

THE EUROPEAN UNION AND ITS PARTNERS IN THE MEDITERRANEAN





A major joint infrastructure project cofinanced by the European Investment Bank: the Maghreb-Europe gas pipeline.

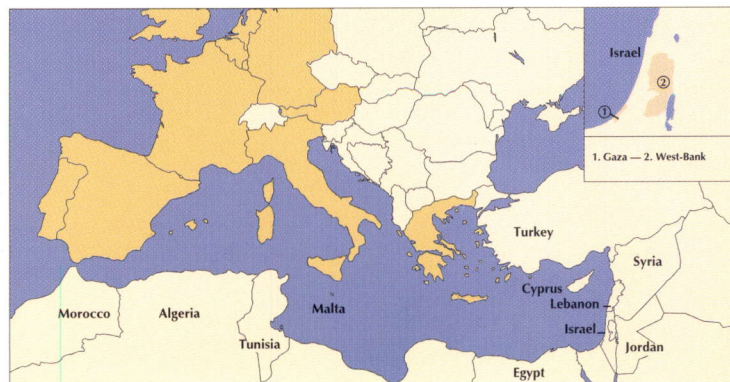
One of the principal cradles of human civilization, the Mediterranean has always been a meeting place, a setting for economic, cultural and human exchanges — and sometimes conflict — between East and West. Guided by the express provisions of the Treaty of Rome, the European Union has consistently sought ties with its southern neighbours.

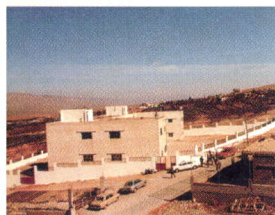
Cooperation with these countries was stepped up by the new Mediterranean policy adopted in 1990. This new approach paved the way for the Euro-Mediterranean partnership inaugurated at November 1995's ministerial conference in Barcelona, which for the very first time brought together representatives of the Union and all its Mediterranean partners: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority.

The Barcelona conference saw the adoption of the Euro-Mediterranean partnership, a new form of economic, political and social cooperation, and an action programme. It was also an opportunity to discuss long-term possibilities.

The Union's objective through every stage in the evolution of its Mediterranean policy has been to help make the Mediterranean an area of peace, stability and prosperity by working to remove the threat of political and economic destabilization hanging over the region.

Mediterranean countries which have signed agreements with the European Union





The school of El Ein, north of Baalbek (Lebanon), rehabilitated with the help of the European Union.

INTENSIVE TRADE

Neighbourly relations and historical links between the Union and the countries of the Mediterranean have brought interdependence in many sectors, among them energy supply, trade and the environment.

The EC is the Mediterranean countries' chief economic and trading partner, accounting for over half their foreign trade.

In 1993 the Union's exports to its Mediterranean partners totalled ECU 46.2 billion, of which ECU 37.4 billion was accounted for by manufactures and agricultural products.

By the same token, Mediterranean countries supply almost a third of the Union's fertilizer imports and nearly a quarter of its imported energy (particularly oil and natural gas).

Falling oil prices have left the Mediterranean non-member countries with a soaring deficit on trade with the Union. That deficit increased considerably in 1993 (ECU 12 billion) and 1995 (ECU 17.3 billion).

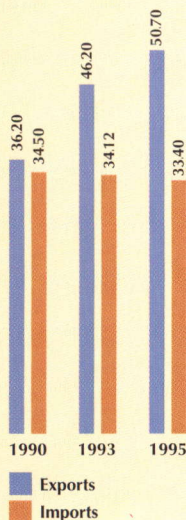
This imbalance is at least partly attributable to the fact that the Mediterranean countries' exports are heavily concentrated in a limited number of sectors or products and to the failure of policies to diversify agricultural production.

Free access to the Community market for industrial products from the Mediterranean countries has undoubtedly benefited their economies. Between 1979 and 1993 the share of exports to the Union accounted for by manufactures rose from 28% to 54% (and indeed, in the case of Tunisia, from 24% to 77%).

The new association agreements currently being negotiated with the various Mediterranean non-member countries are paving the way for the establishment by 2010 of a free-trade area uniting all European and Mediterranean countries.

Membership of this vast area, with its 700 million inhabitants, will enable the Mediterranean countries to increase their presence on the world market and so develop industry and trade, creating jobs and improving living conditions.

Trade between the European Union and its Mediterranean partners
(ECU billion)



THIRTY YEARS OF COOPERATION

Relations with the Mediterranean partners have been going from strength to strength since the birth of the European Community. The emphasis was initially on agreements granting trade concessions. It was not until the 1970s that a fully-fledged Community policy towards the countries of the southern and eastern Mediterranean began to emerge, leading in the period 1975-79 to the conclusion of association or economic and financial cooperation agreements with most Mediterranean countries. Of unlimited duration, these agreements have two main components:

- trade concessions for exports from the Mediterranean to the Community market;
- economic and financial cooperation, the latter governed by five-year financial protocols for the funding of development projects and programmes.

THE NEW MEDITERRANEAN POLICY

The adoption of the new Mediterranean policy at the start of the 1990s heralded a new era. Aid was stepped up by increasing the financial protocols and supporting the economic reforms initiated by some partners. Concessions for agricultural exports were also expanded.

In force since 1992, this new policy has seen a marked rise in funding (a threefold increase) and the expansion of cooperation into new fields, notably structural adjustment, for which ECU 300 million has been earmarked. This enables the Union to cushion the impact of economic reforms by helping maintain social spending (health, education, housing etc.).

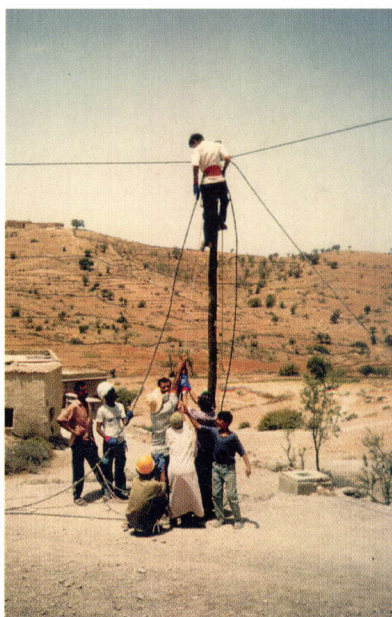
Financial cooperation between the European Union and its Mediterranean partners

In the period 1978-91 (covering the first three financial protocols), ECU 4 236 500 000 was made available, ECU 2 009 500 000 in grants from the Community budget and ECU 2 227 000 000 in loans from the European Investment Bank (EIB).

For the period 1992-96 (the fourth protocol), this amount was increased to ECU 2 375 000 000, ECU 1 075 000 000 of it in grants and ECU 1 300 000 000 in EIB loans.

For the same period, the new Mediterranean policy provided a further ECU 2 030 000 000, including ECU 1 800 000 000 in EIB loans, for regional cooperation on such issues as the environment.

For the period 1995-99 the Union is planning financial aid of ECU 4 685 000 000 in budget funding and a similar amount in EIB loans.



The European Union is helping non-governmental organizations finance the electrification of outlying villages.

For the very first time, ECU 1.8 billion has been set aside for regional cooperation, including ECU 500 million for the environment. A series of decentralized programmes has been launched, enabling the Union to work with communities directly, fostering exchanges between key groups in civil society.

THE MED PROGRAMMES

As decentralized cooperation networks, the MED programmes bring representatives of business and civil society in the Union into direct contact with their counterparts in the Mediterranean partner countries.

These programmes are designed to foster contacts, understanding and exchanges of know-how and experience between individuals, groups, organizations and institutions on both sides of the Mediterranean. There is a special emphasis on education, the environment, training, youth, small and medium-sized enterprises and the media.

MED-Campus seeks to bring together universities and other higher-education establishments on both sides of the Mediterranean by fostering exchanges. In 1995 103 networks were selected, comprising 293 universities and research centres.

MED-URBS is intended to develop cooperation and ties between local authorities of the northern and southern Mediterranean with a view to improving the quality of life. In 1995, 48 networks were selected, comprising 275 local authorities. From 1997 MED-URBS will include a programme entitled MED-Migration.

MED-Media provides backing for the formation of networks between media professionals, enabling them to get to know each other, transfer know-how and exchange experience. In 1995 48 projects were selected, involving 206 media organizations.

THE EURO-MEDITERRANEAN PARTNERSHIP

Drawing on this experience, the new approach developed by the Union in recent years is more proactive and takes account of the individual circumstances of each partner. Proposals on the future of relations with the countries of the Maghreb and Mashreq were adopted in April 1992 and September 1993 respectively. With the backing of the European Parliament, the 'Euro-Mediterranean partnership' was first outlined in a Commission communication of October 1994, with further details being added by a second communication in March 1995. The conclusions of the June 1995 meeting of the European Council in Cannes gave it financial substance and the Barcelona Euro-Mediterranean ministerial conference of November that year saw all 27 delegations reach agreement on the content of the partnership.

The hallmarks of this policy are: regular political dialogue aimed at establishing an area of peace and stability, considerably increased financial aid, the gradual establishment of a free-trade area, and the extension of economic and social cooperation into many new fields.

The Euro-Mediterranean Partnership is threefold in nature:

- (i) A political and security partnership promoting machinery for regional stability, possibly including a stability pact, by means of reinforced political dialogue based on key principles acceptable to all partners (including respect for fundamental freedoms and the rule of law).
- (ii) An economic and financial partnership seeking the gradual establishment of a Euro-Mediterranean free-trade area compatible with World Trade Organization (WTO) rules. Financial

cooperation, and in particular backing for economic modernization, is being stepped up by fostering investment, especially by the private sector.

- (iii) A social, human and cultural partnership aimed at developing the human dimension of relations, with an emphasis on decentralized cooperation targeting education, training, young people, culture and the media, migrant groups and health. Cooperation is also planned in the fields of justice and home affairs to combat drug trafficking, terrorism, illegal immigration and international crime.

This ambitious policy of partnership is founded on the consolidation of democracy and respect for human rights, which are an essential element of Euro-Mediterranean relations.

The key to the partnership's implementation is the negotiation of Euro-Mediterranean association agreements between the Union and nine of its partners in the southern and eastern Mediterranean: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and the Palestinian Authority. Some agreements have already been signed, others are still being negotiated.

Relations with Cyprus and Malta are guided by a pre-accession strategy, the Union having decided that these countries may, if they wish, join at the next enlargement. Turkey entered a customs union with the fifteen-member EU on 1 January 1996.

In addition, a process of Euro-Mediterranean dialogue has been under way since early 1996. It takes the form of meetings at ministerial and other levels and joint projects of mutual interest in any of the three fields of cooperation.

THE EUROPEAN UNION AND THE MIDDLE EAST PEACE PROCESS

In 1980 the European Council, at its Venice summit, issued a forthright declaration on the Middle East conflict. The nine Member States of the time recognized Israel's right to secure and guaranteed borders and the Palestinians' right to self-determination, recognizing the PLO (Palestine Liberation Organization) as their legitimate representatives. They likewise endorsed UN Security Council Resolutions 242 and 338.

The Union has confirmed its policy on several occasions since then. In 1996, a year in which the peace process initiated by the 1991 Madrid Conference seemed to lose momentum, the European Council, seeing the process as the only way to security and peace for Israel, the Palestinians and the neighbouring countries, reiterated the key principles: self-determination for the Palestinians, with all that that implies, and the exchange of land for peace. A statement issued shortly afterwards took a firmer line with Israel, stressing the importance of the 1995 association agreement between Israel and the Union which was founded on a common commitment to the peace process.

The Union's support for the peace process is reflected in its political backing for the bilateral element of the agreement between Israel and the PLO and in its active involvement in the quest for suitable solutions.

At multilateral level, the Union chairs the working party on regional economic development, whose members are Israel, Egypt, Jordan and the Palestinian Authority. This active working party prepared the Copenhagen action plan (comprising over 50 projects in different economic sectors) and advocates the establishment



The European Union backs cooperation projects in the field of science and technology.



Handing over 30 vehicles for a family-planning project in northern Morocco.



Cultural cooperation: the European Community Chamber Orchestra gives a concert in Amman (Jordan).

of an Amman-based permanent secretariat, which could one day become the core of a regional organization.

The Union first started channelling aid to the Palestinians in 1971 through UNRWA (the United Nations Relief and Works Agency for Palestine Refugees in the Near East); aid continues to this day, not just in the West Bank and Gaza Strip but in Lebanon, Syria and Jordan too.

Community assistance is focused on three priority sectors: education, basic infrastructure and the development of administrations, municipal authorities and the Palestinian Council. The European Commission is actively backing the development of the private sector, and Palestinian exports to the Union enjoy major concessions.

To mark the signing of the international agreement between Israel and the PLO a ministerial conference on economic assistance to the Palestinians was held in Paris in January 1996 at which donors confirmed their pledges, with the Commission increasing by 75% the ECU 50 million a year initially planned. The European Investment Bank will also be providing ECU 250 million in loans spread over five years.



Yossi Tzveker

On aggregate the Union (the Commission and the Member States) heads the list of donors, providing about 45% of international aid (compared with 20% from Saudi Arabia, 15% from the United States and 8% from Japan).

The Union is determined to continue its support for prosperity and job-creation in the West Bank and Gaza Strip in pursuit of what has always been its goal: a lasting peace guaranteeing harmonious economic and social development for both Palestinians and Israelis.

A meeting between young Israeli Jews and Arabs. The Union is backing programmes to foster dialogue between Jews and Arabs, Israelis and Palestinians.



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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>).

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