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

1995/0127(CNS) - 07/06/1995 - Legislative proposal

OBJECTIVE: to establish a new MEDA line in the budget (B7-410) to finance the measures on technical and financial cooperation for the Mediterranean region, amounting to ECU 3 899.5 million over the period 1995-1999. SUBSTANCE: through the new MEDA budget line, the Commission hopes to rationalise, by the end of a transitional period (31 December 1996), all the funding relating to the Mediterranean countries, including the bilateral financial protocols and horizontal financial measures, which form the basis of the current "reformed Mediterranean policy". In addition to the fact that this new budget line significantly increases the amount of funding granted to the region, the MEDA programme is extended to include new beneficiary countries (mainly the Occupied Territories of Gaza and the West Bank). The measures implemented aim to finance in full or in part the following programmes: .A) support for the economic transition by promoting the establishment before 2010 of a free trade area with and between the Mediterranean countries and by supporting the economic and social reforms for the modernisation of businesses (development of the private sector) by emphasising in particular: - increased competitiveness, - support for SMEs and job creation, - encouragement for private investment, - improvement in economic infrastructures (communication networks), - creation of an appropriate regulatory framework, - modernisation of the institutional working of the economies (financial and fiscal systems); .B) achievement of a better socio-economic balance: in order to tackle the new challenges, measures will involve: - improvement of social services (education, health, social housing, water, etc.), particularly in urban areas and primarily for less favoured sections of the population (young people and women), - harmonious and integrated rural development incorporating agricultural development together with an improvement in services such as health, education, electricity and tourism, - greater emphasis on democracy and human rights, - participation of civil society in development through MED programmes concerning decentralised cooperation, - support for education (primary, secondary and vocational) by promoting integration into the workplace, - promotion of cultural exchanges through dialogue at all levels, - protection of the environment by contributing to investment in this sector (long-term subsidised loans) and by encouraging the transfer of expertise (dialogue with national environmental agencies to introduce appropriate legislation, support for the development of alternative energy sources); .C) support for regional integration through projects/actions involving several Mediterranean countries and through cooperation between neighbouring areas throughout the Mediterranean, and support for the Middle East peace process. The beneficiary countries are: Algeria, Cyprus, Malta, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey and the Occupied Territories of Gaza and the West Bank. With regard to the management of this budget line, the Commission proposes that during the transitional period before the actual implementation of the MEDA programme (and thus in the period during which the bilateral financial protocols will still be in force, and in any case before 1 July 1997), the measures to be implemented should be selected taking account of the beneficiaries' priorities in cooperation with the Community. This selection process must lead to the establishment of a three-year programme. The budgetary resources and projects shall continue to be adopted each year. It is also proposed that a type IIa management committee be created (MED Committee) to assist the Commission and to simplify decision-making in the context of this much broader cooperation. The activities shall mainly take the form of technical assistance, training, institution building, studies, seminars, investment in micro-entreprises and SMEs, and infrastructures. This will largely involve non-refundable assistance or risk capital. Actions should ensure the visibility of Community assistance. Coordination and cooperation with international financial institutions and other donors are encouraged (EIB, public and private financial bodies in the Member States and beneficiary countries, etc.).