The Barcelona process
The Europe-Mediterranean partnership
2001 review
The Barcelona process
2001 review
A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (http://europa.eu.int).

Cataloguing data can be found at the end of this publication.

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Introduction

Despite the difficult times we are going through, the Euro-Mediterranean partnership remains as resilient as ever — it has truly become the only regional framework for dialogue. It is a unique instrument to develop common strategies and policies together, an instrument that is gradually reaching its maturity but which still requires commitment and determination from all partners.

The last two years have seen a significant development in Euro-Mediterranean relations. Almost all the countries and territories have signed up (or initialled) their association agreements, with Egypt, Algeria and Lebanon having done so most recently. These agreements are not only important for relations across the Mediterranean but they are also stimulating a new type of dialogue among the partners themselves. Sub-regional free trade agreements, like the so-called ‘Agadir process’ between Egypt, Jordan, Morocco and Tunisia, have to be hailed and supported as genuine efforts to open up their economies to their neighbours and as a first step towards wider regional integration. At regional level, several new initiatives have been launched over the past couple of months (in the fields of heritage, the environment, water resources management, and the information society, among others) thus proving the partners can and do work together.

Over the last two years, all the partners have worked hard to reinvigorate the partnership; in this context, in September 2000, the European Commission proposed several mechanisms to develop the partnership further. Since then, the Commission has been working to bring our ideas to fruition, by undertaking a serious effort to improve both its internal structures and the delivery of financial assistance. A new legal framework for the MEDA programme entered into force in late 2000. We have, in close cooperation with our partners, been able to refocus our assistance and to improve its delivery, and have doubled the disbursements on the ground.

For all the above, I cannot but be optimistic for the future of the Barcelona process.

This publication covers the period November 2000 to December 2001.
Official meetings and visits — November 2000 to December 2001

November 2000
■ Euro-Mediterranean Foreign Ministers meet in Marseilles.

December 2000
■ European External Relations Commissioner Chris Patten meets Syrian Minister for Planning, Dr Issam Zaïm.

January 2001
■ European Commission President Romano Prodi visits Algeria, Morocco and Tunisia.
■ Lebanese Economy and Trade Minister Basil Fuleihan visits Brussels.
■ A delegation from the European Parliament visits the West Bank and Gaza.

February 2001
■ Romano Prodi visits Jordan, Lebanon and Syria.
■ Romano Prodi attends meeting convened by the French Government in Paris to discuss the prospects for the Lebanese economy.
■ Algerian Trade Minister Medelci meets European Trade Commissioner Pascal Lamy in Brussels.

March 2001
■ The EU Troika (1) discuss the Middle East peace process in Washington, DC, with the Bush administration.
■ Chris Patten and Anna Lindh, Swedish Foreign Minister and President-in-Office of the Council visit Egypt, where they meet President Hosni Mubarak, Israel, where they meet Prime Minister Ariel Sharon and Foreign Minister Shimon Peres, and the West Bank and Gaza, where they meet Palestinian Authority President Yassir Arafat.
■ Commissioner Pascal Lamy visits Egypt for talks on trade relations and other issues of interest.

April 2001
■ The Board of Directors of the European Investment Bank holds its board meeting in Cairo, Egypt.
■ The EU Troika holds talks with the Algerian Government in Algiers.

May 2001
■ Trade ministers from the 12 Mediterranean partners and the 15 members of the EU gather in Brussels.
■ Palestinian Authority President Yassir Arafat meets President Prodi and Commissioner Chris Patten in Brussels.
■ Pascal Lamy holds meetings with Jordanian Trade and Industry Minister Wasef Azar and Tunisian Trade Minister Tahar Sioud in Brussels.
■ Israeli Trade Minister Dalia Itzik meets Chris Patten, Pascal Lamy and European Research Commissioner Philippe Busquin in Brussels.

June 2001
■ Chris Patten visits Morocco and Tunisia. His visit to Morocco is followed by one by Pascal Lamy at the end of the month.
■ Egyptian Foreign Minister Maher visits Luxembourg for the signature of the EU–Egypt Association Agreement.

July 2001
■ The EU’s High Representative for common foreign and security policy, Javier Solana, visits Morocco, where he meets Prince Moulay Rachid, Prime Minister Youssoufi and Foreign Minister Benaissa.

October 2001
■ Foreign Minister Mohammed Benaissa leads Morocco’s delegation to the second EU–Morocco Association Council in Luxembourg.
■ European Investment Bank holds forum on cooperation across the Mediterranean.

November 2001
■ All 27 foreign ministers of the Euro-Mediterranean partners meet in Brussels. The international fight against terrorism and efforts to restart the peace process in the Middle East are high on the agenda.
■ The Euro-Mediterranean parliamentary forum holds its 3rd extraordinary meeting.

December 2001
■ At a ceremony in Brussels, President Bouteflika of Algeria and President Prodi formally conclude negotiations on an EU–Algeria Association Agreement.
■ Jordanian Planning Minister Bassem Awadallah meets Romano Prodi, Chris Patten and Pascal Lamy in Brussels.

(1) The EU Troika is made up of the country currently holding the rotating EU Presidency (Sweden in the first six months of 2001), the country that holds the Presidency in the next six months (Belgium), the European Commission, and the High Representative for common foreign and security policy.
Meetings of the Euro-Mediterranean Committee

The Euro-Mediterranean Committee for the Barcelona process met seven times between November 2000 and December 2001.

The first meeting, on 9 February, discussed trade issues, MEDA II, cooperation in the field of justice and home affairs, the role of women in the Euro-Mediterranean partnership, and the SMAP regional environmental programme.

On 5 April, the agenda of the committee focused on the follow-up to give to the Commission’s communication of 6 September, 2000, ‘Reinvigorating the Barcelona process’ (1), and MEDA II.

The 20 June meeting of the Euro-Mediterranean Committee again looked at cooperation in justice and home affairs, as well as cultural cooperation.

On 9 September, the committee looked at the work programme of the Belgian Presidency and preparations for the November meeting of Euro-Mediterranean foreign ministers, which was also the subject of discussion during the 18 October meeting.

The committee held a special meeting on 18 October devoted to strengthening economic dialogue among the partners. This was a follow-up to the conclusions of the November Marseilles ministerial.

The last meeting of the year, on 6 December, focused on the results of the November ministerial.

The Brussels ministerial

Euro-Mediterranean foreign ministers held their fifth conference in Brussels on 5 and 6 November 2001. The two-day meeting was an opportunity to review progress in the three chapters of the Barcelona process as well as to discuss the international situation in the wake of the 11 September attacks on the United States, and developments in the Middle East peace process.

Ministers reaffirmed their solidarity in the fight against terrorism and rejected any equating of terrorism with the Arab and Muslim world.

Two new programmes were also discussed during the conference: one on a regional approach to common justice and home affairs issues and the other on the role of women in economic life. Ministers also placed particular emphasis on the importance of promoting dialogue among civilisations, and especially on dialogue among the young.

Ministers are to meet again in Valencia, Spain, on 22 and 23 April 2002. The agenda is set to include a discussion on a forthcoming European Commission communication (policy paper) that will take stock of progress since the Marseilles Ministerial and put forward new initiatives aimed at achieving new levels of Euro-Mediterranean integration.
The association agreements in 2001

Euro-Mediterranean association agreements are the main contractual agreements between the European Community and its partners in the Mediterranean. The agreements replace cooperation agreements concluded in the 1970s. They cover the three main areas included in the Barcelona Declaration, that is to say, political dialogue, economic relations, and cooperation in social and cultural affairs. The agreements contain clauses dealing with basic principles, like respect for human rights; political dialogue; the free movement of goods; economic cooperation; social and cultural cooperation; financial cooperation; and institutional arrangements. These are the basic clauses; each agreement, naturally, also takes account of the particular features that characterise the relations between the EU and each of its partners.

With regard to the three partners that are either negotiating entry to the EU (Cyprus and Malta), or which are candidates for membership (Turkey), they are linked to the Union by means of association agreements that provide for customs unions with the EU.

The following section gives a description of the main events in the implementation of agreements that have already been concluded, or in the discussions that have been held on new agreements.

Algeria

Algeria and the EU concluded negotiations on a Euro-Mediterranean Association Agreement in December, 2001. The event marks the opening of a new era in EU–Algerian relations, and contributes to consolidating the achievements of the Barcelona process.

The agreement commits both sides to further liberalisation of bilateral trade and will help ensure that Algerian businesses and consumers benefit from the development of international trade and investment. It provides for the gradual removal of import duties on EU industrial products over 12 years (Algeria already enjoys duty and quota free access to EU markets for its industrial exports). The EU has opted for a policy of immediate liberalisation (without duty or quota) for a great number of Algerian agricultural products upon entry into force of the agreement, except for a limited list of sensitive categories, where tariff quotas are established. Algeria is to reciprocate with substantial tariff cuts on EU agricultural exports. A significant set of tariff reductions are agreed by either side for processed agricultural products and for fish products.
The agreement will lay an important foundation for economic liberalisation in Algeria. It binds Algeria to introducing modern legislation on competition and protection of intellectual property. It also provides for an exchange of concessions regarding trade in services.

The new association agreement will cover far more than trade and economics. It will set up new institutional structures for an intensified political dialogue and for cooperation across a wide range of fields, from education and culture to the fight against crime, money laundering, drugs and terrorism.

**Egypt**

The main event in 2001 was the signature of the Euro-Mediterranean Association Agreement in Luxembourg on 25 June. Discussions on the agreement began in 1995. The agreement now needs to be ratified by the Egyptian People’s Assembly, and the parliaments of the 15 EU Member States, the European Parliament having ratified it in November.

The signature of the agreement is a significant boost to the whole of the Barcelona process as it means that there is now a critical mass of Euro-Mediterranean association agreements in place both in North Africa and in the Middle East.

**Israel**

The Euro-Mediterranean Association Agreement was signed in 1995, and has been in force since 2000. The first economic dialogue under the agreement took place on 5 December 2000, with the agenda including economic policies, tax reform, capital markets, and regional economic cooperation. The full Association Committee met in Brussels on 21 May. The agenda covered political issues, a state of play of the Middle East peace process, as well as technical issues, including the question of rules of origin of products originating in Israeli settlements in the occupied territories. The EU’s position on this issue is that the territories occupied by Israel are not covered by the territorial scope of the EC–Israel Association Agreement.

The EU–Israel Customs Cooperation Committee held its first meeting, in Jerusalem, on 23 and 24 July. Officials discussed customs evaluation, trade facilitation, and returned to the issue of rules of origin discussed in the May Association Committee.

The second meeting of the EU–Israel Association Council was held on 20 November in Brussels. The Council discussed the international fight against terrorism, the escalating situation in the Middle East as well as other political, economic and social issues. On the rules of origin issue, the EU stated its desire to find a sustainable solution to the issue in accordance with the provisions of the association agreement.

**Jordan**

The Euro-Mediterranean Association Agreement with Jordan was signed on 24 November 1997. The Euro-Mediterranean agreement will replace the 1977 cooperation agreement once ratification is completed. This process is expected to be completed by the middle of 2002. On 12 November 2001, the
Commission and Jordan held an economic dialogue under the chairmanship of Jordanian Minister for Planning Bassem Awadallah.

**Lebanon**

Several rounds of negotiations were held in 2001 on the Euro-Mediterranean Association Agreement with Lebanon that will replace the 1977 cooperation agreement. The 10th round of talks on the agreement took place in Brussels on 27 June. Discussions focused on tariff dismantling, mutual concessions for agricultural and processed agricultural products, justice and home affairs issues, trade policy, rules of origin, competition, and intellectual property. The agreement was initialled on 10 January 2002.

At the request of Lebanon, President Prodi attended a meeting chaired in Paris by President Chirac, along with Prime Minister Hariri, the World Bank and the EIB, to discuss Lebanon’s fiscal and debt service difficulties.

**Morocco**

The Euro-Mediterranean Association Agreement was signed in 1996 and has been in force since 2000. The Association Committee met in February. Talks focused on agricultural trade, and a working group on migration and social affairs was set up. A subgroup subsequently met to discuss migration issues in September. The association agreement was the subject of discussions during the visits of European Commission President Romano Prodi in January, and External Relations Commissioner Chris Patten and Trade Commissioner Pascal Lamy in June. Senior officials met in September in the framework of the economic dialogue between Morocco and the EU. Talks focused on the macroeconomic and regulatory aspects of the association agreement as well as the fiscal impact of tariff dismantling, and customs cooperation.

Developments in regional trade agreements, and in particular the proposed Moroccan–Egyptian–Jordanian–Tunisian free trade pact (the so-called ‘Agadir process’), were also discussed. The EU-Morocco Association Council held its second meeting on 9 October 2001, in Luxembourg. Discussion focused, in particular, on issues related to immigration, services, and financial cooperation.

**Palestinian Authority**

An interim Euro-Mediterranean Association Agreement was signed with the Palestine Liberation Organisation (PLO) in 1997 and has been in force since 1997. The first economic dialogue under the interim agreement took place in Ramallah, West Bank, on 6 December 2000.

**Syria**

Discussions continued on the conclusion of a Euro-Mediterranean Association Agreement with Syria that will replace the 1977 cooperation agreement. The fifth round of talks, which took place on 18 and 19 December, relaunched the negotiations following the change of President and government in Syria. At the sixth and seventh rounds, which were held in Damascus on 23 and 24 April and in Brussels on 18 July, officials discussed political dialogue, the free movement of goods, including tariff dismantling, and economic and social cooperation.
Tunisia


Chris Patten paid his first visit to Tunisia in June 2001. He had meetings with President Ben Ali, Prime Minister Ghannouchi and Minister of Foreign Affairs Ben Yahia. Mr Patten’s visit followed the visit of President Prodi in January 2001. Mr Patten acknowledged Tunisia’s important economic and social achievements and gave assurances of the EU’s continued support for Tunisia in the framework of MEDA II. Mr Patten raised questions of human rights and civil freedoms and stressed the importance of dialogue in these areas.

The EU began a dialogue with Tunisia on social issues. The first meeting of the working party on social affairs met in April and discussed the question of equality of treatment between Tunisian and EU workers, and other social security questions.

On the trade front, in December 2000, the Council concluded an agreement with Tunisia on mutual liberalisation in agricultural trade. The agreement provides for improved concessions for Tunisian olive oil exports to the EU as well as improved concessions for EU exports of cereals and vegetable oils to Tunisia.
The political and security partnership in 2001

‘…The participants express their conviction that the peace, stability and security of the Mediterranean region are a common asset that they pledge to promote and strengthen by all means at their disposal. To this end they agree to conduct a strengthened political dialogue at regular intervals, based on observance of essential principles of international law, and reaffirm a number of common objectives in matters of internal and external stability…’

BARCELONA DECLARATION

While events in the Middle East throughout 2001 inevitably dominated the headlines, contacts between all parties continued in the political and security chapter of the Barcelona process.

Coordinating the political and security partnership

Senior officials responsible for coordinating the multilateral and regional aspects of this chapter met eight times between November 2000 and December 2001. The agenda of these discussions focused on peace-building measures, human rights issues, conflict prevention, and the work programme of the Euro-Mediterranean network of foreign policy institutes. Meetings in the latter half of the year also discussed reactions to the 11 September attacks against the United States and dialogue on fighting terrorism.

EuroMeSCo — the Euro-Mediterranean Study Commission

The Euro-Mediterranean network of foreign policy institutes adopted its work programme for 2001–03 in the course of the year. The network will concentrate on five areas: political and security dialogue in the Euro-Mediterranean partnership; interlinkages within the partnership; implications of the common foreign and security policy for the partnership; subregional cooperation within the partnership; and governance issues.

Set up in 1996, the EuroMeSCo network now includes some 37 foreign policy institutes located in the Mediterranean partners and in the European Union.

On 18 June, the network held a seminar in Brussels on the role of civil society in the Euro-Mediterranean partnership.
Training and information for diplomats

More than 60 young diplomats from all 27 Euro-Mediterranean partners attended training seminars on the Euro-Mediterranean partnership, held in Malta in May and in November. These seminars are a unique way of contributing to promote the ideas at the heart of the partnership and to build networks between future decision-makers by means of interactive exchanges and a free flow of opinion between participants.

Civil protection

Egypt and Italy lead a project to promote cooperation in the area of civil protection, as part of the raft of confidence-building measures agreed under the political and security partnership. Activities under the project include training, exchanges of experts, networking among civil protection schools, and technical assistance.

Training for public administrations

An EUR 8 million programme in the area of training for public administrations is currently under preparation. The programme will aim to contribute to improving capacity and management skills in public administrations in the Mediterranean partners. The programme, which will include training activities and networking, is set to launch in 2003.

Human rights

A new human rights project was launched in the course of the year. The ‘Culture for peace and human rights’ project received EUR 1 million from the European Commission’s EUR 100 million per year European initiative for democratisation and human rights (EIDHR). This is just one of the human rights programmes in the region funded by the EIDHR. The Commission adopted a new communication on its human rights activities on 8 May (†).

The economic and financial partnership

The section below gives details of events in various areas of the economic and financial partnership between November 2000 and December 2001. Programmes and sectors concerned include both bilateral programmes and projects, as well as regional programmes and projects.

Economic transition, budgetary issues, infrastructure

The banking sector

MEDA funded two projects of note in the banking sector in 2001. The first, which received a EUR 2.25 million grant from the Community, concerned the modernisation of the Syrian Central Bank, in a project that included training, equipment and technical assistance. The second concerned the modernisation of the Algerian financial sector.

Budget transfers

In November 2000, the European Commission transferred EUR 27.5 million to the Palestinian Authority to contribute to the Palestinian Authority’s health and education budget, as well as its payroll. In December 2000, the Commission made available an additional EUR 90 million, which has been disbursed over the course of 2001. In December 2001, the Commission allocated a further EUR 30 million to cover the first months of 2002. The Community funds are part of a facility set up to help the Palestinian Authority deal with budgetary difficulties arising from the fact that Israel is withholding the transfer of tax receipts collected by Israel on behalf of the Palestinian Authority.

Business centres

Apart from the business centres funded under the Egyptian private sector development programme, MEDA also funds similar centres in Jordan (EJ-BST), Lebanon, Morocco (‘Euro-Maroc Entreprise’), Syria (the Syrian–European Business Centre), Tunisia (‘Euro-Tunisie Entreprise’ Business Centre), and Turkey (in Izmir, Gaziantep, and Kocaeli). The centres provide a host of services to the local business community, including advice and training.

Economic transition

Government experts on economic transition met in Brussels on 26 and 27 September. The use of public finance in the Euro-Mediterranean partnership, reinforcing regional dialogue and south–south integration were on the agenda.
‘…The participants emphasise the importance they attach to sustainable and balanced economic and social development with a view to achieving their objective of creating an area of shared prosperity.

Noting that the partners have to take up common challenges, albeit to varying degrees, the participants set themselves the following long-term objectives:

- acceleration of the pace of sustainable socioeconomic development;
- improvement of the living conditions of their populations, increase in the employment level and reduction in the development gap in the Euro-Mediterranean region;
- encouragement of regional cooperation and integration.

With a view to achieving these objectives, the participants agree to establish an economic and financial partnership which, taking into account the different degrees of development, will be based on:

- the progressive establishment of a free-trade area;
- the implementation of appropriate economic cooperation and concerted action in the relevant areas;
- a substantial increase in the European Union’s financial assistance to its partners …’

**Barcelona Declaration**
Industrial cooperation

The working group on industrial cooperation held meetings in Paris on 22 and 23 November 2000, in Brussels on 20 and 21 June 2001, and again in Brussels on 30 and 31 October 2001. Activities centred on three main areas of work: Euro-Mediterranean market instruments and mechanisms; innovation, technology, and quality; and the establishment of a network of investment promotion agencies. Preparatory work also started on ways to improve the regulatory framework for small and medium-sized enterprises. Another important development was the group’s decision to invite the private sector and its representative organisations to play an active role in the programmes that are being carried out under the group’s auspices. Finally, the group discussed orientations for the ministerial conference on future industrial cooperation, scheduled to be held in Malaga, Spain, in 2002.

Industrial modernisation

The Egyptian industrial modernisation programme is one of the biggest MEDA programmes, with a budget of EUR 250 million. The programme, which started in 2001, aims to contribute to the restructuring of the Egyptian economy in the face of increasing competition and more open markets.

The Jordanian industrial modernisation programme (the EJADA programme) was launched in Amman on 1 July. With a EUR 40 million budget, the programme focuses on small and medium-sized enterprises and business start-ups. It is reckoned some 300 businesses could benefit from the programme over the period 2001–05.

A similar programme was introduced in Lebanon in 2001 with EUR 11 million grant funding to assist small and medium-sized enterprises.

The Mediterranean electric ring

The Mediterranean electric ring project was launched in February 2001. The programme, which received a grant of EUR 2.1 million from the Community, aims to build connections between national networks in the Mediterranean area and between the Mediterranean area and the EU. It is set to be completed in 2005.

The Mediterranean electric ring project is one of a number of projects funded by MEDA under the regional energy programme. Other projects involve the following areas: the legal and institutional framework, reform of the energy sector, and energy and the urban environment, applications of thermal solar energy, and a training network in energy policy.

Private sector development programme

This MEDA-funded programme launched in Egypt in 1996 provides business centres, training courses in a wide variety of business areas for entrepreneurs, and an online platform for Egyptian exporters. Courses held in 2001 included marketing, e-marketing, and human resources management.
Regulatory reforms and privatisation
In December 2001, the Commission decided to support regulatory reforms and privatisation with a focus on private participation in infrastructures in Jordan. The programme is set to start in the first half of 2002.

Risk capital
A EUR 100 million risk capital facility is currently in preparation. The facility, to be managed by the European Investment Bank, will focus on the financial sector, on helping improve the competitiveness of the firms and businesses, and will also emphasise the privatisation process.

Social Fund for Development
The Egyptian Social Fund for Development programme, which has received some EUR 330 million from the MEDA programme, aims to offset the painful side effects of the country’s macroeconomic structural adjustment programme by reducing poverty and creating jobs. The Social Fund for Development undertakes a public works programme, a community development programme, and a human resources development programme, to name three areas.

Statistical cooperation — the Medstat network
The steering committee of the Medstat programme held its fifth meeting on 29 March. The Medstat regional programme is one of the biggest regional programmes funded by MEDA. With a budget of some EUR 30 million, and with the second phase approved in November, the programme aims to harmonise statistical information systems, and contribute to improving the quality of statistics in and on the Mediterranean region. Plans for the future include social and agricultural statistics.

Structural adjustment facility
Structural adjustment facilities (SAF) provide across-the-board assistance to government budgets in the Mediterranean partners. The basic idea behind the SAF is to provide a cash injection to national budgets in return for structural reform. The second instalment of a structural adjustment facility of EUR 40 million was paid to the Jordanian Government in January. The total SAF II for Jordan amounted to EUR 80 million. A EUR 50 million SAF is still under implementation in Lebanon, where it aims primarily to help the introduction of VAT. Other partners involved in SAF operations are Algeria, Morocco, Tunisia, Turkey, and the West Bank and Gaza.

Transport
The Euro-Mediterranean Transport Forum is the body in the Barcelona process that coordinates joint approaches to transport issues in the region. A number of thematic working groups are linked to the forum and meet between its plenary sessions.

The Euro-Mediterranean Transport Forum started work in 1999. It aims to promote cooperation in all modes of transport, with emphasis being placed on air and maritime transport given this latter’s importance in the Mediterranean basin. Work is ongoing in a number of priority areas,
including maritime safety, ports and short-sea-shipping, and navigation by satellite (Galileo).

On the programming side, the Commission in November 2001 approved a EUR 20 million, four-year project that aims to contribute to improving the efficiency of transport systems in the region. The project will cover both policy and infrastructure issues.

**Water information system — the EMWIS/Semide network**

The EMWIS/Semide water information system, set up in 1999 with a budget of EUR 2.5 million, aims to provide a forum to pool knowledge and best practice in the management of water resources in the Mediterranean.

The new regional Euro-Mediterranean initiative in the area of local water resources management aims to promote cooperation and collaboration, in particular through improving the management of flows of information between the partners. A particular focus is on documentation, training, R & D, and data processing. Some EUR 40 million has been earmarked for this initiative and a call for proposals launched in January 2002.

**Information society — the Eumedis programme**

With a budget of some EUR 20 million, the Eumedis (which stands for Euro-Mediterranean information society) programme, which started in 1999, aims to contribute to narrowing the informational and technological gap between the EU and the partners. Eumedis focuses on the following main areas: e-commerce; healthcare; culture, heritage and tourism; IT, industry and innovation; and education. Further to the call for proposals that closed in January 2001, the Commission selected 23 projects in these areas for the allocation of grants.

**Promoting cooperation among economic actors in the Mediterranean basin**

**Chambers of commerce**

Some 250 chambers of commerce from Mediterranean partners and the EU are members of the Archimedes programme. This programme, which ran from 1999 to 2001, aimed to foster closer links among chambers of commerce.

**Employers’ organisations**

The Unimed network of employers’ organisations in the Mediterranean area and the EU held a number of workshops and training courses in 2001, which provided an opportunity for exchanges of experiences. The seminar held in Casablanca, Morocco, in January, focused on practical aspects of running an employer organisation while the June Brussels seminar focused on financial and industrial cooperation, EU external assistance reform, and bilateral programmes. Other seminars in 2001 took place in Algeria, Cyprus, Egypt, Jordan, Lebanon, Malta, Syria, and the West Bank and Gaza.
The Unimed programme has been running since 1999 and aims to strengthen employer organisations in the Mediterranean partners, promote exchange of best practice, networking among members, training, and the creation of a Euro-Mediterranean employers’ organisation.

Research into Mediterranean economies — the Femise network


Trade

Trade ministers from the 27 Euro-Mediterranean partners met for the first time in Brussels on 29 May. The agenda covered multilateral trade issues, where there was agreement on the importance of the Doha WTO ministerial meeting, as well as trade issues relating specifically to the Barcelona process. Ministers also agreed that the conclusion of talks on bilateral Euro-Mediterranean association agreements were essential to the success of the Euro-Mediterranean free trade area. Just as important is the development of trade between the 12 Mediterranean partners, which has traditionally been low. Ministers therefore welcomed the Agadir Declaration of 8 May by the governments of Egypt, Jordan, Morocco, and Tunisia, which foresees the creation of an FTA between the four countries.

On FDI flows, ministers focused on the services sector and recommended that a working group be set up in this area with a view to exchanging information and sharing experiences, the aim being to further liberalise trade in services, as provided for in the Euro-Mediterranean association agreements. The group held its first meeting on 18 December.

Ministers also decided to set up a working group to look at the issue of rules of origin and cumulation of rules of origin. The idea here is to work towards including the Mediterranean partners in the pan-European system of cumulation of rules of origin. Three meetings of the working group were held between September and December, 2001. Both groups will report on progress to Euro-Mediterranean trade ministers, who are due to meet on 19 March 2002 in Toledo, Spain.

Other areas where convergence in legislation would help contribute to meeting the objectives of the association agreements include norms and industrial standards, sanitary and phytosanitary legislation, intellectual and industrial property rights, competition, and customs legislation.

On the issue of trade in agricultural products, ministers agreed on the need to aim at progressive and reciprocal liberalisation in compliance with WTO rules.
### Trade flows

#### EU imports from Mediterranean partners

**(million EUR)**

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>7 280</td>
<td>16 480</td>
</tr>
<tr>
<td>Cyprus</td>
<td>601</td>
<td>999</td>
</tr>
<tr>
<td>Egypt</td>
<td>2 390</td>
<td>3 377</td>
</tr>
<tr>
<td>Israel</td>
<td>3 626</td>
<td>9 876</td>
</tr>
<tr>
<td>Jordan</td>
<td>96</td>
<td>179</td>
</tr>
<tr>
<td>Lebanon</td>
<td>93</td>
<td>204</td>
</tr>
<tr>
<td>Malta</td>
<td>848</td>
<td>1 007</td>
</tr>
<tr>
<td>Morocco</td>
<td>3 116</td>
<td>5 994</td>
</tr>
<tr>
<td>Syria</td>
<td>1 295</td>
<td>3 427</td>
</tr>
<tr>
<td>Tunisia</td>
<td>2 285</td>
<td>4 762</td>
</tr>
<tr>
<td>Turkey</td>
<td>6 214</td>
<td>17 500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>27 844</td>
<td>63 805</td>
</tr>
</tbody>
</table>

*Source: European Commission, Trade DG.*
*NB: Data for Palestinian Authority not available.*

#### EU exports to Mediterranean partners

**(million EUR)**

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
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<td>6 098</td>
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</tr>
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<td>Egypt</td>
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<td>7 828</td>
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<tr>
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<td>1 616</td>
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<td>Morocco</td>
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<td>Syria</td>
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<td>Tunisia</td>
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</tr>
<tr>
<td>Turkey</td>
<td>8 177</td>
<td>29 736</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>37 161</td>
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*Source: European Commission, Trade DG.*
*NB: Data for Palestinian Authority not available.*
The Barcelona process is underpinned by the Community’s MEDA programme. The programme, which has a budget of EUR 5.3 billion over the period 2000–06, funds bilateral programmes as well as regional programmes. Bilateral programmes account for around 85–90 % of MEDA interventions, with regional programmes making up the rest. Bilateral programmes focus on supporting economic transition and contributing to offsetting the social impact of structural adjustment programmes. Regional programmes operate in the three main areas of the Barcelona Declaration: under the political and security partnership, for instance, the regional programme finances the EuroMeSCo network; under the economic and financial partnership, the regional programme supports networking among chambers of commerce and employers’ organisations, for example, as well as providing funds for regional action programmes in specific areas, such as the environment; finally, in the social and cultural area, regional programmes fund actions in the area of audiovisual work, promotion of exchanges among young people, and preserving and maintaining the cultural heritage in and around the Mediterranean basin.

MEDA’s interventions are coordinated with those of other important partners in the region like the European Investment Bank, the World Bank, and, of course, the Member States’ own bilateral programmes. The EIB, for instance, has allocated loan funds of some EUR 7.4 billion to the region for the 2000–06 period.

The way the MEDA programme is organised changed in 2000 with the adoption of a new Council regulation (4) (the so-called MEDA II regulation). Under the new system, decision-making and programme implementation is to become more streamlined. In December 2001, the European Commission adopted a series of bilateral and regional strategy papers for the 2002–04 period. The partners concerned were Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, and Tunisia. Strategy papers and planning documents were also adopted for the region as a whole. These documents and plans, which are discussed with the partners and with the European Investment Bank, as well as with the EU Member States, outline both the long-term aims of EU cooperation, as well as more medium-term objectives, guidelines, and priorities, as well as the resources needed to put these plans into action. Thus, the regional programme for 2002–04 is budgeted at EUR 93 million (indicative). Indicative figures for the partners are as follows: Algeria (EUR 150 million), Egypt (EUR 351 million), Jordan (EUR 142 million), Lebanon (EUR 80 million), Morocco (EUR 426 million), Syria (EUR 93 million), Tunisia (EUR 248.65 million).

The way all the Commission’s external aid programmes are managed is currently undergoing significant reform. EuropeAid, the European Commission’s new Directorate-General in charge of external aid, started work on 1 January 2001. Operating under the general principle of the reform, that ‘everything that can be better managed and decided on the spot will not be managed or decided in Brussels’, EuropeAid takes over, in this first stage of the reform process, responsibility for the project cycle, from project identification through to evaluation. In a second stage, management of programmes is gradually to be taken over by the European Commission’s delegations in third countries, with EuropeAid to take on an essentially supportive function. Delegations in the Mediterranean area involved in this initiative in 2001 are those in Egypt, Morocco, Tunisia and Turkey.

As part of this drive to enhance the impact of MEDA assistance, the qualitative improvement in programming has been accompanied by a complete overhaul in implementation. Improvements in implementation can be seen in the provisional MEDA payment figures for 2001. These show that payments amounted to EUR 412.5 million and commitments to EUR 765.5 million, giving a payments-to-commitments ratio of 53 %, compared with 23 % for the 1995–99 period. If all Mediterranean budget lines are taken together, the payment-to-commitment ratio rises to 66 %.

The Barcelona process and cooperation in environmental protection in 2001

In the Mediterranean as elsewhere, environmental protection is an obvious area where working together makes sense and can produce tangible results.

SMAP (short and medium-term priority action programme for the environment) is the environmental component of the Barcelona process. SMAP provides a framework for policy orientations and funding both at regional level and at national level. The programme was approved in 1997, at the first Euro-Mediterranean Ministerial Conference on the Environment, held in Helsinki, Finland. SMAP covers the following priority fields of action:

— integrated water management;
— integrated waste management;
— environmental hotspots (including polluted areas and areas with sensitive biodiversity);
— integrated management of coastal zones;
— the fight against desertification.

Support measures that include training, information campaigns, capacity-building, the use of environmental impact assessments and the dissemination of results are also key elements to the success of the programme.

Following a first call for regional proposals in 1998, six projects were contracted with the Commission contribution totalling EUR 6 million. A second call for proposals in 2000 has led to eight more projects being selected. The budget for SMAP amounted to EUR 30 million.

The programme includes a networking component, by means of a network of SMAP correspondents in the 27 partners and an NGO steering committee. The network held its third meeting, in Brussels, on 25 and 26 June 2001. This meeting provided an opportunity to review progress on the SMAP. In July 2002, Greece is set to host the second Euro-Mediterranean Ministerial Conference on the Environment.
Other programmes and projects with an environmental dimension

Funding for a project on energy and the urban environment was approved in 2001. The project, with a total cost of EUR 3.25 million and a Community contribution of EUR 1.9 million, concerns energy management and energy planning and conservation. Actions will include training and exchange of best practice, specific actions, such as street lighting, clean public transport, and so on, in particular cities, as well as the dissemination of results through a newsletter and web site.

Training seminars were held on environmental protection in Syria in February and on the theme of management of water resources in Brussels in April.

The regional local water management programmed to be launched in 2002 will also have a strong environmental dimension.
The social and cultural partnership in 2001

Audiovisual

Euro-Mediterranean audiovisual programme

The second annual conference of this MEDA-funded programme was held in Seville, Spain, on 6–8 July. The conference provided an opportunity to take stock of progress on the programme as well as to promote cooperation between ongoing projects (CapMed, CinemaMed, Elles… aux abords de l’an 2000, Europa Cinémas, Medea, Euromédiaatoon). A number of workshops were held on different themes such as film distribution in the Mediterranean region, and television archiving.

The Euro-Mediterranean audiovisual programme, which runs from 2000–04 with a budget of EUR 20 million, aims to promote the development of the audiovisual sector; encourage technological transfer, cooperation between TV stations; promote distribution of films originating in any one of the 27 partners; and encourage investment in the sector.

CapMed

Coordinated by the French National Audiovisual Institute, the CapMed project aims to create and develop a television archives database accessible via the Internet.

CinemaMed

This travelling cinema festival made stops in Italy, Jordan, Portugal, Spain, and the United Kingdom in 2001. Supported by MEDA, the festival shows films made in Mediterranean partners.

Elles … aux abords de l’an 2000

This Egyptian-led project aims to produce a series of 12 documentaries on women from the region who have made a particular impact in the world of politics and the arts.

‘… The participants recognise that the traditions of culture and civilisation throughout the Mediterranean region, dialogue between these cultures and exchanges at human, scientific and technological level are an essential factor in bringing their peoples closer, promoting understanding between them and improving their perception of each other…’

BARCELONA DECLARATION
How do you bring ancient history alive to kids? The Tunisian-led Viva Carthago project aims to do just this, by means of a journey through Mediterranean history with cartoon characters.

Europa Cinémas

The Europa Cinémas project receives funds from MEDA under the Euro-Mediterranean audiovisual programme. It provides support to cinema operators and distributors to screen European films in Mediterranean partners and films from the Mediterranean partners in the EU and in the other Mediterranean partners.

MEDEA

This MEDA-funded programme provides support (both financial and through training) for pre-production work on feature films and documentaries. Twenty-five projects were selected in December 2000 following a call for proposals launched earlier in the year. A further call for proposals was launched in April.

Cultural heritage

Europ-Mediterranean Heritage II

The European Commission launched a call for proposals under the Euro-Mediterranean Heritage II programme in January. Most of the projects selected are starting operations in 2002. The programme aims to preserve, promote, and develop the Mediterranean region’s cultural heritage. Priority themes under the call for proposals revolve around three main themes. These are: knowledge; human resources; and enhancing the Euro-Mediterranean cultural heritage. The programme has a budget of EUR 30 million.
Archaeological youth camp

An archaeological youth camp was held in the Jordan Valley from 24 March to 6 April. Some 30 archaeologists from 18 Euro-Mediterranean partners worked on the dig, which was organised by the Museum of Mediterranean and Near Eastern Antiquities in Stockholm, Sweden. This activity was funded by the European Commission as part of a series of activities commemorating the late King Hussein of Jordan.

Training programme in Syria

The Commission in November 2000 gave the go-ahead for a EUR 2 million project to train Syrian restorers, researchers and other specialists in conservation techniques.

Young people — the Euro-Mediterranean youth action programme

The Euro-Mediterranean youth action programme, adopted in 1998 with a budget of EUR 9.7 million, aims to help promote understanding among the Euro-Mediterranean partners. It does so through exchanges of young people, voluntary service in NGOs, capacity-building, promoting partnerships, and providing support in accessing projects. The programme also includes a youth forum, and specific events on particular themes, like the environment, or racism and xenophobia. National coordinators have been appointed in most of the Mediterranean partners to help with the implementation of the programme. Their role is mainly to promote the programme nationally, and to inform and give advice to groups and organisations liable to be interested in the programme. Since the programme was launched in 1999, some 242 projects involving more than 3 000 young people from around the region have benefited from financial support. A second youth programme, with a budget of EUR 10 million, is to start in 2002.

Civil society

The Euro-Mediterranean parliamentary forum

Two meetings of the Euro-Mediterranean parliamentary forum were held in 2001. The first was held in Brussels on 8 and 9 February. Participants discussed the strategy towards the Mediterranean area adopted by the European Council in 2000 (1), as well as the Commission’s communication of September 2000.

The second parliamentary meeting was held in Malta on 1–3 March. The focus here was on the impact of globalisation on family life.

The third meeting coincided with the November ministerial. Opened by European Parliament President Nicole Fontaine and Abdelwahad Radi, President of the Moroccan House of Representatives, the forum discussed dialogue among civilisations in the Mediterranean basin in the wake of the events of 11 September.

The Euro-Mediterranean parliamentary forum started life in 1998. Bringing together parliamentarians from all 27 partners, the forum aims provides a space for civil society to debate the goals and priorities of the Barcelona process.

(1) The strategy can be downloaded at the following web address:
http://ue.eu.int/newsroom/main.cfm?LANG=1
The Euro-Mediterranean Civil Forum

An intermediate meeting of the Euro-Mediterranean Civil Forum was held in Brussels on 19 and 20 October. Discussions at the forum covered conflict prevention and peace, migration, and cultural exchanges.

The role of women in economic development

The role of women in economic development was the subject of a meeting held in Brussels on 12 and 13 July. The meeting concluded with a call for specific MEDA-funded regional programme on women’s issues. The programme, according to the forum, should focus on women and labour markets; business start-ups; availability of credit; and education and training. The forum also called for gender mainstreaming into all aspects of the Barcelona process. The Brussels ministerial endorsed the proposed programme, which is set to launch in 2003.

Justice and home affairs

Justice and home affairs experts from the Euro-Mediterranean partners held their first meeting in 2001. The gathering, held in Montpellier, France, on 5 and 6 June, provided an opportunity to discuss topics of common interest, such as migration, organised crime, trafficking in human beings, trafficking in illegal substances, and judicial cooperation. This meeting was followed up by a meeting of government experts in questions relating to migration on 13 June in Brussels. Officials working in the area of migration met again on 22 October to look at ways to improve information exchanges on migratory flows in the region. Finally, a high-level working group on migration met in Brussels in December to look at a number of proposals for projects in this area. A regional Euro-Mediterranean programme in the area of justice and home affairs is planned.

Information and communication

A EUR 10 million information and communications programme is to be launched in 2002. The programme aims to strengthen the visibility of the Euro-Mediterranean partnership.

The Commission’s delegations in the Mediterranean — key players in the Euro-Mediterranean partnership.

The European Commission has delegations in Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, and Turkey, as well as offices in Gaza and the West Bank.

The delegations play a key role in the Euro-Mediterranean partnership, and, as part of the Commission’s reform process described will gradually take on a greater role in the management of Community programmes, like the MEDA programme.

Delegations also play an active role in providing information on the partnership, and in promoting cultural activities, like dance festivals, film festivals, and other events that contribute to promoting awareness and understanding of different cultures.
Web site addresses/information

Communications from the Commission:

Association agreements and cooperation agreements:

On the political and security dialogue
General:
http://europa.eu.int/comm/external_relations/med_mideast/euro_med_partnership/multilateral_relations.htm

Civil protection:
http://europa.eu.int/comm/environment/civil/prote/cp11_en.htm

Foreign policy institutes network:
http://www.euromesco.net

On human rights policy:

On the economic and financial partnership
General:
http://europa.eu.int/comm/external_relations/med_mideast/euro_med_partnership/multilateral_relations.htm

The MEDA programme:

The Euro-Mediterranean chambers of commerce project:
http://www.eurochambres.be/archimedes

The Euro-Mediterranean network of economic research institutes:
http://www.femise.org

Information society:
http://europa.eu.int/information_society/international/mediterran/index_en.htm

Statistics:

Trade:
http://europa.eu.int/comm/trade/index_en.htm

Water information network:
http://www.emwis.org
http://europa.eu.int/comm/environment/smap/home.htm

On social and cultural cooperation
Audiovisual policy:
http://europa.eu.int/comm/avpolicy/extern/coop_en.htm
http://www.programamedea.com
http://www.youthforum.org
http://www.cinemamed.org
http://www.europa-cinemas.org

Delegations and offices

Algeria:
http://www.deldza.cec.eu.int

Cyprus:
http://www.delcypr.cec.eu.int

Egypt:
http://www.eu-delegation.org.eg

Israel:
http://www.eu-del.org.il

Jordan:
http://www.deljor.cec.eu.int

Lebanon:
http://www.delbn.cec.eu.int

Malta:
http://www.delmlt.cec.eu.int

Morocco:
http://www.delmar.cec.eu.int

Syria:
http://www.delsyr.cec.eu.int

Tunisia:
http://www.ce.intl.tn

Turkey:
http://www.deltur.cec.eu.int

West Bank and Gaza Strip:
http://www.delwbg.cec.eu.int