

Communication from the Commission to the Council and the European Parliament to prepare the Meeting of Euro-Mediterranean Foreign Ministers*

Valencia, 22-23 April, 2002

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1. INTRODUCTION

Some 15 months ago the Commission launched a drive to reinvigorate the Barcelona Process¹, recognising the potential still locked up in the Euro-Mediterranean area, and the need to generate new momentum. Since then, the terrible events of 11 September 2001 have imparted new urgency and even greater importance to those efforts.

* Versão on line.

http://www.europa.eu.int/comm/external_relations/euromed/sec02_159_en.pdf

1 Commission Communication on Reinvigorating the Barcelona Process (COM (2000) 497). The Barcelona Process is composed of the EU 15 Member States and the 12 Mediterranean partners: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Palestinian Authority, Syria, Tunisia and Turkey.

In the second half of the 20th Century the world was divided by an Iron Curtain separating East from West, and Europe from itself. In the first half of the 21st Century it must be a cardinal European objective that the Mediterranean region does not come to represent a new fault-line. Rather, the region must be a source of dynamism, creativity and exchange, which has been the harvest of cultural diversity through the ages.

The countries of the Mediterranean region are bound together by geography, but we are near neighbours in many other ways, too. We face innumerable common challenges from growing migratory pressures to trans-national crime networks. We need to work closely together to help achieve lasting peace in the Middle East. The countries on the southern shore need to engage more intensively and more openly in the regional economy as well as the global one if they are to combine economic development with sustainable economic and social transition. The European Union, for its part, must be true to the spirit of the Doha Development Agenda: further liberalising market access, even in sensitive areas, and seeking to ensure that all countries in the region enjoy the benefits of multilateral liberalisation.

The Barcelona Process has become a major strategic political and economic asset for all its 27 partners. Particularly since its reinvigoration in Marseilles, in 2000, it has been accompanied by strong political drive which has led to the achievement of ambitious and concrete progress.

Political dialogue has acquired a new dynamism on issues such as governance, human rights and democracy, despite the region's difficult political context. Europe and the Mediterranean are now closer to the objective of establishing a Euro-Mediterranean free trade area in 2010 and the Agadir initiative has brought a new impetus to the furthering of south-south trade integration. The process of negotiating and concluding Association Agreements is almost completed. Finally, MEDA, the main financial support instrument, has become more efficient and responsive to the needs of the Mediterranean partners.

Much has already been accomplished. It is now the moment to deepen and strengthen Marseilles' decisions and also to put forward new initiatives aimed at increasing Euro-Mediterranean wealth and prosperity.

The purpose of this Communication is to take stock of progress and to put forward ideas for the Euro-Mediterranean Ministerial meeting in Valencia in April 2002. That meeting will be a significant opportunity for all partners to rededicate themselves to the Barcelona Process and to take economic, social and cultural decisions that can achieve new levels of Euro-Mediterranean integration. (...)

(...) 3. THE STEPS AHEAD: FURTHERING THE PARTNERSHIP

3.1 Political and Security Partnership

The ongoing political dialogue demonstrates the maturity of the Euro-Mediterranean relationship. In order to intensify this process, concrete follow up should be given to Tunisia's request, welcomed at the Brussels Foreign Ministers meeting for more frequent high level meetings to discuss major political questions.

Recommendation 1

In order to further strengthen the dialogue, consideration should be given to holding meetings at the level of Political Directors between the annual Foreign Ministers' meetings. While the time is not ripe to resume negotiations on the Charter for Peace and Stability, dialogue among Senior Officials should be pursued, while retaining the objective of reaching agreement on the Charter over time.

In current circumstances, a key element of the dialogue should be the **fight against terrorism**. While recognising the differences of view which have emerged within the partnership on the definition of terrorism, the Commission considers that these should not impede the partners from identifying areas where they can co-operate. The next ad hoc Euro-Mediterranean meeting of officials on this subject should agree on **operational measures** with a view to having them endorsed at Valencia.

Recommendation 2

At Valencia Ministers should agree on a series of measures on the fight against terrorism including promoting the signature, ratification and swift implementation of relevant international instruments, notably the UNSCR 1373; working towards a joint approach on the drafting of the UN Comprehensive International Convention against terrorism and increased co-operation to prevent the financing of terrorism.

The situation in the region with regard to respect for **human rights and democracy** continues to give cause for concern. With the exception of Cyprus and Malta, none of the Mediterranean partners has an entirely satisfactory record in this respect. While the situation varies from one partner to another, in some of them matters have actually

deteriorated since the Ministerial meeting in Marseilles. The EU has expressed its concern to individual partners on matters such as arrests and imprisonments without due process, unsatisfactory treatment of prisoners, failure to control violence by extremist groups, extra-judicial killings by the authorities, application of the death penalty, restrictions on freedom of expression and association as well as issues relating to the rule of law and gender.

The Commission made a number of recommendations on this subject to the Marseilles Ministerial meeting which have not been adequately followed up. While recognising the sensitivity of such questions, the Commission considers that the integrity of the partnership requires that these issues be addressed at the Valencia meeting.

Recommendation 3

Ministers should agree that questions related to human rights and democracy be raised systematically in all contacts between the EU and the partners with a view to promoting a structured approach to progress; MEDA allocations should be linked more closely to progress in these fields; joint working groups of officials should be set up between the EU and each of the partners on the subject; and partners should encourage the signature, ratification and implementation of the relevant international instruments and should recognise the role of civil society in strengthening democracy and human rights.

3.2 Freedom, justice and governance

The political and security dialogue between partners relates not only to external policy but increasingly requires close co-operation on the cross border dimension of issues such as the fight against organised crime, illegal migration and trafficking in human beings, the management of legal migration, the treatment of migrant communities and the need for close administrative and judicial co-operation in order to tackle these common challenges. The events of 11 September have dramatically highlighted vulnerability to acts of terrorism and the need for close international co-operation to combat it. All of these areas directly affect our populations and involve many areas of government, including the most sensitive areas of national security and internal affairs. Working together in these areas is not only a sign of a new maturity and closeness in the Euro-Mediterranean relationship, but will also require new approaches between administrations. The EU is seeking to develop two way channels of communication which will enable it to take account of the needs and aspirations of its partners as well as its own developing policies in areas such as the

treatment of legal migrants and of immigrant communities inside the EU and enforcing strict controls on illegal migration, including from outside the region.

In particular, migration and human exchanges are of vital importance to the Partnership. A large proportion of migrants legally resident in the European Union is from the Mediterranean partner countries. The harmonious development of the Partnership will be facilitated by measures aimed at promoting their social integration and combating racism and xenophobia. However, the geographical proximity and the gap in prosperity between the European Union and its partners have led to illegal migration flows and trafficking in human beings, with very adverse consequences in social and human terms. Therefore, the migration issue needs to be addressed in a comprehensive way in which partners have an open eye for the causes of migration and the need to respond in a global manner that will include an active policy in the area of socio-economic co-operation, legal migration and illegal migration, including the increasing phenomenon of transit migration from third countries further afield.

The Commission will provide technical assistance to the Mediterranean partners to improve information and statistics as part of ongoing co-operation on legal migration and to combat illegal immigration. It will study various possible solutions, including the possibility of establishing a mechanism for regular monitoring of migration flows.

Following the discussions during 2001 and 2002, the partners should agree at Valencia on a general framework of co-operation on the above mentioned issues. If agreement is reached, the Commission is ready to launch a regional programme in 2002 designed to promote freedom, justice and governance to help partners work together on these issues. This programme should facilitate dialogue and identify activities which partners may decide to implement at national or sub-regional level. The EU is willing to provide financial assistance through the MEDA programme for technical assistance and training to help partners deal with all of these challenging issues and, by so, doing to develop long term working administrative relations between experts and governments to ensure that the whole region is a stable area of justice and freedom. (...)

(...) a) Dialogue between Cultures and Civilisations

At the Foreign Ministers' meeting in Brussels it was agreed "to work on deepening the dialogue between cultures and civilisations, focussing on youth, education and the media". The Commission welcomes the work being done by the Spanish presidency - in close co-operation with Sweden - to compile an inventory of existing and new EU, national and

other activities in this domain. In the aftermath of 11 September there is a need to promote an active dialogue between civilisations and cultures in the Euro-Mediterranean partnership. By definition such activities should involve all partners and reach out to as wide a cross section of society as possible.

There is a need for a new approach to promoting cultural dialogue and exchange in the Mediterranean. Experience has shown that centrally managed programmes have not always been able to respond with sufficient flexibility and efficiency to facilitate dynamic, timely exchange. Budgetary constraints mean that ways need to be found to get the most impact out of limited financial resources. A successful model to inspire a new approach is the Asia-Europe Foundation. Drawing on the experience gained in setting up this Foundation, the Commission proposes to create a new **Euro-Mediterranean Foundation** to promote a dialogue of cultures and civilisations. The foundation would be funded by a contribution of € 1m each from the Member States and the Commission and a voluntary contribution from each Mediterranean partner. The Foundation would aim to promote better mutual understanding in the region through intellectual, cultural and people-to-people exchanges. It would work in partnership with other institutions with a similar vocation and private sector entities.

The Commission will also continue and enhance the activities of the existing - and successful - programmes on cultural dialogue - Euromed Heritage and Euromed Audio-visual - by launching new calls for proposals in due time, as foreseen in the 2002-4 Regional Indicative Programme. The Commission is also identifying ways to utilise the current Culture 2000 and Media Plus programmes as well as other specific activities to foster intercultural dialogue.

Within this wide strategy, the Commission will also evaluate the possibility of launching further new initiatives aiming to promote mutual knowledge and understanding. (...)

(...) Recommendation 5

Ministers should agree in Valencia to create a Euro-Mediterranean Foundation to promote a dialogue between cultures and civilisations in the Euro-Mediterranean region. The Foundation would be funded by contributions from Member States, the Commission and Mediterranean partners. Ministers should also agree to the early adoption of proposals for participation in the Tempus programme. Preparations for participation should be undertaken during 2002 to ensure the success of the first call for proposals to be launched by the end of 2002.

c) The Social dimension

Following the Foreign Ministers' discussions in Brussels which emphasised the importance of the social dimension of the Partnership, the Commission proposes two further new initiatives:

- **Vocational training:** the demographic structure in most Mediterranean partners poses a major challenge in terms of job creation and labour market management in the next decade. This demographic pressure highlights the need for reforms in the field of education, training and labour market systems and most partners are currently carrying out a review of their national policies in these areas. With the help of the European Training Foundation, the Commission is developing both regional and national support programmes which aim to assist policy makers to formulate and implement employment responsive and socially balanced reform policies and instruments. These interventions focus on the quality and relevance of vocational education and training delivery in line with labour market needs; innovative financing mechanisms for training; occupational certification and training standards; and the definition of relations between training, employment and labour market measures. It may be useful to make a link with the EU's own experiences of promoting employability, particularly in the context of European Employment Strategy and the European Social Fund.
- **Enhancement of women's opportunities in economic life.** As recognised in the Barcelona Declaration, women play a key role in economic and social life and in the creation of employment and should be helped and encouraged to increase their participation. Building on the results of a regional forum on "The role of women in economic development" (Brussels, July 2001) the Commission intends to launch a regional programme aimed to promote opportunities for women by fostering capacity building and awareness (including the development of instruments for monitoring the active participation of women in economic life), providing frameworks for exchanging best practices, and development of action plans at the national level. The EU's efforts to promote equal treatment between women and men and to mainstream gender equality may serve as an example in this context.

The main two areas of action will be:

- access and participation of women in the labour market, in particular supporting reforms of the legislative framework and development of policies for an active training and labour market.

- promotion of role of women in business, in particular by developing networks for business and professional women and facilitating access of women to financial instruments.

3.4 Economic and financial partnership

The conclusion of eleven of the twelve Association Agreements opens a new chapter in Euro-Mediterranean relations. Almost all partners are now embarked on a process of tariff dismantling and the progressive establishment of a free trade area with the EU. There are also important initiatives such as the Agadir process, aimed at building South/South free trade, which will enhance the importance of the Euro-Mediterranean free trade area. The conclusion, or the prospect of conclusion, of Association Agreements with the European Union has been a main catalyst for economic changes in the region. The opening up of external trade, in particular with the EU as their largest trading partner, has been a factor that has promoted transition and increased awareness of the need for policy and structural reforms in the region.

Most partners have initiated important and ambitious reforms during the last decade although the results have so far been mixed. The pace of economic modernisation should continue and will even need to accelerate in order to produce the expected results in terms of economic growth and increased industrial competitiveness. In order to increase the competitiveness of these countries, it is important that they strengthen their research and development capacities. The challenges facing the Mediterranean in the coming years are considerable. Employment will be a major issue since, according to a recent report², the region will need to create more than 45 million jobs in the next decade just to keep employment rates at present levels. Foreign and domestic investment will have to increase significantly to meet the requirements of growth and economic upgrading, and the institutional and regulatory environment will need further adaptations to create the right conditions for sustainable development of the Mediterranean economies. These long-term challenges will have to be faced at a time when the short-term global and EU economic outlooks are uncertain. All countries in the region fear a negative impact from the events of 11 September, particularly as concerns investment and tourism.

All of these factors reinforce the need to redouble efforts to tap the economic potential of the Euro-Mediterranean Partnership. There are a number of areas where decisions are needed:

² FEMISE Report of September 2001, page 12.

- i. Further development of South-South trade integration;
- ii. Preparing for free trade in Services;
- iii. Improving market access in agriculture;
- iv. Infrastructure development and interconnection;
- v. Policy and regulatory harmonisation/from Free Trade to Internal Market;
- vi. Ensuring Sustainable development with a high level of environment protection
- vii. Financial instruments

i) Developing South-South trade and enhancing economic integration

Free trade between the countries of the region is a desirable complement to the North/South free trade agreed in each of the Association Agreements. It would help the region to attract investment, avoid market fragmentation and facilitate economic specialisation and diversification. The EU actively supports moves towards free trade and economic opening among Mediterranean partners. In this context the Commission stands ready to respond to developments in the region, and will consider differentiating its approach where appropriate, in order to take account of each partner's capacity to move ahead in the partnership. In particular the Commission welcomes the initiative taken in Agadir in May 2001 to agree on free trade between them and to extend the process to other signatories of Association Agreements with the EU. The Commission has offered to provide technical assistance, based on its own internal experience, in areas such as harmonisation of rules of origin, customs procedures, and ensuring the mutual supportiveness of the Agadir process and environmental protection. (...)

(...) Recommendation 13

The Commission will make a recommendation on the creation of a new financial facility or of a new European/ international bank in a Communication which it will present shortly.

4. CIVIL SOCIETY AND THE PARTNERSHIP

Since 1995, six Euromed Civil Forums have taken place (Barcelona 1995, Malta and Naples 1997; Stuttgart 1999; Marseilles 2000 and Brussels 2001). Through the Forums the

actors of the Euro-Mediterranean civil society have tried to structure their dialogue not only with the Commission, but with all other actors of the Partnership as well. The European Commission has supported these Forums since their inception. Euromed civil society has been closely involved in the preparation and implementation of the regional programmes. Sectoral fora in environment, energy, transport, industrial co-operation, etc. are open to civil society, as are programmes which benefit them directly, such as those on information society, cultural heritage, audiovisual co-operation, youth and environment.

The MEDA programme has also financed several networks of economic actors (e.g. chambers of commerce, employers' associations, trade promotion institutes, trade fairs) which have helped to promote the structuring of civil society and raise awareness among Mediterranean partners. MEDA is currently financing two projects which involve Economic and Social consultative bodies in the Euro-Mediterranean region. The support for the creation of other networks of the civil society (e.g. local entities; research institutes on social and cultural aspects of the Partnership) might also be explored in the near future, depending on the availability of funds.

While the general Civil Forum events probably serve a purpose in terms of awareness raising and visibility, it is perhaps through the involvement of specialised associations and NGOs with the sectoral Euro-Mediterranean forums that civil society can have the most effective operational influence on the development of the partnership. The Commission will, in liaison with representatives of civil society, keep closely under review the question of the most cost-effective way of supporting the involvement of civil society in the partnership in the future. Drawing on current examples of best practice, the Commission will also recommend ways of involving civil society at an early stage of policy dialogue so as to insure that its contribution is sufficiently taken into account in the Ministerial meetings of the partnership.

Recommendation 14

Ministers should agree to propose an analysis of the most cost-effective way of supporting and ensuring the further involvement of civil society at the earliest possible stage in the development of the Partnership.

5. INSTITUTIONAL ARRANGEMENTS

The Barcelona process has been characterised since its inception by a high frequency of meetings which have helped to foster contacts and understanding. One of the unique

features of the process, and its strength, has been its inclusive nature, bringing together all twenty seven partners to work together regionally. It will be important to maintain this inclusive character in the future. As more Association Agreements enter into force the breadth and depth of the EU bilateral relationship with each country will develop but the case for regional dialogue will remain. As the relationship develops the dialogue should broaden and include a range of sectoral policy issues in addition to foreign policy matters.

The question of “co-ownership” of the process is sometimes raised with suggestions being made for co-chairmanship of meetings, joint decision making etc. The current situation reflects the differentiated relationships between the partners. The EU has internal mechanisms for co-ordinating positions and speaking with one voice while the differences between Mediterranean partners have to date prevented them from having similar co-ordination mechanisms on their side. As long as this situation prevails it is difficult to see how co-chairmanship arrangements could work effectively. But recent practice has shown that some progress has been made through joint formulation of agendas for the meetings of High Officials and Euro-Med Committees. Similarly, the first session of the reinforced economic dialogue has shown a potential for co-ownership. Finally, the Agadir initiative is very much in line with the spirit of the Barcelona process and shows how partners can use the process to enhance co-operation between themselves.

Nonetheless, a number of practical steps could be taken to enhance the effectiveness of current working arrangements:

Recommendation 15

- *Member States should seek to find ways of accelerating ratification procedures for Association Agreements with the aim of completing ratification within a two year period.*
- *The role of the Euro-Mediterranean Committee as the steering Committee for the partnership should be enhanced. As the Partnership develops further in the association process, the Committee should focus its work more closely on acquis related business. In addition, to increase the sense of co-ownership, the agenda of the meetings should be drawn up jointly by the EU and the partners.*
- *The dialogue on economic policy should be strengthened at both bilateral and regional levels. At the regional level the process should move from general policy discussions to more focused thematic discussions which include the exchange of best practice and peer group review of policies. The theme of “Growth and Employment”,*

in the next seminar should be used to pilot a new approach to promote regional co-operation by bringing together experts to exchange information, share experience and know-how, and disseminate best practices on this topic.

6. CONCLUSIONS

The Ministerial meeting in Valencia takes place at a crucial time in Euro-Mediterranean relations. On the eve of decisions on the next enlargement of the Union, and following the turmoil caused by the events of 11 September 2001, the partners need to give a clear political signal of their mutual commitment to build a zone of stability and prosperity by deepening and strengthening the partnership begun at Barcelona in 1995.

The maintenance of the political relationship despite continuing tension in the region demonstrates the durability and the resilience of the Barcelona political framework. The process of establishing free trade between the EU and the Mediterranean partners is now irreversible, and a major initiative is in place to create free trade among the partners themselves. Most of the partners have embarked on the economic reform process necessary to make a success of this enterprise, and the EU and its partners have now established the close economic dialogue required to co-ordinate the policy decisions which will determine future developments.

All partners should emphasise their willingness to continue with this process. The Commission therefore proposes the following recommendations be integrated in an Action Plan to be agreed at the meeting of Euro-Mediterranean Foreign Ministers in Valencia in April 2002, based on the following elements:

Political and Security

- *Ministers should reaffirm their strong commitment to deepening their political relationship. The political dialogue should be strengthened, possibly through holding meetings at the level of Political Directors between the annual Foreign Ministers' meetings.*
- *Ministers should stress their determination to enhance their work together to improve respect for human rights and democracy, on the basis of internationally agreed commitments, and agree on a concrete set of actions to ensure progress in these fields.*

- *Ministers should send a clear signal of their solidarity in the fight against terrorism and agree a series of concrete measures.*

Freedom, Justice and Governance

- *Partners should finalise discussions and conclude a framework agreement providing for concrete co-operation measures on freedom, justice and governance focussing on judicial co-operation; the fight against drug trafficking, organised crime and terrorism; and dealing with matters related to migration, notably the fight against illegal immigration, the equal treatment of legally established migrants and the facilitation of travel for those on normal business.*

Social, Cultural and Human

- *Ministers should agree in Valencia to create a Euro-Mediterranean Foundation to promote a dialogue between cultures and civilisations in the Euro-Mediterranean region. The Foundation would be funded by contributions from Member States, the Commission and Mediterranean partners. Ministers should also agree to the early adoption of proposals for participation in the Tempus programme. Preparations for participation should be undertaken during 2002 to ensure the success of the first call for proposals to be launched by the end of 2002.*

Civil Society

- *Ministers should agree to propose an analysis of the most cost-effective way of supporting and ensuring the further involvement of civil society at the earliest possible stage in the development of the Partnership.*

Economic and Financial

- *Ministers should welcome the major progress made towards the establishment of the Euro-Mediterranean free trade area and recognise that its creation is now irreversible.*
- *They should express strong political support to the Agadir Declaration as a key initiative towards liberalising South-South trade and achieving closer economic integration; the EU should confirm its willingness to help the partners to conclude an agreement between them, if possible in the first half of 2002.*

- *Ministers should welcome the technical decisions taken in the field of trade (rules of origin) which will strengthen regional integration among the Mediterranean partners and open further prospects for co-operation among enterprises in the partners and those in the EU and the rest of Europe. They should also welcome steps towards liberalisation in the important sector of services.*
- *Ministers should call for further efforts to achieve reciprocal liberalisation of trade in agricultural products.*

The Commission will shortly present a Communication on the creation of a new financial facility or European/international bank. Ministers should consider the recommendations contained in that Communication at their meeting in Valencia.

- *Ministers should support the development of regional strategies to link key infrastructures in the areas of transport, energy and telecommunications and, as appropriate, to connect them to European networks and, in this context, to promote inter-regional co-operation in the development of new economic opportunities and employment.*
- *Ministers should stress the importance of national sustainable development strategies and should endorse the need to develop environmental integration strategies for the different sectoral priorities of the partnership.*

Institutional Arrangements

- *EU Member States should seek to find ways of accelerating ratification procedures for Association Agreements with the aim of completing ratification within a two year period.*
- *The role of the Euro-Mediterranean Committee as the steering Committee for the partnership should be enhanced. As the Partnership develops further in the association process, the Committee should focus its work more closely on acquis related business. In addition, to increase the sense of co-ownership, the agenda of the meetings should be drawn up jointly by the EU and the partners.*
- *The dialogue on economic policy should be strengthened at both bilateral and regional levels and move from general policy discussions to more focused thematic discussions which include the exchange of best practice and peer group review of policies. The theme of "Growth and Employment", chosen for 2002, should be used to pilot a new approach to drawing up an economic strategy in conjunction with other donors.*