market institutions and policies in the region be further investigated, in view of possible more concrete action in the framework of Euro-Mediterranean co-operation to facilitate the move towards self-financing housing development.

Joint Assessments on Employment Policies: Economic transition in the Mediterranean partner economies in the wake of the implementation of the Free Trade Zone may produce transitory dislocation and tensions in labour markets. The EU's own experience, as well as that of the EU's candidate member states, demonstrates the value of in-depth analysis of employment and labour market issues and the design of active policies to facilitate transition, to ensure that the implementation of the Association Agreements contributes to improvements in the social welfare in the region. In this context, the Commission will explore the possibility to launch a few pilot Joint Assessments on Employment and Labour Market issues and policies with the Mediterranean partners. Migration will take an obvious place in these assessments, through it should not be considered as a substitute for the reform of labour markets in the Mediterranean partner economies.

Acceleration of economic growth: the causes and consequences of an economic growth deficit in the region were explored during the meeting. Participants emphasised the need to create an environment conducive to private investment in the Mediterranean partner economies, as this should be one of the most important sources of financing for economic growth. In order to make the region a more attractive destination for domestic as well as foreign investments, productivity and the rate of return on investments should increase through a sustained effort at structural reforms. Markets should become more efficient and open to competition, transaction costs should be lowered, and the governance of private property rights should be

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further improved. In line with the conclusions from the Reinforced Economic Dialogue meeting in October 2001, it is recommended that the Commission study, in collaboration with the Partners, institutional reforms and prepare a report for next year's Meeting of Experts on Economic Transition.

EU financing for investments in the Mediterranean Partner economies: Several speakers at the meeting expressed their satisfaction with the establishment of a Euro-Mediterranean Investment Facility at the EIB as a step forward and possibly a step towards the establishment of a dedicated Euro-Mediterranean investment bank.