



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0104/2012

4.4.2012

REPORT

on Trade for Change: The EU Trade and Investment Strategy for the Southern Mediterranean following the Arab Spring revolutions
(2011/2113(INI))

Committee on International Trade

Rapporteur: Niccolò Rinaldi

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT	16
OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS	22
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT	26
RESULT OF FINAL VOTE IN COMMITTEE.....	29

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Trade for Change: The EU Trade and Investment Strategy for the Southern Mediterranean following the Arab Spring revolutions (2011/2113(INI))

The European Parliament,

- having regard to the Barcelona Declaration of 28 November 1995, which established a partnership between the European Union and Southern Mediterranean countries, and the work programme adopted at that conference,
- having regard to its resolutions of 27 October 2006 on the Barcelona Process revisited¹ and of 25 November 2009 on the Euro-Mediterranean economic and trade partnership ahead of the 8th Euromed Ministerial Conference on Trade²,
- having regard to the Joint Communication of the European Commission and the High Representative to the European Council, the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 8 March 2011 on ‘A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean’ (COM(2011)0200),
- having regard to the Joint Communication of the European Commission and the High Representative to the European Council, the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 25 May 2011 on ‘A new response to a changing neighbourhood’ (COM(2011)0303 final),
- having regard to the Communication from the European Commission to the European Council, the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 24 May 2011 on ‘A dialogue for migration, mobility and security with the southern Mediterranean countries’ (COM(2011)0292),
- having regard to ‘the Euro-Mediterranean Trade Roadmap till 2010 and Beyond’ as adopted by the 8th Trade Ministerial meeting of the Union for the Mediterranean in 2009,
- having regard to the conclusions of the Euro-Mediterranean Ministerial Conferences and sectoral ministerial conferences that have taken place since the launch of the Barcelona Process, and particularly the conclusions of the 9th Union for the Mediterranean Trade Ministerial Conference of 11 November 2010,
- having regard to the Euro-Mediterranean Association Agreements between the Community and its Member States, of the one part, and Tunisia³, Israel⁴, Morocco⁵,

¹ OJ C 272E, 9.11.2006, p.570.

² Texts adopted, P6_TA(2009)0178.

³ OJ L 97, 30.3.1998, p. 2.

⁴ OJ L 147, 21.6.2000, p. 3.

⁵ OJ L 70, 18.3.2000, p. 2.

Jordan¹, Egypt², Lebanon³ and Algeria⁴, of the other part, and the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the Community and the PLO (for the benefit of the Palestinian Authority)⁵ ,

- having regard to Decision No 1/95 of the EC-Turkey Association Council of 22 December 1995 on implementing the final phase of the customs union (96/142/EC)⁶ ,
- having regard to the free-trade agreement, known as the Agadir Agreement, signed by Jordan, Egypt, Tunisia and Morocco on 25 February 2004,
- having regard to the Sustainability Impact Assessment of the Euro-Mediterranean Free Trade Area (FTA) drawn up by Manchester University's Institute for Development Policy and Management,
- having regard to the Regional Strategy Document (2007-2013) and the Regional Indicative Programme for the Euro-Mediterranean Partnership (2007-2013) and the objectives stated therein⁷ as well as the Commission's Implementing Decision of 29 July 2011 on the second part of the Annual Action Programme 2011 in favour of the Mediterranean region to be financed under Article 19.080101 of the General Budget of the European Union⁸,
- having regard to the work of the Facility for Euro-Mediterranean Investment and Partnership, in particular the ministerial meeting that took place in Brussels on 12 July 2011 and its 2010 annual report published on 8 August 2011,
- having regard to the decision of 5 October 2011 of the European Bank for Reconstruction and Development's Board of Governors to deploy funds in Southern and Eastern Mediterranean countries,
- having regard to the work of the Parliamentary Assembly of the Union for the Mediterranean,
- having regard to the work of the Union for the Mediterranean,
- having regard to the Council decision of 14 December 2011 to adopt Deep and Comprehensive Free Trade Agreement negotiating directives for Egypt, Jordan, Morocco and Tunisia,
- having regard to its resolutions of 6 April 2011 on the future European international investment policy,⁹ of 7 April 2011 on the Review of the European Neighbourhood

¹ OJ L 129, 15.5.2002, p. 3.

² OJ L 304, 30.9.2004, p. 39.

³ OJ L 143, 30.5.2006, p. 2.

⁴ OJ L 265, 10.10.2005, p. 2.

⁵ OJ L 187, 16.7.1997, p. 3.

⁶ OJ L 35, 13.2.1996, p. 1.

⁷ C(2007)672.

⁸ C(2011)5381.

⁹ Text adopted of that date - P7_TA(2011)0141.

Policy – Southern Dimension¹ , and of 14 December 2011 on the Review of the European Neighbourhood Policy ² ,

- having regard to all of the resolutions adopted by Parliament in the context of the Arab Spring, on the freedoms of religion, belief and conscience as fundamental and universal values that are essential for democratic and economic development;
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinions of the Committee on Foreign Affairs and the Committee on Agriculture and Rural Development (A7-0104/2012),
- A. whereas the Arab Spring is the greatest political transformation in the European Neighbourhood since the fall of the Berlin Wall and has offered the EU the opportunity to match its commercial and foreign policy interests with its core values of human rights, democracy and a free society; whereas, in accordance with Article 8 of the Treaty on European Union, the EU must develop a special relationship with neighbouring countries, with the aim of establishing an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation, which is the only key to permanent stability, security and the economic development and progress of Europe;
- B. whereas the EU has exclusive competence over trade and investment policy, which allows it to provide an effective response to the upheavals and to contribute to economic and social progress in Southern Mediterranean countries (SMCs);
- C. whereas the Lisbon Treaty defines international trade as one of the three arms of the EU's External Action and requires coherence with its other policies: foreign affairs and international development; whereas trade has always been a strong pillar in the Neighbourhood Policy and this has been emphasised in the Commission's communications on a 'New Response to a Changing Neighbourhood' and 'A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean';
- D. whereas there is a perception amongst the civil societies of SMCs that the EU should be more proactive in aiding their political and economic transformations;
- E. whereas the economic and political reconstruction in the aftermath of the Arab Spring is not being overseen by regional institutions performing a similar role to that of the Council of Europe and the Organisation for Security and Cooperation in Europe (OSCE) in Central and Eastern Europe and Central Asia;
- F. whereas no specific Euro-Mediterranean financial institution exists, while the experience gained by the EBRD during the transition of Central and Eastern Europe in previous years should allow it to play a positive role in SMCs; notes with regret, however, that several EU Member States have not yet ratified the amendments to the EBRD Agreement which will help the bank become fully operational in the Mediterranean region;

¹ Text adopted of that date P7_TA(2011)0154.

² Text adopted of that date P7_TA(2011)0576.

- G. whereas, thus far, the economies of SMCs have been run by undemocratic leaders to the benefit of the few, often overlooking the needs of the most vulnerable; whereas the fact that many dictators have now been deposed now leads to new opportunities to open up the economies of the region and create a true market economy;
- H. whereas the EU already has a Customs Union with Turkey and existing Free Trade Agreements (FTAs) with SMCs, with the exceptions of Syria, which did not sign the final negotiated package, and Libya, with which negotiations were suspended in February 2011 following the outbreak of civil war;
- I. whereas membership of the World Trade Organisation (WTO) is not a prerequisite for engaging in trade negotiations, as demonstrated by the trade provisions of the Association Agreements with Lebanon and Algeria, the interim agreement with the Palestinian Territories, the suspended negotiations with Libya, and the unratified agreement with Syria;
- J. whereas the Euro-Mediterranean Free Trade Area, the most ambitious economic project to result from the Barcelona Declaration, failed to materialise by the target date of 2010, due to the conflicts in the region and lack of intra-regional (South-South) engagement;
- K. whereas the 2008 economic crisis directly affected the main economic drivers of SMCs, and whereas the social and political turmoil experienced by Tunisia, Egypt, Syria and Libya during the Arab Spring has further compounded the economic downturn in those countries; whereas not all SMCs have experienced the Arab Spring in the same manner, since the old regimes are still in power in some countries while others are undergoing a continuing period of social unrest that further weakens their economy;
- L. whereas the Arab Spring has uncovered the structural and systemic commercial and fiscal weaknesses of the region, in particular a susceptibility to spikes in commodity markets, and whereas any new trade strategy for the Mediterranean must tackle these shortcomings, foster food security and end the financial speculation on food commodities if it hopes to fulfil the aspirations of the citizens;
- M. whereas chronic unemployment, especially of young people, and lack of trade diversification remain a serious concern; whereas long-term structural unemployment and informal labour, including child labour, remain high in most SMCs and has undergone further deterioration in those countries which have experienced severe social unrest during the Arab Spring; whereas the Organisation for Economic Cooperation and Development (OECD) estimates that the region needs to create around 25 million new jobs over the next decade to maintain the current level of employment;
- N. whereas adolescents (aged 10-19) represent 20 % of the population and unemployment rates for those aged between 15 and 24 are around 25-30 %, while the participation of women in the labour market remains very low; whereas unemployment is particularly high amongst university graduates, leading to a brain drain and a waste of human resources;
- O. whereas it is in the highest interests of the European Union to aim high regarding economic cooperation and to adopt a strategy that is mutually beneficial, responsible

and flexible, based on support for democratic transition and the defence of human rights;

General considerations

1. Believes that the Arab Spring is an unparalleled historical event instigated by the peoples' aspirations for freedom, democratic rights and an improvement of their living standards; expresses its profound sadness at the loss of life during the struggle to overthrow corrupt dictatorships;
2. Is aware that, following these sacrifices, there is a huge expectation in SMC societies of far greater and fairer support from the EU for democratic reforms and genuine economic development to the benefit of all;
3. Notes that the gains of the revolutions of the Arab Spring have not yet been fully consolidated and that the EU must act swiftly to implement its Trade for Change agenda, since, aside from the immediate economic benefits, trade is an effective means to consolidate democracy and promote stability, as it helps prevent corruption, facilitates a more equitable distribution of wealth and empowers the general population; encourages the transitional authorities to bring about a peaceful transition to genuine democracy; urges the national authorities to respect their peoples' right to demonstrate peacefully, and to refrain from any violent repression;
4. Welcomes, in this context, the launch of the EU-Tunisia Task Force, the first task force established in conjunction with a southern Mediterranean country with a view to ensuring better coordination of EU and international support for the country's transition; welcomes the fact that Parliament was involved in the first meeting; asks the VP/HR and the Commission to continue to involve Parliament in this and future initiatives; welcomes the creation within Parliament of a monitoring group on the Southern Mediterranean to monitor the EU's response to the crises in the Mediterranean countries;
5. Welcomes the recent fair and transparent elections in Tunisia, which – accompanied by economic, legal and social reforms – provide a good example for other countries in the region; underlines the importance of free and fair elections in making it possible to ensure the unity of these countries through the establishment of democratic and pluralist institutions, thus laying the groundwork for increased stability and modernised socio-economic structures, which are themselves a necessary precondition for attracting international investment and generating sustainable growth; highlights the need for democratic changes to be accompanied by economic, legal and social reforms in order to open up and modernise the socio-economic structures of these countries;
6. Considers the public external debt of the countries in North Africa and the Middle East to be odious debt, considering that the debt was built by the dictatorial regimes, mostly through the personal enrichment of the political and economic elite and the purchasing of arms, often used to oppress their own populations; therefore calls for the reconsideration of this debt, and notably that related to arms expenditure;
7. Deplores the role of European companies in the exporting of arms and dual-use items to repressive regimes, and in complying with technological disruptions organised by the

- dictatorships; calls on the Commission to produce guidelines for EU companies to act in a manner consistent with the Union's fundamental principles in such situations;
8. Underlines that trade and investment policy is an exclusive EU competence and should provide innovative and concrete instruments for achieving the EU's foreign policy goals of democracy, prosperity, stability and peace in the region;
 9. Recognises that the EU must enact a coordinated policy for SMCs, but cautions against a 'one-size-fits-all' approach to the Arab Spring, as although the SMCs have many similarities, they have experienced different forms of repressive government, vary in their levels of economic development, and face disparate social and demographic challenges;
 10. Stresses that one of the European Parliament's main roles is to strengthen political dialogue, mutual understanding and confidence between Europe and third countries, including SMCs, where Parliament should focus on spreading and promoting democratic reforms, fully-fledged freedom and the rule of law; emphasises that these important tasks, based on direct relations, could also be a way to assess the fulfilment of the forthcoming criteria (in the light of events and the progress achieved) and make the necessary adjustments to Association Agreements, especially in the areas of trade, investment and finance;
 11. Is aware of the fact that in the last ten years the EU has fostered a deeper and more comprehensive approach to Free Trade Agreements with the rulers of most SMCs, notwithstanding the apparent lack of democratic legitimacy of its negotiating partners; emphasises the importance of the immediate concern of stabilising democratic processes in the building up of new social and political institutions, which may then act as legitimate and informed partners in negotiations for trade agreements;
 12. Points out that the EU is the biggest consumer market in the world, to which access should only be granted if partner countries are serious about engaging in the bilateral opening of markets, if the benefits of economic reforms are enjoyed by the whole population of the partner country, including the most vulnerable, and if the appropriate political, social and environmental commitments are given and fulfilled;
 13. Indicates that many SMCs have huge economic potential, with some inheriting large quantities of assets and natural resources that, if managed correctly, provide an opportunity for economic growth and development on both sides of the Mediterranean; considers that the measures and mechanisms needed to guarantee equivalent social, environmental and phytosanitary standards should therefore be put in place;
 14. Welcomes the tailor-made, bottom-up approach envisaged by the Commission, based on stronger conditionality and stronger differentiation in the context of the recent ENP revision, and the principle of 'more for more', ensuring better targeted assistance to each of the EU's neighbour countries and guaranteeing that funding matches political ambition; believes that achievements in terms of democratic reforms and individual freedoms should be mirrored by a similar process in the economic and trade landscape, with accompanying freedoms to set up and conduct business, in order to dismantle the oligarchies which have traditionally dominated SMCs;

Deep and Comprehensive Free Trade Agreements (DCFTAs) and other trade instruments

15. Notes that the EU already has strong preferential trade agreements with many SMCs under the Association Agreements; nevertheless, stresses that none of these processes has been fully completed and is convinced that there is still great potential for deepening economic relations, particularly in the regulatory field, with the long-term goal of integration into the EU's internal market;
16. Welcomes, therefore, the Council's decision to authorise the opening of DCFTA negotiations with Egypt, Jordan, Morocco and Tunisia as soon as the necessary preparatory processes are completed; believes that the subsequent scoping exercises should draw on the experience of the preparatory phases conducted with the Eastern partners, whilst recognising the great political importance of avoiding unnecessary delays for those partners who are ready to commence negotiations; regards it as indispensable to involve and consult all social forces, especially NGOs and trade union, from the outset of any trade negotiations;
17. Is concerned that the European External Action Service (EEAS) has not yet made public the details of the 'more for more' criteria that will determine, together with the commercial scoping exercise, whether a country is eligible and ready for a DCFTA; asks the EEAS, therefore, to establish these criteria so that the process is transparent and partner countries know in advance where adjustments need to be made; insists that respect for democratic institutions and fundamental rights, including freedom of expression, freedom of association, and protection of religious minorities, respect for international labour law, ILO conventions and the UN Convention on the Rights of the Child (UNCRC), and initiatives encouraging the abolition of capital punishment must be central to this process, and considers that it should be responsive to significant improvements or deteriorations in partner countries during the preparatory phase and the negotiations themselves; insists that the scoping exercise should determine an appropriate level of economic opening and an index of how all levels of society benefit from trade and foreign direct investment (FDI);
18. Recalls that FTAs are not an end in themselves and that they should serve to benefit each country; maintains that the trade provisions should be supported by strengthened human rights clauses with improved monitoring and implementing provisions, and by an ambitious sustainable development chapter with a central role for civil society, including provisions on corporate social responsibility (CSR) which will strengthen the joint ownership of the process;
19. Welcomes the focus on behind-the-border barriers to trade and alignment with the EU's acquis, but notes that there is still scope for further negotiations on tariff reductions with certain countries; stresses that, for DCFTAs to be of true value to SMCs, the EU must be prepared to make additional efforts in sensitive areas such as agriculture and Mode IV services; notes, in this context, that the EU actually has a significant total trade surplus in agriculture with these countries;
20. Asks the Commission to specifically support and promote Fair Trade and organic farming initiatives, in particular in support of smallholders, producers and cooperatives, as a means of integrating sustainable agricultural practices and rural development, while

simultaneously developing the supply chain so as to assure European consumers of the products' quality, traceability and social and environmental credentials;

21. Underlines the importance of agriculture, which employs over a third of the active population in the Southern Mediterranean countries, as also of rural development, in the stabilisation process, given that they contribute, especially under conditions of increased volatility on the world markets, to the advancement of food security, more equitable income generation and distribution, job creation, and the integration of women and smallholders into the economy;
22. Welcomes, therefore, the Commission's intention to support rural development through the programme 'European Neighbourhood Facility for Agriculture and Rural Development', which would integrate investment support and develop administrative capacities by building on EU best practice in developing rural areas, so as to facilitate the modernisation of agricultural production in line with EU quality and food safety standards;
23. Welcomes, also, the Commission's commitment, as stated in its Joint Communication of 25 May 2011 (COM(2011)303), to finance pilot programmes for agricultural, rural, and regional development, drawing on the EU's extensive experience in these fields and making the best possible use of close cooperation with the FAO, the World Bank and, possibly, the EIB;
24. Calls on the EU to support both the development of healthy agricultural production and rural development in the region, as part of the fight against poverty, which is a persistent evil in the countryside, and in order to strengthen the stabilisation process; stresses, to this end, the importance of institutional and infrastructural improvements (in such fields as irrigation, handling, storage, packaging, transport, marketing systems and access to services), in addition to technological improvements, and also the significance of education and training programmes, especially for women and in situations where producers are poorly organised and civil society is weak, given that these factors also slow down the development of an efficient agri-food system; emphasises the role of extension services in facilitating the diffusion of knowledge; stresses that global environmental and climate change concerns should determine support for the promotion of sustainable uses of natural resources and energy and compatible methods of production; stresses that the diversification of production, in order to increase resilience during market fluctuations and environmental crises, should be encouraged in the face of increasing global demand for food;
25. Calls also, in order to prevent social and environmental dumping between the countries concerned or with the EU, for the measures proposed by the Commission to step up the introduction of innovative actions for the promotion of local know-how, training for the organisation of producers and the development of local and regional markets, as part of exchanges of best practice between countries and with the EU as previously practised in pre-accession procedures and relations with the EU neighbourhood countries;
26. Draws attention to the potential contribution of greater integration between North African and sub-Saharan countries, and stresses the need to take steps on a global level

so as to avoid the kind of unilateral action that is often taken in response to food crises and extreme weather phenomena;

27. Stresses that FDI is particularly important for the economic development of the SMCs, since levels of investment are either insufficient or overly targeted on raw material extraction industries; asks the Commission to ensure that DCFTAs and investment efforts in the region are coordinated so as to promote economic diversification;
28. Notes, however, that previous attempts to negotiate sectoral arrangements under the Association Agreements have not proved successful; asks the Commission to create incentives for the SMCs to negotiate on investment and on the other 'Singapore issues', such as services, within the context of DCFTAs; considers that the Commission should apply asymmetrical implementation, where appropriate, and be flexible regarding the sensitive sectors of the countries concerned;
29. Highlights the importance of supplementing trade opening with more substantial technical support to partner countries and their businesses, so that they can maximise the opportunities provided; acknowledges that the EU already offers such assistance, but considers that these programmes should be more targeted on SMEs, e.g. through an expansion of Aid for Trade;
30. Asks the Commission to use DCFTAs to align standards in the regulatory field, especially regarding technical standards and regulations, sanitary and phytosanitary measures (SPS), transparency rules for public procurement, intellectual property protection rules, trade/customs facilitation and the elimination of non-tariff barriers (NTBs); points out that such cooperation is not satisfactorily addressed in the Association Agreements and that the level of EU involvement should be intensified;
31. Welcomes, in this respect, the additional resources earmarked for technical cooperation, and insists that they should be made available as soon as possible to the Commission's Directorate-General for Development and Cooperation (DG DEVCO) and decentralised to EU delegations on the ground;
32. Recognises that DCFTAs should be the main objective, but is aware that in the meantime the Commission is pursuing sectoral negotiations under the existing Association Agreements, including agreements on conformity assessment and acceptance of industrial products (ACAAs), agriculture and fisheries agreements, services and investment agreements, and dispute settlement arrangements; calls on the Commission also to consider updating the existing sectoral agreements with countries, where offers can be improved but a DCFTA is not immediately possible; asks the Commission to give fuller consideration to when and how these processes will be finally merged with the future DCFTAs, and to ensure that loss of membership of the Generalised System of Preferences (GSP) in 2014 will not negatively affect SMCs' access to the EU market in any product line;
33. Calls on the Commission also to prepare a strategy for those 'more for more' partners with whom no prior agreement exists or who are not the immediate targets of DCFTAs, especially those such as Libya or Lebanon that are not yet members of the WTO; emphasises that, while technical assistance to help those countries' progress towards WTO membership should continue in earnest, this alone is not sufficient and should be

complemented as appropriate by WTO-compatible agreements which will bring benefits in the shorter term;

Empowering small and medium enterprises (SMEs) as a tool for economic democratisation

34. Is convinced that a successful commercial strategy for the region should strengthen the role of SMEs, which provide as much as 30 % of employment in some countries; recognises the importance of micro-enterprises, which represent 98.1 % of SMEs in Egypt, 97.8 % in Morocco and 89.1 % in Jordan, though only 9.2 % in Tunisia;
35. Is concerned over the large number of unregistered SMEs operating on the black market as well as the fact that the share of informal employment (excluding agriculture) in certain SMCs is as high as 70 %; is convinced that, if the region is to engage in serious economic growth, the EU's commercial strategy should provide incentives for unregistered businesses to legitimise their status; urges the Commission to support administrative capacity-building programmes, especially in business registration, employment and social affairs and paying special attention to building capacity in legal services, since this will ensure better preparation for undertaking the required reforms;
36. Regrets the fact that SMEs and cooperatives have very limited access to investment, and insists on the need to provide proper access to financing through the reliable, accessible and user-friendly provision of microcredit and counter-guarantee schemes by the European Investment Bank (EIB); believes that such schemes will allow the beneficiaries to innovate and restructure in a manner enabling them to tap the potential of the EU's internal market;
37. Highlights the importance of fostering entrepreneurial activity by adopting the measures necessary for creating an environment that encourages society's involvement in such activity;
38. Acknowledges the role of the EIB, through the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), in helping SMEs in the Southern Mediterranean; welcomes the decision to raise the ceiling for its operations in the region by EUR 1 billion, which will bring those operations up to EUR 6 billion over the coming three years; reaffirms that the EIB should specifically target its investment projects on SMEs and the development of infrastructure projects, especially those relating to energy, given the region's potential and the support that the EU could provide for their development and utilisation; insists that the EIB needs to increase its administrative capacities in order to control its intermediary partner banks distributing 'Global Loans' under the criteria of the EU's external action goals and thus render its operations fully accountable to the public;
39. Welcomes the recent involvement of the European Bank for Reconstruction and Development (EBRD) in the Mediterranean region, and the extra funds pledged by the EU and several individual Member States for the Bank's activities; urges the European Council and the European Parliament to speedily ratify the amendments to the EBRD Agreement which will help the bank to be fully operational in the Mediterranean region; considers that the total funding available for EBRD investment in the region should be increased, and that SMEs should be major beneficiaries of these investments; encourages the SMCs to demonstrate their commitment by applying the principles of

democracy, pluralism and market economics so that they may have access to investment in accordance with the bank's Statute;

40. Is convinced that the flexible movement of business people across borders is essential for a free trade area to function properly; is firmly of the opinion that the EU should seek more coherence between its immigration and trade policies;
41. Notes that visa facilitation remains a problem for many SMC business representatives who need to visit the EU for meetings, training or other business reasons; in this light, welcomes the recent communication on 'A Dialogue for migration, mobility and security with the Southern Mediterranean Countries', in which the Commission envisages visa facilitation agreements to support the mobility, inter alia, of business people; considers that 'integrity' and 'reliability' procedures for visas should be made easier, and asks the Commission to negotiate such agreements in coordination with trade negotiations to ensure that their implementation is not too bureaucratic for SMEs;

Reinforcing the Agadir Process

42. Regrets that the Euro-Mediterranean Free Trade Area was not established by 2010, and hopes that all partners will use the momentum created by the Arab Spring to move forward with the necessary reforms for the creation of a functioning and fully-fledged free trade area, without creating distortions of competition for EU producers;
43. Proposes that the impact of the move to a free trade policy be regularly assessed, in order to keep a continuous watching brief on the repercussions of that policy on the Mediterranean countries of southern Europe, with the ultimate goal of generating benefits for the public and for the economic and productive systems of the various countries concerned;
44. Underlines that, while country-specific commercial strategies should be welcomed, these agreements should not be to the detriment of regional integration; regrets that South-South trade remains very limited and notes, in this regard, that in 2009 only 6 % of SMC imports originated in other SMCs, compared to 40 % from the EU; encourages the new democratically elected governments to be more open than their predecessors towards trading with neighbouring countries;
45. Acknowledges the Agadir Group as the sole example of a concerted effort at South-South trade, and encourages the signatories to widen the scope and membership of their trade relationship; asks the Commission to continue its support for this group, as a cornerstone on which to build the future trade strategy of the EU;
46. Furthermore, asks the Commission to include certain flexibilities in the DCFTAs which would eventually allow the individual agreements to merge with the Agadir Agreement in order to form a single Euro-Mediterranean Free Trade Area;
47. Notes with satisfaction the imminent deployment of the Trade and Investment Facilitation Mechanism, which will serve as a database allowing economic operators to obtain updated information on trade and investment conditions in the region; insists that such a mechanism should be actively promoted to SMC businesses and evolve into a

functional facilitator for intraregional business, thus not acting solely as an information tool;

48. Welcomes the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, which should include full respect for the EU-Israel technical arrangement on settlement products; asks the Commission to hasten the establishment of new rules of origin under the Pan-Euromed Convention by the end of 2013, at the latest, when SMCs will lose GSP preferences and the favourable rules of origin under that scheme;

Facilitating knowledge and direct contacts

49. Encourages the Member States to play a more ambitious role in the EU's strategy for the Southern Neighbourhood, by providing major programmes of fellowships for SMC students of both genders and from all socio-economic and ethnic backgrounds, particularly in the fields of economics, business, IT, communications and trade; calls on the Commission and the Vice-President/High Representative to immediately propose the establishment of the Euromed Erasmus and Da Vinci programmes; observes that other players in the region, such as the Gulf Cooperation Council (GCC) countries, have been more effective in providing this support to SMCs; believes that such exchanges can create lasting connections with future business partners in the SMCs;
50. Recalls the role played by artists, cultural actors and bloggers in allowing some Arab civil societies to liberate themselves from dictatorship and open up the path to democracy; calls on the EU to ensure that its trade policy integrates the dimension of cultural cooperation, including joint initiatives in the fields of the arts, education, the media, the internet and other crucial sectors, with a view to promoting human rights and democracy;
51. Calls for the imminent creation of EU Chambers of Commerce with partner countries, to serve as a conduit for the promotion of joint trade activities and mutual exchanges between economic partners, including seminars and business fairs; regrets that there are no bilateral EU Chambers of Commerce in the region other than the EU-Israel Chamber of Commerce;

Maximising the impact of EU action

52. Is adamant that the Commission's trade initiatives need to be supported by a stronger presence of EU trade officials on the ground; deplores the fact that the EU Delegation has only one trade official in Tunisia and has no presence whatsoever in Jordan, despite conducting scoping exercises for DCFTAs with those countries;
53. Believes, furthermore, that it is essential for the EU to fully coordinate its trade, investment and financing support activities in the region, in order to ensure maximum positive impact; is concerned that the significant number of actors, both internally within the EU and in the partner countries themselves, as well as other external actors, could lead to crucial efforts being wasted or duplicated through a lack of coordination;
54. Highlights the need for closer coordination between the European Neighbourhood Policy (ENP) financing instruments, such as the Neighbourhood Investment Facility, and the different EU and international and regional financial institutions in the region,

including the EIB, the EBRD and the World Bank, in order to guarantee maximum effectiveness and coherence; asks the Commission to take the lead in coordinating such efforts;

55. Instructs its President to forward this resolution to the Council, the Commission, the EIB, the EBRD, the Heads of State and Governments and Parliaments of the Member States and the SMCs, and the Union for the Mediterranean.

EXPLANATORY STATEMENT

PREMISES

1. Trade and Investment: an exclusive competence and opportunity

The Arab Spring is the greatest political transformation in the European Neighbourhood since the fall of the Berlin Wall and has offered the EU the opportunity to match its foreign policy and commercial interests with its core values of human rights, democracy and a free society. The need for deals with dictators and oligarchs is happily coming to an end in many countries. Sadly, the EU and its Member States have often missed this opportunity and their political response has been inconsistent, slow and even, at times, contrary to the democratic aspirations of the people.

As infighting over Libya demonstrated, a central weakness of the EU's response has been the intergovernmental decision-making in EU foreign policy decisions. However, the Rapporteur would like to strongly underline that the EU has exclusive competence over trade and investment policy and that this is the defining tool that presents the EU with the opportunity to provide an effective response to the upheavals and to contribute to economic progress in Southern Mediterranean Countries (SMCs). Trade has always been a strong pillar in the Neighbourhood Policy and the Rapporteur welcomes the fact that this has been emphasised in the Commission's communications on *a New Response to a Changing Neighbourhood* and *"A Partnership for Democracy and shared Prosperity with Southern Mediterranean"*.

2. More for More

The Rapporteur welcomes the "more for more" concept introduced by the Commission and believes that achievements on democratic reforms and individual freedoms should be mirrored by a similar "liberation" process in the economic and trade landscape, in order to dismantle the oligarchies which have traditionally dominated.

The EU is the biggest consumer market in the world and access should only be granted if:

- partner governments are serious in engaging in the bilateral opening of markets,
- the benefits of economic reforms are enjoyed by the whole population of the partner country and not by the exclusive few, and
- appropriate political, social and environmental commitments are undertaken and fulfilled by partner countries.

3. More for Civil Society

In meetings with civil society from SMCs, the Rapporteur has been struck by their perception that the EU is not active enough in supporting the reform process. Given that the aftermath of the Arab Spring is not being overseen via a structured international institutional framework (such as the Council of Europe or the Organization for Security and Co-operation in Europe (OSCE) for Central and Eastern Europe) the EU has a bigger responsibility and opportunity to take the lead in facilitating the transition of the region towards democracy and economic integration supported by a fair and free market, even more so because China and the US have

a comparatively low economic presence in the region.

PROPOSALS

1. EIB and EBRD Investment

The Rapporteur acknowledges the role of the European Investment Bank (EIB), through the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), in helping small and medium enterprises (SMEs) in the Southern Mediterranean. However, the Rapporteur believes that the EIB should have a broader mandate to provide further investments particularly targeted at SMEs. These businesses need to have the necessary investment to innovate and restructure in a manner that would enable them to tap the potential of the EU's Internal Market. The EU, through its financial institutions, should be more active in the provision of micro-credits in the region and should explore policy options such as the provision of counter-guarantees. The recent extension of the EBRD mandate is also very much welcomed by the Rapporteur and it is hoped that the experience of the Bank in Eastern Europe will bear fruit in the Southern Neighbourhood. There are, however, two important considerations to be made; there should be closer coordination amongst the different financial institutions investing in the region (including global ones such as the World Bank) and any investment strategy for the region should have SMEs at its core.

2. Achieving the Euromed Free Trade Area

The Euro-Mediterranean Free Trade Area is arguably the most ambitious economic project to result from the Barcelona Declaration, yet it failed to materialise by the target date of 2010.

The Rapporteur believes that a greater effort should be made with those countries that are ready to engage in serious reforms and welcomes the Council's adoption of draft negotiating directives for deep and comprehensive free trade agreements (DCFTAs) with Tunisia, Egypt, Morocco and Jordan. These agreements should aim at substantial alignment with the EU *acquis* through dismantling remaining tariff barriers in goods and agricultural products, addressing non-tariff barriers (NTBs) and expanding the scope of trade agreements to encompass additional areas such as investment, public procurement and services. This effort should be backed up by more effective provisions of technical support to partner countries so that they are able to maximize the opportunities provided by DCFTAs. Increased 'Aid for Trade' support could be envisaged in this respect.

In the context of these negotiations, several issues should be tackled:

- The EU must be prepared to make concessions in sensitive areas such as agriculture and Mode IV services so that these agreements are truly beneficial to SMCs. It should be noted that the EU actually has a significant trade surplus in agriculture with these countries.
- The Commission must consider options to incentivise its partners to negotiate on the so-called "Singapore issues" such as services and investment. Investment is especially important since levels of foreign direct investment (FDI) in SMCs are insufficient and a significant factor in limiting their economic development. However, previous attempts to negotiate sectoral arrangements under the Association Agreements have

proved unsuccessful and tools such as asymmetrical implementation should be utilised as appropriate.

- Trade policy should not be treated in isolation and it is crucial for the legitimacy of these agreements that there are strengthened human rights clauses and an ambitious sustainable development chapter, including provisions on corporate social responsibility (CSR). Therefore, the Rapporteur is surprised that the political conditionality criteria for a country to begin DCFTA negotiations were not established in advance. He is of the opinion that an analysis of how trade benefits are expected to filter down to the population should be established for each country as part of the exercise.

Recognising that DCFTAs are a long term objective, the Commission is pursuing sectoral negotiations under the Association Agreements, including agreements on conformity assessment and acceptance of industrial products (ACCAs), agriculture and fisheries agreements, dispute settlement arrangements and on services and investment. These negotiations offer a prospect of short term benefits for these countries, although better consideration should be given to when and how these processes will be merged with the future DCFTAs. There is a danger that overlapping negotiations could stretch the limited capacity of our negotiating partners, some of whom do not have a fully functioning government and are already overburdened with domestic issues.

Measures should also be explored for those countries that are not the immediate targets of DCFTAs, such as Libya and Lebanon, and who are not yet members of the World Trade Organisation (WTO). Technical assistance should continue to help their progress towards WTO membership. However, simply offering them support with WTO applications is not sufficient and hardly counts as 'Trade for Change'. In this sense, consideration should be given to negotiating WTO compatible agreements which will bring benefits in the shorter term. The examples of the trade provisions of the Association Agreements with Lebanon and Algeria, the interim agreement with the Palestinian Territories, the suspended negotiations with Libya and the unratified agreement with Syria demonstrate that bilateral negotiations can move forward in the absence of WTO membership.

Finally, the Rapporteur would like to see new rules of origin established under the Pan-Euromed convention at the latest by the end of 2013 as SMCs will lose Generalised System of Preferences (GSP) and the favourable rules of origin under that scheme.

3. Empowering SMEs as a tool for economic democratisation

SMEs employ as much as 25% of the workforce in the region. However, more needs to be done with regards to the high number of unregistered SMEs operating in the "black market". Certain studies put the percentage of informal employment (excluding agriculture) in certain SMCs at 70%. This stems from a deep-seated mistrust towards official administrations in several countries, but, if the region is to engage in serious economic growth, the EU's commercial strategy should also incentivise unregistered business to legitimise their status.

For a functioning Free Trade Area, flexible movement of business people is essential and the Rapporteur is of the opinion that the EU should seek more coherence between its immigration and trade policies. Visa facilitation remains a problem for many SMC business representatives who need to visit the EU for meetings, training or other business reasons. In its recent

communication on '*A Dialogue for migration, mobility and security with the Southern Mediterranean Countries*', the Commission envisages visa facilitation agreements to support the mobility, *inter alia*, of business people. It is vital that these agreements are negotiated in coordination with trade negotiations and that their implementation is not too bureaucratic for SMEs.

It is also important to tackle the persistent problems of nepotism and corruption. For example, public procurement should be addressed in a way to ensure transparency and mutual market access on a national treatment basis. This would help lead to greater trust, easier access for SMEs to public procurement markets and also encourage investment.

4. Reinforcing the Agadir Process

The importance of regional integration must not be forgotten especially as South-South trade remains very limited. In 2009, a year before the intended launch of the Euro-Mediterranean Free Trade Area, over 50% of the region's export went to the EU while 40% of the imports originated in the EU. By comparison, that same year, only 6% of imports originated in other SMCs. The removal of dictatorships across most of the region should create the right environment for a new impetus to the South-South integration.

The Agadir Group remains the sole example of a concerted effort at South-South trade, if one puts Turkey and Israel aside. While it is an important step, the Agadir Agreement remains very limited both in its membership and in its scope. It remains, however, a corner stone on which the future trade strategy of the EU towards the region can build.

The Rapporteur is also looking forward to the deployment of the Trade and Investment Facilitation Mechanism put forward by the *Euro-Mediterranean Trade Roadmap till 2010 and Beyond*. He would like to see this mechanism, however, function also as a facilitator for intra-regional business and not only as an information point.

5. Facilitating knowledge and direct contacts

The EU should incentivise a much more ambitious role for EU Member States in providing a major programme of fellowships for SMC students, particularly in the fields of economics, business and trade. Other players, such as Gulf Cooperation Council (GCC) countries have been more effective in providing this kind of support to the region which is crucial to establishing lasting connections with future business partners in SMC. The EU should quickly commit itself to offering more scholarships aimed at SME business people and future leaders from the regions.

EU Chambers of Commerce with partner countries should also be established to promote joint trade activities and mutual exchanges between economic partners. Apart from the noteworthy exception of the EU-Israel Chamber of Commerce there are no other bilateral Chamber of Commerce in the region.

The Rapporteur would also like to see a more concerted effort at providing exchange events between the European and the SMC business communities.

6) Maximising the impact of EU action

These measures would also entail beefing up the presence of the relevant EU trade officials on

the ground. It is inconceivable that the EU Delegation only has one desk officer dealing with trade in Tunisia, while in Jordan DG Trade has no presence whatsoever. This is despite the fact that the Council has approved negotiating directives for DCFTAs with both countries.

Furthermore, it is essential that the EU fully coordinates its trade, investment and financing support activities in the region to have the maximum positive impact. Given the significant number of actors internally within the EU, e.g. the different Commission DGs, the Members States and the EIB, and external actors such as the partner countries themselves, the EBRD, World Bank, the International Monetary Fund (IMF), Islamic Development Bank, the African Development Bank and even the G8, it is extremely important that there is a synergy in action to avoid a "doubling up" of activities.

STRUCTURAL AND SYSTEMIC WEAKNESSES

The Arab Spring has uncovered the structural and systemic commercial weaknesses of the region. Any new trade strategy for the Mediterranean must tackle these shortcomings if it hopes to fulfil the aspirations of the citizens.

The export profile of most SMCs is characterised by large exports from resource rich countries of energy and a similarity between SMCs' manufacturing activities, thus cancelling each other's comparative advantage while at the same time rendering trade with neighbours less attractive. In their economic profile, however, there are divergences. Not all, for example, have the same oil and energy reserves while countries like Egypt import most of their resources including food, making them particularly susceptible to spikes in the commodity markets.

There are also disparities in the levels of advancement in trade relations with the EU. Even the manner and efficiency in which SMCs have implemented their existing free trade agreements (FTAs) and honoured their tariff dismantling schedules varies greatly. The new Euro-Mediterranean strategy should seriously support trade diversification in the region while looking at how to reduce exposure to market volatility through structural investments in storage and reserves.

Long-term structural unemployment in most SMCs also needs to be tackled. Youth unemployment rates in North Africa among young people between the ages of 15 to 24 hover at around 25-30%. Participation of women in the labour market also remains very low while unemployment amongst university graduates remains a particular scourge. Figures for Tunisia, for example, put the figure of unemployed young graduates at 45%. The Organisation for Economic Co-operation and Development (OECD) estimates that to maintain the current level of employment the region has to create around 25 million new jobs over the next decade. The challenge is daunting.

CONCLUSION

The Arab Spring is a unique opportunity for serious engagement and for the EU to display political leadership. It does not call for the reinvention of the wheel but for a more determined effort at trade liberalisation and the creation of investment opportunities. This strategy should be conducted in full cooperation with other policy fields to create training opportunities for business people, promote participation in EU programmes and facilitate visa access.

17.2.2012

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on International Trade

on trade for change: EU trade and investment strategy for the Southern Mediterranean following the Arab Spring revolutions
(2011/2113(INI))

Rapporteur: Godelieve Quisthoudt-Rowohl

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas Article 8 of the Treaty on European Union stipulates that ‘the Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation’;
 - B. whereas it is in the highest interest of the European Union to aim high regarding economic cooperation and to adopt a strategy that is mutually beneficial, responsible and flexible, based on support for democratic transition and the defence of human rights;
 - C. having regard to all of the resolutions adopted by Parliament in the context of the Arab Spring, on the freedoms of religion, belief and conscience as fundamental and universal values that are essential for democratic and economic development;
 - D. whereas a virtuous circle of regional integration needs to be promoted in order to foster conditions favourable to the economic, social, commercial and infrastructural growth and development of the southern Mediterranean;
- 1. Reiterates its full support for the legitimate democratic aspirations expressed by the peoples of several countries in the EU’s southern Mediterranean neighbourhood; encourages the transitional authorities to bring about a peaceful transition to genuine democracy; urges the national authorities to respect their peoples’ right to demonstrate peacefully, and to refrain from any violent repression;
 - 2. Recalls the importance of tolerance and economic development, which are essential for

long-term political and social stability and for improving the standard of living in the countries concerned, and calls on the countries in democratic transition to ensure full respect for all fundamental rights, including freedom of expression, the right to peaceful assembly, freedom of association and freedom of religion, conscience and thought for all citizens, both men and women, including the members of Coptic Christian communities; emphasises that free access to information and communication and uncensored access to the internet (internet freedom) are universal rights that are essential in order to ensure transparency and accountability in public life;

3. Welcomes the tailor-made approach to the partner countries adopted in the joint communication of the Commission and the Vice-President/High Representative (VP/HR) entitled ‘A New Response to a Changing Neighbourhood’; calls on the European External Action Service (EEAS) and the Commission, at a point when the Commission has just opened negotiations aimed at establishing deep and comprehensive free trade areas (DCFTAs) with Egypt, Jordan, Morocco and Tunisia, to provide, as soon as possible, more details as to how principles such as mutual accountability and conditionality (‘more for more’) will be put into practice, and requests that Parliament be fully involved in assessing compliance with the conditionality established; insists on the EU’s trade and investment policy for the southern Mediterranean going hand in hand with the effective implementation of clauses on respect for human rights;
4. Welcomes, in this context, the launch of the EU-Tunisia Task Force, the first task force established in conjunction with a southern Mediterranean country with a view to ensuring better coordination of EU and international support for the country’s transition; welcomes the fact that Parliament was involved in the first meeting; asks the VP/HR and the Commission to continue to involve Parliament in this and future initiatives; welcomes the creation within Parliament of a monitoring group on the Southern Mediterranean to monitor the EU’s response to the crises in the Mediterranean countries;
5. Calls for the conclusion of ambitious, balanced and mutually beneficial trade agreements on goods and services, preceded by the appropriate impact studies;
6. Urges the Commission to adopt a strategy that strengthens its role as an investor and to take account of the investment programmes already deployed in the region by developing specific guidelines for responsible investment, with a view to reducing social inequalities and territorial gaps and promoting the diversification of local economies; stresses that combating corruption at all levels should be a top priority for the EU in the development of trade and financial relations with its Southern partners, as should the promotion of an environment conducive to investment which has security and legal stability at its core, and emphasises the importance and necessity of establishing more synergies with other national and international financial establishments; welcomes the work undertaken by the European Investment Bank (notably through the Facility for Euro-Mediterranean Investment and Partnership), the European Bank for Reconstruction and Development (EBRD), programmes run by national agencies in the Member States, and the Deauville Partnership;
7. Emphasises the important role played by countries in the Southern neighbourhood in supplying energy to various Member States, and highlights the great potential for

cooperation in the energy field; notes the need to encourage Euro-Mediterranean interconnections in the gas and electricity sectors;

8. Welcomes the recent fair and transparent elections in Tunisia, which – accompanied by economic, legal and social reforms – provide a good example for other countries in the region; underlines the importance of free and fair elections in making it possible to ensure the unity of these countries through the establishment of democratic and pluralist institutions, thus laying the groundwork for increased stability and modernised socioeconomic structures, which are themselves a necessary precondition for attracting international investment and generating sustainable growth; highlights the need for democratic changes to be accompanied by economic, legal and social reforms in order to open up and modernise the socioeconomic structures of these countries;
9. Proposes that the impact of the move to a free trade policy be regularly assessed in order to keep a continuous watching brief on the repercussions of that policy on the Mediterranean countries of southern Europe, with the ultimate goal of generating benefits for the public and for the economic and productive systems of the various countries concerned.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.2.2012
Result of final vote	+: 40 -: 2 0: 0
Members present for the final vote	Frieda Brepoels, Elmar Brok, Jerzy Buzek, Arnaud Danjean, Michael Gahler, Marietta Giannakou, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Evgeni Kirilov, Wolfgang Kreissl-Dörfler, Eduard Kukan, Vytautas Landsbergis, Krzysztof Lisek, Ulrike Lunacek, Barry Madlener, Kyriakos Mavronikolas, Francisco José Millán Mon, Alexander Mirsky, María Muñiz De Urquiza, Ria Oomen-Ruijten, Pier Antonio Panzeri, Ioan Mircea Pașcu, Alojz Peterle, Cristian Dan Preda, Libor Rouček, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, Charles Tannock, Sir Graham Watson, Boris Zala
Substitute(s) present for the final vote	Elena Băsescu, Tanja Fajon, Elisabeth Jeggle, Doris Pack, Godelieve Quisthoudt-Rowohl, Marietje Schaake, Indrek Tarand, Traian Ungureanu, Ivo Vajgl
Substitute(s) under Rule 187(2) present for the final vote	Marije Cornelissen, Rui Tavares

5.3.2012

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on International Trade

on Trade for Change: the EU Trade and Investment Strategy for the Southern Mediterranean following the Arab Spring revolution
(2011/2113(INI))

Rapporteur: Spyros Danellis

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the ongoing process of transformation of the Southern Mediterranean, triggered by the ‘Arab Spring’, holds an uncertain outcome for the countries involved and unknown repercussions for the wider region and the EU; underlines that the promotion of and support for sustainable and inclusive economic growth in the region, leading to a rise in prosperity and in the standard of living, would be decisive in securing democracy and the rule of law and bringing about political stability; points to the importance of agriculture, which employs over a third of the active population in the countries of the southern shore of the Mediterranean, and rural development in the stabilisation process, given that they contribute, especially under conditions of increased volatility in the world markets, to the advancement of food security, more equitable income generation and distribution, job creation, and the integration of women and smallholders in the economy;
2. Welcomes, therefore, the Commission’s intention to support rural development through the programme ‘European Neighbourhood Facility for Agriculture and Rural Development’, which would integrate investment support and develop administrative capacities by building on EU best practice in developing rural areas, so as to facilitate the modernisation of agricultural production in line with EU quality and food safety standards;
3. Welcomes also the Commission’s commitment, stated in its Joint Communication of 25 May 2011 (COM(2011)303), to finance pilot programmes for agricultural, rural, and

regional development, drawing on the EU's extensive experience in these fields and making the best possible use of close cooperation with the FAO, the World Bank and, possibly, the EIB;

4. Calls on the EU to support both the development of healthy agricultural production and rural development in the region as part of the fight against poverty, a persistent evil in the countryside, and in order to strengthen the stabilisation process; stresses, to that end, the importance of institutional and infrastructural (e.g. irrigation, handling, storage, packaging, transportation, marketing systems and access to services) improvements, in addition to the technological ones, and the significance of education and training programmes, especially for women, as well as situations where producers are poorly organised and civil society is weak, which also slow down the development of an efficient agri-food system; emphasises the role of extension services in facilitating diffusion of knowledge; underlines that global environmental and climate change concerns should direct the support to the promotion of sustainable uses of natural resources and energy, and compatible methods of production; stresses that diversification of production to increase resilience during market fluctuations and environmental crises should be encouraged in the face of increasing global demand for food;
5. Calls, furthermore, on the Commission to take the necessary measures to help the Southern Mediterranean achieve regulatory convergence in priority areas for the EU and the region – including competition, investment, and trade related standards and procedures – as well as alignment of production to the EU standards for quality and food safety, environmental protection, plant protection and animal welfare, in compliance with the reciprocity principle; believes that these changes would strengthen those countries' potential to export to the European Union; underlines, however, the imperative of simultaneously protecting sensitive sectors in EU agriculture, particularly those of Mediterranean countries, from the potential of full market liberalisation; points out that trade must be stepped up in a balanced fashion for all stakeholders in order to avoid giving greater advantage to one particular side;
6. Calls also – so that there is no social and environmental dumping between the countries concerned and with the EU – for the measures proposed by the Commission to step up the introduction of innovative actions for the promotion of local know-how, training for the organisation of producers and development of local and regional markets as part of exchanges of good practices between countries and with the EU, as previously practised in pre-accession procedures and relations with the EU neighbourhood countries;
7. Draws attention to the contributing role that greater integration between North African and Sub-Saharan countries could play and stresses the need to take steps on a global level to avoid the kind of unilateral action that is often taken in response to food crises and extreme weather phenomena;
8. Calls on the Commission to support special programmes for young people and women in agriculture and stresses the need to take measures at European level to encourage young people in particular to work in agriculture.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	29.2.2012
Result of final vote	+: 25 -: 1 0: 4
Members present for the final vote	John Stuart Agnew, Liam Aylward, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Iratxe García Pérez, Béla Glattfelder, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Elisabeth Köstinger, George Lyon, Mairead McGuinness, Krisztina Morvai, Mariya Nedelcheva, James Nicholson, Rareş-Lucian Niculescu, Britta Reimers, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Csaba Sándor Tabajdi, Janusz Wojciechowski
Substitute(s) present for the final vote	Luís Paulo Alves, Sylvie Goulard, Christa Klač, Anthea McIntyre

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.3.2012
Result of final vote	+: 25 -: 5 0: 0
Members present for the final vote	William (The Earl of) Dartmouth, Damien Abad, Laima Liucija Andrikienė, Maria Badia i Cutchet, David Campbell Bannerman, Daniel Caspary, Marielle de Sarnez, Yannick Jadot, Metin Kazak, Bernd Lange, David Martin, Vital Moreira, Paul Murphy, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Gianluca Susta, Keith Taylor, Iuliu Winkler, Jan Zahradil, Paweł Zalewski
Substitute(s) present for the final vote	Josefa Andrés Barea, Catherine Bearder, George Sabin Cutaş, Mário David, Elisabeth Köstinger, Jörg Leichtfried, Jarosław Leszek Wałęsa
Substitute(s) under Rule 187(2) present for the final vote	Gabriel Mato Adrover