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**The Euro-Mediterranean Partnership: Advancing Regional Cooperation to support
peace, progress and inter-cultural dialogue**

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ANNEX I

WORK DONE SINCE THE TAMPERE MINISTERIAL CONFERENCE

Political and security dialogue

1. Since the Euro-Med Tampere Ministerial Conference, the political and security dialogue has focused on:
 - a. A regular review of the political situation in the Middle East.
 - b. The implementation of the Code of Conduct on countering terrorism. In this area a Euro-Med ad hoc meeting on terrorism (Brussels, 15 May 2007) allowed a meaningful exchange on existing perspectives of technical assistance provided by both the EU and the UN and its relevant bodies. Furthermore, the Irish Department of Foreign Affairs and the European Commission co-organised a regional Conference on 'Preventing incitement to terrorism and radicalisation: what role for the media?' (Dublin, 21 May 2007) which brought together for the first time the region's media practitioners, government officials and regional institutions to address issues of common concern linked to radicalisation and incitement to terrorism.
 - c. The deepening of the dialogue on ESDP and security issues. The Euro-Med ad hoc meeting on ESDP (Brussels, 13 June 2007) provided a good opportunity to review past and future ESDP dialogue and activities (civilian and military) between the EU and Mediterranean Partners, such as Orientation courses under the auspices of the European Security and Defence College or EU crisis management exercises.
 - d. The launching of a regional dialogue on joint cooperation, best practices and exchange of experience in the area of elections. An initial dialogue on cooperation and best practices in the area of elections was launched at Senior Officials' level, and the European Commission put forward some proposals to take these issues forward at the appropriate experts' level.
 - e. EuroMesco initiatives related to civil society, human rights and democracy. Two EuroMesco sub-regional seminars (Meknès, 21-23 September 2006/Alexandria 26-28 April 2007) on civil society, human rights and democracy and the Euro-Med seminar on good governance held in Berlin, provided local and regional civil society actors with a meaningful platform to address the various challenges linked to political reform and democracy.

Economic cooperation

2. In the economic cooperation area, the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) held a Ministerial Conference in Cyprus on 13-14 May 2007. The FEMIP conference noted that in four years the FEMIP has invested some €6 billion in support of the economic development of the nine beneficiary Mediterranean partner countries. 2006 was an especially busy year for the FEMIP:

€1.3 billion worth of new loans were granted spanning a broad range of sectors, particularly energy, private sector development and environmental protection.

3. On 27 June 2007, Euro-Med senior officials in the economy and finance areas met to prepare the 3rd Euro-Med ECOFIN Ministerial meeting held on 15 September in Porto. They noted that the economies of the Mediterranean countries had performed well in 2006. Most countries were continuing to grow at a good pace, with real GDP increasing on average by 4.8% in 2006. The economic performance of the region would have been better if conflicts had not ravaged the economy of two countries, Lebanon and the Occupied Palestinian Territory (OPT). On a per capita basis the region as a whole grew by an average of 1% (2.6% excluding OPT), reducing the gap with the EU. Senior officials stressed that public finance is a key element on the reform agenda of MED countries, given that it represents about 50% of GDP in European countries and around 33% of GDP in Southern Mediterranean countries. In order to facilitate the exchange of knowledge and expertise in this area, participants supported the Commission's proposal to create a Euro-Med network of public finance experts to discuss the main challenges in fiscal policy and to exchange knowledge, experience and good practices in the field of public finances.
4. On 18-19 June, the 11th Euro-Mediterranean Economic Transition conference brought together more than 300 participants in Brussels to discuss the environmental challenges facing Mediterranean Partner countries. The Conference constituted a major event to raise awareness among economic experts and policy decision makers on the challenges of climate change and their economic implications.
5. The Ad-Hoc Group on Investment met for the first time in Brussels on 23 April 2007. The aims of the meeting were to implement the Tampere Conclusions and to define a precise mandate for the Ad hoc Group, its responsibilities, and the interactions between the various Euro-Mediterranean fora for discussion and decisions on investment. The ANIMA network pointed out that foreign direct investment in the Mediterranean region increased from \$30 billion in 2005 to \$48.7 billion in 2006.
6. Since the meeting in Rhodes in September 2006 of Euro-Mediterranean Ministers for Industry considerable progress has been made in the implementation of the Euro-Mediterranean Charter for enterprise and boost the competitiveness of the business sector, national stakeholder meetings were held in Egypt, Israel, Jordan, Morocco, Tunisia, and Syria. A regional scheme will be launched in October 2007 to test how the Charter implementation can be better planned, monitored and evaluated through a participatory approach based on indicators. To exchange experience and good practice in areas covered by the Charter, experts from Mediterranean partner countries have been invited to meetings and conferences organized at EU level, in Rome on 19-20 April 2007, in Berlin on 4-5 June 2007, in Brussels on 27 September 2007 and in November 2007. To accelerate regulatory convergence and improve market access, further technical assistance has been provided through regional technical seminars and bilateral missions of experts. Regarding innovation, Mediterranean partner countries were invited to a seminar in Brussels on 19-20 July to receive detailed information on the EU Competitiveness and Innovation programme (CIP), which is open to their participation. In the textile and clothing sector, a conference on managing structural changes in the sector was organised in Istanbul, on 12 June 2007. A conference on research and innovation in the textile and

clothing sector will be held in Cairo, on 6-7 September 2007. Industrial cooperation activities are monitored by a public-private Euromed Working Party on industrial cooperation that met in Brussels in February 2007 and will meet again in October 2007.

7. Under the Horizon 2020 initiative for the de-pollution of the Mediterranean, the Steering Group has been established and on 5-6 June 2007 it held its first meeting in Marrakech, at which the Terms of Reference were agreed. The European Investment Bank has begun to identify the pollution reduction projects arising from the regional work of the Mediterranean Action Plan (MAP) which appear to have the best possibility of being bankable. This is the first step to develop a project pipeline under Horizon 2020.
8. On 29 and 30 May, the 8th Euro-Mediterranean Transport Forum discussed and adopted a five-year Regional Transport Action Plan (RTAP) for the Mediterranean (2007-2013). The preparation and adoption of the action plan had been requested by the Mediterranean Ministers of Transport at the First Euro-Mediterranean Conference of Transport Ministers, held in Marrakech in December 2005. The RTAP embraces a set of 34 actions in different transport sectors and mainly targets regulatory reform and infrastructure network planning.
9. In the energy field, following a recommendation of the Euro-Med Energy Forum of Directors General, an Experts Group was set up in 2007 with a threefold objective: to enhance integration of the Euro-Med energy markets, particularly in the fields of gas and electricity, to support infrastructure projects of common interest and to promote sustainable development through e.g. renewable energy projects and measures to improve energy efficiency. The Experts' Group has met twice, on 11 January and 26 April, to review energy sector developments and reforms across the Mediterranean region, the achievements of ongoing regional energy projects and future cooperation priorities.
10. In preparation for the 6th Euro-Med Trade Ministerial Conference on 22 October in Lisbon, negotiations on services and the right of establishment launched at the Marrakech Ministerial Conference in March 2006 have made significant progress. A draft text has been discussed thoroughly at regional level and a number of negotiating partners are expected to embark soon on the track of bilateral negotiations with a view to concluding bilateral protocols. At the same time, negotiations launched in Marrakech to establish a dispute settlement mechanism in the area of trade have reached the final stage with a number of negotiating partners.
11. Following the first Euromed Ministerial Conference on the Information Society organised in Ireland in 2005, a Forum of Senior Officials to discuss the future development of the Euro-Mediterranean Information Society has been set up. A second meeting of the Euromed Forum will take place on 25 October 2007 in Brussels in order to elaborate on the priorities for the Information Society policies and to prepare the Euromed Ministerial Conference of year 2008 to be organised in Egypt.
12. Also in the area of trade, the entry into force of the Agadir Agreement in July 2006 was an important step forward in the creation of a Euro-Mediterranean free trade area. The Agreement establishing an Arab Mediterranean Free Trade Area was

signed in Rabat on 25 February 2004 between Morocco, Jordan, Tunisia and Egypt. The implementation of this agreement, providing for diagonal cumulation, will allow economic operators to reap the full benefits of this cumulation system, thus pursuing the south-south economic integration.

13. 2007 is the first year of the implementation of the European Neighbourhood and Partnership Instrument (ENPI). The ENPI is the financial cooperation instrument for the countries covered by the European Neighbourhood Policy. The ENPI replaces the former MEDA instrument. The Commission adopted the programming documents for the period 2007-2010 on 7 March 2007. On the basis of these documents the Mediterranean partner countries will receive approximately € 3.3 billion under the country and regional programmes. The Euro-Med Regional Indicative Programme will have a budget of € 346.3 million for the reference period. EU Mediterranean partners will also receive additional ENPI funds through the Cross Border Co-operation programmes, the Inter-regional programme, the Governance Facility, the Neighbourhood Investment Fund and thematic programmes.
14. Under the MEDA II Regulation, total funds committed during the period 2000-2006 amounted to € 4.647 million (an average of almost € 664 million per year), with payments reaching € 4.060 million, equivalent to a rate of 87% over the seven years of the programme. The ratio of payments to commitments exceeded 100% for the last three years of MEDA II. This represents an improvement in the efficiency of the delivery of assistance by the Commission since this ratio was 56% in 2000 and reached 109% in 2006. (See Annex IV for further details).

Social affairs and cultural dialogue

15. The Third Chapter of Euro-Mediterranean cooperation on social, cultural and human affairs has undergone a considerable development in recent times. The Civil Society Forum, which met in Morocco in November 2006 prior to the Ministerial meeting in Tampere, was a successful event at which Euro-Med civil society had the opportunity to exchange views and express its positions on the main aspects of the Barcelona Process. The Civil Society Platform will change its management structure in a general assembly to be held in autumn 2007.
16. The Ministerial Conference on the role of women in society was held in Istanbul on 14-15 November 2006. For the first time, Euro-Mediterranean partners agreed on a comprehensive set of actions on women's rights and gender equality. Euro-Med partners also undertook to put in place a follow-up mechanism to review the implementation of the measures agreed. The first meeting of the taskforce "women" will take place on 22 October 2007 to review the implementation of the work programme for 2007.
17. The Istanbul Forum "Cultural Heritage: a shared responsibility for the Mediterranean" held in October 2006 provided an occasion for the partner countries to endorse the "Strategy for the development of Euro-Mediterranean Cultural Heritage: priorities from Mediterranean countries (2007-2013)" that will be a reference for future regional, bilateral or cross border cultural cooperation in the Mediterranean area.

18. On 18 June 2007 the first Euro-Mediterranean Ministerial Conference on Higher Education and Scientific Research was held in Cairo. The conference recognized the crucial role of education for political, social and economic development, as well as the key importance of research, innovation and human resources development to the modernization of Euro-Med societies. The conference discussed the creation of a Euro-Med higher education and research area and agreed on a number of actions, including the approximation of higher education systems, enhancing the participation of Mediterranean Partners in the Erasmus Mundus Programme and in the take-up of the Euro-Med scholarship scheme and the integration of the Mediterranean partner countries in the European research area. In the academic year 2007-2008 the programme will provide grants to 549 students from MED countries totaling nearly € 15 million.
19. The high-level conference on "Employment and Social Dialogue" organised by the German EU Presidency in Berlin on 16 March 2007 placed employment firmly on the Euro-Med agenda as part of a genuine social dimension.
20. Various media activities (such as TV and radio programmes, written press articles, journalist training activities, establishment and functioning of the Euromed info centre etc.) have contributed to an improved visibility of the Euromed Partnership in the region, in the framework of the regional Information and Communication programme. Among them, the Euro-Med and the Media initiative continued to engage the region's media practitioners in comprehensive dialogue, at regional and national levels, on important matters for the Partnership. The media Task Force met in Malta to advise on proposals that followed the round of national consultations. They also prepared input for the Dublin conference in May on 'The media's role for preventing incitement to terrorism' (see par. 4). In Berlin a 2-day regional conference looked at the challenges and responses for the media in the area of intercultural understanding' and provided recommendations for future consideration.
21. At the Euromed Audiovisual conference, more than 200 representatives of Mediterranean National Authorities and professionals of the Mediterranean audiovisual industry met in Berlin in February in order to assess the progress made in this sector and to discuss transfer of knowledge. A reflexion group has also been set up at a high level with the goal to identify the priorities for the audiovisual industry in the coming years in the Mediterranean region.
22. The Euro-Mediterranean Youth Parliament met for the first time in Berlin at the end of May 2007 to allow young people from both sides of the Mediterranean to discuss their views about the region and the prospects for future cooperation.

Migration

23. Regular preparatory meetings of Senior Officials held at experts' level have made it possible to identify three clusters of cooperation where joint efforts need to be developed: these are legal migration, migration and development and illegal migration. At the same time the setting up of the CARIM research network has contributed to a better understanding of the complex issues related to migratory flows in the region.

ANNEX II

Twelve years of cooperation: Barcelona's Record

- Compared to 1995, Euro-Mediterranean relations now have a durable framework where previously there was only an intermittent pattern of contacts.
- At the institutional level of the Partnership, all the **Association Agreements** have been negotiated, and all but one (Syria) are in force. This structure also provides a sound basis for the implementation of the European Neighbourhood Policy.
- Political and security cooperation has grown and a number of **partnership building measures** are in place.
- The **Euro-Mediterranean Parliamentary Assembly** was established in 2004 and held its second meeting in March 2005. The Assembly is to be welcomed both as a contribution to democracy and as evidence of the successful implementation of the policy of joint ownership.
- The **Euro-Mediterranean Facility for Investment and Partnership** was set up in 2002 and is now providing over € 2 billion in loans to Mediterranean Partners.
- On **macroeconomic stability**, Mediterranean countries have recorded a remarkable reduction in inflation over the past decade, whereby the average inflation rate has fallen from around 12% in 1995 to around 3% in 2005; fiscal accounts were also consolidated somewhat.
- **Human development** indicators point to progress over the past ten years. Health conditions have broadly improved in the region, with significant improvements for child health and overall life expectancy.
- The **free trade** provisions of the Association Agreements form the core of the economic pillar of the Barcelona Process. A tariff-free free trade zone with the earliest signatories will be completed in a few years time. All industrial goods originating in Med countries enjoy duty free access to the EU market. Reciprocally, Med countries are gradually dismantling their tariffs on imports of EU industrial goods over a period of 12 years.
- The Agadir Free Trade Agreement, which is fully compatible with the Euro-Med FTAs, entered into force in July 2006.
- The Pan-euro-med system of cumulation of origin will facilitate trade for the economic operators and will allow new sourcing and trading partners.
- The adoption (at the Fourth Euromed Trade Ministerial Conference in July 2004 in Istanbul) of the Framework Protocol on the liberalisation of **services** was another stepping stone in the Euromed process in the trade area. This paves the way to the negotiation of economic integration agreements on services and investments, which will help to integrate the region economically.

- In November 2005 the Commission adopted a negotiating mandate to further liberalise trade in **agriculture**, processed agricultural products and fisheries.
- The signature of the Euro-Mediterranean Charter for **Enterprise** Caserta (Italy) in October 2004 by Industry Ministers was an historic event in itself as, for the first time since the launch of the Barcelona Process, all Mediterranean partners signed the same document. The Charter is increasingly used as a tool to guide reforms for the promotion of the business sector.
- The integration of the Maghreb electricity market, the gradual establishment of a Mashreq gas market and the promotion of energy projects of common interest between Israel and Palestine are targeted as major **energy** cooperation objectives.
- European Commission aid in the form of grants to support the reforms under the Barcelona Process, through the MEDA I and MEDA II **financial cooperation** programmes, now amounts to over €800 million per year. Loans from the European Investment Bank are around €2 billion per year. These volumes are broadly comparable to the aid given to the EU's new member states during the 1990s and prior to their accession. This cooperation has an impact on millions of people in sectors such as health, education, water, sanitation, environment and rural development.
- In recent years very substantial progress has been made on speeding up the implementation of projects and programmes. The ratio of payments to commitments has risen from 20% to over 100% in 2006.
- The average amount for projects within the MEDA Programme is around €10 million, and the average life of those projects is 4 to 5 years. MEDA has a €3 billion portfolio of on-going projects overall, to be seen in relation to a total amount of €700 to 800 million in annual commitments.
- The introduction in 2007 of the European Neighbourhood Partnership Instrument confirms the EU's financial commitment to the Mediterranean.
- The Agreement on the Anna Lindh Euro-Mediterranean Foundation for the **Dialogue between Cultures** represents a considerable achievement for developing mutual understanding among peoples and promote contacts among civil societies.
- Euro-Mediterranean networks have been created and are operational in areas such as: institutes of economic research (FEMISE), political science institutes (EUROMESCO), investment promotion agencies, transport, energy, environment, local water management, information technologies, cultural heritage experts and officials. Exchange programmes involving young people and universities are in operation (TEMPUS).
- The creation of the Civil Forum Platform has helped to structure the activities of civil society and provide a better interface with the official activities of the partnership. There has been increased networking among civil society, both North-South and South-South; exchanges of persons have increased, particularly among young people, and cooperation has developed among **NGOs** from both North and South.

ANNEX III

TAMPERE FOREIGN AFFAIRS MINISTERIAL MEETING (NOVEMBER 2006)

Summary of initiatives for 2007

Orientation course on ESDP organised by the European Defence and Security College, open to Mediterranean countries willing to participate.

- Euromed Senior Officials to launch a discussion on joint cooperation, best practices and exchange of experience in the area of elections in order to take these issues forward.
- Euro-Mediterranean Seminar on the role of the media in preventing all forms of incitement to terrorism through effective and professional communication.
- Euro-Mediterranean Seminar on ensuring respect for human rights in the fight against terrorism in accordance with international law.
- Pursuit of negotiations on the progressive liberalisation of trade in services and the right of establishment, progressive liberalisation of trade in agriculture, processed agricultural and fisheries products, and the establishment of a dispute settlement mechanism. Invitation to Euro-Mediterranean Trade Ministers to envisage a Ministerial meeting in the second half of the year.
- Programmes and activities conducted in the EU to promote innovation to involve Mediterranean partners and start technical assistance in order to accelerate reforms and regulatory convergence, with particular emphasis on the approximation of technical legislation.
- First meeting of the Ad hoc Group on Investment during the first half of the year.
- Euro-Med ECOFIN/FEMIP Ministerial meeting planned for May 2007 in Cyprus.
- 11th Euro-Mediterranean Economic Transition Seminar in Brussels.
- Euro-Mediterranean Energy Conference.
- Euro-Mediterranean Transport Forum and its working groups.
- Implementation of the Horizon 2020 initiative for the de-pollution of the Mediterranean. A steering group will be established to coordinate the Horizon 2020 initiative.
- Euro-Mediterranean Ministerial Conference on Higher Education and Scientific Research in Egypt. Launching of a scholarship scheme open to university students from Partner countries.
- Euromed workshop on employment policy.
- Euromed workshop on surveillance, control of communicable diseases and health systems.

- A Euromed ad hoc meeting at expert Senior Officials level on the role of women in society.
- 2nd Euro-Mediterranean Ministerial Conference on Information Society in Egypt.
- Anna Lindh Foundation to launch a series of visible initiatives.
- First meeting of the Euromed Youth Parliament.
- Euro-Mediterranean conference to discuss proposals from ‘Euromed and the Media’ initiative.

Euromed Ministerial meeting on migration.