Euro-Mediterranean partnership: financial and technical measures to accompany (MEDA) the reform of economic and social structures

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PURPOSE: to present the European Commission's annual report on the MEDA programme 1999.
CONTENT: the Conference of the Euro-Mediterranean Foreign Ministers in Barcelona in November 1995 marked the beginning of the Euro-Mediterranean Partnership, which constitues the most important attempt in modern history to create durable and strong bonds between the Mediterranean shores. To achieve this, the Partnership provides for action in the key areas of political, economic and social affairs. The MEDA Programme is the main component of the Partnership's economic and financial cooperation. Against this background, the main conclusions of the annual report are the following: 1) Europe is the largest donor of non-military aid to the Mediterranean region and is strongly supporting economic reform in the partner countries; 2) all Mediterranean Partner countries have embarked on programmes of economic reforms, at varying speeds; 3) commitment appropriations in the context of the MEDA Programme were fully utilised in 1995-1999. For the same period, payments averaged 26% of commitments due to a number of reasons; 4) about 86% of MEDA resources were channelled to bilateral cooperation and about 12% to regional cooperation; 5) altough it is still too early to quantify the impact of MEDA-financed actions, they do contribute to the creation of a favourable economic environment for business and investment and to the transfer of key economic decisions from the state to the market; 6) the need to focus assistance under the MEDA programme on reform is compelling; 7) the current revision of the MEDA regulation aims at achieving significant time gains in the decision process and reinforcing the strategic planning of aid; 8) finally, as emphasised in the Fourth Meeting of "Experts on Economic Transition in the Euro-Mediterranean Aid" held in Brussels on 2-3 October 2000, the MEDA funds would be increasingly channelled towards partners that have confirmed absorption capacity as well as a good implementation record of their association agreement.