

**Arab Republic of Egypt
People's Assembly of Egypt**

The Secretariat

Euro - Mediterranean Parliamentary Assembly

Committee on Economic and Financial Affairs, Social
Affairs and Education

People's Assembly of Egypt
Cairo, June 20, 2009

***Meeting Summary Prepared by the Secretariat of the
Egyptian People's Assembly***

The First Session:

The first session started at 10.00 a.m. on Saturday, June 20, 2009 under the chairmanship of Mr. Mohammed M. Abou El-Enein, Chairman of the Committee of Economic and Financial Affairs, Social Affairs and Education.

The Committee Chairman confirmed that the objective of this meeting is to continue to talk about the financial crisis and its implications, and thinking about post-crisis.

He also noted the following points:

- The developed countries are affected by lower trade volume.
- We should think about post-crisis period.
- The crisis has social and humanitarian aspects felt by developed countries and developing countries alike. Its outcome is represented in a decline in bilateral trade volume, shrinking investments, deterioration of the services associated with global trade, partial ban of some companies, the bankruptcy of many banks and financial institutions.

Mr. Abou El-Enein also reviewed the global movement to deal with the crisis through highlighting plans and rescue programs adopted by developed countries and international gatherings such as G20, in order to advance and stimulate economic activity, reform fiscal policies and boost international trade.

He confirmed that the crisis began to take a new form, where there have been some reforms. He cited some positive rates, such as supporting the mortgage finance

companies that contributed to reforming the conditions in the United States, and the vulnerability of Europe and the world by these positive signs.

Then the word was given to Dr. Swan El-Shorofat (Jordan), who stressed the need to answer the post-crisis questions, i.e.: ways of treatment, management and developing proposals to reform the global financial system.

Then the Committee adopted the agenda and the minutes of the third meeting of the Committee held in Brussels on March 15, 2009.

With regard to the current situation of the crisis, the Chairman pointed out that this item is an update of what was adopted at Brussels' meeting, trying to figure out to what extent the reform policies and solutions are successful in overcoming the crisis.

Then the word was given to Mrs. Jane Macpherson, Head of the European Investment Bank's Regional Office for the Near East. She reviewed some of the ideas for the post-crisis period and the prospects of European investment in this area, notably:

1. The negative impact of the financial crisis on world growth rates, and that the time is still too early to talk about post-crisis period because of the lack of clarity of vision so far.
2. The industrialized countries will witness a period of recession and economic slowdown. Its implications will extend to the least developed countries in various forms such as the deterioration in global tourism and low export earnings.

3. The need to invest in infrastructure, education and health, and to avoid reducing public expenditures and maintain a high level of investments quality.
4. The crisis had started in the financial sector and financial markets in developed countries a long time ago as a result of allowing the sale and purchase of more complex financial instruments.
5. The crisis differs from one country to another, as most of the cases have no national roots.
6. The macroeconomic data indicates that the greatest damage was in developed Western countries. The least developed countries are affected by the crisis but they are not a cause.
7. The key implications of the global financial crisis on North and South the Euro-Mediterranean region, especially with regard to the movement of direct investment, the slowdown in economic performance, and low volume of trade exchange between the countries of the region, the sharp decline in exports of developing countries, the difficulties in maintaining investments in the areas of infrastructure and social investment, the increase in unemployment rates and numbers of the unemployed, as well as political and security impacts, notably the civil conflict for access to resources and power and the growing migration flows within the country and between regions.

8. Despite the pessimism, the crisis is an opportunity that can be seized to bring about real reform and infrastructure development.
9. The role of the European Union and the European Investment Bank in developing plans and programs to overcome the negative repercussions of the crisis and take concrete measures on the ground. This can be done through developing action plans to improve and activate financial assistance and the cooperation with international donors to alleviate the crisis in the Mediterranean region.
10. The role of the European Investment Bank to support industries, regional and environmental programs and infrastructure programs. It provided concessional loans to repay and more than 10 billion euros for European countries to face the crisis, stimulate economic activities and trade, support cross-border projects in the fields of transport using green energy, the production of solar energy and wind energy, and the financing of small and micro-enterprises in infrastructure.
11. The importance of comprehensive and integrated reform and creating an economic developmental environment to attract investment. The escape of investments should be avoided through establishing rules of transparency, exchanging information and developing simple customs systems. It is also important to set fair rules for trade exchange, organize and coordinate international and regional efforts to stimulate the private sector, support industry development, develop plans for

public investment in key areas through an integrated approach, create projects to address unemployment and improving the income management.

12. The importance of legal and institutional framework through providing the necessary support to governments to implement various projects, especially infrastructure projects, strengthening cross-border initiatives. Parliamentarians should lay the foundations of a comprehensive planning for the future.

In reaction to this report, the Committee Chairman praised this great work and stressed that the report is full of figures and data, which would undoubtedly be the basis for the report to be prepared by the Committee.

Then the discussion was opened and many observations have been made, notably:

1. The global financial crisis is still rife and no one can predict what will be its outcome, not even the United States, which accounts for 20% of the global economy.
2. Many southern Mediterranean countries have taken all the required reforms, especially financial ones, but the results are still lower than hoped.
3. The need to address the financial crisis in southern Mediterranean through developing the domestic demand or the overall demand in the Euro - Mediterranean region, particularly Southern Mediterranean, through supporting infrastructure projects, stimulating consumption

and directing the European loans to support small and medium enterprises and financial reform programs.

4. The need to support direct investments in energy and infrastructure and tapping the potential of solar and wind energy and other renewable energies as a means to improve national economies in the south and to avoid the negative repercussions of the financial crisis in the Euro-Mediterranean region.
5. The importance of setting a southern agenda depending on the potential of natural and human resources that could create productivity programs for the northern countries, especially in the areas of new and renewable energy from sun and wind.
6. The importance of providing high technology to take advantage of the capacities of wind and sun, as well as providing large investments for the production of these new energies. It is important to set new legislation and policies to encourage investment in this area such as tax exemption and incentives. It is also important to create scientific and technical personnel specialized in the fields of new and renewable energy in southern countries, promote advanced technology transfer from north to south, create specialized scientific and research centers in southern countries, and activate the role of universities and research centers in the south.

The Second Session

The second session commenced at 12.00 pm headed by Mr. Mohammed Abou El-Enein, Chairman of the Committee.

Mr. Abou El-Enein stressed that education is the cornerstone of any country that wants to overcome the crisis. The European initiatives to promote the advancement of education have positive results in southern countries, especially in rehabilitating specialized administrative cadres, supporting and developing small and medium enterprises and creating a scientific mating between north and south.

He also stressed the importance of drawing the dimensions of the current situation, evaluating previous initiatives and developing serious and specific programs to serve Euro-Mediterranean countries and communities.

Then he reviewed the most important Euro-Mediterranean cooperation initiatives in the field of education such as the establishment of the “Euro-Mediterranean Forum on technical and vocational education and training”, the establishment of a permanent network of experts by countries participating in MEDA program, the Anna Lindh Foundation for dialogue between cultures, the Euro-Mediterranean university (EMUNI University), the project of Evaluation of Science, Technology and Innovation capabilities in the Mediterranean Countries (ESTIME) and the e-learning project.

Mr. Abou El-Enein noted the most important challenges facing education in the Mediterranean region, most notably the growing demand for various skills and abilities, the increased numbers of youth, the problems of financing the education sector and the educational gap associated with the education quality and quality.

At the end of his speech, Mr. Abou El-Enein listed a set of recommendations to improve education, including:

1. The need to harmonize between the labor market needs and the creative capabilities of youth.
2. The inevitability to upgrade the education quality and various specialties.
3. The need to create a labor market adequate to the natural and human resources capacities of southern and eastern Mediterranean countries and making use of them in future creativity and production,

Exchange of views on education and human capital development in the Euro-Mediterranean countries:

Important observations:

1. The need to improve education due to its great importance and the need for initiatives to come from the South, not only the North. This can be done through opening sections of Master's studies on both sides of the Mediterranean, providing opportunities for youth to receive education and the understanding of different cultures to work together for the Mediterranean peoples prosperity.
2. The importance of the linkage between the development of education and culture as indicators to measure the strength of societies.

3. The need for the ministries of education to carry out the issue of developing education and improving its quality, and developing national strategies for education, rehabilitation and training to improve the quality of life and exchanges between civil societies.
4. Role of education in the Euro-Mediterranean region is important in improving peoples economically, socially and culturally, and increase their ability to face challenges.
5. It is difficult to leave the issue of education for special efforts without guidance from the State, since it is the backbone of people's lives and development.
6. The importance of the linkage between the development of education and training and development of human capital, as an important element for the development of the human race and individuals to be able to carry out their duties and exercise their rights.
7. The need to provide adequate financial allocations to south countries to upgrade scientific research and increase spending on scientific research.
8. The reference to the Israeli schemes to hamper the educational process in Palestine by blocking the movement of students to access universities from the West Bank to Gaza, and vice versa, destructing schools and mosques, refusing the entry of reconstruction requirements and stopping the salaries of teachers and doctors despite the severe financial crisis. This message

should be sent to all governments and donors, especially the United Nations, for the reconstruction of Gaza and the pressure on Israel to reopen the crossings.

9. The need to focus on the issue of literacy in south Mediterranean, which causes the escalation of unemployment crisis.
10. Education should be linked to market needs and the field should be widely opened to creativity and scientific research.
11. Promoting the cooperation between universities and scientific research centers in the north and south, exchanging researchers and scholars between Mediterranean countries, exchanging information, publications and academic and scientific research papers, developing student missions, encouraging participation in conferences, seminars and training courses, establishing a trust fund to support technological development and establishing centers of scientific excellence and an electronic network.
12. The need for the Euro - Mediterranean University to fulfill the short-and long-term needs for south countries, especially the transfer of advanced technology. South countries should access advanced knowledge. There should be EU guarantees to build a scientific future for south countries, ensuring a better life for future generations.
13. The need to address the issues of school dropout, especially in the stages of primary and

secondary education, and the education of females, taking into consideration the division of society between the rural and urban, the poverty and the proliferation of some old habits.

14. The need to develop medium and long term programs to improve education and its quality, especially in the early stages, and to interest in teaching languages, computer science and technology.
15. The need to pay attention to the early stages, especially pre-school (kindergarten), which will pave the way for the implantation of the rules of thinking, creativity and discovery of skills, the development of educational thought thinking skills suited to the labor market.
16. The need to encourage non-governmental initiatives to improve education and literacy, and disseminate these initiatives at the level of the Euro – Mediterranean region.
17. The importance of addressing the issue of brain drain from south to north of the Mediterranean, encouraging scientists to return to their countries or transfer their expertise, providing the necessary climate for creativity and innovation and benefiting from migrant scholars in the creation of a renaissance and a boom in the south.
18. Emphasizing holding a meeting to hear the opinion of the European Union and its proposals to improve education. Members will be given a month as a time limit to present their proposals. A prepare a paper work will be prepared by

southern countries to be submitted to northern countries. It is necessary to upgrade all programs of public education, higher education, technical education and technological education within the Euro-Mediterranean framework.

19. The need to focus on future sciences such as nuclear science, energy science and genetic engineering, and to emphasize that those who have the creativity and innovation will lead the world.

20. The need for a common framework to improve education in the Mediterranean region, and the need for unified programs to build capacities and capabilities, and a formal unified university Curriculum at the Mediterranean region.

At the end of the meeting, the Irish delegation suggested to activate Article (2) of the EU/Israel Euro-Mediterranean Association Agreement of 1995, with regards to the Israeli aggression against the Palestinian people and the continuing violations of human rights.

The member of the Irish Parliament and EMPA Economic Committee asked the European Union to take a stand against the Israeli violations of Article (2) of the mentioned Agreement.

It has been approved unanimously to discuss this issue at the next meeting in Amman on the fourth of July.

The session was closed at 2.00 pm, Saturday, 20/6/2009.

Mohammed M. Abou El-Enein, MP

**Chairman of the Committee on Economic and Financial
Affairs, Social Affairs, and Education**

The Euro-Mediterranean Parliamentary Assembly

Cairo: July 2, 2009