



**ASSEMBLÉE PARLEMENTAIRE
EURO-MÉDITERRANÉENNE**



Tunis, 17 March 2007

RECOMMENDATION

Euro-Mediterranean Parliamentary Assembly

Adopted on the basis of the draft recommendation tabled on behalf of the Committee on Economic and Financial Affairs, Social Affairs and Education of the Euro-Mediterranean Parliamentary Assembly

by Dr. Hashim Ad-Dabbas, Chairman of the Committee,

Based on the proposals presented by the Rapporteurs,

*Ms Jamila Madeira, Vice-Chairperson of the EMPA Economic Committee,
on "The Millennium Development Goals in the Euro-Mediterranean area",*

And

Mr. Abderrahman Bouhrizi, on "The future of investment between the euro-Mediterranean countries".

- having regard to the Millennium Declaration of 8 September 2000 setting out the Millennium Development Goals (MDGs), charted by the international community as a whole with a view to eradicating poverty, and signed by world's Heads of State,
- having regard to the UN annual reports on the implementation of the Millennium Declaration, the most recent of which was produced in 2006,
- having regard to the successive Arab Human Development Reports drawn up under the United Nations Development Programme (UNDP), the most recent of which was produced in 2005,
- having regard to the 2006 FAO report on the state of food insecurity in the world,
- having regard to the report of the UN task force headed by Professor Jeffrey Sachs, entitled 'Investing in Development: A Practical Plan to Achieve the Millennium Development Goals',
- having regard to the OECD reports on aid effectiveness, the most recent of which was produced in 2005,
- having regard to the final declarations and conclusions of international conferences, in particular the International Conference on Financing for Development (Monterrey, 2002), the World Summit on Sustainable Development (Johannesburg, 2002), the Third United Nations Conference on Least Developed Countries (Brussels, 2001), the World Education Forum (Dakar, 2000), and the 1999 Special Session of the UN General Assembly on the International Conference on Population and Development (Cairo +5),
- having regard to the High-Level Forum on Aid Effectiveness (Paris, 2006) and its final declaration laying down five core principles to make aid more effective,
- having regard to the Barcelona Declaration of 28 November 1995 establishing the Euro-Mediterranean Partnership,
- having regard to the Commission communication to the Council and the European Parliament entitled 'Tenth anniversary of the Euro-Mediterranean Partnership: A work programme to meet the challenges of the next five years', submitted at the first summit of Heads of State, held in Barcelona on 27 and 28 November 2005,
- having regard to the Commission communication to the Council and the European Parliament entitled 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' (COM(2003)0104), the communication to the Council and the European Parliament on strengthening the European neighbourhood policy (COM(2006)0726), the communication on the Commission proposals for Action Plans under the European Neighbourhood Policy (ENP) (COM(2004)0795), and the action plans for Israel, Jordan, Morocco, the Palestinian Authority, and Tunisia,

- having regard to the Commission communication to the Council and the European Parliament entitled ‘Establishing an Environment Strategy for the Mediterranean’ (COM(2006)0475),
 - having regard to the Arab Initiative for Sustainable Development and the related action plan, adopted in 2002 by the Council of Arab Ministers Responsible for the Environment and submitted to the Johannesburg World Summit on Sustainable Development,
 - having regard to the resolution adopted at the extraordinary EMPA plenary session in Rabat in November 2005,
 - Having regard its resolution adopted on 11 May 2006 in Brussels on "Conditions for the transformation of the FEMIP into the Euro Mediterranean Development Bank", transmitted to the EuroMed Council of ECOFIN Ministers on June 2006 held in Tunis and its conclusions,
 - having regard to the conclusions of the 8th Euro-Mediterranean Conference of Ministers of Foreign Affairs, held in Tampere on 28 November 2006, the conclusions of the Istanbul Euro-Mediterranean Conference on ‘Strengthening the Role of Women in Society’, held on 14-15 November 2006, and the final declaration of the 3rd Euro-Mediterranean Ministerial Conference on the Environment, held in Cairo on 20 November 2006,
 - having regard to its resolution adopted at the EMPA plenary session in Brussels in March 2006,
- A. whereas the MDGs are a blueprint for a world partnership to eradicate poverty and its consequences that should be pursued in a spirit of responsibility and by securing the concerted involvement of governments, local and regional authorities, civil society, NGOs, employers’ organisations, trade unions, and holders of elective political office, especially parliamentarians,
 - B. whereas achieving the MDGs, which correspond to a number of human rights (the right to education, health, decent housing, etc.) enshrined in the Universal Declaration of Human Rights, forms part of a broader approach seeking to promote sustainable development, justice, peace, good governance, and the rule of law,
 - C. whereas one of the essential purposes of the Euro-Mediterranean Partnership is to narrow the human and socio-economic development gaps between the two shores of the Mediterranean and whereas the partnership accordingly encompasses a number of social and economic challenges (education, public health, gender equality, etc.) covered by the MDGs that the Barcelona Process States have undertaken to tackle,
 - D. convinced that measures to reduce poverty and promote education, gender equality, health, and the environment, objectives at the heart of the European social model, are as vital to the future of the Mediterranean as energy, transport, and trade,

- E. whereas the insecurity and political instability brought about by intractable conflicts have devastating human and economic consequences as well as profound repercussions on the political, social, and economic development of populations at both national and regional level,
- F. recognising that, despite the substantial efforts that Mediterranean partner countries have made over the past 20 years as regards human development, progress towards achieving the MDGs has in recent years tended to be sluggish and at times even turned into regression, as can be seen from the UNDP reports on the Arab world, and that, moreover, the usual indicators often underestimate the disparities between urban and rural areas,
- G. recognising that rural areas in the countries bordering the southern shore of the Mediterranean are handicapped by inadequate access to collective and social infrastructure and by underemployment and illiteracy, and that rural development issues are still not being taken properly into consideration,
- H. fearing that territorial divides will widen between coastal urban areas embracing globalisation and hinterlands threatened with decay, marginalisation, and rural depopulation,
- I. emphasising that decentralised cooperation at the level of local and regional authorities is an effective tool for helping to reduce the disparities in development between rural areas and urban areas, and that it enables decisions to be taken at a political and administrative level pertinent to the achievement of the MDGs,
- J. whereas sustainable development and the eradication of extreme poverty and hunger are fundamentally linked and whereas the income of poor rural dwellers depends almost entirely on sound management of basic natural resources, whether land based or marine, and stocks of fresh water,
- K. whereas poverty eradication, implementation of the MDGs, and an improvement in aid can succeed if, and only if, action is taken to combat inequalities between men and women,
- L. whereas the advancement of women leads automatically to greater social and economic progress in the developing countries and helps to improve the well-being of their citizens,
- M. deploring the fact that present and projected funding for Official Development Assistance (ODA) is still far below \$190 billion, the approximate figure required, according to several estimates, for developing countries to achieve the MDGs,
- N. whereas coherence is a key factor for the success of the MDGs and whereas donors have so far failed to progress beyond minimal policy coherence, as is described in the exploratory study by the OECD Development Cooperation Directorate (DAC) on their poverty reduction policies and practice ('Scoping Study of Donor Poverty Reduction Policies and Practice') and in the DAC peer reviews,

- O. whereas the UNDP Human Development Report 2006, entitled ‘Beyond scarcity: Power, poverty and the global water crisis’, indicates that over a third of the population in the Arab world and the Euro-Mediterranean Partnership countries have no access to drinking-water or sanitation and whereas, by way of example, access to a source of drinking-water and sanitation in certain partner countries in 2004, expressed as percentage rates, stood at, respectively, 85% and 92% in Algeria, 81% and 73% in Morocco, and 93% and 85% in Tunisia,
- P. whereas 60% of the world population with little water is concentrated in the southern part of the Mediterranean region and in the Middle East, and, by 2025, 63 million people could be affected by water shortages; whereas nearly half of the population living in the developing countries suffer at some point in their lives from a health problem linked to, or from a lack of access to, drinking-water; whereas the growing water crisis is killing 2 million children a year and whereas 443 million days of schooling are lost every year because of water-related diseases,
- Q. whereas trade governed by fair rules is a key element of the development partnership established at Monterrey and, given its impact on economic growth, could enable the MDGs to be achieved in a more sustainable way than ODA or debt relief,
- R. regretting that the world trade talks (Doha Round) have been broken off - which runs counter to the interests of the poorest countries – and fearing a return to ineffectual bilateral agreements,
- S. Whereas globalization offers the opportunity to undertake efforts in the economic, social, regional and environmental fields in order to promote, establish and set in motion a Euro-Mediterranean Free Trade Area, which will be of great benefit in the long term for the EU and the Mediterranean Partners,
1. Maintains that the campaign to eradicate poverty by achieving the MDGs and implementing the Millennium Declaration must, without fail, be at the centre of every Euro-Mediterranean policy and bi- or multilateral cooperation programme focusing on development; considers, however, that granting additional loans or attaining given growth rates will be insufficient to achieve the MDGs unless action, is also to tackle the causes of poverty;
 2. Is convinced that no sustainable human development will be possible for the populations affected by the Middle East conflict unless a just and comprehensive peace settlement can be secured on a basis of mutual respect and respect for human dignity;
 3. Calls for the Middle-East region to be exempt from nuclear weapons and all other weapons of mass destruction that may undermine all the incipient development efforts in the countries of the region;
 4. Recognises, proceeding from the Monterrey Consensus, that development is a shared responsibility which starts with the efforts of developing countries to enhance their

economic and political governance, thereby enabling them to boost their capacity to mobilise the domestic resources that constitute the main source of development financing; and calls on the Countries of the Northern shore of the Mediterranean to increase the financial and technical assistance granted to countries on the southern shore of the Mediterranean and channel more productive investment towards achieving sustainable development;

5. Notes that the Mediterranean partner countries fall into the category of middle-income countries and that achieving the MDGs in the Euro-Mediterranean area depends largely on essential investment in facilities and human capital to enable underprivileged populations to catch up with the world economy while giving them the wherewithal to exercise their economic, social, and political rights;
6. Urges Mediterranean partner countries which have not yet done so to provide themselves with a poverty reduction strategy based on the MDGs; calls for such strategies as might already exist to be revised and brought into line with the MDGs; encourages Partner countries of the Northern shore of the Mediterranean to pursue their efforts aimed at alleviating the debt of the Countries in the Southern shore;
7. Is convinced that poverty reduction strategy papers (PRSPs) are essential tools for achieving the MDGs in an open consultative process involving all government and social partners acting at national, regional, and international level;
8. Congratulates the four EU Member States which are currently meeting the target of earmarking 0.7% of GNI for development aid and urges those which have set timetables for doing so to continue their efforts; deplors the fact, however, that the other Member States are still reluctant to raise aid levels and are thus compelled to backtrack on earlier commitments;
9. Supports the idea of setting up a Euro-Mediterranean peer review scheme involving local and regional players in order to encourage the Barcelona Process countries to treat achievement of the MDGs as a matter of mutual responsibility and to enable regular scrutiny to be brought to bear on the coherence of the policies being pursued by partner countries and Member States in the light of development objectives;
10. Points out that the aim of Euro-Mediterranean cooperation is not just to consolidate bilateral relations, but also to establish cooperation and regional integration networks; calls on the Commission to give practical expression to the relationship between the ENP and the Euro-Mediterranean Partnership and to conclude new multilateral energy and transport agreements while strengthening the existing agreements;
11. Welcomes the recent communication of the Commission regarding the extension of the major trans-European transport axes to the neighbouring countries and underlines the significance of the implementation of the proposed guidelines for cooperation between the EU and the neighbouring countries (among them the Mediterranean partners) in the

sector of transports; supports the Commission's proposal to adopt the five transnational axes;

12. Calls on the European Union Member States to ensure that all relevant government policies are compatible with development and poverty reduction objectives, to that end applying the principle of coherence;
13. Calls on the European Commission, the European Parliament, the Member States, and the Mediterranean partner countries to join forces in exploring innovative avenues for mobilising development financing resources, including ODA commitments;
14. Urges the Mediterranean partner countries, with the support of the European Union, to adopt measures to:
 - fight tax evasion and fraud and pursue administrative reform,
 - support the integration of enterprises into the official economy by setting up an incentive-based taxation system, which should, however, be strictly enforced,
 - support economic reforms to encourage investment and development of the private sector, not least with a view to strengthening the role of SMEs, which provide between 50% and 70% of jobs in many countries,
 - facilitate migrants' remittances to their countries of origin on more favourable terms and ensure that those countries take these important contributions into account in national economic development plans,
 - highlight the need for donor and recipient countries to form partnerships to fight corruption; and calls on those countries which have not yet done so to ratify the United Nations Convention against Corruption,
 - support the European Commission's proposal to adapt FEMIP in order to provide a more solid financial basis for support to SMEs;
 - set up a Euro-Mediterranean solidarity fund to help achieve the most basic development objectives by reducing extreme poverty, starvation and dangerous and contagious diseases, improving reproductive health and providing universal primary education,
15. Urges public authorities in partner countries to continue their major efforts in the sphere of education so as to ensure that every child, be it a girl or boy, whether living in a rural or urban area, can go to school, enjoy a high standard of education, and complete primary level at least, and that a high proportion of children in any one age group can move on to secondary education; calls on both partner countries and the EU Member States to
 - assign a substantial portion of public spending to education;
 - conduct national campaigns involving civil society aimed at reaching vulnerable children outside the school system;
 - devote particular attention to the education of girls, especially in rural areas, endeavour to ensure that they are not made to leave school before their time, and offer them the necessary opportunities for personal development and to fulfil their potential;

- seek to implement the Commission's stated goal of '[increasing] by at least 50% the proportion of financial cooperation devoted to education from 2007';
 - work in closer coordination with other donors of funds, such as the EIB, the World Bank, or UNDP, involved in education projects and programmes;
16. Considers that gender equality is an issue applying across the board and measures to stamp out disparities therefore need to be taken into account in every category of investment based on the MDGs (health, education, rural development, etc.);
 17. Calls on governments and social stakeholders to take resolute steps to combat prejudices and work to strengthen women's rights under national legislation and as regards health, reproduction, and education;
 18. Calls on governments to pursue incentive-based policies to promote equal access to the labour market, and to increase women's participation in politics;
 19. Urges the Commission to integrate the gender dimension into every policy as well as into all the EU programmes and projects falling under the Euro-Mediterranean Partnership or the European Neighbourhood Policy with a view to increasing women's participation in every type of activity, in particular by employing affirmative action programmes and the necessary financial and technical resources and by strengthening the procedures for informing and consulting NGOs where women's rights are concerned;
 20. Maintains that women must play an active part in drawing up and monitoring the poverty reduction strategies based on the MDGs;
 21. Underlines the importance of microcredit in successfully promoting women's employment projects and in empowering women; maintains that it is necessary to increase both the number of financial institutions granting microcredit and the number of recipients, bearing in mind that, according to a World Bank study, only 3% of potential demand in the Arab countries is covered at the present time;
 22. Calls for a new approach to be adopted to sustainable rural development by introducing appropriate policies based on preservation of food crops to reduce poverty in rural areas while encouraging commercial farming;
 23. Calls on the European Union to allocate greater funding to the support programmes needed for sustainable development of agriculture in the South, not least under the neighbourhood policy and the European Commission's 'Roadmap for Agriculture'¹;
 24. Calls on the Mediterranean countries to develop a global strategy aimed at combating and eliminating avian influenza, which greatly affects poultry farming and poultry industry

¹ MEDA funds have been channelled primarily towards services.

that constitutes a major source of national income and provides many job opportunities in certain countries of the southern and eastern Mediterranean;

25. Urges that environmental matters including the impacts of global warming be properly tackled at national and regional level in order to help achieve the MDGs by expressly including the environment and sustainable development in the national and regional strategy papers and the various Euro-Mediterranean cooperation programmes; Calls on Governments to take all measures in fighting ecological threats related to man activities which increase desertification, drought, land-based pollution;
26. Calls on Euro Mediterranean Partners to reduce emissions having greenhouse effects which are detrimental to the environment and linked to global warming and the expansion of the hole in the ozone layer ; calls on them not to bury their toxic waste at sea or on land in the Mediterranean taking in to consideration the provisions included in the existing international conventions;
27. Calls on partner countries to invest on a substantial scale so as to enable rural areas to have access to means of transport, information and communications, drinking-water, sanitation, modern forms of energy (including renewable energy sources), and modern methods for sustainable management of natural resources;
28. Calls on the European Commission and Member States to develop decentralised cooperation at local and regional authority level in the Partnership for cooperation and development programmes in order to reduce disparities between urban and rural areas;
29. Regards it as vital for the EU and those Mediterranean partners which are without energy resources to engage in a strategic dialogue about the possibilities to foster the production of renewable energies on a massive scale given that the environmental issues, which are related to the expansion of supply of energy, are being taken into care in a satisfactory way, and to grant partner countries the right to participate in EU programmes related to R&D in the field of renewable energy;
30. Calls on the Member States and the Mediterranean partner countries to promote common initiatives and join forces on the sector of energy, such as the undersigned bilateral agreements and to promote bilateral agreements, regarding the exploration of potential oil and gas resources in the Mediterranean undersea as well as the construction of Medgaz and Arab Gas Pipeline;
31. Calls on the Union and partner countries to encourage and develop fair trade, bearing in mind its great potential and importance in local economies, in commercial and social terms and from the point of view of human rights, and its social role;
32. Calls on the Union to ensure compliance with the principles of ‘asymmetry at term’ and ‘gradualism’ in trade liberalisation, as defined in the Commission ‘Roadmap for Agriculture’, so as to lessen the destabilising effects of over-precipitate liberalisation in the run-up to the Euro-Mediterranean free trade area to be established by 2010;

33. Welcomes the publication of the Sustainability Impact Assessment (SIA) of the Euro-Mediterranean free trade area drawn up by the University of Manchester; is extremely concerned about the findings of the study with regard to the expected negative social and environmental effects of the envisaged free trade area in the short-term and medium-term; urges all participants of the Euro-Mediterranean Partnership to discuss the findings of the study mentioned above at Ministerial level and to draw consequences for the ongoing negotiations on a free trade area;
34. Calls on the EU, its Member States, and the other industrialised countries to give effect to their development commitments by taking the steps required to reduce the export subsidies, overproduction, and dumping that are jeopardising food production by the most vulnerable small farmers as well as local economic development;
35. Urges the Mediterranean partner countries and the European Union to move towards harmonisation of their positions at the WTO negotiations, since this might enable them to eventually frame a Euro-Mediterranean common agricultural policy which genuinely integrates both shores of the Mediterranean;
36. Maintains that access to drinking-water and a balanced diet is indispensable to public health; maintains that access to drinking-water is essential in order to reduce poverty and the diseases associated with scarcity of water and in this connection strongly supports the UNDP proposal to establish water as a basic human right;
37. Points out that poverty reduction is closely linked to the access which the most underprivileged populations have to energy services that meet fundamental human needs and contribute to social development;
38. Calls on the Commission to adjust its cooperation and trading policies in such a way as to enable the governments of partner countries to maintain and develop public services, especially those giving access to drinking-water, energy and transport, health services, and education;
39. Welcomes the fact that the Cairo Euro-Mediterranean Ministerial Conference on the Environment adopted a specific timetable for implementing the 'Horizon 2020' initiative to clean up the Mediterranean Sea and supports implementation of the Integrated Coastal Zone Management programme and the adoption of a long-term water strategies ensuring water supplies, an approach making for sustainable management of marine and coastal zones, and calls for this initiative to be provided with the funding necessary to implement it;
40. Recommends that annual meetings of the Economic affairs Ministers of the Euro-Mediterranean Partnership countries be held to assess the implementation of economic development programmes in the respective countries and utilisation of the aid granted by the international community;

41. Restates its deep-seated belief that achieving the MDGs offers an agenda for peace and prosperity and for close cooperation to mobilise energies and solidarity in ways that will benefit both of the Mediterranean's two shores;

On the Future of investments between the Euro-Mediterranean countries

42. Reiterates its call to undertake necessary studies with regard to the requirements to be met with a view to turning the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), in due course, into a Euro-Mediterranean Bank of Development, considering the importance of such a Bank in encouraging the private sector and developing investments in the region; and calls on Member States and Mediterranean partners to commit to a new initiative aimed at matching the required conditions and overcoming the obstacles in order to turn FEMIP into a Euro-Mediterranean investment and development bank;
43. Calls the Countries of the Euro-Mediterranean Partnership and their firms to consider investing in sectors of innovative activities so as to ensure sustainable development in the region;
44. Underlines the importance of reinforcing the South-South economic complementarity through the implementation of the Agadir free trade agreement, which was concluded in 2004 by Egypt, Jordan, Morocco and Tunisia, and recommends that this convention serves as a model for South-south integration;
45. Reaffirms the need to deepen and develop South-South cooperation and partnership in the interest of the countries of the Southern shore of the Mediterranean;
46. Calls for the establishment of a mechanism for the reinforcement of the textile field in the Mediterranean region and the work to ameliorate the competitiveness capacity in this field with regard to both quality and cost; calls for training in the textile trade to be promoted through the development of reciprocal exchanges between the partner countries and Member States, both at a theoretical training level and via work placements;
47. Underlines the importance of work, in cooperation with European Investment Bank, to create mechanism the encourage the immigrants from south Mediterranean countries to make the transfers to their native countries for the purpose to reduce the costs of these transfers which contribute to the development of investment;
48. Instructs its President to forward this recommendation to the Speakers of Parliaments members to the Barcelona Process, to the Euro-Mediterranean Ministerial Conference, to the European Commission, to the Governments of the countries members to the Barcelona Process as well as to the institutions concerned.