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# DRAFT REPORT

on the Union for the Mediterranean  
(2009/2215(INI))

Committee on Foreign Affairs

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the Union for the Mediterranean (2009/2215(INI))

*The European Parliament,*

- having regard to the Barcelona Declaration adopted at the Euro-Mediterranean Conference of Ministers of Foreign Affairs, held in Barcelona on 27 and 28 November 1995, establishing a Euro-Mediterranean partnership,
- having regard to the Commission Communication to the European Parliament and the Council entitled ‘Barcelona Process: Union for the Mediterranean’ (COM(2008)0319),
- having regard to the approval of the ‘Barcelona Process: Union for the Mediterranean’ by the Brussels European Council of 13 and 14 March 2008,
- having regard to the Declaration of the Paris Summit for the Mediterranean, held in Paris on 13 July 2008,
- having regard to the final statement issued at the meeting of Ministers of Foreign Affairs of the Union for the Mediterranean, held in Marseille on 3 and 4 November 2008,
- having regard to the statements issued by the Bureau of the Euro-Mediterranean Parliamentary Assembly (EMPA) at its meetings in Paris (12 July 2008), Cairo (22 November 2009) and Rabat (22 January 2010),
- having regard to the conclusions of the inaugural meeting of the Euro-Mediterranean Regional and Local Assembly (ARLEM), held in Barcelona on 21 January 2010,
- having regard to the final declaration of the Euro-Mediterranean Summit of Economic and Social Councils and Similar Institutions, held in Alexandria on 18 and 19 October 2009,
- having regard to its previous resolutions on the European Union’s Mediterranean policy, in particular those of 15 March 2007<sup>1</sup> and 5 June 2008<sup>2</sup>, and its resolution of 19 February 2009 entitled ‘The Barcelona Process: Union for the Mediterranean’<sup>3</sup>,
- having regard to its resolution of 15 November 2007 on strengthening the European Neighbourhood Policy<sup>4</sup>,
- having regard to the recommendation adopted by the EMPA’s Political Committee at its meeting on 13 and 14 March 2010,
- having regard to Rule 48 of its Rules of Procedure,

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<sup>1</sup> OJ C 301 E, 13.12.2007, p. 210.

<sup>2</sup> OJ C 285 E, 26.11.2009, p. 39.

<sup>3</sup> Texts adopted of that date, P6\_TA(2009)0077.

<sup>4</sup> OJ C 282 E, 6.11.2008, p. 443.

- having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on Industry, Research and Energy (A7-0000/2010),
- A. whereas, in a multipolar world, only large regional blocs will be in a position to play a leading role and to cope with social, cultural, economic, environmental and political changes,
- B. whereas the European Union must adopt a strategic view of its relations with its southern neighbours and move beyond cooperation driven solely by considerations pertaining to security and migration,
- C. whereas the Union for the Mediterranean (UfM) is a means of boosting the regional and multilateral dimension of Euro-Mediterranean relations, opening up fresh prospects for the establishment of an area of peace, security and prosperity for 800 million people,
- D. whereas the neighbourhood policy conducted with the Mediterranean countries has its limitations and, by placing the emphasis on bilateral relations, is proving imbalanced and unable to contribute to a shared process of significant reform in the region,
- E. whereas, for the last 15 years or so, Mediterranean countries have been developing new trading and economic partners (Russia, China, Brazil and the Gulf monarchies) and their societies have been undergoing radical changes (in terms of consumption patterns, mobility, demographic transitions and so on) with implications for internal territorial balances,
- F. having regard to the significant disparities between European Union Member States and Mediterranean third countries and the worrying structural problems of a socio-economic and institutional nature, which call for strong responses in the shared interest of all the states participating in the UfM;
- G. whereas the regional context in which the UfM is taking shape continues to be characterised by conflicts and political tensions, which have slowed down its establishment since the Paris Summit of July 2008,
- H. whereas the UfM's two major innovations, namely its institutional set-up (co-presidency, joint permanent committee and secretariat) and operational focus (integration projects), must function effectively and transparently,
- I. whereas the UfM's secretariat needs to become the structure's linchpin, whereas its effectiveness will depend on the ability of its staff to work independently and whereas the presence of a senior Israeli official and a senior Palestinian official cooperating within an international organisation at regional level is unprecedented and gives grounds for hope,
- J. whereas Mediterranean regions are directly affected by transnational issues such as water management, pollution, road and maritime networks and migration flows, and whereas local and regional authorities play a key role in facilitating the development of sustainable spatial planning policies and the implementation of practical projects,

- K. whereas the projects announced by the UfM have suffered from general underfunding since the Paris Summit,
- L. having regard to the crucial importance of the capital flows represented by the funds migrants send to people in countries on the southern shore of the Mediterranean,
- M. having regard to the need to avoid any duplication or overlap of existing political instruments or institutional levels, to ensure consistency among the numerous instruments for Euro-Mediterranean cooperation and to build on the achievements of the Barcelona Process,
- N. having regard to the recent entry into force of the Lisbon Treaty, on the one hand, and the ongoing debate about the operation and financing of the UfM, on the other, which make it essential for the European Parliament to monitor developments connected with the UfM as closely as possible in order to help ensure the outright success of the Barcelona Summit,
1. Calls on the heads of state and government within the UfM, who will meet in Barcelona on 7 June 2010, to do their utmost – after two difficult years – to make this meeting a success, with a view to setting up the UfM’s institutions and implementing major projects;
  2. Calls on the governments of the UfM member countries to establish an ongoing and open political dialogue characterised by mutual respect and understanding, and reaffirms its desire to see the promotion of democracy and respect for human rights and individual and collective freedoms made the central focus of that dialogue;
  3. Is of the opinion that political tensions and regional conflicts in the Mediterranean basin must not hinder tangible progress towards multilateral cooperation in specific sectors, and that it is through the implementation of major integration projects that the UfM will help to develop a climate of trust conducive to pursuing common security goals in a spirit of solidarity and peace;
  4. Recommends that, in preparation for the Barcelona Summit, the UfM’s institutional and operational structure be completed by taking the following steps:
    - providing the secretariat with the necessary resources to operate effectively and independently;
    - clarifying the criteria for approving, funding and implementing major projects;
    - ensuring joint representation of EU participants (the Member States, the Council and the Commission) in accordance with the Lisbon Treaty, while at the same time fostering active participation by all the Mediterranean third countries;
    - stepping up coordination with EU projects and programmes approved by the specialised ministerial conferences;
    - allowing ‘variable-geometry’ cooperation arrangements open to countries wishing to work together on projects of common interest;

- ensuring smooth cooperation between the secretariat and the European Commission, and clearly defining their respective remits;
  - ensuring the UfM's democratic legitimacy in such a way that decisions are taken in a transparent manner, and that the European Parliament, the EMPA and the national parliaments are involved in the decision-making process;
5. Recalls that the Paris Summit identified six main horizontal strategic sectors, in most of which projects are already under way as part of the EuroMed partnership;
  6. Considers it essential to guarantee, increase and mobilise project funding through a combination of public and private funds; in this context:
    - calls on the UfM's members to allocate project funding commensurate with the issues at stake, and expects an historic commitment from participants at the Barcelona Summit;
    - emphasises that, in the period leading up to the end of the 2007-2013 financial perspectives, any financial contributions made by the Union should not affect existing or planned Euro-Mediterranean regional projects; underlines the need to increase substantially the funds allocated to the UfM in the EU's forthcoming financial perspectives for 2014-2020;
    - welcomes the steps taken by financial institutions at national, European (EIB-FEMIP, EBRD) and international (World Bank) level which are already active in the region, emphasises the need to identify synergies in connection with major projects, and proposes that a Euro-Mediterranean investment and development bank be set up to consolidate the North-South parity basis on which the UfM operates;
    - welcomes the recent launch of investment funds for the financing of UfM projects, including the InfraMed fund for infrastructure projects, and calls on the various stakeholders to encourage the development of similar initiatives;
  7. Encourages efforts to improve the economic and legal environment in third countries, making it a priority to set up viable and credible sub-regional financial institutions able to attract foreign investment; also calls for:
    - the drafting of a common investment protection charter for Mediterranean third countries in order to harmonise and enhance such protection and encourage investment;
    - the establishment of an insurance and financial guarantee system for investors, based on the Multilateral Investment Guarantee Agency (MIGA) and tailored to the Euro-Mediterranean context;
  8. Invites UfM member countries to simplify transfers of funds by migrants to people in countries on the southern shore of the Mediterranean, in particular by endeavouring to reduce the costs incurred;
  9. Views it as regrettable that socio-economic and commercial aspects, such as direct foreign investment, employment, the informal economy and poverty reduction, were overlooked

in the Paris declaration, and calls for this to be remedied at the Barcelona Summit;

10. Emphasises the strategic importance of issues such as agriculture, food security, water and rural development in Mediterranean countries, and calls for cooperation in the farming sector to be made a political priority; encourages the UfM member countries to work on harmonising their positions in the context of WTO negotiations and to move towards greater convergence among Euro-Mediterranean agricultural policies;
11. Is keen to see new projects in the cultural field put on the UfM's agenda in the very near future; suggests that priority be given to setting up a Euro-Mediterranean junior Erasmus programme called 'Averroës', as a way of stepping up exchanges between secondary school pupils in UfM member countries;
12. Recalls its remit within the EU's budgetary procedure, and emphasises the need for the EMPA to take on more significant responsibilities by being involved in consultation and democratic supervision in respect of budget implementation; calls for regular hearings of the Secretary General and the Deputy Secretaries General by the various relevant EMPA committees, so that projects and activities can be monitored on a regular basis; takes the view, however, that this higher level of responsibility must go hand in hand with improvements in the operation and working methods of the EMPA, including granting the necessary human and financial resources;
13. Welcomes the recent establishment of the Euro-Mediterranean Regional and Local Assembly (ARLEM) and calls for efforts to ensure proper coordination between the ARLEM's activities and those of the EMPA, in particular through joint meetings or reciprocal invitations for members of their respective bureaux to attend working meetings;
14. Calls for civil society, the social partners and the numerous professional and socio-professional networks developed as part of the Euro-Mediterranean partnership to be consulted regularly and involved in the UfM's activities and projects; encourages the establishment of a Mediterranean business leaders' forum and a Euro-Mediterranean economic and social council;
15. Calls on the Council, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy and the Commission to take the necessary steps to ensure coherent EU participation in the UfM, and to involve Parliament in framing EU policy;
16. Instructs its President to forward this resolution to the President of the Council of the European Union, the President of the Commission, the Vice-President of the Commission/High Representative of the Union for Foreign and Security Policy, the governments and parliaments of the Member States, the co-presidency of the UfM and the governments and parliaments of the partner states.

## EXPLANATORY STATEMENT

### I/ Background

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Over the last two decades the European Union has put a great deal of energy into its eastward expansion. It is to be congratulated on having completed the historic task of reunifying the continent, but – in an era in which the world's geopolitical and geo-economic balances are shifting, with the notable emergence of Asia – it is now time for the Union to **rethink its foreign policy priorities and rediscover** its southern neighbours.

It is crucial **for the European Parliament to monitor developments in relation to the latest regional initiative, the Union for the Mediterranean (UfM), as closely as possible.** Accordingly, this report, which follows on from the previous report adopted in February 2009, sets out to continue the process of political reflection in the light of the EU's new institutional environment and the uncertainties still hanging over the UfM in terms of both operational aspects and funding.

Following a controversial start and two successive years of relative deadlock, the UfM's second summit of heads of state and government will take place in Barcelona in June 2010. **The European Parliament is keen to help ensure the outright success of this summit, which will shape the UfM's future.**

### II/ Guiding principles

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In the run-up to the Barcelona summit, our reflections on the UfM are structured around four guiding principles.

#### **a. Building on the achievements of the Barcelona Process**

Although the concept of the UfM emerged outside the EU framework, **the final decision that it should follow on directly from the Barcelona Process, despite the latter's weaknesses, was the right one<sup>5</sup>.**

Notwithstanding the Euro-Mediterranean Partnership's disappointing track record, particularly at multilateral and sub-regional level, this cooperation structure was familiar to our partners, unlike the European Neighbourhood Policy (ENP) launched in 2004.

Although the Barcelona Process was politically deadlocked, it was active at a technical level. A number of states' economies received a considerable boost from its financial instruments (MEDA, ENPI, FEMIP), cooperation and micro-cooperation programmes and bilateral association agreements. In terms of culture and education, programmes were set up in areas such as cultural heritage conservation (EuroMed Heritage), the promotion of youth exchanges

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<sup>5</sup> European Council conclusions of 13 and 14 March 2008.



(Erasmus Mundus), the exhibition of Euro-Mediterranean audiovisual productions (Euromed Audiovisual II) and dialogue between cultures (Anna Lindh Foundation). In addition, efforts – albeit cautious – were made in the area of sub-regional integration, with the signing of the Agadir agreement. On the political front, the partnership's regional dimension was maintained through ministerial meetings (on foreign affairs and specific sectors) and meetings of senior officials, which made it possible to establish regular dialogue.

Accordingly, it is understandable that the launch of the ENP, with its accepted bilateral dimension and its three stated concepts (conditionality, ownership and selective differentiation), may have been perceived – and not only on the southern shore of the Mediterranean – as diluting the European Union's commitment to partnership and abandoning Euro-Mediterranean regional goals<sup>6</sup>.

**The UfM consequently offers a second chance in terms of the regional and multilateral dimensions of Euro-Mediterranean cooperation, provided that it builds on the achievements of the Barcelona Process.**

**b. Political tensions and regional conflicts in the Mediterranean must not hinder tangible progress towards sectoral and multilateral cooperation.**

The regional context in which the UfM is taking shape continues to be characterised primarily by political conflicts and tensions, compounded by the events of 11 September 2001 and the war in Iraq, which have fuelled a crisis of confidence on both sides.

These conflicts have done a great deal to hinder the establishment of the UfM since the Paris Summit of July 2008, contributing to the cancellation of ministerial meetings and to institutional paralysis.

An immediate lesson must be drawn from these difficulties: **the UfM's main purpose is not to resolve long-standing conflicts between some of its members.** Unless a responsible and constructive spirit is shown by the various stakeholders, it will be difficult to establish the UfM and ensure its subsequent development. It is through the implementation of major integration projects that the UfM will help to develop a climate of trust conducive to pursuing common security goals in a spirit of solidarity and peace. Blocking such projects, on the other hand, would lead to a failure with far-reaching implications.

**c. The UfM's two innovations – its institutional set-up (co-presidency, joint permanent committee and secretariat) and operational focus (integration projects) – must function effectively and transparently.**

One of the prerequisites for the UfM's future success is to ensure that its operation is easily understood by as many players as possible (businesses, universities, trade unions, local and regional authorities, civil society), and that they can see tangible results. Its institutions must therefore start work as soon as possible on the basis of **simple, effective and transparent processes.**

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<sup>6</sup> See the Jäättienmäki, Tannock and Napoletano reports.

In practical terms, this requirement for effectiveness could take the form of **variable-geometry cooperation arrangements** open to countries wishing to work together on projects of common interest, without closing the door to those that may subsequently wish to join them.

In addition, the selection, progress and funding of projects must be subject to **regular evaluation and monitoring**, including by Parliament, the **findings of which must be made available to the general public**.

#### **d. Funding has become a central issue.**

Since the Paris Summit, the Commission has made a financial contribution to the initial projects announced by the UfM. This is only the first step, which must be re-evaluated in the near future in the context of actually developing the projects in question. Notwithstanding the economic and social crisis, the actual establishment of the UfM requires **a more significant financial contribution from the various partners, and the European Union in particular**.

Accordingly, it is important to ensure that **the funds allocated to the UfM's budget by the EU and its Mediterranean partners are commensurate with the issues at stake**. The action taken by the partner countries must not be confined to granting loans or asking the UfM to lend its name retrospectively to projects already financed by other institutional programmes, including EU programmes.

Lastly, **the secretariat must be provided with the necessary resources to operate effectively and independently**.

### **III. The Barcelona Summit: a critical stage for the UfM**

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The heads of state and government within the UfM will meet in Barcelona in June 2010. **The European Parliament is keen to help ensure the outright success of this summit, the outcome of which – after a difficult first two years – is a crucial challenge that will shape the UfM's future.**

Accordingly, the European Parliament will pay particular attention to the tangible progress achieved in **three key areas**: the UfM's **institutional set-up, projects and sources of project funding**.

#### **a. Institutional set-up: effectiveness and democracy**

In preparation for the Barcelona Summit, progress must be made in **deciding on the UfM's institutional and operational set-up**, in keeping with the requirements for effectiveness and transparency; in particular, the criteria for decision-making, funding and the implementation of major projects must be clarified.

The UfM's secretariat needs to become **the structure's linchpin**. Its effectiveness will depend on the ability of its staff to work independently. **It must be emphasised that the presence of a senior Israeli official and a senior Palestinian official cooperating within**

**an international organisation at regional level is unprecedented and gives grounds for hope.** Lastly, it is essential to ensure smooth cooperation between the secretariat and the European Commission, and to define their respective remits clearly.

While the European Parliament's powers as part of the EU's budgetary procedure must be highlighted, in the context of the new institutional balance it is crucial for the **EMPA** to take on more significant responsibilities by being involved in consultation and democratic supervision in respect of project budget implementation. Regular hearings of the Secretary General and the Deputy Secretaries General by the various relevant EMPA committees would enable projects and activities to be monitored on a regular basis. **However, this higher level of responsibility must go hand in hand with improvements in the operation and working methods of the EMPA, including granting the necessary human and financial resources.**

It is also essential to involve **local and regional authorities**. Mediterranean regions play a key role in facilitating the development of new spatial planning policies and the implementation of practical projects. The recent establishment of the **Euro-Mediterranean Regional and Local Assembly (ARLEM)** is an excellent initiative.

Lastly, the UfM must not forget to do its utmost to involve **civil society, the social partners and the numerous professional and socio-professional networks** developed as part of the Euro-Mediterranean partnership in its activities and projects. The establishment of a **Euro-Mediterranean economic and social council** and a **Mediterranean business leaders' forum** must therefore be encouraged.

## **b. Projects**

The Paris Summit identified six main horizontal strategic sectors that tie in with a number of major challenges facing the region: cleaning up the sea, transport, renewable energies, education, small and medium-sized enterprises and civil protection.

It will be up to the secretariat to select, propose and approve 'UfM projects'. A number of projects are already under way as part of the EuroMed partnership. For pragmatic reasons, therefore, it is important to work on a complementary basis and to achieve the right degree of coordination and political mobilisation between the European and Euro-Mediterranean levels.

As well as the six major projects identified, **new projects** should also be put on the agenda in the very near future by the secretary general and sector-specific ministerial meetings. The European Parliament proposes, inter alia, that the projects to be set up under the auspices of the UfM include a **Euro-Mediterranean junior Erasmus programme** called 'Averroës', making it possible to step up exchanges between secondary school pupils in UfM member countries, and the addition of a **cultural component**. Cooperation in the **food and agriculture** sector, which is of strategic importance, should now be one of the UfM's priorities, with a view to moving towards greater convergence among Euro-Mediterranean agricultural policies.

## **c. Increasing and guaranteeing funding**

The Barcelona Summit must **put an end to the underfunding of projects announced by the**

## UfM.

The funding of planned projects must rely on a combination of public and private funds, which must be developed and established on a permanent basis:

- in the period leading up to the end of the 2007-2013 financial perspectives, the Union's financial contribution – which is essential – must not affect existing or planned Euro-Mediterranean regional projects; the EU's forthcoming financial perspectives for 2014-2020 must substantially increase the funds allocated to the UfM;
- financial institutions at national, European (EIB-FEMIP, EBRD) and international (World Bank) level are already active in the region. Synergies must be identified in connection with major projects. This will be a task for the secretariat;
- consideration must be given to setting up a Euro-Mediterranean investment and development bank, inter alia in order to consolidate the North-South parity basis on which the UfM operates;
- the recent launch of investment funds for the financing of UfM projects is a positive step. The development of similar initiatives must be encouraged.

It is also important to work on improving the economic and legal environment in third countries, making it a priority to set up viable and credible sub-regional financial institutions able to attract foreign investment. Existing investment protection agreements are bilateral, and vary widely. A common investment protection charter for countries on the southern shore of the Mediterranean and the establishment of an insurance and financial guarantee system for investors would harmonise and enhance such protection.

Lastly, the capital flows represented by the funds migrants send to people in countries on the southern shore of the Mediterranean are crucially important for the economic development of the recipient countries. Consideration must be given to ways of simplifying such transfers, in particular by endeavouring to reduce the costs incurred.

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Europe and its neighbours south and east of the Mediterranean are now at a crossroads in their shared history. There is virtually no other option but to join forces in a spirit of solidarity in order to address the major global challenges whose effects are being felt on a daily basis on the shores of the Mediterranean.

In Barcelona, the heads of state and government will have to show pragmatism and vision in order to use the region's current complexity as a starting-point for building a common Euro-Mediterranean future for more than 800 million people. They must fulfil citizens' legitimate aspirations for peace, stability and prosperity and their desire to live in a society based on the rule of law and mutual respect.

Complementarity and joint responsibility are the best tools for enabling Mediterranean diversity to flourish in such a way as to contribute to a prosperity in which all citizens can share.