



**EURO-MEDITERRANEAN  
PARLIAMENTARY ASSEMBLY**



# **RESOLUTION**

of the Euro-Mediterranean Parliamentary Assembly

on **Economic and Financial Issues, Social Affairs and Education**

adopted on 21 November 2005, in Rabat (Morocco)

on the basis of the draft resolution tabled on behalf of the Committee on Economic and Financial Affairs, Social Affairs and Education by Mr Hashem Ad-Dabbas, Chairperson

*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 pay 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,
- having regard to the Executive Summary of Phase 2 of the Sustainability Impact Assessment Study of the Euro-Mediterranean Free Trade Area,
  1. 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;
  2. Recalls that the creation of the Free Trade Area in 2010 remains an important objective; notes that significant progress has already been achieved in the liberalisation of trade in goods; takes the view that increased efforts are needed to achieve the creation of a free trade zone within the timeframe;
  3. Welcomes, therefore, the announcement of the opening of negotiations on the liberalisation of services by the European Commission; considers that the negotiations, while having a strong regional basis, should take into account the differences between the economies of the different Mediterranean Partners;
  4. Notes that negotiations on the liberalization of services are primarily conducted in the framework of the WTO, and strongly recommends that negotiations within the framework of the Euro-Mediterranean Partnership should not undermine the negotiation potential of the Mediterranean Partners in the WTO or lead them to make unilateral concessions going beyond what they are willing to offer in the WTO;
  5. Welcomes the approval by the Council of Ministers of the Commission proposal to create a Pan-Euro-Mediterranean zone of cumulation of origin in order to make it easier for producers and traders within the zone to benefit from preferential tariffs; considers that these new rules will result in the creation of the free trade area between the EU and the Mediterranean partners;
  6. Recalls that services represent approximately 50% of the Gross Domestic Product of the Mediterranean Partner Countries and over 60% of that of the EU Member States;
  7. Considers that, before starting negotiations, the impact of liberalisation on employment and the Gross Domestic Product in the Mediterranean Partner Countries should be assessed;

8. Calls for the financing of studies in the Mediterranean States to specify the services costs for poorer consumers after the liberalization of sectors and its impact on the prosperity of their societies;
9. Calls for the financing of 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 adversely affected;
10. Calls on the parties to designate priority sectors for liberalisation and establish a calendar for the liberalisation of the services sector; believes that a clear calendar can reinforce the confidence of investors in the region;
11. Recalls the importance of encouraging the growth of the SME sector in the Mediterranean region;
12. Recommends that every effort should be made to support the private sector in the Mediterranean region; considers that cooperation in this sector should be further enhanced, particularly in the light of the Euro-Mediterranean Charter for Enterprise that was signed in October 2004;
13. Highlights the place occupied by SMEs, including craft industries, in the economies of the Mediterranean partner countries; recalls the success of the MEDA cooperation programmes at regional level, particularly in promoting investments and improving the quality of SMEs, and wishes them to continue; considers that special attention should be paid to access to the sources of funding for SMEs, particularly at the start-up phase;
14. Considers that foreign investment to the region remains insufficient; invites therefore 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;
15. Reiterates emphatically 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 southern-shores countries but also to produce positive effects in terms of encouraging essential structural reforms by Mediterranean partners;
16. Recognises the importance of micro-credits in combating poverty; welcomes the projects under the MEDA programme since 2002 that have proved successful; calls on the international financial institutions to enhance their activities in this sector and considers that programmes should further encourage access to micro-credit for financing small-scale economic projects;
17. Is 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; invites therefore its ad hoc committee dealing with women's issues in the Euro-Mediterranean partner countries to launch, in the immediate future,

the dialogue and the common action on these issues already decided on with governments of all member states in the Barcelona Process;

18. Remarks that at present the actual residual advantages for a country or for economic integration are knowledge, training system, and control of the transition 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;
19. Recalls that information and communications technologies (ICT) have acted as a driving force in promoting economic development and trade, and also access to knowledge; considers, therefore, that technical cooperation and the mutual recognition and/or harmonization of standards in the telecommunications sector must be pursued and strengthened;
20. Welcomes the recent launch of the first regional programme for the participation of women in economic and social life and development (the establishment of which was decided as long ago as 2001), and calls on the European Commission to expand its scope and the range of topics to include information and awareness-raising activities on the image of women and the importance of their role in the economic development and the democratisation process;
21. 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;
22. 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;
23. Believes that there is an important link between social stability and economic development; underlines the importance of guaranteeing minimum social rights for workers;
24. Stress that the cooperation on civil protection and prevention of natural and ecological disasters in the Euro-Mediterranean region needs mobilisation of appropriate budgetary and financial resources;
25. Believes that South-South cooperation is necessary for economic cooperation to have maximum impact; welcomes the discussions on services liberalisation in the context of the Arab League and encourages the Mediterranean Partners to enhance 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 to the EU after the signing of this agreement;
26. 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 that the improvement in freight and passenger transport infrastructures in the Euro-Mediterranean region, with particular emphasis on ports and the motorways of the seas and the development of a Euro-Mediterranean transport network, is essential for the establishment of the Euromed free trade zone;

27. Emphasizes the strategic importance of establishing a Euro-Mediterranean energy market for the EU and its Mediterranean partners; considers that progress must be made with the sub-regional integration of energy markets, particularly in the electricity and gas sectors, in which major projects are under way ; insists on the need to develop investments in energy infrastructures and their interconnection in order to create an integrated, secure and efficient Euro-Mediterranean network;
28. Stresses the productivity gap between the two shores of the Mediterranean for most agricultural products, while recognising that these differences are generally more important than those for industrial products, leaving aside the internal disparities between the Mediterranean Partner Countries;
29. Stresses that rural exodus, together with strong demographic growth, poverty and prevailing unemployment in the 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 uncontrolled spread of suburbs, the rejection of the population surplus to the countries of the North in often illegal ways, and the rise of delinquency and terrorism;
30. Considers that provision must be made for a co-ordinated plan to address natural disasters as floods, fires and droughts;
31. Welcomes the fact that the aquaculture sector, which contributes more and more to the fish supplies without increasing the pressure on stocks in the marine environment, plays a growing role in developing coastal regions by providing replacement jobs and by stimulating the fishing industry;
32. Draws attention nevertheless to the dangers posed by the increase in the quantity of waste resulting from the expansion of aquaculture activities which causes enormous environmental problems and increasing conflicts between the two crucial needs of developing tourism and the fisheries sector in coastal States;
33. Points out that during the last few 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 shortages etc. (i.e. the River Jordan); considers that greater impetus needs to be given to creating environmental policies throughout the Mediterranean, evaluating and monitoring water quality and quantity, especially in critical areas (i.e. highly populated river areas) with the cooperation of the U.E and the Mediterranean partners;