

**THE EMPA COMMITTEE
ON ECONOMIC AND FINANCIAL AFFAIRS, SOCIAL AFFAIRS AND
EDUCATION**

PROPOSAL FOR RECOMMENDATION BY PRESIDENT AD-DABBAS

**BASED ON THE CONTRIBUTIONS PREPARED BY
VICE-PRESIDENTS Ms MADEIRA (EP) AND Mr OYAN (TURKISH
NATIONAL ASSEMBLY)**

FOR THE MEETING OF 20 NOVEMBER 2005 IN RABAT

The Committee on Economic and Financial Affairs, Social Affairs and Education

- having regard to its resolution adopted in Cairo on 15 March 2005,
- having regard to its meeting of 15 September 2005 in Brussels,
- having regard to the Commission communication entitled 'Tenth Anniversary of the Euro-Mediterranean Partnership: a Work Programme to meet the Challenges of the Next Five Years',
- having regard to the Action Plans of the European Neighbourhood Policy that give particular attention to increasing economic integration with the EU,
- having regard to the Agadir Agreement on trade liberalisation that is an important step towards achieving South-South Cooperation,

1. Considering that services represent around 50% of the Gross Domestic Product of the Mediterranean Partner Countries and over 60% of that of the EU Member States;
2. Recalls that the creation of an area of shared prosperity is a central objective of the Euro-Mediterranean Partnership and that this objective needs to make progress in reducing poverty and social exclusion in the region and bridging the social and economic gap between the north and south;
3. Recalls that the creation of the Free Trade Area in 2010 remains an important objective; notes that important progress has already been achieved in the liberalisation of trade in goods; takes the view that an increased effort is needed to achieve the creation of a free trade zone within the timeframe;
4. Welcomes the announcement of the opening of negotiations on liberalisation of services by the European Commission: considers that the negotiations, while having a strong regional basis, should keep into account the differences between the economies of the different Mediterranean Partners;
5. Considers that before starting negotiations the impact of the liberalisation on the employment and the Gross Domestic Product in the Mediterranean Partner Countries should be assessed;
6. Calls for financing studies in the Mediterranean states to specify the services costs on poorer consumers after liberalizing sectors and its impact on the welfare of their societies;
7. Calls for financing effective studies in the Mediterranean states to specify the sectors that can be liberalized and create special alternatives so that the specificities of member countries will not be effected negatively;
8. Calls on the parties to lay down the priority sectors for liberalisation and set up a calendar for the liberalisation of the services sector; believes that a clear calendar can reinforce the confidence of investors in the region;
9. Considers that foreign investment to the region remains insufficient; therefore invites its working group on "Conditions for the transformation of the FEMIP in the Euro-Mediterranean Development Bank" to assess the work done by the FEMIP (Facility for Euro-Mediterranean Investment and Partnership) since its establishment in 2002 and to make recommendations for improvements;
10. Strongly recalls the need to provide FEMIP with more adequate funding, convinced as it is that this instrument has the full potential not only to initiate autonomous development processes among the southern-shores countries but also to produce positive effects in terms of encouraging essential structural reforms by Mediterranean partners;
11. Recognises the importance of micro-credits in combating poverty; welcomes the projects under the MEDA programme since 2002 that have proven to be a success; calls on the international financial institutions to enhance their activities in this sector;

12. Recalls the importance of encouraging the growth of the SME sector in the Mediterranean region;
13. Convinced that no development process can begin without the full and broad participation of women in the world of labour; calls on the Heads of State and Government to strengthen existing programmes on behalf of women and to arrange for new ones to be launched in the field of education and training and in support of women's micro-enterprises which, in many areas, represent a fundamental economic resource for families;
14. Considers that education and training play a vital role in the socio-economic development of the region; welcomes the opening of the TEMPUS and ERASMUS MUNDUS programmes to the Mediterranean countries and calls for intensified exchanges between education centres and students;
15. Convinced that cooperation in the scientific and educational field is essential for good relations between the people of the Euro-Mediterranean region; considers also that advanced educational systems and a reinforcement of the educational and scientific cooperation in this region will play an essential role in its durable socio-economic development;
16. Believes that there is an important link between social stability and economic development; underlines the importance of guaranteeing minimum social rights to workers;
17. Believes that South-South cooperation is necessary for the economic cooperation to have a maximum impact; welcomes the discussions on services liberalisation in the context of the Arab Lige and encourages the Mediterranean Partners to enhance the horizontal cooperation between their countries; considers the December 2004 Paneuromed Agreement between Israel and Jordan on accumulation of origin a significant example, welcomes the increase of Jordanian exports with the EU after the signing of this agreement;
18. Recommends that every effort should be made to support the private sectors in the Mediterranean region; considers that cooperation in this sector should be enhanced particularly in the light of the Euro-Mediterranean Charter for Enterprise that was signed in October 2004, is a prove of the enhanced cooperation in this sector;
19. Notes that the transport sector is a key sector in the Euro Mediterranean relations; welcomes the first ministerial conference on transport which is to be held in December 2005; considers the development of a Euro Mediterranean transport network essential for the establishment of the Euromed free trade zone;
20. Stresses the productivity gap between the two shores of the Mediterranean for most agricultural products, while recognising that these differences are generally more important compared to those for industrial products, without counting the internal disparities between the Mediterranean Partner Countries;

21. Stresses that rural exodus together with strong demographic growth, poverty and prevailing unemployment in rural environment of the countries on the southern shore of the Mediterranean, continue to generate socio-economic and political problems at the national and international level, such as the flooding of cities by suburbs, the rejection of the population excess towards the countries of the North in often illegal ways, the upraise of delinquency and terrorism;
22. Expresses with satisfaction that the aquaculture sector, which contributes more and more to the fish-supplies without increasing the pressure exercised on the stocks in a marine-environment, plays a growing role in developing costal regions by providing replacement jobs and by stimulating the fishing industry;
23. Draws nevertheless the attention to the dangers posed by the increase in the quantity of waste resulting from the expansion of aquaculture activities and which cause enormous environmental problems and ever-growing conflicts between the two crucial needs of developing tourism and the fisheries sector in the littoral states;
24. Points out that the last years the Mediterranean basin and many of the Member States have seen a decline in the quality of the inland waters, greater pollution, growing water shortage etc. (i.e. Jordan river); it considers that greater impetus needs to be given to creating policies in the environmental field throughout the Mediterranean, on the evaluation and monitoring of water quality and quantity, especially in critical areas (i.e. highly populated rivers) with the cooperation of the U.E and the Mediterranean partners;
25. Remarks that at present the actual residual advantages for a country or an economic integration are knowledge, training system, and control of the passage from knowledge to technology; finds that this is a dynamical model that is complementary to national innovation systems; considers that financial, technical and technological assistance play a vital role in the reform process and the economic and financial development of the Mediterranean region, especially in the construction of a real knowledge economy and the reduction of the digital gap between North and South;