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

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- OBJECTIVE: implementation of cooperation measures to support the efforts of Mediterranean non-member countries in undertaking to reform their economic and social structures and to offset the effects of economic development on society and the environment. - COMMUNITY MEASURE: Council Regulation 1488/96/EC on financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership (MEDA). - SUBSTANCE: . scope of MEDA: the operations have a three-fold objective: - bolstering of political stability and democracy, - establishment of a Euro-Mediterranean free trade area and development of economic and social cooperation, - inclusion of the human and cultural dimension. These three objectives follow a number of priorities described in the Annex to the Regulation including: . support to economic transition (employment creation and private sector development, promotion of investment and trade between the EEC and the Mediterranean countries, updating of economic infrastructure), .support to structural adjustment programmes (including programmes to restore the major financial balance mechanisms and the creation of a free trade area), . support to achieving a better socio-economic balance (participation of civil society and the local inhabitants in development, improvement of social services, action to combat poverty, rural and fisheries development, reinforced environmental cooperation, development of human resources and strengthening of democracy, cultural cooperation, technical assistance to reduce illegal immigration and drugs trafficking, etc.); . regional and cross border cooperation (establishment of structures for regional cooperation between Mediterranean partners, improvement of the Euro-Arab dialogue and exchanges between Community partners and recipient countries, in the context of decentralized cooperation). . beneficiaries: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and West Bank/Gaza. The beneficiaries of support measures may include not only States and regions, but also local authorities, public agencies, local or traditional communities, organizations supporting business, private operators, cooperatives, mutual societies, associations, foundations and non-governmental organizations. . financial reference amount for the period 1995-1999: ECU 3.424,5 m. . democratic basis of MEDA: the Regulation is based on respect for democratic principles and human rights. Any violation results in the adoption of appropriate measures. . implementation: the Commission is to ensure the coordination of projects in agreement with the Member States and on the basis of regular exchanges (including 'on the spot'). Projects will be selected on the basis of the beneficiaries' priorities and in accordance with their capacity to absorb the amounts granted and progress towards structural reform. Three-year indicative programmes will be drawn up laying down the guidelines and priority intervention sectors. The guidelines for these programmes will be adopted by the Council by a qualified majority on a proposal from the Commission. Any amendments will be subject to a commitology procedure (MED committee), as well as financing decisions exceeding ECU 2 m. Decisions concerning appropriations below this amount will be taken by the Commission, but after duly notifying the committee. Parliament will be kept informed of the implementation of the Regulation. A specific procedure is laid down for all decisions relating to EIB financing, and in particular the environment. . form of financing: non-refundable aid and risk capital and, in the environment sector, interest rebates of 3% on EIB loans. Financing may cover goods and service import costs and local costs for the conduct of projects. Taxes, duties and charges are excluded from Community financing. . procedures for the awarding of contracts: invitations to tender and contracts will be opened without discrimination to all natural and legal persons of the Member States and Mediterranean partners. Various specific provisions are laid down with regard to transparency and the proper conduct of markets (regularly covered in the OJ). . transparency and assessment: an annual progress report should be submitted to the EP and the Council on the operations undertaken and their evaluation. Every three years a comprehensive assessment report

will be forwarded to the MED committee. Finally, before 30 June 1999, this Regulation will be re-examined on the basis of an assessment report presented by the Commission on 31 December 1998. - ENTRY INTO FORCE: 2 August 1996 (Regulation No 1763/92/EEC to be repealed from 31 December 1996; from 1 January 1997 the financial protocols still in force will be covered by Regulation No 1762/92 /EEC until expiry.