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

1995/0127(CNS) - 31/05/2006 - Court of Auditors: opinion, report

PURPOSE : to present a special report from the Court of Auditors concerning the MEDA programme.

CONTENT : in 1995, the EU and 12 Mediterranean countries decided on a new phase in their relationship, called the ‘Barcelona Process’ or the ‘Euro-Mediterranean Partnership’. The main aim is to develop different aspects of the partnership, including the political, economic and financial, and social and cultural dimensions.

The MEDA programme is the EC’s main financial instrument for the implementation of the Euro-Mediterranean Partnership, with more than EUR 8 billion allocated for the period 1995 to 2006. At the end of 2005 about EUR 7 billion had been committed for different projects and programmes, and some EUR 4 billion had been spent.

The Court has audited the MEDA programme, to determine whether it actually contributes to economic reform and social development in the partner countries, and whether the Commission’s management of the programme is adequate.

Conclusions of the report:

Regarding the MEDA programme’s contribution, the EC support has:

- been relevant to the needs of the countries concerned;

- focused on a limited number of sectors in two of the three countries examined;

- encouraged ownership by an increasing use of budget support;

- systematically included capacity-building measures;

Concrete results, after more than 10 years of MEDA, are so far rather limited as many projects have not yet been completed. For most MEDA countries the impact of the EC support is to be found not so much in its financial importance as in its attempts to address sensitive policy reform issues and support poorer segments of populations.

The Commission’s management of the MEDA programme has clearly improved since the early years and can be considered as satisfactory, as programming efforts now result in a more even allocation of resources over time, preparation periods are becoming shorter and disbursements have increased significantly.

Contributing factors to these improvements are an increase in the number of projects and programmes, a larger share of budget support in the total programme and the overall positive effect of devolution on project preparation and implementation by delegations. Other improvements include more systematic monitoring and evaluation and more intensive dialogue and coordination with local counterparts and other donors. The most common cause of implementation delays remains procurement problems.

With the MEDA Regulation coming to an end in 2006 and the new European Neighbourhood and Partnership Instrument coming into effect in 2007 (see **COD/2004/0219)**, the Court recommends that the Commission should:

- ensure a smooth and quick transition to the new country programmes, to avoid negative consequences for future implementation;

- define more clearly in the new country programming documents its strategic

objectives and establish appropriate indicators, to allow for better monitoring and evaluation of impact;

- continue to focus its support on a limited number of intervention areas to ensure coherence and to keep the programmes manageable;

- continue to search for best practices in managing projects to avoid delays.