



**CROSS-BORDER COOPERATION  
WITHIN THE  
EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP INSTRUMENT (ENPI)**

**MEDITERRANEAN  
SEA BASIN PROGRAMME**

**2007-2013**

**FINAL VERSION**

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## ACRONYMS

<b>AA</b>	Association Agreements
<b>CBC</b>	Cross Border Cooperation
<b>CDI</b>	Cooperation and Development Instrument
<b>COM</b>	European Commission
<b>EC</b>	European Commission
<b>EMAS</b>	Community Eco-Management and Audit Scheme
<b>EMP</b>	Euro-Mediterranean Partnership
<b>ENP</b>	European Neighbourhood Policy
<b>ENPI</b>	European Neighbourhood and Partnership Instrument
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>EU</b>	European Union
<b>EUMC</b>	European Union Mediterranean Countries
<b>FDI</b>	Foreign Direct Investment
<b>FEMIP</b>	Facility for Euro-Mediterranean Investment and Partnership
<b>FEMISE</b>	Euro-Mediterranean Forum of Economic Institutes
<b>GDP</b>	Gross Domestic Product
<b>GNP</b>	Gross National Product
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>JMA</b>	Joint Managing Authority
<b>JMC</b>	Joint Monitoring Committee
<b>JTF</b>	Joint Task Force
<b>JTS</b>	Joint Technical Secretariat
<b>MCSD</b>	Mediterranean Commission for Sustainable Development
<b>MENA</b>	Middle East and North Africa
<b>MPC</b>	Mediterranean Partner Countries
<b>NGO</b>	Non Governmental Organisation
<b>PPP</b>	Purchasing Power Parities
<b>PRAG</b>	Practical Guide to contract procedures for EC external actions
<b>PSC</b>	Project Selection Committee
<b>R&amp;D</b>	Research and development
<b>RCBI</b>	Regional Capacity Building Initiative
<b>SEA</b>	Strategic Environmental Assessment
<b>SME</b>	Small to Medium Enterprise
<b>SWOT</b>	Strengths Weakness Opportunities Treats (Analysis)
<b>UN</b>	United Nations (Organisation)
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNWTO</b>	United Nations World Tourism Organisation
<b>WTO</b>	World Trade Organisation

## PROGRAMME SUMMARY

ENPI CBC Mediterranean Sea Basin Programme 2007-2013 provides the framework for the implementation of cross border and cooperation activities in the context of the European Neighbourhood Policy, complementing efforts exerted within the framework of the Euro-Mediterranean Partnership, with the final aim of developing an area of peace, stability and prosperity and good neighbourliness involving EU Mediterranean Countries and Mediterranean Partner Countries as they are listed in the Strategy Paper on Cross Border Cooperation Programmes within the ENPI.

In 2004-2005 the regions eligible to this ENPI CBC Programme were home to 143 million inhabitants, representing 2.2% of the world population and nearly equally divided between EU Mediterranean Countries (EUMC) and Mediterranean Partner Countries (MPC). The countries bordering the Mediterranean Sea are largely diversified, in terms of geographical structure, economic specialization, social organization, political and cultural forms. This very diversity is at the origin of the deep economic and cultural exchanges that historically have characterized and enriched the region.

Considering the principle of co-ownership as an horizontal element of the Programme, the entire process of defining its strategy and structure has been characterised by a participatory approach of the whole partnership through continuous consultations within the Joint Task Force and the Restricted Working Group: such an approach has led to a fully shared vision of the Programme among the participating countries. Six meetings of the Joint Task Force have been held to finalise the Programme. The programming process officially started with the first meeting that took place on the 13<sup>th</sup> of July 2006 in Brussels. Other meetings followed<sup>1</sup>, where decisions have been taken about the appointment of the Joint Managing Authority (JMA) and later about a shared definition of the strategy and structure of the Programme. This process has been concluded in September 2007 by a written consultation procedure following the meeting in Athens on 16<sup>th</sup> and 17<sup>th</sup> of July 2007, during which the Joint Task Force finalised the Programme proposal before its submission to the European Commission.

The strategy of the Programme is based on the combination of three main components:

- the institutional, economic, social, cultural, environmental characteristics of the cooperation area
- the strategy of ongoing and future programmes in the Mediterranean area
- the finalities and objectives of the territorial cooperation component in the framework of the ENPI

The socio-economic background of the concerned area underlines the relevance of the Mediterranean Sea as a resource and the need of maximising the size, quality and sustainability of the material and immaterial flows across the Sea.

The "SWOT" analysis identifies potentialities of the concerned area, which will help in dealing with challenges facing the region. These potentialities include, among others, the growing regional role in the framework of energy flows (including the global oil market), intense regional cooperation on transport and tourism, a greater role of cultural and natural heritage, and a new momentum in Information and

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<sup>1</sup> Brussels, 15<sup>th</sup> of September 2006; Rome, 20<sup>th</sup> of October 2006; Cairo, 11<sup>th</sup> and 12<sup>th</sup> of December 2006; Rome, 27<sup>th</sup> and 28<sup>th</sup> of February 2007 (Restricted Working Group); Barcelona, 19<sup>th</sup> and 20<sup>th</sup> of April 2007.

Communication Technologies and innovation, human capital, and national economic reform measures. On the other hand, the common challenges of the area include, among others, income gap, the vulnerability of common natural resources subject to various pressures (demographic, economic and social pressures), climate change and environmental deterioration, as well as disparities underlined by the economic analysis of the region. Moreover, challenges and potentialities also relate to trade and migration flows, and to their management through regional, multilateral or bilateral agreements, and to the development of human capital and cultural dialogue.

The definition of the Programme strategy takes into account strategies and programmes relevant to the Mediterranean Basin area, drafting an overall framework of actions, projects and programmes implemented by different partners, in order to ensure the due consistency and to create effective synergies among initiatives. In particular Euro-Mediterranean Partnership programmes, strategies of international actors, multi and bilateral programmes have been carefully considered.

In the definition of the contents of the Programme, participating countries agreed on a set of principles - co-ownership, common benefits, partnership, sustainable development, equality of opportunity, territorial dimension of the processes of development, reinforcing the level of competitiveness of the Mediterranean Basin countries, integration and co financing. These principles, which are consistent with those set by ENPI, guarantee the respect of the aims of the Programme and ensure its effectiveness..

In formulating the strategy and determining the content of the Programme, the objectives of the Euro-Mediterranean Partnership and those of the European Neighbourhood Policy cross-border cooperation component have been taken into account, as well as the priorities of the countries participating in the Programme as defined in their national agendas.

The Programme's strategy is based on four key elements. **First** of all, the specific characteristics and trends of the cooperation area, highlighted by the context analysis, led to focus on orientations such as the maximisation of flows of goods, people and capital among the territories of the Mediterranean Basin Countries, the contribution to establishing an area of peace, exchange, dialogue and cooperation able to enhance cultural, human, social, natural and economic dimension of the Mediterranean Countries, as well as the production of real and sustainable effects on local development of the territories. **Second**, the activation of operational synergies with ongoing and planned initiatives in countries and territories of the Mediterranean Sea Basin in order to enhance the background of knowledge and experiences and to amplify the Programme's range of action. **Third**, the specific nature of the Programme as a cross border cooperation initiative, which involves a great number of local, regional and national subjects, taking into account the limited financial resources available for it and the competencies and prerogatives of its main actors. **Fourth**, the willingness of participating countries to avoid the fragmentation and dispersion of the Programme's actions, thus focusing on a limited number of priorities in order to produce more tangible impact on the whole cooperation area.

Within this strategic framework, the participating countries defined the following general objective for the Programme: to contribute to promoting the sustainable and harmonious cooperation process at the Mediterranean Basin level by dealing with the common challenges and enhancing its endogenous potentials.

In coherence with this objective, participating countries agreed to define four specific priorities fitting the process of cooperation in the Mediterranean area, as follows:

- 1. Promotion of socio-economic development and enhancement of territories**, concentrating on innovation and research in key sectors for the cooperation area, creating synergies among potentials of the Mediterranean Sea Basin countries and strengthening strategies of territorial planning
- 2. Promotion of environmental sustainability at the Basin level**, pursued through the preservation of natural common heritage, the reduction of risk factors for the environment, the improvement of energy efficiency and the promotion of the use of renewable energy sources.
- 3. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals**, supporting the flows of people among territories as a cultural, social and economic plus for countries on both shores, and improving the conditions and modalities of circulation of goods and capitals among the territories.
- 4. Promotion of cultural dialogue and local governance**, supporting the exchange, training and professional development of young people and all forms of dialogue among the communities as well as improving the governance process at local level.

For each priority, a framework for the implementation of projects has been devised, articulated into a set of specific measures.

The main typologies of eligible actors - as defined by the ENPI Regulation and by the Implementing Rules for ENPI CBC Programmes<sup>2</sup> - are specified for the various measures of the Programme. They are diversified according to the variety and complexity of the activities to be carried out, and include – among others - public bodies and local, regional and central administrations, companies and other private organisations, universities, non-governmental organisations, traders' associations and organisations representing economic and social actors.

Cooperation and projects under this Programme shall be in accordance with national laws and legislations.

**Management and administration of the Programme** consists of the following joint structures, in consonance with the Implementing Rules of ENPI/CBC programmes:

- Joint Monitoring Committee
- Joint Managing Authority
- Project Selection Committee
- Joint Technical Secretariat.

Given the Programme's complexity and its wide geographical range of action, its implementation is also guaranteed through decentralised managing structures in order to ensure closer proximity to the potential beneficiaries, and to favour their participation in the Programme.

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<sup>2</sup> Article 14, paragraph 1, of the Regulation (EC) No 1638/2006 and Article 23, paragraph 2 of the Commission Regulation (EC) No 951/2007.

Contractual and financial procedures of the Programme follow the Implementing Rules of the ENPI CBC programmes and the “Practical Guide to contract procedures for EC external actions” (PRAG).

Promotion and dissemination of the opportunities offered by the Programme as well as of its results is ensured through the implementation of an information and communication plan defining strategy and tools of promotion.

The European Union’s overall financial contribution to the Programme will be 173.607.324 Euro for the period 2007-2013.

## 1. DESCRIPTION, AIMS AND PRIORITIES

### 1.1. Eligible territories and participating countries

For the Mediterranean Basin Programme, the list of eligible territories<sup>3</sup> per country is the following:

1. **Algeria:** Tlemcen, Aïn Témouchent, Oran, Mostaganem, Chlef, Tipaza, Alger, Boumerdès, Tizi Ouzou, Béjaïa, Jijel, Skikda, Annaba, El Taref
2. **Cyprus:** the whole country
3. **Egypt:** Marsa Matruh, Al Iskandanyah, Al Buhayrah, Kafr ash Shaykh, Ad Daqahliyah, Dumyat, Ash Sharquiyah, Al Isma'iliyah, Bur Sa'id, Shamal Sina'<sup>4</sup>
4. **France:** Corse, Languedoc-Roussillon, Provence-Alpes-Côte d'Azur
5. **Greece:** Anatoliki Makedonia - Thraki, Kentriki Makedonia, Thessalia, Ipeiros, Ionia Nisia, Dytiki Ellada, Sterea Ellada, Peloponnisos, Attiki, Voreio Aigaio, Notio Aigaio, Kriti
6. **Israel:** the whole country
7. **Italy:** Basilicata, Calabria, Campania, Lazio, Liguria, Puglia, Sardegna, Sicilia, Toscana
8. **Jordan:** Irbid, Al-Balga, Madaba, Al-Karak, Al-Trafila, Al-Aqaba
9. **Lebanon:** the whole country
10. **Libya:** Nuquat Al Kharms, Al Zawia, Al Aziziyah, Tarabulus, Tarunah, Al Khons, Zeleitin, Misurata, Sawfajin, Surt, Ajdabiya, Banghazi, Al Fatah, Al Jabal Al Akhdar, Damah, Tubruq
11. **Malta:** the whole country
12. **Morocco:** Oriental, Taza-Al Hoceima-Taounate, Tanger-Tétouan
13. **Palestinian Authority:** the whole country
14. **Portugal:** Algarve
15. **Spain:** Andalucía, Cataluña, Comunidad Valenciana, Murcia, Islas Baleares, Ceuta, Melilla
16. **Syria:** Latakia, Tartous
17. **Tunisia:** Médenine, Gabès, Sfax, Mahdia, Monastir, Sousse, Nabeul, Ben Arous, Tunis, Ariana, Bizerte, Béja, Jendouba
18. **Turkey:** Tekirdağ, Balıkesir, Izmir, Aydın, Antalya, Adana, Hatay
19. **United Kingdom:** Gibraltar

The Countries which have participated in the programming phases in the Joint Task Force are Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Portugal, Spain, Syria and Tunisia. The Countries with eligible territories, which have not participated in the programming phase, can join the Programme once it will be adopted by the European Commission.

<sup>3</sup> Following the *European Neighbourhood and Partnership Instrument* Regulation (art.7), within the exclusive framework of cross border cooperation, eligible territorial units for each programme supported by this instrument, together with their indicative multi annual allocation, have been defined in a strategic document (Strategy Paper) adopted according to article 26, par. 2 of the same Regulation.

<sup>4</sup> The region of Shamal Sina' will not participate for the time being in the Programme.



The participation to calls for proposals of beneficiaries located in adjoining regions of level NUTS II or equivalent may be allowed by the Joint Monitoring Committee on a case by case basis, taken into account the objective benefits that such participation would ensure to the specific project and to the Programme as a whole.

In any case, the amount of resources devoted to the participation of beneficiaries of the adjoining regions should not exceed 20% of allocations to the specific project.

The Beneficiary (Lead Partner) of a project must be located in the eligible regions listed above according to the Strategy Paper.

## 1.2. Description and analysis of the geographical areas affected by the Programme

### 1.2.1. The Programme's area of activity: socio-economic background

#### *Introduction*

In 2004-2005 the territories eligible to this ENPI-CBC Programme were home to 143 million inhabitants, representing 2.2% of the world population and nearly equally divided between EU Mediterranean Countries (EUMC) and Mediterranean Partner Countries (MPC). Taking into account that Turkey has the possibility to take part, drawing upon its funds from the Instrument for Pre-Accession Assistance (IPA), total Programme population attains 155 million, inclusive of the population of Turkey's eligible territories.

Table 1 - Population of the Mediterranean Sea Basin Programme eligible areas 2004-2005 (thousands)			
EU Mediterranean Countries		Mediterranean Partner Countries	
Cyprus	854	Algeria	13.186
France	7.438	Egypt	23.301
Greece	10.640	Israel	6.621
Italy	29.587	Jordan	1.885
Malta	404	Lebanon	3.574
Portugal	411	Libya	5.017
Spain	21.997	Morocco	6.196
United Kingdom	29	Palestinian Authority	3.762
		Syria	1.625
		Tunisia	6.960
Total EUMC	71.360	Total MPC	72.127
Total Programme population (ENPI)		143.487	
		Turkey	11.689
Total Programme population (ENPI + IPA)		155.176	

\*Refers to the entire island. \*\*Exclusive of the population of East Jerusalem.

Sources: data provided by participating countries, UN Population Statistics, Office national des statistiques de l'Algérie, Central Bureau of Statistics of Israel, Libyan Ministry of Health, Institut national de la statistique de la Tunisie, State Institute of Statistics of Turkey.

Given that socio-economic figures at sub-national level are not available for all participating countries, the following analysis will rely on statistics at national level<sup>5</sup>. However, the selection of the main issues to be covered in the context analysis and the emphasis on specific elements – as the SWOT analysis of the following paragraph – are based on a qualitative analysis of the eligible territories.

The latter highlighted a number of opportunities and challenges relevant to the territories: developing strategies for urban and territorial planning, as for coastal areas management, improving income convergence, strengthening economic competitiveness, developing sustainable tourism, taking advantage of trade and Foreign Direct Investments (FDI) potentialities, developing economic sectors linked to the sea, managing water pollution and other environmental issues, improving port management and more generally logistics, increasing cooperation in the fields of energy and transport, enhancing social development (education, health and development of human capital), managing in a cooperative way the social problems created by growing migration flows, improving cooperation between regional and local administrations. These issues will be tackled in the following pages.

In 2006 the countries whose territories are eligible to this Programme were home to 452 million inhabitants, equal to 6.9% of the world population, and accounted for 11.2% of world GDP at purchasing power parity (PPP), or 14.1% of world GDP computed at current prices<sup>6</sup> (Table 2).

The countries bordering the Mediterranean Sea are largely diversified, in terms of geographical structure, economic specialization, social organization and political and cultural forms. This very diversity is at the origin of the deep economic and cultural exchanges that historically have characterized and enriched the region. However, in the last two centuries a new kind of diversity materialised: the income gap, which still characterizes the North/South-East relations. In 2006 EUMC produced 74% of total Mediterranean GDP (at PPP; 86% if the GDP is computed at current prices), a much higher share than their share in total Mediterranean population (42%). Per capita GDP reflects these great disparities, ranging from \$1,130 (Palestinian Authority) to \$35,404 (France), for an average of \$15,035 in 2006 (Table 2)<sup>7</sup>. Lessening this gap through the acceleration of economic growth in MPC is a major target of the Euro-Mediterranean Partnership, which aims at achieving a common area of peace, stability, and prosperity through - *inter alia* – a political, economic and financial partnership and the gradual establishment of a free trade area, and of the European Neighbourhood Policy Action Plans which, going beyond existing relationships, introduce a deeper political and economic relationship.

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<sup>5</sup> Statistical information were initially gathered by the Joint Task Force's special working group through the contribution of eligible countries. However, as these data were found to vary in methodology, year of reference, unit of measure, and in some cases altogether missing, for the section devoted to the description and analysis of relevant geographical areas, the JTF decided to utilize data coming from various UN agencies and organizations, as detailed below; this decision was put to the participating countries for their approval. The information provided by the participating countries – of much use for specific analysis and assessment – will be published on the programme's website.

<sup>6</sup> Figures are taken from the *IMF World Economic Outlook Database*, April 2007. As in the following Tables, figures do not include Gibraltar.

<sup>7</sup> Disparities in per capita GDP at PPP are less extreme; however, no PPP figure is available for Palestinian Territories.

**Table 2 - Population and GDP, 2006**

	Population (million)	GDP (US\$ bn)		% of world PPP GDP	GDP per capita (\$)	
		Current prices	PPP		Current prices	PPP
<b>EU Mediterranean Countries</b>						
Cyprus	0.8	18.2	22.4	0.03	23676	29105
France	63.0	2231.6	1934.7	2.92	35404	30693
Greece	11.1	307.7	289.5	0.44	27610	25975
Italy	58.3	1852.6	1790.9	2.70	31791	30732
Malta	0.4	6.1	8.1	0.01	15293	20426
Portugal	10.6	195.0	239.5	0.36	18465	22677
Spain	44.1	1225.8	1214.9	1.83	27767	27522
<b>EUMC</b>	<b>188.3</b>	<b>5837.0</b>	<b>5500.0</b>	<b>8.30</b>	<b>30994</b>	<b>29205</b>
<b>Mediterranean Partner Countries</b>						
Algeria	33.5	114.3	262.2	0.40	3413	7827
Egypt	72.1	107.4	348.8	0.53	1489	4836
Israel	6.9	140.2	209.4	0.32	20399	30464
Jordan	5.6	14.3	31.2	0.05	2544	5542
Lebanon	3.7	22.6	20.2	0.03	6110	5457
Libya	6.0	50.3	72.9	0.11	8430	12204
Morocco	30.4	57.4	150.8	0.23	1886	4956
Palestinian Authority	3.9	4.4	..	..	1130	..
Syria	19.1	31.5	78.8	0.12	1645	4117
Tunisia	10.3	30.6	91.4	0.14	2982	8898
Turkey	72.6	392.4	660.8	1.00	5408	9107
<b>MPC</b>	<b>264.1</b>	<b>965.5</b>	<b>1926.5</b>	<b>2.91</b>	<b>3656</b>	<b>7294</b>
<b>Total MED</b>	<b>452.4</b>	<b>6802.5</b>	<b>7426.5</b>	<b>11.21</b>	<b>15035</b>	<b>16415</b>

Source: IMF, *World Economic Outlook Database*, April 2007; figures for Palestinian Authority are taken from IMF-World Bank, *West Bank and Gaza. Economic Developments in 2006 - a First Assessment*, March 2007.

### Population

Population density (Table 3) is extremely diverse in relation to the physical characteristics and historical evolution of the various Mediterranean countries, ranging from Libya's 3 people per square km to Malta's 1.261 people per square km.

Demographic trends are significantly differentiated between the two shores: population in MPC has nearly doubled (+99%) between 1970 and 2000, while on the Northern shore population has grown by 14% only in the same period (Table 4). Major improvements in health care have much increased life expectancy on both shores, leaving the gap between the two shores substantially stable: life expectancy at birth in 2004 was on average equal to 77/83 years for male/female in EUMC, vis-à-vis the 69/73 years in MPC (Table 3).

While a slow convergence process in fertility rates is under progress, the demographic differentiation will persist during the running period of this Programme. The "demographic momentum" deriving from MPC exceptional population growth of the 1970s and 1980s will remain a powerful factor: population in MPC is expected to increase by nearly 100 million between 2000 and 2025. Young population (less than 15 years), which during the Seventies was above 40% of total population and by now is between 26 and 37% (Table 3), will further decline as a percentage of total population, reducing the dependency rate. This reduction offers an opportunity to increase productivity and economic growth in MPC. However, the large young population entering the job market will represent a major challenge for MPC in the running period of this Programme (see below).

Table 3 – Population					
	Average annual % growth 2000-05	Density, 2005 (people per sq. km)	% ages 0-14 2005	Life expectancy at birth 2005 (years)	
				Male	Female
<b>EU Mediterranean Countries</b>					
Cyprus	1.2	82	20	77	82
France	07	111	18	77	84
Greece	0.3	86	14	77	82
Italy	0.6	199	14	78	83
Malta	0.7	1261	18	78	81
Portugal	0.6	115	16	75	81
Spain	1.5	87	14	77	84
<b>Mediterranean Partner Countries</b>					
Algeria	1.5	14	30	70	73
Egypt	1.9	74	34	68	73
Israel	1.9	320	28	77	82
Jordan	2.4	62	37	71	74
Lebanon	1.0	350	29	70	75
Libya	2.0	3	30	72	77
Morocco	1.6	68	31	68	73
Palestinian Authority	4.0	602	45	71	76
Syria	2.5	104	37	72	76
Tunisia	0.9	65	26	72	76
Turkev	1.3	94	29	69	74

Source: World Bank, *World Development Indicators*, accessed 6/20/2007.

On the other hand, population on the Northern shore will remain nearly stable and is projected by the UN to represent 32% of total Mediterranean population by the year 2050 (vis-à-vis 42% in 2000, and 65% in 1950, Table 4).

The demographic changes on the two shores of the Basin have important economic, social and environmental consequences in the region, out of which the Basin's common challenges emerge.

<b>Table 4 – Population trends (thousands)</b>					
	1950	1970	2000	2025	2050
<b>EU Mediterranean Countries</b>					
Cyprus	494	615	786	1018	1183
France	41829	50772	59187	65769	68270
Greece	7566	8793	10975	11236	10808
Italy	47104	53822	57692	58079	54610
Malta	312	303	389	431	428
Portugal	8405	8680	10227	10712	9982
Spain	28009	33779	40229	46623	46401
<b>Total EUMC</b>	<b>133719</b>	<b>156764</b>	<b>179485</b>	<b>193868</b>	<b>191682</b>
<b>Mediterranean Partner Countries</b>					
Algeria	8753	13746	30506	42882	49610
Egypt	21834	35190	66529	98513	121219
Israel	1258	2898	6084	8722	10527
Jordan	472	1623	4799	8029	10121
Lebanon	1443	2443	3772	4784	5221
Libya	1029	1994	5346	8087	9683
Morocco	8953	15310	28827	37865	42583
Palestinian Authority	1005	1096	3149	6553	10265
Syria	3536	6371	16511	27519	34887
Tunisia	3530	5127	9564	12170	13178
Turkey	21484	36207	68158	89557	98946
<b>Total MPC</b>	<b>73297</b>	<b>122005</b>	<b>24324</b>	<b>344681</b>	<b>406240</b>
<b>Total MED</b>	<b>207016</b>	<b>278769</b>	<b>422730</b>	<b>538549</b>	<b>597922</b>

Source: UN, *World Population Prospects. The 2006 Revision*.

## Urbanisation

Urbanisation remains a key feature of the region even though the share of Mediterranean urban population in world urban population has declined in the last 35 years: 9.0% in 2005 versus 11.3% in 1970.

This is due to the deceleration of the urbanisation process on the Northern shore of the Basin. In fact, the average annual growth of urban population is much lower in the EUMC (below 1% in 1990-2005, with the sole exception of the 1.6% growth rate of Portugal) than in MPC (between 2 and 3%, with the exceptions of the 1.8% growth rate of Egypt and – in the opposite direction – the 4.7% growth rate of Jordan and the 4.0% growth rate of the Palestinian Authority).

As shown by Table 5 while in 1970 two thirds of the total Mediterranean urban population lived on the Northern shore, in 1995 – at the time of the launching of the Barcelona process – the Northern share of total Mediterranean urban population had already declined to 50%. And now, the majority of Mediterranean urban population lives on the Southern shore. Moreover – according to UN projections – in 2030 only 36% of total Mediterranean urban population will live on the Northern shore of the Basin. This implies a rapidly growing demand in MPC for housing, infrastructure, access to services, waste management and pollution control. At the same time, signs of deterioration emerge in many towns on the Northern shore, especially in the peripheries.

Therefore, even if urban dynamics are quite different on the two shores, sustainable urban development is a major challenge for both sides of the Basin. Urban regeneration and renewal initiatives, enhancement of historical and cultural heritage, integration of transport planning and town planning, creation of green areas, waste management, limitation of air pollution and its impact on health, energy efficiency, promotion of the use of renewable energy sources and reduction of CO<sup>2</sup> emissions are among the common challenges facing urban management on both shores of the Basin. As a result, sustainable urban development calls for a concerted approach involving the exchange of best practices and planning techniques between different administrative levels.

<b>Table 5 – Urban population (thousands)</b>					
	<b>1970</b>	<b>1995</b>	<b>2005</b>	<b>2015</b>	<b>2030</b>
<b><i>EU Mediterranean Countries</i></b>					
Cyprus	251	497	579	663	803
France	36076	43601	46402	49226	52799
Greece	4617	6273	6558	6846	7492
Italy	34593	38347	39277	40166	41319
Malta	272	344	383	407	426
Portugal	3368	5126	6047	6889	7809
Spain	22307	30282	33039	34736	36052
<b>Total EUMC</b>	<b>101484</b>	<b>124470</b>	<b>132285</b>	<b>138933</b>	<b>146700</b>
<b><i>Mediterranean Partner Countries</i></b>					
Algeria	5430	15831	20804	26406	34081
Egypt	14893	26197	31662	39991	57682
Israel	2440	4883	6161	7206	8519
Jordan	908	3363	4691	5935	7673
Lebanon	1422	2695	3098	3486	3987
Libya	896	3894	4966	6136	7512
Morocco	5300	14022	18469	23491	30528
Palestinian Authority	595	1838	2651	3641	5538
Syria	2765	7353	9640	12702	18277
Tunisia	2283	5518	6595	7702	9291
Turkey	13844	38902	49248	59397	72968
<b>Total MPC</b>	<b>50776</b>	<b>124496</b>	<b>157985</b>	<b>196093</b>	<b>256056</b>
<b>Total MED</b>	<b>152260</b>	<b>248966</b>	<b>290270</b>	<b>335026</b>	<b>402756</b>

Source: UN, *World Urbanization Prospects. The 2005 Revision*.

## Economy

The relevance of the socio-economic challenges in the Mediterranean region is shown by the aforementioned very large difference in average income level on the two sides of the Basin. EU membership has brought a number of countries (Greece, Portugal, and Spain; more recently Cyprus and Malta) nearer to the average EU income level. However, in the relations between the EU and MPC, financial support and trade cooperation were much lower; as a result, a similar convergence process in real income between the two shores has not yet materialised. The promotion of policies supporting a long-sustained income convergence process is one of the key socio-economic challenges of the region.

However, some progress has begun to emerge in the last few years, with early signs of per capita income convergence between the two shores of the Basin. In fact this Programme is being launched during a favourable economic phase: as shown by Table 6, according to the International Monetary Fund in 2006 real economic growth has picked up throughout the Mediterranean region, and especially on the Southern and Eastern shores. In MPC an average real growth close to 5 percent has been estimated for 2006, a fact that can be explained, among others, by the reform measures undertaken by these countries. There are just two exceptions to this favourable trend, namely Lebanon's zero growth and the Palestinian deep recession. This is a clear reminder of the impact of regional conflicts on the socio-economic situation of the Basin. However, it should not make us overlook the general positive trend shown by the economies of the region.

Table 6 - Real GDP growth (annual percent change)										
	89-98	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>EU Mediterranean Countries</b>										
Cyprus	4.7	4.8	5.0	4.0	2.0	1.8	4.2	3.9	3.8	3.9
France	1.8	3.0	4.0	1.8	1.1	1.1	2.0	1.2	2.0	2.0
Greece	1.9	3.4	4.5	4.5	3.9	4.9	4.7	3.7	4.2	3.8
Italy	1.6	1.9	3.6	1.8	0.3	—	1.2	0.1	1.9	1.8
Malta	5.3	3.8	-1.0	-1.1	1.9	-2.3	0.8	2.2	2.5	2.3
Portugal	3.6	3.9	3.9	2.0	0.8	-0.7	1.3	0.5	1.3	1.8
Spain	2.8	4.7	5.0	3.6	2.7	3.0	3.2	3.5	3.9	3.6
<b>Mediterranean Partner Countries</b>										
Algeria	1.7	3.2	2.2	2.6	4.7	6.9	5.2	5.3	2.7	4.5
Egypt	3.7	6.1	5.4	3.5	3.2	3.2	4.1	4.5	6.8	6.7
Israel	5.1	2.9	8.7	-0.6	-0.9	1.5	4.8	5.2	5.1	4.8
Jordan	2.7	3.4	4.3	5.3	5.8	4.2	8.4	7.2	6.0	6.0
Lebanon	-0.1	-0.8	1.7	4.5	3.3	4.1	7.0	1.0	0.0	1.0
Libya	-1.1	1.1	3.4	5.9	1.4	5.9	5.0	6.3	5.6	7.9
Morocco	2.8	-0.1	1.0	6.3	3.2	5.5	4.2	1.7	7.3	3.5
Palestinian Authority	..	8.9	-5.4	-15.4	-9.4	5.8	6.0	6.0	-8.0	..
Syria	5.3	-3.1	2.3	3.7	3.7	1.0	2.4	2.9	3.0	3.3
Tunisia	4.6	6.1	4.7	4.9	1.7	5.6	6.0	4.0	5.3	6.0
Turkey	4.3	-4.7	7.4	-7.5	7.9	5.8	8.9	7.4	5.5	5.0

Source: IMF, *World Economic Outlook, April 2007* ; figures for Palestinian Authority are taken from IMF-World Bank, *West Bank and Gaza. Economic Developments in 2006 - a First Assessment*, March 2007.

## Economic sectors

The eligible territories of this Programme present considerable diversity, from very rural areas to industrial centres, and to service oriented areas, especially in the numerous tourism sites. In fact GDP structure differs considerably from one country to another (Table 7). EUMC structure is characterized by a low share of

agriculture (less than 10%) and a high share of services (greater than 65%). A similar structure emerges also in Israel, Jordan, and Lebanon among MPC.

Agriculture is still very relevant in Egypt, Morocco, Syria, Tunisia, and Turkey: high potential exists for agro-industry exports oriented to the EU, especially now that negotiations for greater access to the EU market are in process (see, below, section on the Free Trade Area).

As for industry, Algeria and Libya are characterized by the dominant role of energy and heavy industries. Other MPC have largely founded their economic development on traditional industrial sectors, especially those of textiles and clothing. In 2004, textiles and clothing exports represented more than 30% of total exports in Jordan and Turkey and close to 50% of total exports in Morocco and Tunisia. Facing strong competition from Asian countries, this sector needs an upgrading through the application of new technologies in both production and marketing. The upgrading of the textiles and clothing sector is a common concern for both shores of the Basin, also given its relevance in many EUMC.

Moreover, in MPC the development of new sectors may act in the medium to long term as an engine for growth of both employment and exports. It is interesting to note that the recently growing inflow of FDI in MPC (see Table 9) has been largely directed to new sectors such as telecom and ICT, followed by other services, especially banking and tourism.

Finally, it should also be remembered that in many Mediterranean countries, both EUMC and MPC, the informal economy plays a significant role in production, trade, and job creation, a role which does not fully emerge from statistics.

<b>Table 7 – GDP structure, 2005</b>				
	Value added as % of GDP			Gross capital formation as % of GDP
	Agriculture	Industry	Services	
<b><i>EU Mediterranean Countries</i></b>				
Cyprus	4	20	76	21
France	2	21	77	20
Greece	5	21	74	24
Italy	2	27	71	21
Malta	3	21	76	22
Portugal	3	25	72	22
Spain	3	30	67	30
<b><i>Mediterranean Partner Countries</i></b>				
Algeria	8	62	30	30
Egypt	15	36	49	18
Israel	3	32	66	19
Jordan	3	29	68	24
Lebanon	7	22	71	20
Libya	4	72	24	11
Morocco	14	30	56	26
Palestinian Authority	10	19	71	26
Syria	23	35	41	20
Tunisia	12	29	60	23
Turkey	12	24	65	25

Source: World Bank, *World Development Indicators*, accessed 6/20/2007; Statistical Service of Republic of Cyprus (2004), National Statistic Office of Malta, Central Bureau of Statistics of Israel (net domestic product at factor cost), Central Bank of Libya (2004), Palestinian Central Bureau of Statistics (2004).

### ***Trade and aid***

As shown by Table 8, EUMC represent over 80% of the total trade flows of the Mediterranean Basin, a share similar to their share in the Basin GDP. Flows among Mediterranean countries are intense, albeit diversified.

For Maghreb countries the EU, and especially the EUMC, are very relevant trade partners (around 70% of total trade) while other MPC have a more differentiated geographical composition of trade, with a relevant role of the United States, non-Mediterranean Arab countries, and – increasingly – Asian countries. Altogether EU represents between 45 and 50% of MPC total trade.

Trade among EUMC is very intense – a strong intra-trade is a common feature of EU trade – while trade among MPC is rather limited (less than 10% of total trade); it should be remembered however that some new free trade agreements among MPC (see below) offer important potentials.

Export composition is dominated by manufactured goods in the EUMC, while in MPC the situation is very differentiated: energy plays a relevant role in Algeria, Egypt, Libya, and Syria, while agricultural goods are relevant in Egypt, Jordan, Lebanon, Morocco, and Syria.

**Table 8 – Trade and Aid, 2005**

	Merchandise trade (\$ millions)		Manufactured exports % of total exports	High Tech exports % of manufactured exports	Current account balance (\$ millions)	ODA or official aid (\$ per capita)
	Exports	Imports				
<b>EU Mediterranean Countries</b>						
Cyprus	1459	6305	63	46	-929	..
France	460156	497853	80	20	-33289	..
Greece	17044	53965	56	10	-17879	..
Italy	367200	379772	85	8	-27724	..
Malta	2276	3597	95	54	-594	..
Portugal	38133	61126	75	9	-17007	..
Spain	187182	278825	77	7	-83136	..
<b>Total EUMC</b>	<b>1073450</b>	<b>1281443</b>			<b>-180558</b>	
<b>Mediterranean Partner Countries</b>						
Algeria	46001	20357	2	1	21180	11
Egypt	10654	19819	31	1	2102	13
Israel	42659	47141	83	14	3756	70
Jordan	4302	10506	72	5	-2311	114
Lebanon	2337	9633	70	2	-1881	68
Libya	30110	7000	..	..	14945	4
Morocco	10641	20332	65	10	1110	22
Palestinian Authority	348	2313	..	..	-1282	304
Syria	5760	8106	11	1	1061	4
Tunisia	10494	13177	78	5	-302	38
Turkey	73414	116553	82	2	-23155	6
<b>Total MPC</b>	<b>236720</b>	<b>274937</b>			<b>15223</b>	
<b>Total MED</b>	<b>1310170</b>	<b>1556380</b>			<b>-165335</b>	

Source: World Bank, *World Development Indicators*, accessed 6/20/2007. International Monetary Fund, *Algeria: 2006 Article IV Consultation—Staff Report*, February 2007 (current account balance) ; Palestinian Central Bureau of Statistics (export, import, current account balance, 2004).

With regard to high tech exports, nearly all Basin countries show limited results: albeit generally higher on the Northern shore, high tech export shares in manufactured exports are still quite low in nearly all countries bordering the Basin: only six countries (Cyprus, France, Greece and Malta among EUMC, Israel and Morocco among MPC) display a two-figure share. These statistics call for a major effort in innovation and research (see below).



A major economic success of MPC in the last decade has been the achievement of a broad macroeconomic equilibrium, especially in the balance of payments, which has a strong impact on the external debt situation. As a consequence, in 2005 the entire Mediterranean current account deficit was due to EUMC.

In MPC official aid still plays a significant role, but major differences emerge among them: in per capita terms, Palestinian Authority, Jordan, Israel and Lebanon show the most significant amounts, a sign of the strong influence of political factors on official development assistance.

### **Free Trade Area**

The 1995 Barcelona Declaration, which launched the EMP, envisaged the establishment of a Euro-Mediterranean Free Trade Area to be completed by 2010. Important achievements have already been realized and nearly all liberalization agreements are under advanced implementation<sup>8</sup>. Moreover, while the 1995 project of a free trade area was limited to industrial goods, in recent years negotiations between the EU and the Mediterranean partners have been launched on agricultural, processed agricultural and fishery products; in some cases the relevant agreements are already into force. MPC have also started negotiations with the EU for a progressive liberalisation of trade in services and the right of establishment. Technical discussions with MPC on dispute settlement mechanisms also started in 2006.

Most MPC have adopted the Pan-Euro-Mediterranean Protocol on Cumulation of Origin, allowing for diagonal cumulation within the region. Trade cooperation among the MPC – necessary to avoid the distortions produced by an EU-centred hub-and-spoke system and to exploit cumulation of origin – is not yet complete. However, significant progress has been achieved recently: the Agadir Agreement for the establishment of a free trade zone among Mediterranean Arab countries was concluded in 2004 by four countries (Egypt, Jordan, Morocco and Tunisia) and came into force in 2006; in 2006 the amended Trade and Cooperation Agreement between Israel and Jordan also came into force, which now allows for diagonal cumulation of origin between the two countries.

The European Commission has commissioned an independent sustainability impact assessment (SIA) study of the Euro-Mediterranean Free Trade Area, which will examine the potential impacts of agreed trade measures on sustainable development. The study is being undertaken in three phases; phase 3 is currently underway.

Moreover, in the context of the European Neighbourhood Policy (ENP) Action Plans, EU and MPC will start negotiations on an Agreement on Conformity Assessment and Acceptance of Industrial Products, which will facilitate access to the EU market for industrial products from partner countries and *vice versa* without any additional testing and conformity assessment procedures.

While this will proceed at a bilateral level (*i.e.* between the EU and each single Mediterranean Partner Country) through the Action Plans, it is important to remember that a priority of the Barcelona Process is to develop the regional dimension of a comprehensive Partnership between EUMC and MPC. This cross-border-cooperation Programme plays an important role in this context.

Moreover – as in the rest of the world – a large number of bilateral trade deals within the region and with non-regional partners has been signed recently, further increasing the complexity of trade regimes in the

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<sup>8</sup> The relevant Euro-Mediterranean Association Agreement entered into force, respectively in 1997 (Palestinian Authority), 1998 (Tunisia), 2000 (Israel, Morocco), 2002 (Jordan), 2004 (Egypt), 2005 (Algeria), and 2006 (Lebanon), while Syria's Euro-Mediterranean Association Agreement has yet to be signed.

Mediterranean region and making it more difficult for entrepreneurs and traders to make good use of these agreements.

The challenge of transforming the growing number and the increasing complexity of trade agreements into a tool for a better trade integration of the MPC economies into the global economy is a relevant common challenge. This Programme may have a specific role to play, emphasizing co-ownership at local level and cross-border cooperation, related to both physical networks (e.g. logistics, such as port management) and “immaterial” networks (e.g. information on procedures, quality standards, cumulation of origin).

### **Investment**

For both EUMC and MPC Foreign Direct Investment (FDI) inflows are of growing relevance in the globalisation and development process, and play a major role in the transfer of technology and knowledge, between both firms and economic systems. Recent figures highlight progress in this area on both shores of the Basin, with results especially encouraging for MPC. As shown in Table 9, FDI registered a massive increase in 2005 when, according to UNCTAD figures, the growth rate of FDI inflows in MPC was the highest in the developing world.

<b>Table 9 – Foreign Direct Investment</b>						
<b>(flows, \$ millions)</b>						
	<b>Inflows</b>			<b>Outflows</b>		
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>EU Mediterranean Countries</b>						
Cyprus	891	1079	1166	490	619	432
France	42498	31371	63576	53147	57006	115668
Greece	1275	2101	607	412	1029	1451
Italy	16415	16815	19971	9071	19262	39671
Malta	958	309	562	550	0	-26
Portugal	8593	2367	3113	8028	7958	1146
Spain	25926	24761	22987	27529	60532	38772
<b>Total EUMC</b>	<b>96556</b>	<b>78803</b>	<b>111982</b>	<b>99227</b>	<b>146406</b>	<b>197114</b>
<b>Mediterranean Partner Countries</b>						
Algeria	634	882	1081	14	258	23
Egypt	237	2157	5376	21	159	92
Israel	3941	1753	5587	2064	4543	2492
Jordan	436	651	1532	0	0	0
Lebanon	2860	1899	2573	611	827	715
Libya	142	-354	261	63	-271	138
Morocco	2429	1070	2933	20	32	174
Palestinian Authority	..	-3	..	..	..	..
Syria	180	275	500	..	..	..
Tunisia	584	639	782	5	4	13
Turkey	1752	2837	9681	499	859	1078
<b>Total MPC</b>	<b>13195</b>	<b>11806</b>	<b>30306</b>	<b>3297</b>	<b>6411</b>	<b>4725</b>
<b>Total MED</b>	<b>109751</b>	<b>90609</b>	<b>142288</b>	<b>102524</b>	<b>152817</b>	<b>201839</b>

Source: UNCTAD, *World Investment Report 2006*.

As a result, in 2005 MPC achieved a percentage of world FDI inflows (3.3%) much higher than their share in world GDP (2.0%). To highlight the progress in this domain it may be recalled that in 1980 the MPC share in world FDI was only equal to 0.6%.

Moreover in 2005, thanks to the increase of FDI inflows, EUMC managed to reach a share of world FDI inflows (12.2%) equal to their share in world GDP (current prices). Due to the very noticeable performance of MPC, in 2005 EUMC received only 79% of total FDI inflows in Mediterranean countries, a share smaller than EUMC share in Mediterranean GDP.

On the contrary, EUMC still overwhelmingly dominate FDI outflows, with a 95-98% share of total Mediterranean FDI outflows. Only minor exceptions exist for the time being, even though evidence seems to indicate that the phenomenon of developing country multinationals is progressively emerging also in MPC. According to preliminary estimates by UNCTAD<sup>9</sup>, the upward trend of FDI in MPC was confirmed in 2006. The development of the economic liberalization process in a significant number of MPC is a major factor behind the large increase in FDI inflows, which indicates an increasing economic attractiveness of MPC.

Besides economic reforms, another factor played a relevant role in the recent FDI increase into MPC: the massive growth registered by outward FDI of Gulf countries, a significant share of which were directed to MPC. This trend – being dependent on oil price growth – may not necessarily be permanent. Therefore, notwithstanding the very positive 2005-2006 figures, there is still great need for investment promotion in the Mediterranean region.

Moreover MPC attach a high priority to investment as a cooperation sector within the EMP: the Five-Year Work Programme adopted by the Euro-Mediterranean Summit held in November 2005 provides for the establishment of an ad-hoc group to examine ways and means of enhancing investment flows in the Mediterranean region. This ad-hoc group has first met in April 2007; moreover a cooperation programme on investment promotion has been included in the Regional Indicative Programme (2007-2010) for the Euro-Mediterranean Partnership.

### ***Innovation and Research***

Innovation is a key target for all Mediterranean countries. Innovative activity and capabilities are essential for economic growth and development, while new technologies create new opportunities for developing countries to participate in global knowledge networks.

As a result, innovation is both a key element in the EU Lisbon strategy and a key target for the socio-economic development of MPC. The extent to which developing countries can link up with global networks of learning and knowledge creation depends on their national innovative strengths. To highlight the potentials in this matter, it may be recalled that, according to UNESCO Innovation Capability Index<sup>10</sup>, nearly all MPC have a better ranking than China and India, which are attracting considerable foreign investments in this domain. MPC are designing and implementing policies aimed at enhancing their research level and innovation capability. As for the EU, the implementation of the 7th EU Framework Programme for research, which is open to the participation of third countries, began in 2007.

Innovation, together with absorption and application of technologies, will be a key aspect of future economic development of Mediterranean countries. There is emerging potential for cooperation in this field between EUMC and MPC, through interconnections or other links between technological poles and parks, incubators of innovative activities, R&D centres, etc. Innovation projects may have also a strong local aspect, supporting territorial development.

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<sup>9</sup> UNCTAD, *Foreign Direct Investment Surged Again In 2006*, "UNCTAD Investment Brief", Number 1-2007.

<sup>10</sup> UNCTAD, *World Investment Report 2005*, p. 114.

During the first Euro-Mediterranean Conference on Higher Education and Scientific Research held in Cairo in June 2007, Ministers expressed their commitment to work towards a Euro-Mediterranean Research Area by undertaking appropriate measures for, *inter alia*, integrating the Mediterranean Partner Countries in the European Research Area, promoting innovation, knowledge sharing and its return on the industry and economy in MPC, enhancing effective mobility in the Euro-Med region and attaining Brain Circulation and knowledge dissemination.

### **Tourism**

The Mediterranean's position as a premier tourist destination goes from strength to strength. Preliminary results for the year 2006 estimated by the World Tourism Organization (UNWTO) confirm that tourism demand has again been highly resilient since the region continues to enjoy an above average growth in international tourist arrivals, notwithstanding the July-August 2006 conflict. According to UNWTO figures, in 2006 international tourist arrivals increased in Mediterranean Europe from 158.4 to 165 million, in North Africa from 13.9 to 14.7 and in the Middle East (which, according to UNWTO classification, includes also Arab Gulf countries) from 39.2 to 40.8 million.

The very favourable prospects of this sector are largely due to the climate, the quality of the environment and the Mediterranean cultural heritage. The cultural heritage of the Mediterranean region is of exceptional value to the whole world. The MPC contain no less than 7% of all UNESCO World Heritage sites (58 out of 830), while in the countries on the Northern shore UNESCO registers another 17% (145 sites) of World Heritage sites. Although some of these sites do not belong to the eligible territories of this Programme, there is no doubt about the relevance of the Basin's cultural heritage.

Tourism can provide an important avenue of economic development for both EUMC and MPC, as it has a very positive impact on employment and income. Prospects for the sector – a major internationalisation factor of the Basin – are very promising. However, its environmental impact should also be considered, especially given that tourism is currently primarily concentrated in the coastal areas (mass seaside tourism): tourism development may impact on the main attraction factors for tourists, especially the natural and cultural landscapes.

In the November 2005 Barcelona Summit, the Heads of States and Governments agreed upon “cooperating to enhance the impact of tourism on job creation, infrastructure development and intercultural understanding, while ensuring environmental sustainability”. EuroMed Tourism ministers gathered in Fez (Morocco) on 2-3 April 2008 for the First ministerial Conference devoted to that sector and adopted agreed conclusions.

They stressed the need to reinforce cooperation in the field of tourism between the European Union and the Mediterranean Partner Countries and agreed to take steps to prepare and implement cooperation actions, particularly in the areas of education, training, cultural heritage, institutional capacitation, investment promotion and statistics, drawing on existing programmes. They agreed on the importance to reinforce identification of investment opportunities, as well as the promotion of joint ventures in the tourism sector and reiterated the central role of the private sector in this field. While recognizing the importance of the flow of investments to the tourist destinations in Mediterranean Partner Countries to further support and develop this vital sector, ministers underlined the need to better profit from the existing TAIEX and Twinning programmes. They invited FEMIP to mobilise its whole range of financial instruments in order to foster the development of tourism and its links with the Mediterranean Partner Countries. They also agreed that a EuroMed Ministerial

Conference on Tourism be held biennially and invited the senior officials on tourism to meet in order to prepare a Working Programme to be submitted to the next EuroMed Ministerial Conference on Tourism.

### ***Fishing***

Mediterranean fisheries are often local and small in size, part of a traditional way of life. Recent changes and economic pressures are creating a new situation for fishing communities in the Mediterranean. There has been a rapid rise in intensive fish farming and in fishing activity. Indeed, the trend towards modernisation with its increase in boat size and effectiveness is resulting in ever more acute fishing pressure. Fish stocks are limited since they cannot be stretched by increasing inputs as in many other fields of economic activity. This means that some major species such as red tuna are now endangered, especially due to the great demand for them from Asian markets. The risk of extinction of some major species represents a common challenge for the Basin.

Moreover, the Mediterranean region is becoming increasingly dependent on imported fish-based products (processed fish, and especially ready-made fish dishes, etc.), which now account for over 50% of total fish consumption in some European countries.

### ***Environment***

Environmental issues are related to the demographic dynamics and the economic development issues mentioned above, which have a considerable impact on the balance between man and the environment and on the use of natural resources. Notwithstanding the differences on these matters between the two shores of the basin, it is important to bear in mind that pollution is free to move across the Mediterranean region: environmental challenges are therefore a major common challenge. Environmental policies have been adopted by all countries of the basin and examples of good practices are available on both shores of the basin. Despite this, environmental degradation remains a relevant regional risk.

Pollution has increased dramatically in recent decades, and the responses to it are still insufficient despite national efforts, the Barcelona Convention for the protection of the Marine Environment and the Coastal region of the Mediterranean of 1976 and the Mediterranean Action Plan launched in 1975. The Plan's implementation is hindered by difficulties in adequately mobilising the various players and the necessary financial resources. Some 60% of urban wastewater still flows untreated into the Mediterranean; 48% of major coastal cities (over 100,000 inhabitants) have no sewage works, and less than half of liquid industrial waste is purified.

Waste management is a crucial issue on both shores and is expected to worsen. According to the Blue Plan, "over 80% of landfills are uncontrolled in the South and East, and waste production, at a current average of 282kg per capita and per year versus 566kg in the North, could reach 600kg per capita by 2025. Total volumes of produced waste could almost triple in the South and double in the North by 2025"<sup>11</sup>.

Marine pollution from ships has been limited by the application of the MARPOL Convention. The latter, in fact, declared the Mediterranean a "special zone" and forbade all discharges outside territorial waters and this is leading to changes in ship construction (incorporating separate ballast tanks). Amounts of deballasting waste have fallen, and would now appear to be "only" 100,000 to 150,000 tonnes a year. One of the problems that need to be overcome is the relatively small number of ports equipped with waste recovery and

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<sup>11</sup> UNEP-MAP Blue Plan, *A Sustainable Future for the Mediterranean. The Blue Plan's Environment and Development Outlook*, July 2006.

treatment facilities, especially in the South and East. Rules are still lacking, by contrast, for other pollution-producing freight, and in particular chemical tankers. In spite of the regulatory progress, the possibility of an environmental disaster in sea transport across the Mediterranean is still a major pollution risk and a common challenge for the Basin.

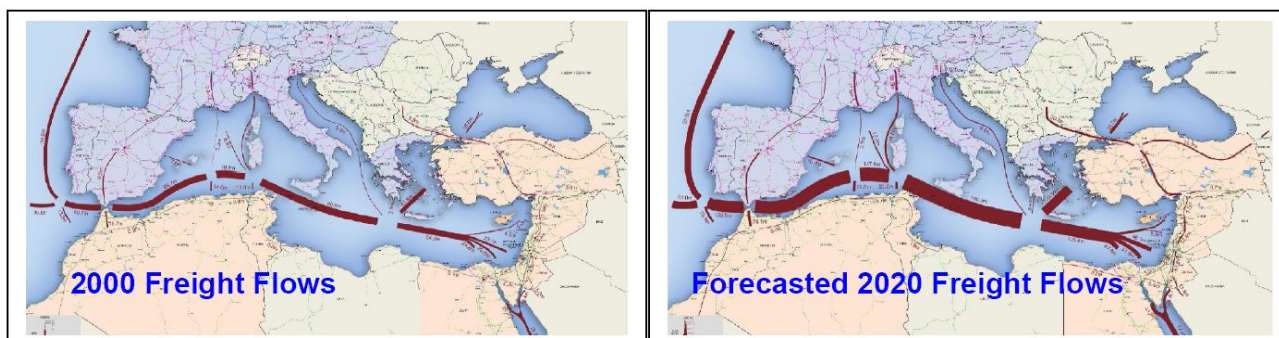
Following the Euro-Mediterranean Ministerial Conferences on the Environment held in Helsinki (1997) and Athens (2002), the 10<sup>th</sup> anniversary Euro-Med Partnership Summit (Barcelona, 2005) launched the “Horizon 2020” initiative devised to tackle the main sources of Mediterranean pollution by the year 2020, defining the priority sectors: municipal waste, urban waste water, and industrial emission.

The 3<sup>rd</sup> Euro-Mediterranean Ministerial Conference on the Environment, held in Cairo on November 2006, adopted a timetable for the implementation of Horizon 2020 covering the 2007-2013 period. At the Tampere Euro-Mediterranean Conference of November 2006, the Ministers of Foreign Affairs endorsed the timetable, and underlined the importance of integration of environmental concerns into other relevant sectors in order to contribute to the development of sustainable production and consumption across the region.

Horizon 2020 implementation has started in 2007 with the identification of priority projects for pollution reduction, and a start on the priority capacity building measures in partner countries. A Euromed Ministerial Conference on Water, scheduled to take place at the end of October 2008, could give further momentum to the initiative while also tackling issues such as water management.

### ***Transport***

Studies undertaken within the EuroMed Transport Project have indicated that, excluding oil, freight flows will on average double over the coming 20 years (as shown in the following maps), though containerised goods are expected to increase by up to eight-fold in the same period. Air passenger traffic is also expected to more than double over the next two decades.



Source: EuroMed Transport Project

Taking into account also the progress already realized and forecast for the next few years in the implementation of the Euro-Med Free Trade Area (see above), these figures highlight that the setting-up of an integrated multimodal Euro-Mediterranean transport network is a key target for sustainable economic and social development in the region. By increasing the efficiency of trade logistics, MPC will improve their competitiveness in the global market through a strategy based on their proximity to Europe, which – if fully exploited – will allow them to withstand increasing Asian competition, by offering shorter delivery times and on-demand supply.

Moreover transport networks and territorial development are strongly interrelated, in terms of both infrastructure development and territorial specializations. Ports and other trade logistics are the “gates” of the

participating countries and of their territories: competitiveness and development of the territories are therefore closely related to the competitiveness of trade logistics.

Intense regional cooperation activities on this matter are already taking place through the regular dialogue established under the Euro-Mediterranean Transport Forum and its working groups (infrastructure, GNSS, maritime, aviation), and the MEDA-financed regional transport projects: the Euromed Transport Project (supporting the transport sector reform process in the Mediterranean Partners through studies, training seminars, policy workshops, networking activities); the Euromed GNSS Project (the EGNOS / GALILEO satellite navigation programmes); the SAFEMED Project (supporting maritime safety and security in the Mediterranean region); the Euromed Intermodal Project (Motorways of the Sea), and the Euromed Aviation Project (supporting safety, security and air traffic management).

In the framework of the Euro-Mediterranean Transport Forum, a Blue Paper on transport in the Mediterranean region was published in 2005. The Blue Paper is a shared document, which identifies the main orientations for the development of a Euro-Mediterranean integrated transport system in the next few years and was supported by the first Euro-Mediterranean Ministerial Conference on Transport held in Marrakech on December 15, 2005.

In addition to the Blue Paper, but taking into consideration a limited set of major transnational transport axes and priority projects, in November 2005 the High Level Group chaired by the late Loyola de Palacio, a former European Commissioner for energy and transport, published a Report on the extension of the major trans-European transport axes to the neighbouring countries and regions, inclusive of recommendations on the financing of infrastructure projects.

The first Euro-Mediterranean Ministerial Conference on Transport asked the Euro-Mediterranean Transport Forum to produce a Regional Transport Action Plan for the Mediterranean Region in 2007-2013 in order to implement the recommendations included in the Blue Paper and in the Final Report of the High Level Group. A preliminary version of the Regional Transport Action Plan was published on the web in September 2006, which is currently being finalised before submission to the Euro-Mediterranean Transport Forum for endorsement. The Regional Transport Action Plan will include detailed financial, economic and technical assessments of the various projects within the regional MTIN (Mediterranean Transport Infrastructure Network). In the meantime, in January 2007 the European Commission adopted a Communication on "Guidelines for transport in Europe and neighbouring regions".

Moreover some measures for the transport sector, which have been identified under the Euro-Mediterranean regional cooperation, are reflected in the ENP Action Plans already in force. These measures focus on improving the efficiency as well as the security and safety of transport operations, in particular in the maritime and aviation fields: promoting the conclusion of horizontal and/or global aviation agreements and the implementation of Galileo cooperation agreements and promoting structural policy changes for making transport more efficient.

## **Energy**

Energy resources and energy flows have played and still play a key role in the North-South relations across the Mediterranean. New developments in the energy sector (oil and gas) will be of particular relevance to the relationship across the Basin and may significantly increase the Basin's relevance in the global oil and gas market. Indeed noticeable change may be expected in the period covered by this Programme.

Moreover, Euro-Mediterranean Ministers endorsed an Action Plan for the period 2008-2013 at the Euromed Energy Ministerial Conference on Energy which took place in December 2007 in Limassol. This Action Plan entails, among others, a detailed list of priority infrastructure and interconnection projects which will contribute to strengthen energy security in the Basin. Ministers also agreed to work for the continued gradual integration of Euro-Mediterranean energy markets, the development of energy projects of common interest and of sustainable energy in accordance with national development plans and programmes.

Opportunities for increasing the share of renewable energy sources in the energy mix of the Mediterranean region as well as prospects for exports of electricity from renewable energy sources to the EU also exist and some Mediterranean Partner Countries are embarking in ambitious programmes in order to diversify their current energy mix. The developing of a sustainable renewable energy would contribute to climate change mitigation – an issue of concern for the region due to its impact on desertification, floods, coastal vulnerability – and to energy security strengthening. Moreover, renewable energy may help in improving energy services to rural and/or isolated areas.

As for specific projects related to energy cooperation in the region, recent improvements include progress in the realization of the Arab gas pipeline, the expansion of the gas pipeline between Tunisia and Italy, the construction of a gas pipeline between Libya and Italy, new gas pipeline projects from Algeria to, respectively, Italy and Spain, the reinforcing of Morocco's electricity interconnections with Spain. Moreover, the Euro-Mashrek Gas Cooperation Centre was established with the support of the European Commission and with the participation of Egypt, Jordan, Lebanon and Syria as well as Iraq and Turkey as observers. The project of the integration of the Maghreb electricity market with the support of the European Commission and the participation of Algeria, Morocco and Tunisia is also underway. A financing agreement was signed in 2005 to implement a three-year Israeli-Palestinian Energy Cooperation Programme including the establishment of a joint energy office, although its implementation is currently suspended.

Finally, it may be recalled that the Euro-Mediterranean Energy Ministerial Conference of December 2007 agreed to work for the continued gradual integration of Euro-Mediterranean energy markets, the development of energy projects of common interest and of sustainable energy in accordance with national development plans and programmes.

### ***Employment and Education***

The above-mentioned demographic dynamics have very different effects on the Northern and the Southern shores of the Basin. On the North, future challenges will be related to an ageing population, with its unfavourable impact on economic growth, innovation, public budgets, etc. According to the European Commission<sup>12</sup> the workforce of the EU-25 is expected to decrease by 20 million units between 2010 and 2030. On the other hand in MPC a young population will enter the job market. Unemployment is already a major development challenge in a number of MPC and, according to FEMISE<sup>13</sup> an additional 34 million jobs have to be created over the next 15 years in MPC if unemployment is not to rise from its already high levels. Moreover, the different demographic and employment trends on the two shores of the Basin tend to widen the migration flows across the Mediterranean (see below).

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<sup>12</sup> COM(2003)336 final and COM(2005) 94 final.

<sup>13</sup> FEMISE, *Report on the Euro-Mediterranean Partnership*, September 2003, p. 6.



The need for an improvement in human capital emerges on both shores of the Mediterranean. Illiteracy is still high in some MPC while the mismatch between qualifications and the requirements of job market characterize both shores, in spite of big differences in education level, especially in tertiary enrolment ratio. The development of human resources is an issue of much relevance for the economic and social development of all MPC. At the Tampere Euro-Mediterranean Conference of November 2006, the Ministers of Foreign Affairs “reiterate their commitment to increase significantly funding devoted to education in the Mediterranean region through EU assistance and Mediterranean partners’ national plans and raise education as a priority sector within the ENPI”<sup>14</sup>. Aiming at “enhancing employability of job seekers and creating decent employment conditions”, a EuroMed workshop on employment policies was held in 2007, paving the way for a Euro-Mediterranean Conference on Employment to be held in 2008.

During the first Euro-Mediterranean Conference on higher education and research which took place in June 2007, Ministers committed to work towards a Euro-Mediterranean Higher Education Area by undertaking appropriate measures for, *inter alia*: approximating the Euromed Higher Education systems; supporting the implementation of Euro-Med University Forum objectives; exploiting the use of innovative methodologies and ICT to enhance Higher Education; enhancing participation to a Euro-Med Scholarship Scheme in the framework of “Erasmus Mundus External Cooperation Window” and supporting Euro-Med Higher Education Programmes.

### **Migration**

Migration is an ancient phenomenon in the Mediterranean basin, with deep historical, economic and socio-political ramifications, but it has recently become particularly contentious given the rapid increase in migrant inflows in some EUMC and the human tragedies that take place in the Mediterranean as a result of attempts at entering the EU illegally. Reliable figures on migration are very hard to find; therefore, although not exhaustive, we include the following Table 10, based on the most recent statistical information provided by host countries.

The effect of migration flows on overall development is considerable: for EUMC, because it is a major way of compensating labour market deficit by increasing the supply of labour and the number of economically active people as well as contributing to economic growth; for MPC because migration flows release some pressure on local job markets and bring in foreign currency through remittances, often in much greater amount than official aid.

Nevertheless issues such as social cohesion, and negative phenomena such as trafficking in human beings and illegal immigration, prevent migration flows from being generally accepted as a way of making up for the declining EU labour force. Moreover, in recent years the movement of persons across the Mediterranean has assumed a new, more complex, feature, which includes a large increase in migration flows from Sub-Saharan Africa and Asia transiting through some MPC.

Migration and social integration of migrants are a shared challenge, which calls for a strategic approach aimed at optimising the benefits of migration for all partners. In the Five-year work programme agreed at the Euro-Mediterranean Summit held in November 2005 to celebrate the 10th anniversary of the Barcelona Process, a commitment was made to enhance cooperation on migration, social integration, justice, and

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<sup>14</sup> 8th Euro-Mediterranean Conference of Ministers of Foreign Affairs (Tampere, 27-28 November 2006), “*Tampere Conclusions*”, § 30.

security in a comprehensive and integrated way, to “promote legal migration opportunities, work towards the facilitation of the legal movement of individuals, recognising that these constitute an opportunity for economic growth and a mean of improving links between countries, fair treatment and integration policies for legal migrants, and facilitate the flow of remittance transfers and address ‘brain drain’; reduce significantly the level of illegal migration, trafficking in human beings and loss of life through hazardous sea and border crossings”. In this context, at the Tampere Euro-Mediterranean Conference, Ministers of Foreign Affairs stressed the need to increase cooperation in the field of legal and illegal migration, as well as of migration and development. For the first time, a Euro-Mediterranean ministerial meeting on migration was held in November 2007.

**Table 10 - Migrants from Mediterranean partner countries in the EU member states, according to statistics of destination countries (Most recent data\*)**

Country of Destination	Sources, reference dates and definitions			Country of Origin										Total
	Reference date	Source	Definition**	Algeria	Egypt	Israel	Jordan	Lebanon	Morocco	Palestinian Territories	Syria	Tunisia	Turkey	
Austria	01.01.2006	Statistics Austria	B	580	5.168	1.424	358	490	785	-	965	1.390	113.635	124.795
Belgium	01.01.2006	D.G. Statistique et Information économique	B	7.481	915	1.558		1.258	80.602		1.213	3.407	39.664	136.098
Cyprus	Year 2002	Census of population	A	19	2.609	193	222	1.386	33	182	1.638	19	308	6.609
Czech Rep.	Year 2002	Ministry of the Interior	B	366	130	266	134	191	105	72	315	196	326	2.101
Denmark	01.07.2006	Statistics Denmark	B	308	517	566	731	1.713	2.783	0	620	436	28.931	36.605
Estonia	Year 2000	Population Census	B	1	1	16		1	1				6	26
Finland	31.12.2006	Statistics Finland	B	252	279	328	137	100	702	16	140	255	2.886	5.095
France	Year 1999	INSEE, Population Census	C	685.558	15.974	5.565	933	33.278	725.782	468	10.826	260.622	258.817	1.997.823
Germany	31.12.2006	Central Register of Foreigners	B	13.555	10.645	9.575	7.981	39.380	69.926		28.099	23.217	1.738.831	1.941.209
Greece	01.01.2005	G.S. of National Statistical Service	B	133	6.199	113	399	586	336		3.805	194	620	12.385
Hungary	Year 2001	Population Census	B	216	178	516	131	90	23		487	23	450	2.114
Italy	01.01.2006	Istat - Bilancio demografico	B	20.202	58.879	2.195	2.652	3.317	319.537	231	3.120	83.564	12.359	506.056
Ireland	Not available	Not available												
Latvia	Year 2000	Population and housing Census	A	8	8	29	9	88	6		16		17	181
Lithuania	Year 2001	Population and housing Census	B	2	3	103	14	119					27	268
Luxembourg	Year 2001	Population Census	B	103	27	43	2	36	252	1	1	138	207	810
Malta	Not available	Not available												
Netherlands	01.01.2006	Statistics Netherlands	A	3.888	11.131	4.903	816	2.833	168.504		6.620	4.126	195.711	398.532
Poland	Not available	Not available												
Portugal	31.12.2005	Serviço de Estrangeiros e Fronteiras	B	148	128	127	87	189	926	12	84	71	133	1.905
Slovakia	Not available	Not available												
Slovenia	Year 2000	Population Census	B										259	259
Spain	Year 2005	National Statistics Institute	B	46.278	2.501	1.818	1.297	1.442	511.294		2.579	1.566	1.483	570.258
Sweden	31.12.2006	Statistics Sweden, 2007	B	608	731	524	791	2.308	1.526		3.240	997	10.221	20.946
UK	Year 2001	Population Census	A	10.672	24.705	11.899	3.105	10.454	12.351	2.490	4.167	3.070	54.088	137.001
EU				790.378	140.728	41.761	19.799	99.259	1.895.474	3.472	67.935	383.291	2.458.979	5.901.076

Source of the table: Fargues, Ph. (Ed), *Mediterranean Migration Report 2006-2007*, CARIM, European University Institute, Florence 2007, p. 385.

\* This table contains only those countries which provide census data on foreign residents by detailed country of nationality / birth

\*\* Immigrants are defined as foreign born [A], non-nationals [B], or a combination of both criteria [C].

In many participating countries, migration is strictly of competence of national authorities. However, exchange of expertises and technical cooperation, when appropriate, may be helpful. The existence of a number of cases of highly concentrated migration flows involving two territories on the two shores of the Mediterranean may also call for activities involving local authorities on both shores.

### ***Territorial partnerships***

In the final conclusions of the Tampere Euro-Mediterranean Conference, Ministers recognized the “importance of fostering the role of civil society in accordance with national legislation [...] and enhance its capability [...], including through the [...] cooperation between regional and local administrations”<sup>15</sup>.

Taking into account the significant differences in terms of territorial development and decentralization, together with the relevant national policies, the enhancement of territorial partnerships and exchanges of best practices between regional and local authorities is a key aspect of CBC Programmes like the Mediterranean Sea-Basin Programme.

Moreover this Programme may build upon the experience of the EMP, which, *inter alia*, envisages the fostering of human and cultural contacts. Both the EMP Five-Year Work Programme and the Conclusions of the Tampere Euro-Mediterranean Conference stress the role of educational development and put great emphasis on educational and youth exchanges as an indication of the considerable importance of human capital for socio-economic development and of the importance of dialogue between cultures, especially among young people.

### **1.2.2. The SWOT analysis**

In drafting the SWOT analysis 3 main rules were applied:

1. Specially consider those elements that are connected to the common constraints, and interregional interactions, in the Basin.
2. Focus on the regional issues, which can be observed in the eligible regions, in cross border relations and regional development.
3. Limit to the most relevant and frequently observed elements, in order to obtain in each part of the SWOT table a restricted set of crucial elements.

On the basis on these criteria, the following SWOT analysis has been carried out. The list follows the order of the topics treated in paragraph 1.2.1.

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<sup>15</sup> 8th Euro-Mediterranean Conference of Ministers of Foreign Affairs (Tampere, 27-28 November 2006), “*Tampere Conclusions*”, § 8.

## SWOT ANALYSIS

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>– Mediterranean Sea as a resource for international and regional economic cooperation</li> <li>– Macroeconomic equilibrium achieved, and economic reforms implemented, in many MPC</li> <li>– Progress in the Euro-Med FTA implementation &amp; in its extension to agricultural goods &amp; to services</li> <li>– Adoption of the Pan-Euro-Med Protocol on Cumulation of Origin, which favours South-South economic cooperation</li> <li>– Entry into force of the Agadir Agreement, which favours South-South economic cooperation</li> <li>– Increasing attractiveness for FDI</li> <li>– Favourable ranking in the Innovation Capability index</li> <li>– Great attractiveness in tourism</li> <li>– Cultural and historical heritage of great relevance</li> <li>– Common natural resources to be valorised</li> <li>– Mediterranean represents 30% of world sea transport</li> <li>– Relevant energy interdependence</li> </ul>	<ul style="list-style-type: none"> <li>– Major income gap between the two shores</li> <li>– Signs of urban deterioration on both shores</li> <li>– Industrial specialization too oriented towards traditional sectors, facing strong Asian competition</li> <li>– Low income in rural areas, which increases pressure on urban and coastal areas</li> <li>– Limited high-tech exports</li> <li>– Peripheral economic position vis-à-vis Central Europe and the Gulf</li> <li>– Growing complexity of trade regimes</li> <li>– Limited trade cooperation among MPC</li> <li>– Low level of European FDI in MPC</li> <li>– Vulnerability of common natural resources, currently under various pressures (demography, economy, tourism)</li> <li>– Transport &amp; logistical infrastructure still limited vis-à-vis a growing sea traffic</li> <li>– Low recourse to renewable energies</li> <li>– Mismatch between qualifications and job market requirements</li> <li>– Growing illegal migration flows</li> <li>– Difficulties facing legal movement of persons and visa provisions</li> <li>– Strong differentials in terms of territorial development and decentralization</li> </ul>	<ul style="list-style-type: none"> <li>– Demographic transition in MPC, offering opportunity for accelerated economic growth</li> <li>– Urban renewal programmes on both shores</li> <li>– Economic growth is picking up on both shores</li> <li>– Future negotiations on the extensions of trade measures included in the Euro-Med Association Agreements</li> <li>– Opportunity for MPC agro-industry exports to EU supported by new trade liberalization negotiations</li> <li>– Progress towards negotiations on approximation of regulatory regimes for trade</li> <li>– Potentials for growing trade flows among MPC after new agreements</li> <li>– Growing FDI flows in MPC, especially from Gulf and European countries</li> <li>– Strong push on policies for innovation on both shores</li> <li>– Existence of an articulated system of Mediterranean institutions and binding commitments for environmental protection under the Barcelona Convention system</li> <li>– Opportunities for sustainable development programmes in tourism and a greater role of cultural heritage</li> <li>– Strong growth in freight flows forecast for the next 20 years</li> <li>– Intense regional cooperation on transports and environment in the EMP context</li> <li>– Growing regional role of energy flows, greater role for the Mediterranean Sea in global oil market</li> <li>– Opportunity for greater use of renewable energy sources</li> <li>– Potential complementarity between demographic and labour trends on the two shores</li> <li>– Intensified Euro-Med cooperation activities on migration</li> <li>– Positive impact of migratory flows on European economies</li> <li>– Potential for greater young exchanges for educational development and cultural dialogue</li> </ul>	<ul style="list-style-type: none"> <li>– Strong negative impact of open or frozen conflicts in the region</li> <li>– Difficult adjustment to globalisation in many traditional economic sectors</li> <li>– Risk of a EU-centred hub-and-spoke trade system</li> <li>– Risk of environmental degradation when implementing the FTA</li> <li>– Problems in implementing regulatory regime approximation</li> <li>– Risk of extinction of some major fish species due to over fishing</li> <li>– Impact of tourism on the fragile natural, and historical resources</li> <li>– Climate change, environment deterioration (desertification, floods, fires, coastal vulnerability) and pollution of the Mediterranean Sea</li> <li>– Risk of a major environmental disaster in sea transport notwithstanding many regulatory progress</li> <li>– A very large young population entering the job market is also a major challenge for MPC</li> <li>– Shortage in labour force in EUMC due to changes in demographic trends</li> <li>– Growing role of transit migration in MPC</li> </ul>

Identifying potentialities and challenges, the SWOT analysis underlines a number of issues useful for the definition – in the following sections – of the strategy and objectives of the Programme.

The relevance of the Mediterranean Sea as a resource for international and regional economic cooperation stands out against its rather peripheral economic position vis-à-vis Central Europe and the Gulf countries. This underlines that the economic promotion of the territories involved in the Programme requires the **maximisation** of the flows across the Mediterranean Sea, in terms of both material and immaterial flows. While a significant income gap characterizes the region, relevant potentialities for its containment in the future emerge from the analysis, through cross-border cooperation in a number of economic sectors (e.g. agro-industry, tourism, innovation and research) and social activities (e.g. urban regeneration and, more generally, territorial planning).

Moreover, the importance of improving the **quality**, and not just the size, of the flows appears in many results of the SWOT analysis. This relates to all sort of mobility in the Basin: of people, goods, and capital. Therefore, it underscores the relevance of the management of these flows through regional, multilateral or bilateral agreements (as in the case of the various free trade agreements involving Mediterranean countries, or of the agreements between some countries of the region about the management of migration flows). Specifically the SWOT analysis highlights the value of the process of approximation of procedures, exchange of best practices, etc., a process which is at the very heart of the EMP and especially of the ENP Action Plans, and which entails the shared management of the growing complexity of trade and regulatory regimes in the region, together with a joint effort aimed at reducing material and immaterial obstacles to the flows.

Another key element relates to the long-term **sustainability** of the flows. In the first place this entails the environmental sustainability, that is the safeguarding and improvement of the highly vulnerable common natural resources, which are subject to the various pressures (demographic, economic and social pressures) highlighted by the SWOT analysis, with the connected risks of environment degradation. In any case, it should be borne in mind that these common challenges are paralleled by shared potentialities, especially relating to natural and cultural heritage. In the second place, the long-term sustainability of the flows involves all aspects supporting and enhancing territorial cooperation and partnership through the promotion of dialogue and local governance. This may demand especially exchanges among young people (crucial for both human capital development and cultural dialogue), exchanges of best practices among regional and local authorities and other ways to improve governance in the region.

In summary, the SWOT analysis underscores four key issues: promotion of socio-economic development of territories, environmental sustainability, improvement of the mobility of persons, goods and capitals, promotion of cultural dialogue and local governance.

### 1.3. Coherence and complementarity with Euro-Med programmes and other strategies and programmes of different nature related to the Mediterranean area

In addition to the institutional, economic, environmental and socio-cultural specificities of its area of intervention, the identification of the Programme strategy is also necessarily based on the content of the strategies and programmes of the most relevant local, national and international actors working in the Mediterranean area. This is in order to have a synthesis framework enabling to identify the priorities and measures on which to focus the CBC Mediterranean Sea Basin Programme in a coherent and complementary manner with the other initiatives, as well as to favour the orientation of project applicants and to maximise the effects of the activities carried out.

#### 1.3.1. Description of the Euro-Med programmes and other strategies and programmes of different nature related to the Mediterranean area

The Programme is part of the political and operational development that has characterised the **relationships between the EU and the Mediterranean partner countries** in recent years. The Conference of the Ministers of Foreign Affairs, held in Barcelona in November 1995 has marked a turning point in the relationships by launching a **Euro-Mediterranean Partnership (EMP)**, also known as the “Barcelona Process”.

The **bilateral dimension** of the EMP is governed by the **Association Agreements (AAs)** – established between the EU and each partner country – which constitute its legal framework. These Agreements cover different fields according to the general principles governing the EMP and their implementation is carried out through national programmes whose financing was guaranteed by MEDA programme.

Since 2004, in order to support the process of institutional capacity building of the public administrations in the MPC and to bring their national regulations closer to the Community legislation, the Commission decided to accompany the implementation of the AAs with a **twinning** instrument which entails the involvement of the national and regional administrative structures of the EU member states.

**Regional dimension** is one of the most innovative elements of the Partnership since it is related to political, economic and cultural aspects of cooperation among Euro-Med countries. Regional programmes, whose implementation was also supported by MEDA programme from 1995 to 2006, cover different sectors of EMP such as: environment, young people, cultural heritage, transports, industry, commerce, energy, human rights, immigration and people to people cooperation.

Among the most important ongoing initiatives in the Mediterranean area, FEMIP represents a milestone in financial partnership between the EU and Mediterranean Partner Countries. FEMIP aims at supporting Mediterranean Partner Countries to meet the challenges of economic and social modernisation and to enhance regional integration<sup>16</sup>.

During the Euro-Mediterranean Summit of Barcelona + 10 (November 2005), Prime Ministers and Heads of State of the countries participating in EMP, taking into account the results achieved from the launching of the EMP, agreed on a work programme aimed at reinforcing the EMP for the 5 following years, whose

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<sup>16</sup> Main fields of cooperation of the FEMIP are the support to the private sector, foreign direct investment, infrastructures and investment in human capital.

commitment was reaffirmed by the Euro Mediterranean Conference of Ministers of Foreign Affairs in Tampere (November 2006)<sup>17</sup>.

In 2003 the European Commission began a procedure of revision of its external policy vis-à-vis neighbouring countries leading to the definition of the European Neighbourhood Policy (ENP), which also concerns the Mediterranean partner countries.

During the transition period (2004-2006), the **MEDA proximity programme** was launched to prepare the implementation of the ENP. In fact, the goal of this programme was to favour an effective participation of the Mediterranean Partner Countries in the transport and energy trans-European network and to face common challenges, including *people to people* activities, to foster cross-border and transnational cooperation. The last component of the Programme allowed integrating the objectives of the EU external policy with the cohesion policy, in particular with the existing INTERREG programmes<sup>18</sup>.

The **European Neighbourhood Policy** (ENP) complements the EMP using all its instruments and mechanisms. It provides partners with the possibility to have a stake in the EU internal market and to participate in EU programmes and policies, and it will help to strengthen cooperation between countries in the Barcelona Process also through the promotion of regional and sub-regional cooperation, according to the priorities established during the Euro-Med Summit of Barcelona +10. Since 2007, the ENP is being implemented through a new instrument, the European Neighbourhood and Partnership Instrument (ENPI).

The ENPI, foresees the implementation of **cross-border cooperation programmes**, which also include the present Programme<sup>19</sup>.

The EC and every partner country negotiate an **Action Plan**. These Plans, tailor-made for each partner country based on the country's priorities, aim at contributing to support political, economic and social reforms that the Mediterranean countries follow, in accordance with their own national development plans. The short and medium-term (3-5 years) priorities to be addressed are jointly defined by the EC and the partner country. The fields covered by the National Action Plans are indicated in the table in the following paragraph. The Action Plans are accompanied by **National Indicative Programmes**, which set the priorities for the 2007-2010 period specifying the actions to implement as well as the funding available under the ENPI.

The **ENPI** also includes a regional programme covering all the countries involved by the ENP and a regional cooperation programme exclusively designed for the Mediterranean partners; objectives, priorities and programmes to carry out under these programmes, as described in the table in the following paragraph, are developed in the respective Indicative Programmes.

Among the initiatives and instruments characterizing the Mediterranean area, it is important to remember the Development Cooperation Instrument of the EU external policy which, for the 2007-2013 period, will destine

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<sup>17</sup> 8<sup>th</sup> Conference of Euro-Med Ministers of Foreign Affairs, *Tampere conclusions*, Tampere 27-28 November 2006. The scopes of this working programme are presented in the table in the following paragraph. It's also important to remind that at the Barcelona +10 summit the EMP partners committed to endorse a feasible timetable to de-pollute the Mediterranean Sea by 2020. To follow up the commitment, the EC launched the initiative known as "Horizon 2020" that aims to tackle the top sources of Mediterranean pollution. The Commission communication, *Establishing an Environment Strategy for the Mediterranean*, (COM(2006) 475 final – 5.09.2006), sketches out the details of "Horizon 2020" initiative.

<sup>18</sup> INTERREG Programmes are addressed to European regions, they also envisage the participation of actors of third countries even though they cannot benefit from direct funding. The INTERREG programmes (cross-border, trans-national and interregional) concerning the Mediterranean area are the following: III A Morocco–Spain; III A Morocco–Gibraltar; III B MEDOCC and III B ARCHIMED; IIIC South.

<sup>19</sup> Within the Mediterranean area, other cross-border cooperation programmes – in that case bilateral - will be carried out: Italy – Tunisia and Spain – Morocco (North and South)

a specific amount to ENP partner countries to support the implementation of activities in different fields of intervention, as indicated in the table in the following paragraph.

The **cohesion policy**, which is based on the Lisbon and Gothenburg strategies and orientates regional development policies in the EU countries and their regions, must also be taken into account in order to find the elements of coherence in the Mediterranean Sea Basin Programme. The **Community Strategic Orientations**, identifying thematic priorities, constitute the base for the elaboration of national strategic reference frameworks and for the operational programmes for the 2007-2013 period. For this programming phase, in addition to the **objectives** “convergence” (for less developed regions) and “regional competitiveness and employment” (for the other European regions), the “European Territorial Cooperation” objective is also foreseen. This objective will permit, through the European Regional Development Fund, to implement for cross border, transnational and interregional cooperation programmes as well as to co-finance of ENPI CBC programmes. Among the programmes included in the “European territorial cooperation” objective, there is the “Mediterranean” programme, which is of a particular importance for the present Programme because it involves a large number of EU regions and member states which are also eligible to this Programme. The priority issues addressed in this Programme are indicated in the table in the following paragraph.

The EU internal policy also covers a series of sectorial policies, including, among others, the 7<sup>th</sup> Research Framework Programme, the initiatives dealing with environment, equal opportunities, trans-European networks and maritime policy<sup>20</sup>.

As far as European Research Framework Programmes are concerned, collaborative research with Mediterranean Partner Countries and other neighbouring countries in the Mediterranean Basin has been well-developed on environmental issues, including among others water management, sustainable management of resources, renewable energy, climate change mitigation and adaptation, coastal zone management, cultural heritage, seismic risks and more. This cooperation is continuing under the 7th Research Framework Programme (2007-2013).

Consultation of recent or on-going research projects should be ensured to guarantee complementarity, possible synergies and avoid duplication.

To complete the framework of initiatives in progress in the Mediterranean, we must refer to those implemented by **national and international donors**.

As well as the **World Bank**<sup>21</sup> and the **United Nations Development Program** (UNDP), whose priorities for the countries of North Africa and of Near and Middle East are indicated in the table in the following paragraph, we must recall, among the initiatives of the United Nations agencies, the **ART initiative** (Support to territorial and thematic networks for human development). The initiative, coordinated by the *Hub for Innovative Partnerships* of the UNDP (Geneva) finds its origin in various human development multinational framework programmes, such as the regional programme **GOLD/Maghreb** (Tunisia, Morocco, Libya, Algeria). ART promotes an inter-sectorial approach in different fields of intervention (as described in the table

<sup>20</sup> As regards, we have to remember the Green Paper, *Towards a future Maritime Policy for the EU: a European approach for the oceans and seas*. The Green Paper adopts an integrated approach in order to embrace the different elements dealing with the maritime issues of the EU, such as environment, transport, fisheries, research, industrial aspects, security of borders, peripheral and overseas regions.

<sup>21</sup> Among the regional programmes conducted by the World Bank in the countries of the southern shore of the Mediterranean, there is also the Mediterranean Environmental Technical Assistance Programme (METAP). This is a multi-donor programme (international organisms, EC and States) whose main fields of intervention are noted in the table at the end of the paragraph.



in the following paragraph). Due to their importance in environmental matters, the activities of the *Mediterranean Commission on Sustainable Development* (MCSD)<sup>22</sup> should also be underlined, and in particular the *Regional Strategy on Mediterranean Sustainable Development*. Developed in 2005, it identifies the main objectives, which are recalled in the table in the following paragraph.

**The States and territories involved** in the Mediterranean Sea Basin Programme have developed multiple **bilateral relations** and have succeeded in mobilising different international, national and regional/local financial instruments (decentralised cooperation), targeted either at specific cooperation sectors or at support to reinforce the capacities of local governments/administrations. Within the framework of Programme, it is particularly useful to refer to examples of programmes with a regional/multi-bilateral character. Among these we can cite the Italian Government's Programme to Support Regional Cooperation<sup>23</sup> and the Spanish initiative Azahar, which groups together sector-based ministries and a dozen regional governments to carry out projects in the field of the environment targeted at the Mediterranean partner countries.

To complete the framework of initiatives undertaken in the Programme cooperation area, the **networks grouping together local governments/administrations** must also be referred to. Among these, there is the Conference of Peripheral Maritime Regions (CPMR) and in particular its Inter-Mediterranean commission, as well as Eurocities<sup>24</sup>, COPPEM<sup>25</sup> and Arco Latino<sup>26</sup>. These authorities offer opportunities to discuss and construct joint policies, in particular on themes which are specific priorities for local governments.

### 1.3.2. Coherence and complementarity of the Programme with Euro-Med programmes and other strategies and programmes of different nature related to the Mediterranean area

The previous paragraph underlines the complexity, in terms of actors and initiatives, of the framework in which the Programme is conducted.

**Lessons learned from past experiences** (in particular in the scope of the regional component of the MEDA programme and of the INTERREG programmes<sup>27</sup>) were determining to define the approach and the implementation modalities to adopt for the cross-border cooperation component within the ENPI, with in particular, the creation of joint structures for the definition and management of the programmes. These

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<sup>22</sup> Established in 1996 in the framework of the *Mediterranean Action Plan* (MAP), today it groups together 21 Mediterranean countries, as well as the EU and some United Nations agencies, such as UNDP and UNEP.

<sup>23</sup> The Programme concerns Morocco, Algeria, Tunisia and Egypt and it is based on a series of projects in the field of socio-economic development, environment, transport, dialogue, culture and health.

<sup>24</sup> The Eurocities network groups together 108 European cities in 24 countries. Since it was set up in November 2000, the EUROMED commission, which brings together over fifty Euro-Mediterranean cities, has endeavoured to promote new possibilities for Euro-Mediterranean cooperation. The commitment of this commission to take an active role in re-launching the EMP made it possible to launch the MED'ACT (Mediterranean-Europe Development, Action of Cities and Towns) which was then extended with the MED'PACT programme (Local Authorities Partnership Programme in the Mediterranean). Both programmes were supported by MEDA.

<sup>25</sup> Created by the Council of European Municipalities and Regions and the Arab Towns Organisation, its aim is to promote dialogue and local development cooperation between towns, councils, local and regional authorities and the regions of the member countries of the Euro-Mediterranean Partnership.

<sup>26</sup> Arco Latino is an association of second level European local authorities in the Mediterranean area, which offers an instrument of dialogue beyond national borders, in order to define an integrated development and planning strategy for the Mediterranean Europe.

<sup>27</sup> The MEDA programme was subject to an evaluation in July 2005 (EuropeAid, *Mid Term Evaluation of the MEDA II Programme*). Dealing with the INTERREG programmes, one should consider the mid-term evaluation reports of INTERREG IIIB MEDOCC (2004) and of INTERREG IIIB ARCHIMED (2005). The partnership experience conducted within the INTERREG programmes is the object of various analyses concerning the capitalisation of the results and this, whether in the framework of projects financed by the same programmes, or more specifically in the framework the INTERACT programme. This permitted to gather some elements of reflection and to draw some conclusions in order to increase the efficiency of the partners.

experiences also constitute an important heritage in terms of technical know-how dealing with diverse fields of intervention and with multilateral partnerships among actors, in particular coming from local level, EU Member States and Mediterranean partner countries. An heritage which, during the present programming period (2007-2013), has to be capitalised by the Mediterranean Sea Basin Programme through enhancing the continuity and the strengthening of the cooperation in those fields of priority relevance for the Basin countries. This should be achieved by adopting the most appropriate ways to encourage the dialogue among local actors and an active management in order to stimulate projects able to produce an impact on the territories and to contribute to reinforce the national and regional development policies.

The 2007-2013 programming is characterised by a set of complex strategies and initiatives of different nature representing a framework within which the Programme must find its place in terms of coherence and complementarity, given the orientations and the cross-border cooperation component of the ENPI and given its specific nature as it is dedicated to the whole Mediterranean Basin. The different strategies and programmes relevant for the Mediterranean area are analysed in relation to the four key elements to be addressed by the Programme as identified by the SWOT analysis (see § 1.2.2). This in order to foster the identification of the Programme's priorities and measures but also to provide some indications to be followed for the development of project proposals and for their evaluation. The analysis presented in the following table stresses on the relations in terms of:

- **Coherence** of the Programme with the strategies and initiatives dedicated to the Mediterranean area, to the achievement of which the Programme may directly or indirectly contribute;
- **Complementarity** of the Programme with the initiatives that, due to their thematic contents and the beneficiaries targeted, allow a tight operational coordination in order to stimulate synergies, and therefore to reinforce the impact and the added value produced by the Programme actions;
- **Exchanges and collaboration** of the Programme with strategies and initiatives of other multi-bilateral and national subjects acting in the Mediterranean area which have to be identified in relation to the unity of the context of intervention.

COHERENCE with the strategies and programmes of EURO-MED and of those of the EU Cohesion Policy and External Policy for the 2007-2013 period		Key elements identified through the SWOT analysis			
		Socio-economic development	Environmental sustainability	Flows of goods, persons and capitals	Dialogue, exchanges and governance
<b>EMP</b> (Chapters)	i. Political and security partnership: contributing to peace and stability in the Euro-Mediterranean region				
	ii. Economic and financial partnership: creating an area of shared prosperity	X	X		
	iii. Partnership in social, cultural and human affairs: developing human resources, promoting understanding between cultures and exchanges civil societies				X
<b>EMP Association Agreements</b> (Domains)	i. political provisions (respect for the democratic principles and fundamental human rights)				
	ii. establishment of a free trade zone <sup>28</sup>	X	X	X	
	iii. economic cooperation (including many domains, such as: regional cooperation, scientific and technical cooperation, education and training, environment, industrial cooperation, promotion of investments, agriculture and fisheries, transport, information infrastructures and telecommunications, energy, tourism, etc.)	X	X	X	
	iv. social and cultural cooperation (workers, social dialogue and cooperation, cultural cooperation)				X
	v. financial cooperation and institutional provisions	X			
<b>EMP – Five-year working plan</b> (Domains)	i. To support political dialogue and reforms and to help realise a EURO-MED region of peace, stability and security				
	ii. To promote sustainable socio-economic development <sup>29</sup> and reforms and to accelerate the creation of the Free Trade Area	X	X	X	
	iii. To increase the cooperation in the fields of education and socio-cultural exchanges	X			X
	iv. To address the issues related to migration and social integration through a balanced, global and coherent approach			X	
<b>ENP/ENPI - Action Plans</b> (Domains)	i. Political dialogue and reforms				
	ii. Cooperation and socio-economic development	X	X		
	iii. Trade and market regulations reforms	X	X	X	
	iv. Cooperation in the fields of justice and security			X	
	v. Sectors such as transport, energy, information society, environment, research and development	X	X	X	X
	vi. Human dimension ( <i>people-to-people</i> relationships, civil society, education, public health)	X			X

<sup>28</sup> The sustainability impact assessment of the Euro-Mediterranean Free Trade Area (SIA) identifies a certain number of risks for sustainable development caused by trade measures.

<sup>29</sup> Concerning the sustainability, the initiative “Horizon 2020” was launched, aiming at getting rid of the Mediterranean Sea pollution from now until 2020.

COHERENCE with the strategies and programmes of EURO-MED and of those of the EU Cohesion Policy and External Policy for the 2007-2013 period				Key elements identified through the SWOT analysis			
				Socio-economic development	Environmental sustainability	Flows of goods, persons and capitals	Dialogue, exchanges and governance
Regional and cohesion Policy (Instruments and priorities by objective)	ERDF	Convergence Objective	i. Research and Technological Development (RTD)	X			
			ii. Innovation and entrepreneurship	X			
			iii. Information society	X			
			iv. Environment		X		
			v. Risk prevention		X		
			vi. Tourism	X			
			vii. Culture				X
		Competitiveness)Employment Objective	i. Transport	X		X	
			ii. Energy	X	X		
			iii. Education	X			X
			iv. Health	X			
			v. Innovation and knowledge-based economy	X			
			vi. Environment protection and risk prevention		X		
			vii. Accessibility to transport and telecommunication services of general economic interest	X		X	
	ESF	Convergence and Competitiveness/Employment Objectives	i. Adapting workers and enterprises: lifelong learning schemes, designing and spreading innovative working organisations	X			X
			ii. Access to employment for job seekers, the unemployed, women and migrants	X		X	
			iii. Strengthening human capital by reforming education systems and setting up a network of teaching establishments	X			X
	Cohesion Funds	Convergence Objective	iv. Trans-European transport networks (TEN-T)	X		X	
			v. Environment (energetic efficiency, use of renewable energies, development of railway transport, support to intermodality, strengthening of public transport, etc.)		X		
Cooperation Development Instrument (Thematic programmes for ENP countries) (Domains)			i. Human and social development	X			X
			ii. Environment et sustainable management of natural resources including energy		X		
			iii. Support to non-national actors and local authorities for development	X			X
			iv. Food security	X	X		
			v. Migration and asylum			X	

COMPLEMENTARITY with the EURO-MED and European Territorial Cooperation programmes for the 2007-2013 period			Key elements identified through the SWOT analysis			
			Socio-economic development	Environmental sustainability	Flows of goods, persons and capitals	Dialogue, exchanges and governance
<b>ENPI Interregional Programme</b> (Priorities and sub-priorities)	i) Promoting reform through European advice and expertise	- TAIEX programme (technical assistance and information exchange)	X	X		X
		- SIGMA programme (Support for improvement in Governance and Management) <sup>30</sup>	X			X
	iii) Promoting cooperation between higher education institutions and student mobility					X
	iii) Promoting cooperation between local actors in the partner countries and in the EU <sup>31</sup>					X
	iv) Promoting the implementation of the ENP and of the Strategic Partnership with Russia		X	X	X	X
<b>ENPI EUROMED Regional Programme</b> (Priorities and programmes)	i) Political, justice, security and migration cooperation	- Confidence building measures: civil protection		X		
		- Confidence building measures: partnership for peace				X
		- Justice, security and migration programme			X	
		- Political analysis (EuroMeSCo and FEMISE networks of research institutes)	X			
<b>ENPI EUROMED Regional Programme</b> (Priorities and programmes)	ii) Sustainable economic development	- Promotion of investments and stimulation of reforms to attract investments	X			
		- Cooperation in the fields of transport and energy	X	X		
		- Regional economic integration south-south	X		X	
		- Environmental programme		X		
		- Technical assistance et capital investment in the framework of the FEMIP	X			
		- Development of the information society	X			
	iii) Social development and cultural exchanges	- Gender equality and civil society	X	X		X
		- Information and communication II				X
		- EUROMED Youth				X
		- Dialogue among cultures and cultural heritage				X

<sup>30</sup> The SIGMA programme is a EU - OECD joint initiative. This priority also includes the twining projects which are of a particular importance.; they will continue to be financed through the national programmes.

<sup>31</sup> At the beginning, a cooperation programme will be implemented among the local and regional authorities from partner countries and EU member States which as for the Mediterranean countries will be based on the experience of the MED-PACT programme.

COMPLEMENTARITY with the EURO-MED and European territorial cooperation programmes for the 2007-2013 period		Key elements identified through the SWOT analysis			
		Socio-economic development	Environmental sustainability	Flows of goods, persons and capitals	Dialogue, exchanges and governance
<b>European Territorial Cooperation Objective</b> <sup>32</sup> (General priorities)	i. Innovation: scientific and technological networks, RDT	X			
	ii. Environment and natural risk prevention, technologies and maritime safety		X		
	iii. Accessibility amelioration			X	
	iv. Sustainable urban development	X	X		
<b>European Territorial Cooperation Objective Trans-national MED Programme</b> (axis and objectives)	i. Strengthening of the innovation capacities (dissemination of innovative technologies and know-how; strengthening of the strategic cooperation between the economic actors of the development and public authorities)	X			
	ii. Protection of the environment and promotion of a sustainable territorial development (protection and enhancement of natural and cultural resources, prevention and fight against natural risks; promotion of renewable energies and enhancement of energetic efficiency; prevention of maritime risks and strengthening of maritime security)		X		
	iii. Promotion of mobility and of accessibility of territories (improvement of maritime accessibility and capacities through multi modality and inter modality; support to the use of information technologies for a better accessibility and territorial cooperation)	X		X	
	iv. Promotion of polycentric and integrated development of the Med area (coordination of development policies and improvement of territorial governance; strengthening identity and enhancement of cultural resources for a better integration of Med area)	X			X

<sup>32</sup> It includes cross-border, transnational and interregional programmes involving EU regions, some of them being also eligible to the ENPI CBC Mediterranean Programme.

EXCHANGES AND COLLABORATION with regional strategies and programmes of other subjects acting in the Mediterranean Basin		Key elements identified through the SWOT analysis			
		Socio-economic development	Environmental sustainability	Flows of goods, persons and capitals	Dialogue, exchanges and governance
<b>World Bank</b> (priorities for MENA countries)	i. Public sector efficiency and governance	X			X
	ii. Private sector development and employment creation	X			
	iii. Education for a global world				X
	iv. Sustainable water resource management		X		
	v. Gender (transversal approach)	X	X	X	X
<b>UNPD</b> (priorities for MENA countries)	i. Poverty and the Millennium Goals	X	X		X
	ii. Democratic Governance				X
	iii. Energy and Environment for Sustainable Development		X		
	iv. Crisis Prevention and Recovery		X		
	v. Responding to HIV/AIDS		X		
	vi. Freedom and good governance				X
	vii. Knowledge	X			X
	viii. Empowerment	X	X	X	X
<b>MCSD strategies for the sustainable development of the Mediterranean</b> (objectives)	i. Economic development enhancement through the enhancement of the Mediterranean strengths	X	X		
	ii. Implementation of the « Millennium Goals» for the reduction of the social deficit	X			X
	iii. Adoption of sustainable production and consumption models and sustainable management of natural resources	X	X		
	iv. Improving the governance at local, regional and national level	X			X
	v. Fight against social exclusion	X		X	X
	vi. Promotion of cultures				X
<b>METAP</b> (thematic priorities pillars of phase V)	i. Water quality, wastewater and management of coastal areas	X	X		
	ii. Management of urban and dangerous waste		X		
	iii. Environmental policies and regulatory instruments		X		
	iv. Capacity building at local level	X	X		X
	v. Regional systems of knowledge management	X	X		
<b>ART</b> (thematic priorities)	i. Local economic development	X			
	ii. Local governance	X			X
	iii. Environment and territorial organization	X	X		
	iv. Local systems for health and social services	X			
	v. Local systems for basic education and training	X			X

The preceding table shows how the key elements to be addressed by the Mediterranean Sea Basin Programme - resulting from the SWOT analysis - deal with issues on which strategies and ongoing programmes are also focusing, underlining the connections in terms of coherence, complementarity and opportunities of collaboration.

In fact, the singularity of the Programme and its added value resides in the opportunity of addressing these issues, adapting them to a specific framework, the one of territorial cooperation at Basin level.

Over the coming years, the Programme, through its management modalities, and the projects it supports should thus be able to establish synergies with the initiatives foreseen in the cooperation area, in terms of contents and of integration of financial resources in order to contribute to integrate the different actions and maximise their results.

Specifically, since we deal with a first experience of territorial cooperation associating territories from the EU countries and from the Mediterranean partner countries, a particular effort should be done on a methodological point of view to give birth to solid and pertinent partnerships regarding the themes faced. Partnerships should be able to elaborate and implement quality projects, coherent and complementary with the other available instruments, at local, national and multilateral level. This in order to support the constitution of the appropriate mass, in terms of additional financial resources but also of qualitative and quantitative commitment of the key actors in order to face the challenges and opportunities which characterise the development of the involved territories.

#### **1.4. Programme objective, priorities and measures**

The strategy of the Programme has been jointly defined by the participating countries through a constant dialogue that took place within the Joint Task Forces specifically set up by the representatives of the participating Countries for elaborating the Programme.

The programming work allowed participants to examine and tailor the objectives identified by the EU Commission for cross-border cooperation programmes within ENPI taking into consideration the nature of the Programme and the particular characteristics of the cooperation area. The adaptation of the ENPI CBC objectives anticipated by a clarification of the principles representing the basis of programming also permitted the definition of the priorities to be adopted to achieve the Programme's objectives.

The logical framework thus defined represents the structure of the Programme, which its bodies will be expected to implement in the period 2007-2013 following the modalities agreed upon (Chapter 3) and which will be the object of an evaluation on the basis of the set of adopted indicators (paragraph 1.6).

##### **1.4.1. Principles adopted for the formulation and orientation of the Programme**

In order to define the contents of the Programme, participating countries adopted a set of principles aimed at characterising the Programme itself. These principles should also orient local actors of the eligible areas, organised in cross-border partnerships, expected to submit project proposals following calls for proposals issued by the joint bodies of the Programme.

The principles considered in the process of planning and implementation of the programme are therefore the following:



- A. Co-ownership.** The contents of the Programme as well as its implementation modalities come from a joint drafting implemented with the contribution of all participating countries. This principle is also evident in the management structures of the Programme, which have a joint nature.
- B. Common benefits.** The Programme is designed so it can indicate the benefits it can bring to the development of the concerned territories. This will be done through the creation of a dynamic process combining the potential of the various territories and the capacities of regional and local partners to jointly solve common problems and to improve social cohesion and competitiveness in the cooperation area. This principle is a milestone of the Programme, and it should guide actions into better taking into account, within the EU, the Mediterranean context, while enabling willing partner countries to intensify relations with EU.
- C. Partnership.** This principle is a value itself but it is also an operational principle, which has to be put into practice since it is the essential condition to ensure the Programme's effectiveness, to contribute to a better governance of the local development process and to guarantee coherence and an effective inclusion in the dynamics interesting the Mediterranean Basin. For this purpose the Programme should give appropriate and balanced access opportunities to all the key actors (national, regional and local authorities, economic and social partners, civilian society) so as to ensure a cross-border character to the partnerships involved in the activities to be implemented. The principle therefore applies at many levels:
- local and regional partnerships among the public and private actors, according to the different subjects (horizontal partnership);
  - local and national partnerships where local actors and national authorities engage in a constructive dialogue related to the different subjects (vertical partnership);
  - among states, through the Programme's joint bodies;
  - cross-border partnerships, through the implementation of projects associating territories of different countries;
  - partnerships between the European Commission and the countries participating in the Programme.
- D. Sustainable development.** Sustainable development requires a long-term vision of development perspectives and the analysis of the consequences of the activities implemented by the different countries of Mediterranean basin. The cooperation area should identify viable solutions in terms of the sustainability of the development to tackle the main challenges concerning the area. Environment protection, management of natural resources, promotion of renewable energy sources and energy efficiency, sustainable socio-economic development, social cohesion should be considered according to an integrated approach. In particular it is necessary that economic growth supports social progress and respects the environment, that social policy supports economic performance, and that environmental policy, horizontal to different subjects, is cost-effective. Sustainable development also requires programme partners to be involved in the implementation of the activities promoting the direction of public and private investments towards new, environmental-friendly technologies able to create new employment.
- E. Equality of opportunity, non-discrimination, respect for human rights.** The Programme will include in all its activities (including the projects) the principle of non-discrimination preventing any discrimination

based on race, sex, nationality, language or religion. Special attention will be paid to promote respect for the rights of workers and immigrants.

**F. Territorial dimension of the processes of development and enhancement of endogenous potential of the cooperation area.** Differently from macro and sector-based policies, the aims of a cross-border cooperation programme should be to provide a territorial perspective of development. The emphasis on the local level as a particular aspect of territorial cooperation leads to the enhancement of the endogenous potential of the territories. In addition to environmental and cultural heritage, this potential consists of the skills, knowledge and know-how of the people and public and private organisations. The institutional, environmental, geographical, economic, social and cultural specificities must therefore be given careful consideration by the local key actors when identifying cross-border cooperation activities. It should also be emphasised that making full use of endogenous potential must be integrated in a sustainable way, with the principle of territorial cohesion. This is to ensure that disadvantaged areas are also taken into account (for example, rural areas, small towns, declining industrial areas, landlocked territories, insular areas, etc.), with the aim of reinforcing a process of balanced and polycentric development.

**G. Reinforcing the level of competitiveness of the Mediterranean basin countries** The Mediterranean area is a “macro region” rich in specificities, which should find its own modalities of competitiveness in relation to the other geo-economic areas, in particular considering the changes that may occur following the progressive activation of the Free Trade Area, but also the growing interests in the Mediterranean shown by other countries and investors (especially Russia, China, the United States, the Gulf states, etc.). The promotion of the process of integration of the Euro-Mediterranean area, inspired by the cohesion criteria, should also be supplemented with a joint work oriented towards a progressive definition of a coherent strategy of competitiveness of the area on the world scene. It will also aim to better target the strategic actions towards investing the energies of the actors of the Programme as well as the available resources or other which could be additionally mobilised.

**H. Integration**, in order to ensure a better quality of the activities and to achieve results to be consolidated in the territories and in their decisional process, the Programme must aim at promoting actions able to ensure:

- **Integration between territorial approach and multi-country approach.** This point corresponds to the nature of the Programme, considering territories in all their natural, institutional, economic, social and cultural characteristics, cooperating in a cross-border context to face common challenges, stimulating mutual benefits;
- **Cross-sector integration of initiatives** considering that the Programme's purpose is to promote the process of local development with a view to cohesion and sustainability, its actions should address to the economic, social, cultural and institutional aspects determining this process. For example, the development of production chains needs to be based on innovation and environmental sustainability; the creation of scientific communities should thus be finalised towards the setting up or the consolidation of SMEs, both individually and as a network, so as to increase competitiveness on the international scene and so on;
- **Integration of different competencies and missions of the key actors of the concerned territories** (stakeholders and decision-makers). In this perspective, despite the different articulation of

regional and local authorities of the countries participating in the Programme, and the different degrees of decentralisation of competencies in the national authorities, each of these bodies is expected to play a crucial role ensuring suitable and sustainable relationships which complement measures taken by their respective central governments;

- **Integration, complementarity and coordination with macro-regional, national and local initiatives** in the Programme cooperation area (see paragraph 1.3). This is in order to promote synergies among different initiatives and to genuinely contribute to a strategic and sustainable development of the territories in a medium and long term perspective;
- **Integration and concentration of resources.** The Programme should concentrate available financial resources on a limited number of thematic priorities in order to raise a critical mass and to achieve significant and effective results. The principle should lead local actors to identify cross-border projects which are really able to contribute to the strategy of development of the eligible territories by establishing appropriated synergies with the others local, national, international initiatives.

I. **Co-financing.** To promote the beneficiaries' appropriation of the Programme and of its projects and to maximise its leverage effects mobilising public and private additional resources, which are essential conditions to ensure the sustainability of the undertaken actions, it is necessary that co-financing from project beneficiaries is guaranteed. This principle allows ensuring that only projects with an effective priority in relation to local development strategies will be admissible to Programme financing.

These principles are to be considered as working tools which guide the Programme in all its phases including elaboration, and contribute to the identification of the strategy to be adopted, as described in the following paragraphs.

#### 1.4.2. Elements determining the Programme's strategy

**The objectives of the Euro-Mediterranean Partnership as well as of the European Neighbourhood Policy, mainly in its cross-border cooperation component<sup>33</sup>,** together with the priorities of the participating Countries, as defined by their national development agenda, determine the contents of the Programme.

The **objectives previously defined for all the ENPI cross-border cooperation programmes<sup>34</sup>** are to support sustainable development on the two sides of the Mediterranean, to contribute reducing differences in the living conditions in the border areas, to address challenges and to seize opportunities related to the Union enlargement or those related to the proximity of regions located along the maritime or land borders.

These are general objectives that **need therefore to be adapted to the Mediterranean Sea Basin Programme's specific features** through a process of dialogue among the participating countries, in order to

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<sup>33</sup> The preface of the ENPI Regulation (point 15) states that « In order to avoid the creation of new dividing lines, it is particularly important to remove obstacles to effective cross-border cooperation along the external borders of the European Union. Cross-border cooperation should contribute to integrated and sustainable regional development between neighbouring border regions and harmonious territorial integration across the Community and with neighbouring countries. This aim can best be achieved by combining external policy objectives with environmentally sustainable economic and social cohesion ».

<sup>34</sup> ENPI cross-border cooperation component is specifically dealt with in Title II (artt. 8-11) of the Regulation. The Programmes inscribed within this framework refer to *Strategy Papers* (art. 7) which also define the list of programmes as well as their respective eligible territories and global financial allocation, deriving in a proportionally measure of 50% from ERDF (*European Territorial Cooperation* objective) and ENPI. These programmes also have specific Implementing Rules (art. 11).

jointly identify the strategy to be adopted. To this respect, the following elements should be taken into account:

## 1. Specific characteristics and trends of the cooperation area

The context analysis (cfr. paragraph 1.2) resulted in the highlighting of orientations on which to focus cooperation among territories participating in the Programme and which can be summed up as follows:

- **Maximisation of flows of goods, people, and capitals among the territories of the Mediterranean Basin countries.** A reinforced cooperation in a given geo-economic area requires strengthening the context with an increase in flows not only of people, but also of goods, services and capitals. In order to strengthen the euro Mediterranean flows, it is necessary to develop cooperation by acting on the dynamics of local development, and especially on the reduction of immaterial and material obstacles, which limit the fluidity and continuity of interconnections amongst the territorial community. According to the cross-border nature of the Programme, the maximisation of multidirectional flows will contribute to reinforce the “macro – regional” dimension of the Mediterranean Basin, offering them wider opportunities to be more competitive with the other geo-economic areas in a global context.
- **Contribution to the establishment of an area of peace, exchange, dialogue and cooperation able to enhance cultural, human, social, natural and economic dimensions of Mediterranean countries.** The cooperation area covered by the Programme exists “*de facto*”. The aim is thus to renew links among the involved territories sharing common strengths, and to develop these links in order to support the establishment of an area of exchange, dialogue and cooperation, related to the common assets shared by territorial communities. This requires the enhancement of the most positive issues that characterise the cooperation area and the reduction of aspects, which have a negative impact on cooperation among territories. To this end, cross-border measures have to be adopted to safeguard and strengthen the elements which make up the common environment under consideration in a broad sense (environmental strengths, but also cultural, social, and institutional ones, etc.). There must also be a promotion of the culture of dialogue among communities (institutions and people) and a process of approximation of procedures, standards and regulations.
- **Production of real and sustainable effects on local development of the territories through cross-border cooperation.** To achieve the Programme’s goals, it is not sufficient to facilitate networking and exchanges (tangible and intangible) among territories, but attention should also be paid to the implementation of those processes which - supported by cross-border partnerships and coherent with the local development policies of the different countries - are able to contribute to the mutual economical and social enrichment of cooperating territories, bringing together potentialities and capacities of local actors. The Programme will therefore be addressed to support activities which can produce positive and permanent effects on development dynamics in the territories and which envisage cooperation in combining their potential and the capabilities of the local actors.

In order to create effective and sustainable impacts, the Programme must contribute to strengthening these trends in an integrated and balanced manner, through its priorities and by supporting the activities of local actors organised in international partnerships.

## 2. Strategies and programmes implemented, ongoing and planned in the Mediterranean area

This kind of analysis (cfr. paragraph 1.3) led to the clarification of a complex and rich framework in terms of actors, strategies and programmes. This framework offers the Programme and its actors a **background of knowledge and experiences to be enhanced, and a connection element to amplify its range of action** by activating operational synergies with ongoing and planned initiatives in countries and territories in the Mediterranean basin.

In order to define the content of the Programme's priorities, **the national policies of participating countries** were taken into account, as well as **their territorial development policies** for eligible areas.

All these elements will also constitute an important reference for the local actors in the development of their project proposals.

### 3. Specific nature of the Programme

The nature of the programme as a cross-border cooperation initiative means that its strategy and the related actions will not replace other local, regional and national initiatives, but they will instead capitalise the results of past experiences and integrate in a coherent way those under implementation and planned (**added value of cross-border cooperation**).

If the cross-border **dimension** of the actions planned in the framework of the Programme is its distinctive feature, it must necessarily be **conjugated with the enhancement of the cultural and physical characters of territories**, which are essential to favour a positive and effective involvement of the Programme's actors.

The relatively limited financial resources available to the Programme will not allow all the problems affecting eligible territories to be addressed, nor all their development strategies to be supported. This is why the actions promoted within the Programme should be coherent and in complementarity with other initiatives (**complementarity of cross-border cooperation**).

Furthermore, in order to adapt the objectives indicated for ENPI/CBC programmes and to define their content within the framework of this Programme, we should also consider that it associates a **relevant number of countries** with very diverse institutional, economic, social, cultural and natural features, **facing a common sea basin**.

Considering that the main actors of the Programme are of local and regional level, their competencies and prerogatives must be taken into account in the definition of the Programme's priorities and measures in order to ensure the effective implementation and to guarantee the anchorage and the impact of the actions that will be promoted.

### 4. Willingness of participating countries to avoid the fragmentation and dispersion of the Programme's actions

The definition of the Programme's strategy is founded on the need to make a rigid selection in order to focus its action on a limited number of priorities to produce a more tangible impact on the territorial communities and on the whole cooperation area (**focalisation of cross-border cooperation**). To this respect, the countries participating in the Programme decided to concentrate its action on sectors and fields of intervention which:

- represent common challenges, and consequently acting on them will generate benefits for the whole cooperation area;

- particularly require an implementation at local level and where the role and competencies of public and private local actors find their most appropriate application;
- are able to enrich territories with innovative elements (technologic and/or organisational);
- are able to mobilize the capacities of actors of a different nature (public and private) and level (national and local);
- are likely to generate a leverage effect mobilising additional resources;
- may bring added value to other programmes and ongoing initiatives in the Mediterranean Basin;
- have more chances of generating results within the territorial dimension.

Considering the above-mentioned elements, the Programme's strategy was developed with a 'cascade' structure, as described in the following paragraph.

### 1.4.3. The strategy: general objective, priorities and measures

The orientations and finalities of the ENP and specifically of its cross-border cooperation component, the priorities of the countries participating in the Programme as defined in their national development agendas, as well as the results of the context analysis related to the cooperation area, have led to the identification of the following **general objective** of the Programme:

→ **To contribute to promoting the sustainable and harmonious cooperation process at the Mediterranean Basin level by dealing with the common challenges and enhancing its endogenous potential.**

On the basis of the elements described in the previous paragraph, the partner countries could redefine the objectives retained by the ENPI Regulation for the cross-border cooperation component, further developed in the Strategy Paper 2007-2013, and to adapt them on the specific framework of the cooperation area of the *Mediterranean Sea Basin Programme*. Four priorities, which the partner countries consider more appropriate to establish stable cooperation processes among their territories, have been identified. These priorities and their respective measures are afterwards described in detail.

Cross-border cooperation projects under the programme's priorities and measures should be in compliance with its procedures and with national laws and legislations.

The main typologies of eligible actors - as defined by the ENPI Regulation and by the Implementing Rules for ENPI CBC Programmes<sup>35</sup> - are specified for the various priorities and measures of the Programme. They are diversified according to the variety and complexity of the activities to be carried out, and include – among others – public bodies and local, regional and central administrations, companies and other private organisations, universities, non-governmental organisations, traders' associations and organisations representing economic and social interests.

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<sup>35</sup> Article 14, paragraph 1 of the Regulation (EC) No 1638/2006 and article 23, paragraph 2, of the Commission Regulation (EC) No 951/2007.

### **Priority 1: Promotion of socio-economic development and enhancement of territories**

The balanced and sustainable socio-economic development of eligible territories represents one of the main challenges of the Programme, hence partners commit themselves to promote actions able to ensure to the population conditions of prosperity and stability at both social and economic level.

The reinforcement of sustainable economic growth in the light of global competition, as well as the promotion of employment and entrepreneurship are common challenges.

In order to ensure a better competitiveness in the coming years, the Programme has certainly to look towards innovation and research activities to be carried out through cooperation among specialised poles, enterprises and public structures, as well as towards improved collaboration within the territorial production systems, most often made up of small and medium enterprises.

Coordinated strategies and actions should therefore aim at improving processes of planning at various levels (urban, rural, regional and the whole basin) and associating both public and private actors. This kind of planning should lead to a reduction in gaps – among territories and within them – in terms of economic development, infrastructures and social services offered to the populations.

In consideration of the above, this priority is composed of the three following **measures**.

#### ***Priority 1/Measure 1.1. Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries.***

Initiatives included in this measure should contribute to the promotion of innovation inputs in territorial systems to make it functional to the strengthening of economic activities and to the improvement of the quality of life of the population by improving the technological and organisational potential necessary to guarantee a better competitiveness and effectiveness in the management of complex dynamics of local socio-economic development.

In particular, innovation should support the modernisation of local economic systems and the diversification of activities (production of goods and services) giving priority to those with a strong added value.

This means working to make innovation available to “mature” productive sectors, frequently the most subject to competitiveness at a global level, but also to promote economic activities based on natural and cultural specificities of territories and on the know-how of their population, as well as responding to new demands mainly emerging in the service sector.

The diffusion of innovation technologies requires the promotion of a better cooperation through the setting up of cross-border networks at basin level, among production clusters, as well as the development of cooperation among companies, research institutions (universities and research centres), incubators, technology parks, public and private organisations offering financial and non financial services to SMEs and public authorities.

In order to be sustainable, the process of introduction of innovative practices in the local productive systems should be complemented with a research phase including initiatives aimed at developing the entrepreneurial attitude, the training of human resources and their integration in the labour market, paying particular attention to young people and women.

Furthermore, in order to maximise their impact, research and innovation activities supported within this measure should be coordinated with on going European programmes and with those ongoing in the partner countries.

Considering that research and innovation activities should be aimed at supporting the process of the competitive development of territories, they should focus both on typically Mediterranean subjects and those that have particular relevance in the Mediterranean basin.

To this extent, based on the results of the analysis carried out on the cooperation area, participating countries attached priority to the following sectors: i) Marine sciences (marine and coastal ecosystems); ii) Agro-food technologies and biotechnologies; iii) Technologies for protection, maintenance and optimisation of historical and archaeological resources; iv) Advanced management systems for the sustainable production in the forest sector; v) Logistics and approximation of port procedures; vi) Development of alternative energy sources (solar, photovoltaic, wind, etc.) and promotion of energy efficiency in production activities and in public affairs; vii) Technologies applied to public services (management of urban transport, waste treatment and recycling, water desalination, rational use and re-use of wastewater for productive purposes, ecosystems based management of natural resources, etc.); viii) Biomedical sciences and monitoring/treatment of common health pathologies of Mediterranean countries.

#### *Local actors – potential beneficiaries*

For the implementation of the activities envisaged within this measure, in addition to the relevant local and national authorities, research institutions of different kinds (universities, public or private research centres, technological and scientific parks, and business incubators) as well as SMEs (clusters and professional organisations), will be mobilised.

#### ***Priority 1/Measure 1.2. Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries.***

In the Mediterranean Basin, economic sectors can be identified which, in terms of competitiveness on the world scenario, would benefit from a better North-South as well as south-south integration. This should be pursued by strengthening the cross-border partnership between SMEs and SMEs clusters, with the purpose of promoting integration of certain production chains through the valorisation of endogenous resources and know-how while respecting the principle of sustainable development.

Based on the results of the SWOT analysis as well as from its feature of cross-border cooperation initiative, the countries participating in the Programme identified the following priority sectors to implement cooperation actions with a strong Mediterranean character: i) agriculture, agrofood (including zootechnical and dairy chains) and forest and non timber products sectors; ii) fishery; iii) handicrafts and Mediterranean habitat; iv) textile and clothing; v) sustainable tourism based on the enhancement of cultural and natural existing assets. The promotion of processes of integration of productive chains, respecting the principles of the Programme and namely those related to common benefits and partnership, should be conducted through modalities able to ensure:

- Quality and security of products and services, reduction of environmental impacts (land and sea), the dissemination of the use of renewable energy, efficient use of energetic resources, adoption of mechanisms for social accountability of SMEs, the protection of consumers.
- Specialisation of production, product and process innovation, integration of production schedules, integration of marketing strategies, human capital training, in order to ensure mutual competitiveness.



- Mobilisation of complementary actors all along the productive chain providing services essential for effective cooperation and stimulation of the territories involved (transports, logistics, certification and quality analysis, financial services, packaging, distribution, marketing).
- Employment creation and/or re-qualification, promotion of better living conditions for the population of areas interested by the process of integration of productive chains, paying specific attention to young people and rural populations.
- Mobilisation of key actors (public authorities, service centres, professional organisations, trade unions and consumers organisations) to encourage integration strategies of productive chains at cross-border basin level.

Actions within this measure should also be conducted, when applicable, on the assessment of the implementation of the Euro-Mediterranean Charter for Enterprise. Moreover, special attention should be paid to education and training for entrepreneurship, human resources development and improved access to finance.

*Local actors – potential beneficiaries*

Actions within this measure will involve enterprises, clusters of SMEs, and professional associations, local and national public institutions, development agencies, actors working in the whole process of integration of chains offering financial and non financial services, trade unions and consumers organisations.

***Priority 1/Measure 1.3 Strengthening the national strategies of territorial planning by integrating the different levels, and promotion of balanced and sustainable socio-economic development***

This measure is based on exchanges among communities of the eligible territories on the subject of sustainable territorial planning, on joint definition and availability of local actors of services and innovative tools as a support to territorial development strategies. This so as to conjugate economic development with cohesion, equity and sustainability, and to produce a medium and long term impact on the socio-economic development of territories involved.

The initiatives included in this measure will relate to the development of cross-border cooperation, mainly aimed at sustainable territorial planning, integrating the different levels, diagnostics, evaluation and environmental certification, transfer of experiences and good practices, joint development of procedures and laws (regulatory and fiscal) in order to respond to common territorial issues and ensure the strengthening of the basis for cohesion and competitiveness.

Considering that the cooperation area is characterised by strong differences among and within its territories, this measure will also take into account actions of exchange and transfer of good practices in the areas of social welfare, education and employment, as well as the promotion of sustainable economic activities in rural areas meant as territorial strategies to safeguard the natural environment.

Following the results of the analysis of the area and considering the nature of the Programme, sectors included in cross-border actions of joint planning are: i) Relations between coasts, urban areas and hinterlands (particularly rural areas); ii) Polycentric development and urban and peri-urban sustainable development and policies on management of natural areas; iii) Planning of public services (health, education, water, transport, energy, waste, etc.) at local level and their cooperation with macro-regional networks.

*Local actors – potential beneficiaries*

Actions envisaged within this measure will entail the particular involvement of local authorities as well as of development agents, private actors and professional associations, civil society organisations, universities and research centres. The competent national authorities may become involved to ensure the coherence of national strategies to development policies at local level.

## **Priority 2: Promotion of environmental sustainability at the basin level**

Taking into account the characteristics of the Programme, as well as the results of the SWOT analysis, the partner countries jointly decided to focus this priority only on environmental challenges, particularly the effects of climate change, which represent a shared concern considering their relevant impact on the social and economic life of the territories and considering that they refer to areas likely to be considered at basin level.

The natural capital of the Programme's cooperation area is exposed to relevant pressures and risks, due to: its geographic configuration; economic activities not always respectful of the environment (manufacturing and mining industry, intensive agriculture, mass tourism, urbanisation and coastal development, fishing over-exploitation, intensive and growing maritime traffic, etc.); demographic trends which lead to a relevant urbanisation interesting mainly coastal areas, and to the abandonment of rural ones – processes which contribute to the destruction of unique landscapes forged over centuries; ways of living which do not sufficiently allow for the rational use of natural resources, etc.

Environmental degradation has implications on the living quality of populations, as well as on economic activities, therefore a strong engagement and a coordination of efforts by local actors involved in territorial cooperation will contribute to the safeguarding of the natural heritage for future generations.

In addition, the SWOT analysis underlined that the cooperation area has an important potential to build on strategies for the development of sustainable energies and – considering its production, urbanisation and transport systems - it also has interesting opportunities of promoting a better environmental attitude and awareness (from both a production and consumption point of view), so as to allow higher performances in terms of energetic efficiency. A start in this direction will contribute to reducing the impact of greenhouse gas emissions which, according to forecasts, are going to generate phenomena with a significant incidence on Mediterranean countries, jeopardising the living quality of its populations and socio-economic activities. Activities under this priority should be specifically coherent and contributing to develop appropriated synergies with the “Horizon 2020” regional initiative as well as with the environmental elements of the EMP five-year work programme. This, alongside with the coherence with national strategies and priorities, should be clearly underlined in project's proposals to be presented for financing.

Taking this framework into account, participating countries agreed on the following **measures** in order to address this priority.

### ***Priority 2/Measure 2.1 Prevention and reduction of risk factors for the environment and enhancement of natural common heritage***

All territories participating in the Programme have a large natural and diversified heritage mainly composed of a rich maritime and land bio-diversity together with a unique landscape resulting from the combined effects of the natural elements and of the know-how of their population which have left their mark over the centuries. This capital is nevertheless fragile.

Environmental risks and degradation affecting the Mediterranean basin are different and originate from human activities (industry, intensive agriculture, mass tourism, intensive and growing maritime traffic, etc.), but they are also linked to the geographic specificities of the territories and to demographic trends.

Considering their relevance, participating countries decided to adopt the following areas of intervention: i) fighting against land desertification, coastal erosion and littoralization in particular through activities aiming at improving the management of the forest/vegetation cover; ii) prevention of natural risks (floods and fires); iii) water cycle management and fighting against sea and river pollution; iv) reduction of the effects of different sources of pollution at the level of urban, industrial, and agricultural areas; v) waste management and recycling; vi) protection and sustainable enhancement of natural, land, and marine resources for economic and tourism purposes; vii) adoption of sustainable fishery techniques and promotion of ecotourism; viii) support for adaptation strategies to increase ecosystem resilience to climate change and reduce risk of loss of ecosystem values and services; ix) adaptation to the effects of climate change.

These areas of intervention will be taken into account especially through cross-border actions and the transfer of prevention practices with specific reference to new technologies and management systems, of approximation of procedures (for prevention, evaluation of impacts and joint intervention in case of natural disasters or caused by human activities), of management and monitoring of phenomena, of communication and awareness raising of local actors. These actions could be complemented by pilot projects which have a strong transferability potential, through research and innovation.

If the natural, maritime and land heritages are to be protected, they are also likely to promote actions aimed at their effective and sustainable use. To this extent cross-border actions must aim to set up networks between natural parks, reserves and environmental education centres, and to enhance the specificities of the Mediterranean landscapes, fishing tourism, etc. in order to diversify the offer of tourism products, mainly in less advanced areas.

These actions should systematically include the adoption of modalities of conservation/preservation able to ensure the sustainability of natural resources.

Taking into account the different interventions in the area of preservation and enhancement of environmental resources interesting the Mediterranean, it will be fundamental to promote a coordinated involvement of local communities in the different ongoing programmes.

#### *Local actors – potential beneficiaries*

Actors to be involved in activities related to this measure include local authorities, local development agencies, environmental agencies or similar organisations, governmental public national services centralised and decentralised, universities (particularly in terms of research and monitoring), community and environmental associations, economic operators and management bodies for protected areas (including parks).

### ***Priority 2/Measure 2.2 Promotion of renewable energy use and improvement of energy efficiency contributing to addressing, among other challenges, climate change***

This measure is part of a wider logic aimed at reducing pollution sources (urban, industrial, agricultural, domestic) so as to safeguard natural heritage.

As a matter of fact, the promotion of the production and consumption of renewable energies (solar, photovoltaic, wind, geothermic, etc.) and the improvement of energy efficiency at the level of productive

activities, buildings, transport and domestic activities may greatly contribute to reduce greenhouse effect emissions following Kyoto commitments, and to mitigate the effects of climate changes.

Orienting the process of local development in this direction is not only a contribution to the reduction of polluting sources but it opens up an economic opportunity (research, innovation, investments, etc.). This opportunity may be supported as a cross-border activity since it is a tool to reach necessary critical mass to proceed in the introduction of alternative energy sources, enhancing natural issues of the Mediterranean countries.

Diversification of energy sources using renewable sources and the improvement of energy performance require an evolution in the way of producing and consuming as well as transporting energy, which should be supported by technology innovation, by the adoption of rules encouraging a change of behaviour (for example regarding buildings) or investing in order to make the introduction of energy efficiency measures more attractive. Furthermore these initiatives should be complemented by communication and awareness raising activities addressed to a wide variety of stakeholders including households, public authorities private companies and other economic actors, etc, in order to embed sustainable behaviour in populations' lifestyles.

#### *Local actors – potential beneficiaries*

Actors to be involved in the actions envisaged for this measure are: local authorities, environmental agencies or similar institutions, central and decentralised governmental public services, universities (mainly for research), environmental associations, economic actors (producers and distributors of renewable and non renewable energies).

### **Priority 3: Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals**

Territorial cooperation implies that exchanges of goods, services and capitals, must be promoted in terms of standards, procedures and structures, material and immaterial, so that it could efficiently contribute to a stronger and more harmonious territorial integration.

According to the SWOT analysis, within the Programme's cooperation area, deficiencies exist, in particular, with regard to the approximation of procedures and to the integration of logistic and transport structures (ports and airports). These aspects are tackled by multiple regional initiatives and constitute an important part of the Action Plan negotiated between the EU Commission and the Mediterranean partner countries in the framework of the ENP.

All Mediterranean coastal territories are reception, transit and departure locations of important migratory flows, often illegal, which have serious social, cultural and economic impacts. Relevant communities arriving from Mediterranean partner countries and which reside in EU Mediterranean countries, often in a long-term perspective, represent a not insignificant opportunity for cultural exchanges and the transfer of competences among the territories. In addition, according to their peculiar demographic trends, local economies of EU Mediterranean countries increasingly need permanent or seasonal work forces and this could constitute an opportunity for cooperation with partner countries, which have a copious active population.

Though it is the territorial level that is most directly affected by these matters, because of their direct impact on local economies and societies, the role of local entities is nevertheless limited since these are issues where central governments play a decisive or even exclusive role<sup>36</sup>.

Therefore the participant countries have agreed this priority must be limited exclusively to those aspects, which have a direct impact on territories identifying the following **measures**.

***Priority 3/Measure 3.1 Support to people flows among territories as a means of cultural, social and economic enrichment***

Territories of the Mediterranean region are to be involved in the search for the most appropriate tools to face the impacts generated by the nature of an area with relevant migration, being in some cases a transit area.

Impacts of these flows are first of all of a social nature since they create a demand of sanitary services, education, housing, etc. They also have an influence on economy since welcoming territories usually need labour, also on a seasonal basis, in the productive sectors and in domestic and care activities.

Interventions to be submitted within this measure include cross-border activities such as, impact analysis, communication, information and awareness rising about migration (legal and illegal) aimed at different target groups (migrants according to their status and age, economic actors, institutions, communities, associations, etc.).

This measure will also include initiatives aimed at promoting exchanges of public and private good practices supporting social and economic integration of migrants (inclusion in the labour market, education, languages, dedicated services related to housing, social services and legal assistance, etc.).

Immigrants can also provide impetus for activities to develop and create/strengthen relations between their home communities and those where they live. This could be achieved by means of cultural and exchange initiatives, but also through a better use of migrants transfers, using these resources in initiatives of local development in their country of origin.

***Local actors – potential beneficiaries***

In addition to the local authorities, the actors that should be mobilised to carry out these activities are local authorities, immigrants associations formally constituted in the EU Mediterranean countries participating in the Programme, associations from the local communities, NGOs according to the existing national legislations, immigrants welcoming centres, social research centres, public and private services supporting immigrants integration, local development agencies and the competent national authorities.

***Priority 3/Measure 3.2 Improvement of conditions and modalities of circulation of goods and capitals among the territories***

The establishment of an integrated cooperation area requires dissemination, adoption and application of shared procedures and of mechanisms related to the circulation of goods and capital. They are areas where the role of governmental institutions is exclusive; nevertheless border territories have a specific interest in the implementation of agreements signed at the central level since this allows them to better profit from relationships of proximity with other geo-economic areas.

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<sup>36</sup> The definition phase of the Programme has underlined a specific position of certain counties regarding Priority 3 and its related measures. In particular, Tunisia and Egypt consider that these issues fall under the exclusive competence of the central administrations. As a consequence, the participation of actors coming from the eligible territories of these two countries to the projects related to Priority 3 is not envisaged.

The activities envisaged within this measure aim to increase efficiency of cross-border trade at basin level mainly through the improvement of connections and competitiveness of logistic structures and transports (support to the adoption of measures of approximation of procedures concerning the operators of transport, logistic and finance sector), and to improve technical and administrative operations of maritime transports using new information and communication technologies (ICT). An important aspect of the circulation of goods and services is the quality of products also considering its relevance for consumers' safety. This measure could thus promote exchanges of know how and practices related to methods to track the origin of products (mainly in the agro-food sector) and envisages the training of personnel in charge of controls.

All these actions should also be integrated with the realisation of joint information, education, and awareness raising campaigns on the circulation and movement of goods and capital addressed to the main public and private actors.

#### *Local actors – potential beneficiaries*

Considering the activities envisaged within this measure, the actors involved are the local authorities, the competent national authorities, those responsible for the management of ports and related operations (customs, logistics, health, etc.), as well as banking and financial institutions. Private economic operators, such as service users and providers, should also be involved, along with local communities.

### **Priority 4: Promotion of cultural dialogue and local governance**

Cooperation among communities is particularly effective to contribute to making the Mediterranean an area of peace, dialogue, stability, cohesion, and shared prosperity.

In fact the relations among the communities allow the sharing of the respective cultural and social dimensions and the overcoming of prejudices and discrimination often due to a lack of information. In addition, they favour the movement of persons that could contribute not only to individual enrichment but also to the introduction of innovating elements which have real and sustainable impacts on local systems in an economic, cultural and social dimension.

The field of intervention of this priority could be extremely large and it could cover different aspects. In view of the SWOT analysis, countries participating in the Programme decided to limit the action to those aspects related to target groups considered to be essential to favour sustainable cross-border cooperation and to indirectly support the realisation of the other priorities. To this end, the following **measures** were identified.

#### ***Priority 4/Measure 4.1 Support to mobility, exchanges, training and professionalism of young people***

Young people are an important component of the territories participating in the Programme, in terms of quantity and even more of quality. They constitute the main group concerning the dissemination and the consolidation of a real and continuous culture of dialogue and relationships among communities. In other words, they are one of the fundamental actors in the creation of an area of stable and flourishing exchange, dialogue and cooperation with a real and long standing perspective.

The activities included within this measure should contribute to enabling young people to continue the dynamic of change that the Programme aims to promote. In dealing with young people special attention will be paid to young women, who may often find it difficult to access education and, above all, the labour market.

Actions to be pursued should first of all facilitate the know-how and dialogue through exchange initiatives. Nevertheless, since unemployment problems concerning young people exist in the cooperation area, initiatives addressing them will not be limited to know how and dialogue, but will also include cross-border actions for the definition of joint paths aimed at improving training standards (qualification and vocational training responding to the demand of productive sectors), at promoting entrepreneurship and certification of skills and at encouraging the inclusion of young people in the euro Mediterranean labour market.

With regard to the development of vocational training activities, in order to avoid duplication of efforts, due attention should be given to the European Training Foundation<sup>37</sup> projects, in particular the MEDA ETE project when planning specific initiatives for young people. Actions supporting the mobility and exchanges of young people should consider, in order to foster complementarity and possible synergies, the “Youth in Action” programme (2007-2013), complementing the Euro-Med Youth programme. *Local actors – potential beneficiaries*

Key actors in this measure, along with the local authorities (and possibly their specialised services), are schools (students, teachers, educators, parent-teacher organisations, etc.), universities, training centres and local socio-cultural organisations, private economic operators and professional associations. The competent national authorities might also be involved, particularly to enhance co-ordination with orientation and national policies they have taken to support young people (from education and training to integration in the labour market).

***Priority 4/Measure 4.2: Support to the artistic creativity in all its expressions to encourage dialogue among communities***

Mediterranean countries have a consistent, unique cultural heritage characterising urban and rural landscapes as well as people living in it. This heritage is an important tool for dialogue but it is also an important economic plus, particularly for tourism purposes.

A heritage including remarkable cultural material resources (archaeological and architecture sights, paintings, sculptures, etc.) and immaterial resources (theatre, literature, music, etc.) belonging to different cultures and to different periods needs to be better known and enhanced. Nevertheless the same territories are still places of cultural production and need to use new technologies to allow the development of new forms of artistic expression.

Through this measure the Programme thus aims to promote cross-border initiatives able to support cultural and artistic common sectors in different expressions (artistic and industrial creation, fashion and design, architecture, literature, cinema and media, etc.) as a means of encouraging interactions among cultures based on dialogue among territories.

This dialogue will be reached through exchanges among artists and cultural operators, particularly young people, networking of institutions and cultural associations, joint organisation of events of different nature, and the dissemination of Mediterranean cultures towards its population and to the world beyond.

Actions should also aim to increase innovative development potentialities linked to an economy based on the enhancement of the cultural assets of the Mediterranean territories and to innovate and develop new technologies related to creativity.

*Local actors – potential beneficiaries*

The actors involved are local authorities, and competent national authorities, specialised public and private operators such as art academies and conservatories, museums and libraries, cultural associations, permanent organisations responsible for organising festivals, universities, journalists, communication operators including publishers, etc.

**Priority 4/Measure 4.3: Improvement of the governance processes at local level**

The consolidation of territorial institutions and organisations, following decentralisation and administrative reform processes, has high priority for improving the processes for planning local development strategies and ensuring them sustainability.

Managing local development requires the adoption of an inter-sector approach and an interaction of public and private actors who should, therefore, seek the most appropriate modalities of dialogue to ensure a broad participation in the dynamics to be implemented and/or to be strengthened.

The reference is to modalities that need to be adapted to each institutional and cultural context, but that can benefit from contacts with other realities which have experience in terms of governance at local level or which share the same problems in terms of the research of forms or effective balances of dialogue among the different actors involved in the process of local development contributing to enhancing the delivery of the public service involving representative civil society groups.

This measure includes cooperation and best practices exchanges activities supporting civil society, local communities and local institutions in the sector of administrative reform and good governance in accordance with national legislations.

Exchange of experiences and of good practices and dialogue at local level, as well as training and capacity building activities focused on different types of local actors (elected officials, public administrators, NGO's and non profit associations operators, representatives of professional associations and organisations, trade unions, etc.) will be complemented by specific activities (i.e. in the area of management of public services or of development/strengthening support services to companies associating public and private sectors). All this will help to give a most evident character to benefits that cross-border cooperation at Mediterranean Sea Basin level may bring to local development strategies.

*Local actors – potential beneficiaries*

The target actors for this measure are all types of territorial organisations - public and private - representing the different groups of citizens on a geographic and/or sectorial basis.

In addition to the indications provided above at priorities and measures level, during the programming process the countries participating in the Programme have given examples of possible actions to undertake, which are reported in annex A. These examples constitute an indicative and non-exhaustive list.

The Mediterranean Sea Basin Programme's strategy described above has been summed up in the following scheme where the priorities and measures adopted by the Programme's partners are indicated.



PRIORITIES	MEASURES
1. Promotion of socio-economic development and enhancement of territories	1.1 Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries
	1.2 Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries
	1.3 Strengthening the national strategies of territorial planning by integrating the different levels, and promotion of balanced and sustainable socio-economic development
2. Promotion of environmental sustainability at the basin level	2.1 Prevention and reduction of risk factors for the environment and enhancement of natural common heritage
	2.2 Promotion of renewable energies use and improvement of energy efficiency contributing to addressing, among other challenges, climate change
3. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals	3.1 Support to people flows among territories as a means of cultural, social and economic enrichment
	3.2 Improvement of conditions and modalities of circulation of goods and capitals among the territories
4. Promotion of cultural dialogue and local governance	4.1 Support to mobility, exchanges, training and professionalism of young people
	4.2 Support to the artistic creativity in all its expressions to encourage dialogue among communities
	4.3 Improvement of governance processes at local level

#### 1.4.4. Nature and features of the projects

In order to attain the above-mentioned objectives, the setting up of two different kinds of projects is envisaged:

- A.** Strategic projects, whose sectors are identified beforehand by the Joint Monitoring Committee in relation to the Programme measures and further detailed in the calls for proposals;
- B.** Standard projects, proposed by the local actors organised in Mediterranean cross-border partnerships, following the calls for proposals issued within the framework of the Programme.

The procedures for launching calls for proposals and for the selection and implementation of all types of projects carried out within the framework of this Programme will be detailed in Manuals of procedures to be drafted by the JMA with the support of the JTS according to the indications provided for in Chapter 3 (taking into account the ENPI regulations, the Implementing Rules of CBC Programmes within the ENPI framework and the PRAG<sup>38</sup>).

The actors eligible for funding under the Programme are identified by Article 14, paragraph 1, of the Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument, which is recalled by Article 23, paragraph 2 of the Commission Regulation (EC) No 951/2007 of 9 August 2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006. The Joint Monitoring Committee, through the calls for proposals, can focus on certain categories of eligible actors, according to the different priorities and measures concerned.

The private subjects are eligible to the Programme in compliance with the national rules and the Community rules on State aids; the conditions and modalities of their participation will be specified in the calls for proposals.<sup>39</sup>

##### **A. Strategic projects**

Strategic projects should take into account the opportunities, strengths and challenges which characterise the Mediterranean basin and they should respond to the needs of the territories involved in the Programme. Their implementation should have positive impacts overcoming the territorial limits and generate important effects within the framework of regional, national and basin development strategies.

The subjects of the strategic projects will be selected by the Joint Monitoring Committee according to the main challenges of the cooperation area in order to define work programmes regarding the whole Programme and avoiding fragmentation of the operations.

Considering the Programme covers an extensive area, diverse in terms of institutional, economic and social characteristics, strategic projects could be regarded to as:

- a) Horizontal strategic projects giving priority to a specific thematic approach considered of strategic value for the Mediterranean basin and involving the active participation of several territories and partners on the two shores of the Basin;

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<sup>38</sup> Practical Guide to contract procedures for EC external actions – EuropeAid

<sup>39</sup> The projects activities will be implemented according to national legislations.

- b) Geographically concentrated strategic projects: focusing on the identification of shared solutions to problems and common challenges in a limited number of territories (of different countries on the two shores) within the framework of a partnership composed of actors of a different nature. Geographical concentration makes it necessary to implement explanatory activities with a strong impact, and to address jointly identified needs and opportunities which have an added value for the whole Mediterranean basin.

The essential criteria distinguishing a strategic project are the following:

- it brings together the key actors of the public and private area bringing about a change, organised in cross-border partnerships on the main challenges of the Mediterranean basin;
- it contributes significantly to the implementation of the principles adopted by the Programme, namely to that related to the common benefits favouring the concept of co-development and of its purposes in relation to one or more of the specific objectives and priorities, by producing leverage effects which are qualitatively and quantitatively measurable;
- it leads to the enhancement of the endogenous resources of the territories at Mediterranean Sea Basin level, and it strengthens the degree of competitiveness of this area in the process of globalisation;
- it encourages the implementation of practical actions whose impact on the territories is objectively measurable and verifiable;
- it produces effects which facilitate the implementation of public policies in sectors of common interests;
- it contains elements of innovation and it facilitates the transfer;
- it is aimed at the sustainability (environmental, economic and institutional) of the implemented actions and of their material and immaterial results;
- it is consistent with and complementary to the strategies and local development plans of the territories involved;
- it enhances and benefits from studies already carried out or which are currently under way within the framework of other initiatives and programmes which deal with the same subject;
- it adopts exemplary procedures for identifying and implementing actions that may represent a model for the whole cooperation area, including the capitalisation and return of results to help local actors in the development of their project proposals;
- it uses mechanisms for negotiation among the various actors at central and local level (horizontal and vertical partnerships) by fostering an increased participation at local level;
- it adopts mechanisms that can guarantee the commitment of a multi-stakeholder partnership (public and private actors) in all phases of the project cycle including the phase of capitalisation and dissemination;
- It advances the strengthening of the capacities of public administration and of civil society institutions at sub-national level, namely with regard to needs analysis and planning in favour of a cross-border vision;
- it has a financial structure which facilitates the participation and commitment of a significant number of private-sector partners.

The **procedure for the identification and selection** of strategic projects, detailed in paragraph 3.1.2 will be organised in two stages:

- Mediterranean cross-border partnerships respond to calls for proposals submitting project ideas based on the terms of reference approved by the Joint Monitoring Committee; evaluation of submitted project dossiers and drafting of a list of valid proposals;
- Finalisation of accepted proposals and definitive selection of strategic projects.

The following specifications are adopted by the Programme for this type of projects:

Strategic projects		
Ceilings of the total budget for project	Minimum: 2.000.000 €	Maximum 5.000.000 €
Countries represented within the partnership proposing the project	Minimum number: 4	

The Joint Monitoring Committee may modify these budget thresholds according to the particular features inherent to certain issues to be addressed, remaining within the established range (that is to increase the minimum and to reduce the maximum thresholds).

Partnerships promoting a strategic project should include at least one EU Mediterranean country and a one Mediterranean partner country; in the projects' selection phase, an added value will be recognized to those projects promoted by balanced partnerships including more than one Mediterranean partner country. The partnership network should identify a Beneficiary (Lead Partner) responsible from a contractual point of view to the JMA.

## B. Standard projects

This type of projects aims to encourage the emergence of joint initiatives prepared by partnerships including public and private actors in the cooperation area, on the basis of calls for proposals launched by the Programme.

According to the Regulation laying down implementing rules for the cross-border cooperation programmes within the framework of the ENPI, these projects could be:

- Integrated: partners implement on their territory a part of the actions of the project.
- Symmetric: similar activities are implemented by the partners in parallel, from one side in the EU Mediterranean countries and from the other in Mediterranean partner countries.
- Simple: implemented mainly or only in EU Mediterranean countries or in Mediterranean partner countries, but for the benefits of the whole partnership.

When launching calls for proposals the Joint Monitoring Committee will decide on the type of project which is best suited to each priority and measure of the Programme.

The following specifications are adopted by the Programme for this type of project:

Standard projects		
Ceilings of the total budget for project	Minimum : 500.000 €	Maximum : 2.000.000 €
Countries represented within the partnership proposing the project	Minimum number: 3	

When launching calls for proposals, the Joint Monitoring Committee may modify these budget thresholds according to the various types of projects (simple, integrated and symmetric) and to the priorities to be addressed, remaining within the established range (that is to increase the minimum and to reduce the maximum thresholds).

In order to facilitate the participation of civil society and private sector to the Programme, for the priority 4 (*Promotion of cultural dialogue and local governance*), the minimum ceiling for project proposals will be reduced at 200.000 € for 50% of the total budget allocated to this priority.

Partnerships promoting a standard project should include at least one EU Mediterranean country and a one Mediterranean partner country; in the projects' selection phase, an added value will be recognized to projects promoted by balanced partnerships including more than one Mediterranean partner country. The partnership network should identify a Beneficiary (Lead Partner) responsible from a contractual point of view to the JMA.

#### **1.4.5. Technical assistance component**

Given the wide geographical dimension of the Programme and considering that it is the first experience of territorial cooperation among the eligible territories, the technical assistance activities are expected to play a crucial role in guaranteeing the quality and effectiveness of the Programme.

To this extent the Programme should carry out target information and preparation activities addressed to the potential beneficiaries to allow them to approach the opportunities offered by the Programme and to develop cross-border partnerships able to submit quality project proposals which will have a real impact on the eligible areas.

In order to capitalise the results of the Programme and of its projects from a technical, operational and partnership point of view, technical assistance should be oriented to ensure the systematisation and an effective dissemination of best practices among the partners, to the potential beneficiaries and to other interested institutional actors.

The technical assistance component of the Programme will guarantee the functions assigned to the different bodies (Joint Monitoring Committee, Projects' Selection Committee, Joint Managing Authority, Joint Technical Secretariat and decentralised managing structures) in order to guarantee an efficient and effective implementation of the Programme and of its projects, ensuring their monitoring. With relation to the Joint Monitoring Committee and the Projects' Selection Committee, travel costs of representatives from participating countries will be covered. The technical assistance component will also cover the activities that the JMA is contractually obliged to carry out for the audit of the Programme, with the support of external structures.

The Programme's technical assistance activities, especially in the case of information and awareness raising activities and support to those actors proposing and implementing projects, will be planned in coordination with the National Contact Points.

Moreover, these activities will be coordinated and integrated with those provided within the framework of the "Regional Capacity Building Initiative II" project (RCBI II). The latter will be implemented by the European Commission for a period of 36 months starting from January 2007. The overall objective of this project is to assist Mediterranean Partner Countries in the phase of finalization of cross-border cooperation programmes

within ENPI and conclusion of Financing Agreements, as well as to strengthen their capacity for preparing and implementing projects within the framework of these programmes.

## 1.5. Environmental impact

The Strategic Environmental Assessment (SEA) under the Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (SEA Directive) was carried out by *LDK Consultants Engineers and Planners S.A.* on request of the European Commission.

For conducting the SEA procedure, each country participating in the Programme nominated a national environmental contact person who acted as a link for further consultation in the respective country. The draft Environmental Report was prepared by the evaluator and was subject in each country to a public consultation period open to interested public and private actors

The comments formulated by stakeholders within the consultation process were taken into account when drafting the final version of the Operational Programme.

The main results of the SEA are summarised below.

The nature of the actions foreseen to materialize through the Mediterranean Sea Basin Programme is mainly of a strategic or pilot project level, without “hard” actions such as development of new infrastructure. Therefore, the Programme’s implementation is not expected to cause per se significant adverse effects on the environment. The whole Programme is based on the Sustainable Development principles. Thus, each one of the measures takes into consideration the environmental dimension, being one of the main dimensions of the sustainable development. As a consequence, the Programme is expected to have an overall positive impact on the Mediterranean environment.

However, it has to be remembered that because the level of specialisation of the actions of the Programme does not allow for detailed assessment to be made and because some actions could be implemented only in some of the countries involved, the overall impact on Mediterranean Basin level cannot be precisely assessed.

**Priority 1** focuses on the economic promotion of the eligible territories and all measures of this priority have a strong positive effect on the economy. However, they also have an indirect positive effect on the environment. Through Measure 1.1, the support of environmental innovation and research on fresh water, marine environment, air quality and sustainable energy sources, could have a positive environmental effect. The research and innovation activities are going to be focused primarily on marine sciences (marine and coastal ecosystems), therefore the effects on water are expected to be positive of medium magnitude and of a cumulative nature. The same applies for the air and climatic factors, as the measure will mainly focus on the development of alternative energy sources (solar, photovoltaic, wind, etc.) and the promotion of energy efficiency in production activities and the public affairs, resulting to the promotion of green energy, the production of less air pollution and less greenhouse gases. Also, Measure 1.3 is expected to have positive effects on the environment, as the measure is related to the promotion of the strategies of territorial development, where best practices are introduced, holding back the negative consequences of

unsustainable territorial development. On the other hand, Measure 1.2 may have some negative environmental effects, if the promotion of the transnational cooperation actions is not planned in an environmental friendly manner (promotion of aquaculture or unsustainable fishing, development of intensive agriculture and of productive sectors without proper pollution abatement measures).

All Measures of **Priority 2** have a strong positive environmental effect, since their primary objective is to deal with environmental challenges and to contribute to the protection of the environment, as well as to promote renewable energies and energy efficiency.

**Priority 3** aims at the promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals, and therefore its environmental impact is indirect or none. It should however be considered that certain activities related to people flows, for instance housing building, could deteriorate the landscape if not carried out following appropriate planning.

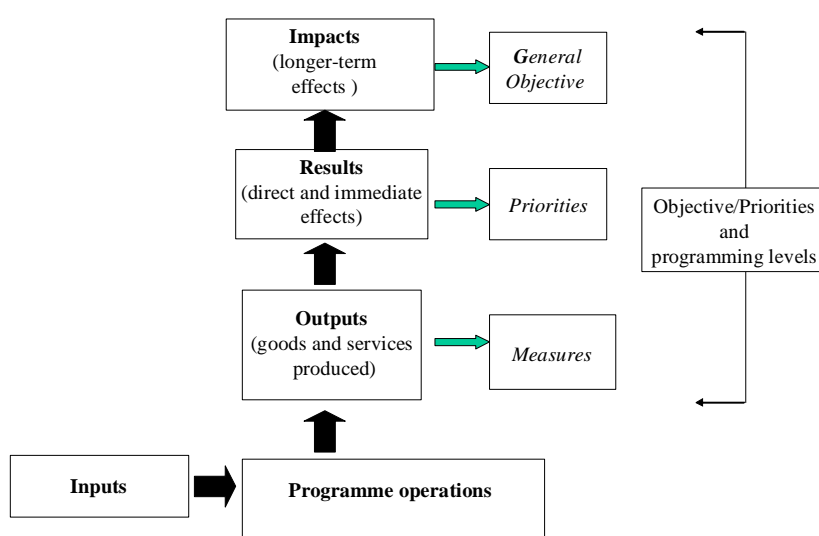
Finally, **Priority 4** on the development of cultural dialogue and local governance will have indirect positive effects on the environment, by building human capacity, knowledge and awareness on environmental matters (Measure 4.1 and 4.2). Furthermore, Measure 4.3 supports the exchange of good practices and experiences among local administrations in the field of environmental legislations and policies. Also the improvement of local governance supports the effective implementation of national environmental policy.

## 1.6. Indicators

The structure of the Programme, defined according to the planned strategy, identifies a general objective, priorities and measures that have to be linked to different types of indicators in order to develop the activities for the monitoring and evaluation of the Programme itself.

The following tables show the correspondence between - on the one hand - general objective, priorities and measures and - on the other hand - respective indicators according to the logical framework illustrated in Figure 1<sup>40</sup>.

**Fig. 1 – Logical Framework**



The following tables illustrate the indicators selected for the monitoring and the evaluation of the Programme, which have been identified on the basis of their pertinence and measurability. These indicators have been quantified taking into account the allocation of resources by priority as defined in the financial plan of the Programme (see par. 1.7). This quantification could be upgraded during the implementation of the Programme.

The result indicators, stemming from the aggregation of the output indicators, can be distinguished in terms of:

- common strategies, initiatives, instruments and standards developed within the framework of cross-border cooperation projects at the Mediterranean Basin level;
- permanent networks and partnerships, established or strengthened, among different actors coming from various countries of the Mediterranean Basin.

<sup>40</sup> The logical framework - European Commission Working Paper n.2 – August 2006 - Indicative guidelines on evaluation methods: monitoring and evaluation indicators.



**A - Impact indicators of the Programme**

<i>General objective</i>	<i>Impact indicators</i>	<i>Target</i>
To contribute to promoting the sustainable and harmonious cooperation process of the Mediterranean Basin by dealing with the common challenges and enhancing its endogenous potential	- Quantitative and qualitative improvement of connections (goods, people)	10%
	- Environmental surface protected through the Programme	5%
	- Number of stable partnerships	35
	- Number of cross-border projects realised	250

**B – Output and result indicators related to each Priority****Priority 1: Promotion of socio-economic development and enhancement of territories**

<i>Measures</i>	<i>Output indicators</i>	<i>Target values</i>	<i>Result Indicators</i>	<i>Target values</i>
<b>1.1</b> Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries	n. of joint projects in the field of applied research and technological development	10	n. of permanent cross-border networks between actors and organisms involved in research activities	10
	n. of participating partners for applied research and technological development	40		
	n. of structures concerned in the applied research and technological development	50		
<b>1.2</b> Strengthening economic clusters creating synergies among potentials of Mediterranean Sea Basin countries	n. of projects	20	n. of common approaches/initiatives, innovation tools/systems and new technologies adopted	6
	n. of SME's involved in exchange of experiences and technologies transfer	80		
<b>1.3</b> Strengthening the national strategies of territorial planning by integrating the different levels, and promotion of balanced and sustainable socio-economic development	n. of seminars and formative initiatives and n. of participating partners	20 80	n. of stable cooperation between enterprises of the different countries/partners involved	5
	n. of projects for optimised management of traffics and transport networks and n. of participating partners	20 80		
	n. of enterprises/organisms interested in projects for strengthening transport infrastructures	40	Increase of the SMEs participation to projects and initiatives of cross-border dimension	10%
	Creation of networks between Mediterranean medium - size town	5		

**Priority 2: Promotion of environmental sustainability at the basin level**

<i>Measures</i>	<i>Output indicators</i>	<i>Target values</i>	<i>Result Indicators</i>	<i>Target values</i>
<b>2.1</b> Prevention and reduction of risk factors for the environment and enhancement of natural common heritage	n. of projects for environmental preservation and n. of participating partners	10 40	n. of common approaches/initiatives, innovative processes and new technologies adopted to reduce the levels of pollution and to improve sustainable management of energetic resources	10
	n. of consultancies provided on spatial and environmental certification	20	n. of approaches/initiatives to improve local structures' competencies concerning the enhancement of the common natural heritage	8
	n. of enterprises/organisms interested in projects for territorial management and preservation	50		
	n. of projects to prevent natural disasters and to strengthen civil protection and n. of participating partners	5 20		
<b>2.2</b> Promotion of renewable energy use and improvement of energy efficiency contributing to addressing, among other challenges, climate change	n. of projects for the efficient energy management and n. of participating partners	10 40	n. of permanent networks and n. of agreements established or strengthened to promote energy efficiency as well as renewable energy sources	5
	n. of enterprises/organisms interested in projects for the efficient energy management as well as for the promotion of renewable energy sources	50		

**Priority 3: Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals**

<i>Measures</i>	<i>Output indicators</i>	<i>Target values</i>	<i>Result Indicators</i>	<i>Target values</i>
<b>3.1</b> Support to people flows among territories as a means of cultural, social and economic enrichment	n. of initiatives to study immigration and its impacts and n. of participating partners.	10 40	n. of common approaches/initiatives to improve services and initiatives offered in favour of the economic and social integration of migrants	10
	n. of websites and portals serving authorities responsible for the functioning of borders	20		
<b>3.2</b> Improvement of conditions and modalities of circulation of goods and capitals among the territories	n. of initiatives to study and control movements of goods and capitals and n. of participating partners.	10 40	n. of stable networks and n. of agreements to improve mechanisms and procedures ensuring the efficiency and quality of the exchanges of goods, services and capitals	5

**Priority 4: Promotion of cultural dialogue and local governance**

<i>Measures</i>	<i>Output indicators</i>	<i>Target values</i>	<i>Result Indicators</i>	<i>Target values</i>
<b>4.1</b> Support to mobility, exchanges, training and professionalism of young people	n. of studies, plans and interventions for enhancing the dialogue among different cultural realities and experiences.	15	n. of common approaches/initiatives to create networks promoting cultural dialogue and exchanges	15
	n. of cultural exchanges projects activated and n. of participating partners	15 60		
	n. of seminars to promote dialogue among cultures	10		
<b>4.2</b> Support to the artistic creativity in all its expressions to encourage dialogue among communities	n. of cultural exchanges projects activated between young artists	50		
	n. of projects to organize events for the diffusion of knowledge and n. of participating partners	20 80		
<b>4.3</b> Improvement of governance processes at local level	n. of consultancies developed for local structures empowerment projects and n. of participating partners	5 20	n. of stable networks and n. of agreements to improve the quality of the services in the field of education/training and local governance	10
	n. of projects for training of local officers and n. of participating partners	6 20		

## 1.7. Indicative financial plan

The European Union's overall contribution and the co-financing for the Programme by participating countries represent a unique amount without any pre-allocation by eligible territory or country.

Co-financing by participating countries amounts to 10 % of the European Union's contribution to the Programme except the Technical assistance component. The co-financing is for the overall programme, but, in order to simplify its implementation, a uniform rate of co-financing (10%) is requested for each approved project. Co-financing by participating countries is determined by the effective capacity of the Programme's potential beneficiaries in the eligible territories to propose or to participate in the implementation of projects, to which they are asked to contribute with a minimum of 10% of co-financing. Nevertheless, considering that co-financing is a means to prove the real *ownership* of the projects by the partnership, the Joint Monitoring Committee – as regards the project selection criteria, particularly for strategic projects - might decide to demand a contribution in excess of 10% or to assign to the co-financing rate a specific weight in the project proposals' evaluation grid.

Co-financing may come from the local, regional, and national levels, and from the public or private sectors. At project level, contributions in kind are not eligible while personnel expenditures are not considered to be contributions "in kind" and may therefore be considered as co-financing: they must always be justified, according to the procedures adopted by the Programme.

The types of eligible expenditures are indicated in the manual of procedures of the Programme, according to EU regulations applicable to cross-border cooperation programmes within the ENPI.

As far as the four priorities are concerned, a draft budget distribution is provided in the table below considering their breakdown by measures and the type of activities envisaged:

Budget distribution (in €)						
	EU		Co-financing		Total Programme	
<b>Total Programme</b>	<b>173.607.324</b>	<b>100,00%</b>	<b>15.624.659</b>	<b>100,00%</b>	<b>189.231.983</b>	<b>100,00%</b>
Technical Assistance	17.360.732	10,00%	-	0,00%	17.360.732	9,17%
Projects	156.246.592	90,00%	15.624.659	10,00%	171.871.251	90,90%

Projects budget allocation per priority						
<b>Total</b>	<b>156.246.592</b>		<b>15.624.659</b>		<b>171.871.251</b>	
<i>Priority 1</i>	62.498.637	<b>40,00%</b>	6.249.864	<b>40,00%</b>	68.748.500	<b>40,00%</b>
<i>Priority 2</i>	46.873.977	<b>30,00%</b>	4.687.398	<b>30,00%</b>	51.561.375	<b>30,00%</b>
<i>Priority 3</i>	15.624.659	<b>10,00%</b>	1.562.466	<b>10,00%</b>	17.187.125	<b>10,00%</b>
<i>Priority 4</i>	31.249.318	<b>20,00%</b>	3.124.932	<b>20,00%</b>	34.374.250	<b>20,00%</b>

In order to produce an effective and sustainable impact on the territories and according to the principle of concentration, 40% of the Programme's resources (except the technical assistance) will be allocated to

strategic projects: however this has to be considered an indicative percentage, as an objective to achieve all along the implementation of the Programme.

The European Union's overall financial contribution to the Programme is distributed between two sections; the first covering the period 2007-2010 and the second for the period 2011-2013. Taking into account the distribution by priorities and the amounts allocated to the technical assistance - indicated in the previous table - the overall contribution of the European Union is allocated as shown below:

**EU financial allocation to the Programme (in €)**

	<b>2007 – 2010</b>		<b>2011 - 2013</b>		<b>Total 2007 - 2013</b>	
<b>Total Programme</b>	<b>90.536.219,47</b>	<b>52,15%</b>	<b>83.071.104,53</b>	<b>47,85%</b>	<b>173.607.324,00</b>	<b>100,00%</b>
Technical Assistance	9.053.621,95	10,00%	8.307.110,45	10,00%	17.360.732,40	10,00%
Projects	81.482.597,52		74.763.994,08		156.246.591,60	

**Projects budget allocation per priority**

<i>Priority 1</i>	32.593.039,01	40,00%	29.905.597,63	40,00%	62.498.636,64	40,00%
<i>Priority 2</i>	24.444.779,26	30,00%	22.429.198,22	30,00%	46.873.977,48	30,00%
<i>Priority 3</i>	8.148.259,75	10,00%	7.476.399,41	10,00%	15.624.659,16	10,00%
<i>Priority 4</i>	16.296.519,50	20,00%	14.952.798,82	20,00%	31.249.318,32	20,00%

A financial table including annual commitments and payments set for each priority of the Programme and for its technical assistance component is included in annex B. Concerning the initial allocation of resources by priority, a degree of flexibility of 20% is admitted, as stated by article 7(1) of the Implementing Rules (Commission regulation (EC) N. 951/2007).

The details on the budget allocated to the technical assistance component are provided by annex C.

## 2. JOINT STRUCTURES AND DESIGNATION OF THE COMPETENT AUTHORITIES

According to the Implementing Rules (Commission Regulation (EC) N. 951/2007) of the cross-border cooperation within the ENPI, the joint structures for management and administration of the Mediterranean Sea Basin Programme consist of:

- A Joint Monitoring Committee (JMC)
- Project Selection Committees (one for each call for proposals) (PSC)
- A Joint Managing Authority (JMA)
- A Joint Technical Secretariat (JTS)

Taking into account the nature of the Programme as well as its wide geographic range of action, two branch offices (located respectively in Valencia and Aqaba) will be set up.

During the transitional period, Mediterranean partner countries that are still waiting to sign the “Financing Agreement” can take part in the managing structures. The Technical Assistance component can be used to prepare the launching of the Programme. The JMA will countersign the “Financing Agreements”.

The following provisions are in compliance with the rules applicable to the Joint Operational Programme, namely: the ENPI Regulation, the Implementing Rules and the “Practical Guide to contract procedures for EC external actions” (PRAG), and they will be better detailed through the procedural manuals of the Programme.

According to Article 5 of the Implementing Rules, properly qualified staff fully dedicated to the Programme will be recruited by the JMA, the JTS and the two branch offices, in a sufficient number to ensure good management of the Programme commensurate with the volume, content and complexity of the operations planned under the Programme. A detailed description of the staff dedicated to the Programme can be found in Annex E.

### 2.1. Joint Monitoring Committee (JMC)

#### 2.1.1. Composition

The JMC will include:

- A delegation for each country participating in the Programme.
- The Director of the JMA without voting right.
- A representative of the European Commission, as an observer and without any decision-making power.
- A representative for each decentralised managing structure, without voting right, with advisory status.

The composition of the national delegations will be defined according to the procedural rules of the Joint Monitoring Committee. Each delegation will have a maximum of 5 members.

Members of the Committee will be appointed by the countries participating in the Programme within one month from the notification of the Decision of the European Commission approving the Programme.

Chairmanship of the JMC, without voting right and with an arbitrator's role, will be held by the JMA Director, appointed by the Autonomous Region of Sardinia.

The personnel of the Joint Technical Secretariat will ensure secretarial tasks and organisation of the logistic aspects of the meetings.

### **2.1.2. Functioning**

The minimum quorum for meetings is set at 50% plus one of the countries having adhered to the Programme, among which at least 4 should be Mediterranean partner countries and at least 4 should be EU Mediterranean countries.<sup>41</sup> In the event of a presence below the minimum quorum there will be a re-calling procedure.

At its first valid meeting, the JMC will adopt its procedural rules unanimously.

The JMC will take its decisions by consensus. However, a voting procedure may be adopted when taking decisions on the selection of projects and on annual budgets, according to the procedural rules of the JMC. The decisions taken by vote will be adopted by a qualified majority ensuring a minimum number of EUMC and MPC. This majority will be defined in JMC procedural rules.

Each country will have a single vote and it will define how to assign it within its representatives in accordance with its own criteria or legislation.

The JMC is convened by its chairman, either at the request of the JMA, or by the duly justified request from one of its appointed members or from the Commission. According to Art. 12.4 of the Implementing Rules, the JMC shall meet as often as necessary and at least once a year.

The JMA, assisted by the JTS, provides for the secretariat and organisation of the meetings of the JMC. Minutes is drawn up after each meeting and sent to all Committee members for validation.

The JMC could use a written decision procedure with tacit agreement in the event of short delays.

### **2.1.3. Responsibilities**

The JMC is the decision-making body of the Programme, while the JMA has an executive function. The JMC monitors the strategy and the effective implementation of the Programme.

In particular, the JMC takes the following decisions regarding the Programme:

- It examines and approves the JMA working Programme, including the setting up of the JTS
- It examines and approves, at least once a year, the operational and financial reports submitted by the JMA, before they are sent to the European Commission
- It periodically assesses the progress made in the achievement of the Programme's objectives and the results of its implementation
- It examines and acknowledges the mid-term evaluation report carried out by the European Commission

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<sup>41</sup> The indicated composition of the minimum quorum is based on the number of countries participating in the programming phase as listed in par. 1.1. The JMC procedural rules may provide a different composition.



- It examines and approves any possible proposal concerning changes to the Programme, before sending the request to the Commission
- It sets out the selection criteria of the members of the PSC and of the PSC supporting assessors
- It appoints the members of the PSC according to the procedure described below
- It examines and approves the calls for tenders and the calls for proposals prepared by the JMA and their amount, it sets out the project selection criteria and approves the evaluation grid to be used by PSC experts
- It examines and approves the projects selected in each call for proposals and the amount granted.
- It examines and approves the addenda to the contracts between the JMA and the Beneficiaries of the projects (Lead Partners) regarding any major changes requested
- It decides on the amount and allocation of funds and resources for technical assistance, including human resources
- It examines and approves the detailed information and communication plan drafted by the JMA.

## 2.2. Project Selection Committee (PSC)<sup>42</sup>

The PSC of each call for proposals is composed of:

- one President representing the JMA, without voting right
- one Secretary, member of JMA, without voting right, with the support of JTS
- seven voting members appointed by the JMC.

A representative of the European Commission with an observer status and without any decision-making power can participate to the meetings of the PSC.

Voting members should represent 7 States participating in the Programme. Each state should indicate its representative within the PSC. Voting members should have sufficient technical and administrative capacities to give a motivated opinion on the proposals.

The JMC will define the rotation mechanism of the voting members of PSC in the different calls for proposals using the list of persons indicated by the countries participating in the Programme, respecting a balance between EU Mediterranean Countries and Mediterranean Partner Countries and assuring an equitable participation of all countries in the committees.

The PSC will work with the support of a team of assessors for the evaluation of projects. With regard to this, the JMA will issue an international call for expression of interest in order to gather a pool of experts, in particular from countries participating in the Programme. These assessors will be selected by the JMA following the criteria defined by the JMC and their number will be defined on the basis of the proposals received. The list of assessors selected will be presented by the JMA to the JMC for the appointment. They must be independent and they can not participate either in the technical assistance to the Programme nor in the projects.

These assessors will use the selection criteria and the evaluation grid approved by the JMC and they will work under the supervision of the PSC President. They must have an in-depth knowledge of the areas which

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<sup>42</sup> According to 6.4.7 of the Practical Guide to contract procedures for EC external actions (PRAG).

are the subject of the call for proposals. Their expertise must be confirmed by their CVs, usually with a minimum of five years specific experience.

With the administrative and logistical support of the JMA and the JTS, and in accordance with procedures defined in the PRAG, the assessors will evaluate the projects to be approved for each call for proposals. The assessors will only evaluate those projects respecting all the eligibility criteria set out in the call for proposals; the analysis of eligibility will be carried out by the JMA – with the support of the JTS – in a previous phase.

Each proposal should be analysed by at least two assessors working independently.

The members of the PSC will approve the results of this evaluation, following the procedures defined in the PRAG. Projects will be classified according to the criteria and the evaluation grid approved by the JMC.

The PSC will present to the JMC an "Evaluation Report" (model in the PRAG), including a list of all the projects submitted classified in accordance with the scores obtained in the evaluation grid and an indication of the minimum approval threshold.

## **2.3. Joint Managing Authority (JMA)**

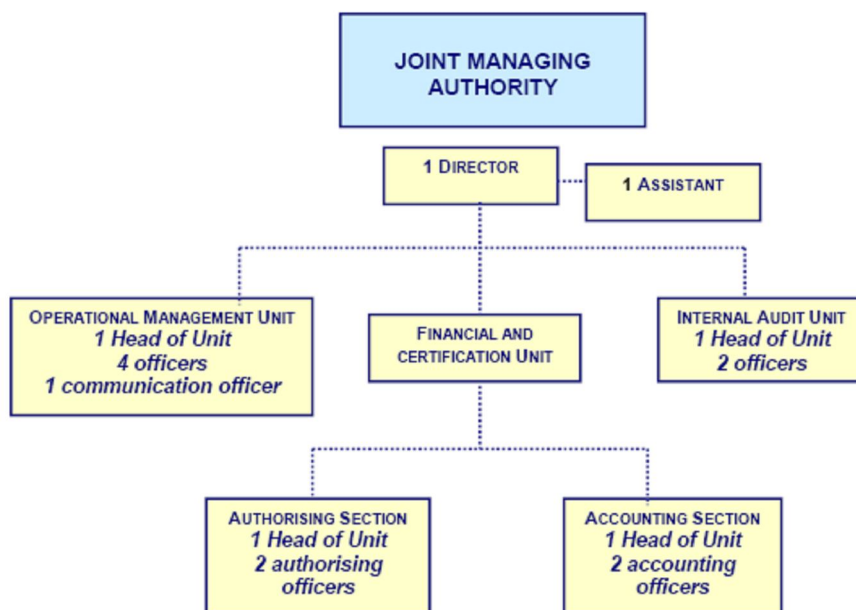
By unanimous agreement of the countries participating in the Programme, the JMA is the Autonomous Region of Sardinia (Italy), which will have its operational base in Cagliari (Italy) within the Presidency of the Sardinia Region. The JMA will set up a Joint Technical Secretariat (JTS) which will assist the JMA in the day-to-day management of the Programme. The JTS will report directly to the JMA.

### **2.3.1. Organisation and functions**

Under the responsibility of a Director, within the JMA the functions of operational management and those of financial management and certification are organised in a totally separate manner and assigned to different units.

The JMA will also have a completely independent internal audit unit.

Staff of JMA, composed indicatively of 17 people (see JMA organisational chart below), will be made up of employees of the Autonomous Region of Sardinia and qualified external experts. The cost of the JMA staff will be covered by the resources of the Technical Assistance and of the Sardinia Region (see table in Annex E).



As executive body of the Programme, the JMA is responsible for its management and implementation, in accordance with the principles of sound technical and financial management. To this end, it will establish appropriate systems and standards of management, control and accounting of the Programme. It is also responsible for ensuring the legality and regularity of its operations, as well as its quality and effectiveness.

The **operational management unit** will be responsible for the following activities:

- Supporting the JMC and the PSC for the secretariat function and for the organisation of meetings, with the assistance of the JTS.
- Launching and management of calls for tenders and calls for proposals approved by the JMC, including the selection of assessors supporting the PSC.
- Receiving project applications, organising, chairing and acting as secretariat for the PSC, and sending reports including PSC recommendations to the JMC and the Commission.
- Verifying, with the support of the JTS, the compliance of the project proposals with the eligibility criteria set out and approved by the JMC. The report on the administrative verification of the project proposals will be approved by the PSC.
- Ensuring the compliance of projects selection procedure with regulations and provisions in force applicable to the Programme, and in particular as indicated in paragraph 3.1.1, point 11, and in paragraph 3.1.2, point 13.
- Integrating in the project proposals the minor corrections and clarifications requested by PSC to the Beneficiaries of the selected projects (Lead Partners) before the signature of the contract.
- Preparing and signing contracts with the Beneficiaries (Lead Partners) - following paragraph 3.1.1, points 11 and 12, and paragraph 3.1.2, point 14 - and with the contractors, with previous verification by the financial and certification unit.
- Managing, with the support of the JTS, the services ensuring functions related to the monitoring system of the Programme and projects, to the translation and interpreting, etc.

- Periodic drafting of operational reports of the Programme to be submitted to the JMC and the Commission.
- Negotiating major changes requested by projects Beneficiaries (Lead Partners) regarding the objectives, the partnership, the working programme and the date of finalisation of the projects activities.
- Conducting Programme communication activities, by providing and implementing a detailed information and communication plan of the Programme.
- Negotiating and signing contracts of external expertise for the Programme.
- Ensuring coordination with the RCBI II project and with any possible future EC project of technical assistance to the ENPI CBC programmes for the realisation of information and training activities addressed to Mediterranean Partner Countries.

The **financial and certification unit** will be responsible for the following activities:

- Preparing detailed annual budgets of the Programme to be presented to the JMC for approval, and keeping the accountancy of the JMA.
- Preparing requests for payment to be presented to the Commission.
- Paying grants initial pre-financing to Beneficiaries (Lead Partners) after signing contracts.
- Paying grants further pre-financing and grants balance to Beneficiaries (Lead Partners) after receiving their requests for payment checked by the JTS.
- Commissioning of annual ex-post external audits per project sample. This audit will also include the verification of the respect of EU rules on information and visibility.
- Commissioning of an annual ex-post external verification of the revenue and expenditure presented by the JMA in its annual financial report (according to Article 31 of the Implementing Rules), covering all the JMA financial transactions.
- Preparing recovery orders for any unjustified or ineligible expenditure and for the reimbursement to the Commission of its share or amounts recovered, in proportion to its contribution to the Programme. If the JMA is unable to recover the debt within one year of the issuing of the recovery order, it will refer the case to the country in which the Beneficiary (Lead Partner), contractor or partner is established - for EU member States - or to the European Commission - for Mediterranean Partner Countries (Article 27 of the Implementing Rules).
- Drawing up the financial reports of the Programme.
- Negotiating major changes requested by project Beneficiaries (Lead Partners) in relation to the budget.

The **internal audit unit** will each year implement a control programme to check the internal circuits and ensure that procedures have been correctly applied within the Joint Managing Authority. It will draw up an annual report to be sent to the European Commission and to the JMC.

## 2.4. Joint Technical Secretariat (JTS)

This public body, established with the approval of the JMC, provides technical and administrative assistance to the JMA in day-to-day management of the Programme. The JTS will be based in Cagliari (Italy) and operated by the Autonomous Region of Sardinia.

### 2.4.1. Functions

The JTS will assist the JMA in the following functions:

#### Programme management

- Support the JMA in the secretariat and logistic functions of the work of the Joint Monitoring Committee and the Project Selection Committees, through preparation and submission of documents, drafting of minutes and implementation of JMC decisions;
- Support to the JMA in drafting activity reports to be submitted to the Joint Monitoring Committee and to the European Commission according to the timing provided by the Programme. These reports will be based on a database to be set up and updated, including Programme and projects indicators;
- Support to the JMA in the management of services ensuring functions related to the monitoring system of the Programme and projects, to the translation and interpreting, etc.;
- Support to the JMA in the implementation of the Programme information and communication plan to be addressed to different target groups identified within the Programme's eligible territories, in their respective countries, as well as in other macro regions, particularly in countries interested in European Neighbourhood and Pre-accession policies.

#### Project cycle (development and implementation)

- Preparation and provision to potential beneficiaries of manuals and forms in the different languages adopted by the Programme<sup>43</sup> to present project proposals;
- Preparation of calls for proposals and organisation of their dissemination among the trans-national community of potential beneficiaries;
- Promotion activities to ensure the Programme visibility for potential beneficiaries in eligible territories, in particular on the content of calls for proposals, deadlines and procedures;
- Support to the JMA in verifying the compliance of project proposals with the eligibility criteria approved by the JMC, and in preparing forms for the PSC to be used for the evaluation of projects according to the selection criteria established by the JMC and compliant with the PRAG;
- Support to the JMA in preparation of contracts to be signed with the Project Beneficiaries (Lead Partners);
- Preparation, in compliance with the PRAG, of manuals for technical and financial management of projects, including standard forms (forms for agreements between project partners, terms of reference for external auditors, reporting forms, etc.), in the different languages adopted by the Programme;
- Verification of requests for payment submitted by projects Beneficiaries (Lead Partners) before their transmission to the JMA financial and certification unit;

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<sup>43</sup> See Paragraph 3.5 "Use of languages".

- Verification of technical and administrative reports submitted by projects Beneficiaries (Lead Partners);
- Assistance to beneficiaries, as regards their needs and the possible changes to projects.

### 2.4.2. Organisation

To carry out the tasks required, the JTS will have a permanent structure organised in three sections that will be supervised by the Coordinator, assisted by an organisational secretariat. These sections are listed below:

- **Section providing assistance to projects' applicants.** This section will be organised to play a proactive role vis-à-vis Programme beneficiaries, and not simply an information role. This approach aims to promote beneficiaries' participation and to favour the development of initiatives that reflect the Programme objectives, the features of different regional contexts, and the terms of reference of each call for proposals launched within the Programme. This section of the JTS will also be charged of supporting the JMA in all its activities related to launching calls for proposals, selection procedures and follow-up of the technical implementation of approved projects.
- **Section for communication, information and visibility** This section will assist the JMA in the implementation of the information and communication plan. It will also coordinate, with the assistance of the other sections, the preparation of activity reports, and their translation into Programme working languages. It will also carry out logistic functions (including interpretation and translation services).
- **Financial section.** This section will be responsible for offering support to beneficiaries regarding all aspects of projects financial management as well as for processing technical and administrative data of the projects. It will carry out the formal verification of the requests of payments presented by Project Beneficiaries (Lead Partners), before they are sent to the JMA financial and certification unit.

To carry out its tasks, the JTS will act in close coordination with the RCBI II technical assistance of the European Commission, following procedures to be jointly defined once the Programme will start.

### 2.4.3. Staff and recruiting procedures

Considering its tasks and its organisation in functional sections, the JTS will be composed of a permanent international staff of indicatively 7 people (see the JTS organisational chart below), supported by external experts according to the needs. The cost of the JTS staff will be entirely covered by the resources of the Technical Assistance (see table in Annex E).

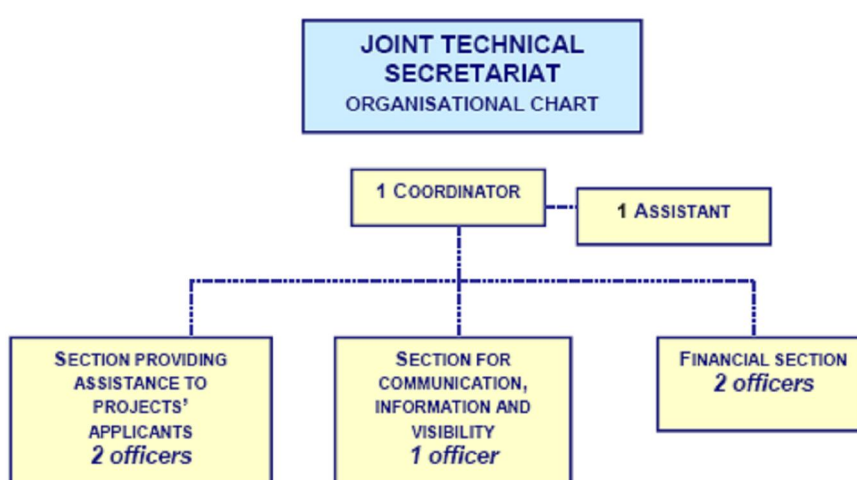
The structure will be gradually set up on the basis of the progress and the workload throughout the Programme implementation.

To ensure transparency and to guarantee a balanced representation of participating countries, respecting equality and non-discrimination principles, the JTS staff to be recruited will be selected by the JMA through an international open procedure.

The evaluation of candidates' professional skills will be based on:

- Their previous experiences in management of complex programmes;

- Their knowledge of procedures adopted by the European Commission for the management of Structural Funds and/or external aid programmes;
- Their knowledge of institutional, economic and socio-cultural context of the countries participating in the Programme;
- Their excellent knowledge of the languages adopted by the Programme (English and French). In the event of equivalent CVs, priority will be assigned to those candidates showing skills in Arabic;
- Their availability to move, whether residents in a country different from that in which the JTS will be located;
- Their attitude to work in team and in multicultural contexts.



## 2.5. Branch offices

In view of the Programme's complexity and wide geographical range of action, its implementation will be guaranteed also through branch offices- the Antennas - in order to ensure closer proximity to the potential beneficiaries and the main actors involved at local and national level, and to favour their participation in the Programme.

The Antennas will have the following tasks:

- Providing support to the JMA and the JTS in the implementation of information, communication and promotion activities addressed to the Programme's eligible actors at local level, in order to inform them of the opportunities offered, and to the general public, to illustrate the results and impact of the Programme itself.
- Contributing to the organisation of the initiatives planned by the Programme's central structures, in order to favour the establishment and development of partnerships among actors from the eligible territories, and the training of potential beneficiaries on procedures to be observed in drafting and implementing projects.
- Assisting the JMA and the JTS in the evaluation and capitalisation of the Programme's results, as well as in their restitution to local and national level.

In consideration of the tasks to be carried out, the Programme will dispose of two Antennas with a geographical character, covering a specific group of contiguous countries, in order to strengthen the cross-border nature of the Programme:

- one Antenna for the Western Mediterranean<sup>44</sup> located in Valencia (Spain) that will also act as Liaison Office with the *Mediterranean* Programme financed by the Structural Funds (European Territorial Cooperation objective). This Antenna will be operated by the Regional Vice-Ministry of External and European Affairs within the Autonomous Region of Valencia (Generalitat de la Comunitat Valenciana).
- one Antenna for the Eastern Mediterranean<sup>45</sup> located in Aqaba (Jordan) and operated by the Aqaba Special Economic Zone Authority.

The Antennas will carry out all their activities in close coordination with the JMA and the JTS, on which they will be functionally dependent and to which they will need to report. The procedures for communication between JMA, JTS and Antennas will be detailed in a manual of procedures specifying their functioning. This manual will have to be approved by the JMC.

Every year, on the basis of a proposal made by the JMA and considering the general needs of the Programme, a working plan will be defined, together with the respective budget, which will be the base of the activities to be carried out by the Antennas. This plan will also contain the operational modalities for the coordination with the RCBI II project and any possible future EC project of technical assistance to the ENPI CBC programmes, according to the arrangements established by the JMA.

The Antennas will work together and will define jointly their working plan.

In view of the financial resources available for the Programme's technical assistance component, the Antennas will have a lean but efficient structure: the Programme budget will indicatively cover 3 people for the staff of the Valencia branch office (1 Coordinator, 1 Coordinator for the Liaison office with the Med Programme – see below - and one Assistant whose remuneration will be shared with the Autonomous Region of Valencia) and 3 people for the staff of the Aqaba branch office (1 Coordinator, 1 Communication Expert and 1 Assistant). If necessary, staff could be provided by the institutions hosting the branch offices.

Antennas' staff will be recruited in accordance with the procedures adopted for JTS staff (see paragraph 2.4.3).

No contribution by the countries hosting the Antennas (for example the costs for providing premises) may be regarded as a portion of those countries' overall co-financing to the Programme, which is to be determined only on the basis of their direct contribution to projects.

In parallel with the present ENPI CBC Mediterranean Sea Basin Programme, the territorial cooperation activities financed by the European Union in the Mediterranean area during the period 2007-2013 will include the implementation of another *Mediterranean* programme, to be financed by the Structural Funds (ERDF/European Territorial Cooperation objective), which concerns the same EU member States - and often the same eligible regions – than the present Programme.

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<sup>44</sup> The Antenna for the Western Mediterranean will cover the eligible territories of the following countries: Italy, France, Spain, United Kingdom, Portugal, Morocco, Algeria, Tunisia, Malta and Libya.

<sup>45</sup> The Antenna for the Eastern Mediterranean will cover the eligible territories of the following countries: Egypt, Israel, Palestinian Authority, Jordan, Syria, Lebanon, Turkey, Cyprus and Greece.



In this framework, the Liaison Office of Valencia will ensure the coordination between the two programmes in order to develop synergies and to maximise their respective contribution. It will cover the following tasks:

- Supporting the two Managing Authorities in the dissemination of information on the specific features of the two programmes, to steer their respective potential beneficiaries.
- Contributing to the dissemination of results and good practices in relation to the specific thematic priorities of each programme.
- Contributing to the evaluation and capitalisation of the results achieved by the two programmes as well as to the coordination of existing implementation tools for these programmes.

Considering the nature of the Valencia Liaison Office as an element of coordination between the two programmes, the activities to be carried out as well as the organisational and financial arrangements will be defined by joint agreement with the Managing Authorities of both programmes. The costs related to the functioning of the Liaison Office will be shared 50% each between the two programmes.

### 3. PROGRAMME IMPLEMENTATION

The Programme will be implemented in compliance with the rules applicable to ENPI CBC Joint Operational Programmes, namely: the ENPI Regulation, the Implementing Rules and the “Practical Guide to contract procedures for EC external actions” (PRAG). The following provisions will be better detailed through the procedural manuals of the Programme.

According to Article 23 of the Implementing Rules, "the procedures and related standard documents and contract templates to be used shall be those included in the Practical Guide to contract procedures for EC external actions with annexes in force at the time of the launching of procurement procedures or calls for proposals".

Moreover, the list of contracts awarded by the JMA will be published on the Programme website in accordance with the requirements of the EC Financial Regulations (EC, Euratom no 1605/2002 and no 2342/2002) and of the PRAG.

#### 3.1. Projects' selection procedures

##### 3.1.1. Selection of standard projects through open calls for proposals

The procedure is the one described in the PRAG and in its annexes, specified and integrated by the following points:

1. The JMA issues the call for proposals decided by the JMC, using the Programme's website.
2. The JTS and the branch offices provide applicants with the necessary information for submitting their proposals. The application pack and the key Programme documents will also be available on the website.
3. Project applicants submit their proposals by e-mail and on hardcopy to the JMA, following the standard forms.
4. The JMA records the applications received and confirms their receipt after a short time by e-mail or by letter.
5. The JMA passes the application dossiers to the PSC, together with the documentation of the call for proposals, in particular the selection criteria and the evaluation grid approved by the JMC.
6. At the opening session of the PSC, the JMA with the support of JTS verifies whether the applications are complete from the administrative point of view and, when necessary, it informs the Project applicants of their exclusion from the selection procedure. The report on the administrative verification of the project proposals will be approved by the PSC.
7. The PSC informs the participating countries about the proposals submitted. The PSC consults with each participating country on the eligibility of the proposed partners and on their technical capacity to implement projects, as well as on the coherence of the proposals with the policies and programmes at national and regional level. These consultations shall be carried out in a way ensuring the impartiality and confidentiality of the selection process, the PSC being independent regarding the selection decision.

8. PSC assessors carry out an evaluation of the applications with secretarial and logistical support from the JMA and JTS. The assessors must submit to the PSC for approval: the evaluation grid of each project filled out, the list of projects classified in accordance with the results of the evaluation grids, a list of improvements and minor clarifications to be requested to the Beneficiaries of selected projects (Lead Partners) in view of the preparation of the grant agreement by the JMA and, finally, the motivated reasons for the rejection of non selected projects.
9. The PSC prepares its recommendations in the "Evaluation Report" in accordance with the model annexed to the PRAG and sends it to the JMC via the JMA.
10. The JMC approves the list of projects proposed by the PSC. Whenever the JMC decides not to follow all or part of the recommendations of the PSC, it should justify its decision in writing. This decision is sent to the European Commission via JMA, for its preliminary agreement.
11. Once the selection procedure has been completed, the Beneficiaries of projects selected for financing (Lead Partners) may receive a list of improvements to be made to their proposal; each applicant of not selected projects will be notified of the reasons for its rejection through an explanatory letter prepared by the JTS according to the evaluation report and sent by the JMA. The JMC sends the whole list of projects, both selected and not selected for financing, to the European Commission, together with the JMA advise on the formal regularity of selection procedures.
12. After informing the Beneficiaries (Lead Partners) of the selection results, the JMA with the support of JTS prepares the grant agreements with the Beneficiaries of the projects (Lead Partners) to be financed. If a project fails to include the improvements requested, the amount not allocated will be added to that available for the following call for proposals.
13. The JMA and the Project Beneficiaries (Lead Partners) sign the grant agreement and the list of the allocated grants is published on the website of the Programme. Within the JMA, the grant agreement is signed by the operational management unit, with previous verification by the financial and certification unit.

In order to promote high effects of the cross-border activities from possible synergies and coherence with projects and programmes funded under other EU policies as well as to avoid duplication, information on activity funding in the recent past may be exchanged as required between Directorate Generals before launching calls for proposals. The Commission's line Directorate Generals should be consulted on the proposals submitted within the calls for proposals. For that purpose, AIDCO will request each DG to nominate one or more contact points.

### **3.1.2. Specific case: mechanisms for identification and selection of strategic projects**

The process for identifying and selecting strategic projects will be articulated according to the following phases and will follow the procedures of restricted call for proposals established by the PRAG:

1. With regard to the Programme's priorities, the JMC identifies the priority topics to be addressed through this instrument.

2. The JMA launches the call for proposals approved by the JMC on the Programme's website and, with the support of the JTS and the branch offices, put at the applicants' disposal the necessary information for submitting their proposals, the application pack and the key Programme documents.
3. Interested partnerships prepare their "project idea" ("concept note"), following a standard format provided by the Programme, and the applicants send them to the JMA both in electronic format and in hardcopy.
4. The JMA records the "project ideas" received and confirms their reception by e-mail or by letter.
5. The JMA passes to the PSC the application dossiers, as well as the guidelines of the call for proposals and the evaluation grid approved by the JMC.
6. At the opening session of the PSC, the JMA with the support of the JTS verifies whether the applications are complete and compliant with the procedures, and it informs the Project applicants whose "project ideas" do not respect the eligibility criteria of their exclusion from the selection procedure. The report on administrative verification and on eligibility of the project proposals will be approved by the PSC.
7. The PSC informs the participating countries about the proposals submitted. The PSC consults with each participating country on the eligibility of the proposed partners and on its technical capacity to implement strategic projects, as well as on the coherence of the proposals with the policies and programmes at national and regional level. These consultations shall be carried out in a way ensuring the impartiality and confidentiality of the selection process, the PSC being independent regarding the selection decision.
8. The PSC, supported by the assessors, carries out the evaluation of the "project ideas". It drafts an evaluation report and a ranking of the proposals (short list) to be submitted to the JMC for approval via the JMA.
9. The Joint Monitoring Committee approves the "project ideas" to be considered valid. Applicants are informed about the results of the evaluation.
10. The partnerships that have passed the first selection phase elaborate their project proposals in detail; the drafting is coordinated by the partner in charge of submitting the complete project dossier and all the necessary formal documentation. Project proposals are sent to the JMA both in electronic format and in hardcopy, according to the adopted forms. The JMA records the applications received and confirms their receipt to the applicants by e-mail or by letter.
11. At the opening session of the PSC, the JMA with the support of the JTS verifies the compliance of the application dossiers with the eligibility criteria of strategic projects stated by the JMC. When necessary, the JMA informs the Project applicants of their exclusion from the selection procedure.
12. The PSC assessors, with secretarial and logistical support from the JMA and JTS, evaluate the strategic projects according to the selection criteria defined by the JMC, following the procedures defined in paragraph 3.1.1, points 8. The results of this evaluation are submitted to the PSC, which prepares its recommendations in the "Evaluation Report" in accordance with the model annexed to the PRAG and sends it to the JMC via the JMA.
13. The JMC approves the list of strategic projects proposed by the PSC, according to the modalities indicated in paragraph 3.1.1, point 10, concerning selection of projects for open calls for proposals. The JMC sends to the European Commission the whole list of strategic projects, both selected and

not selected for financing, together with the JMA advise on the formal regularity of selection procedures.

14. The JMA, with the support of the JTS, after informing all Beneficiaries (Lead Partners) about the selection's results, prepares and signs a grant agreement with the Beneficiaries (Lead Partners) of the financed strategic projects, and publish the list of allocated grants on the website of the Programme. Within the JMA, the grant agreement is signed by the operational management unit, with previous verification by the financial and certification unit.

In order to promote high effects of the cross-border activities from possible synergies and coherence with projects and programmes funded under other EU policies as well as to avoid duplication, information on activity funding in the recent past may be exchanged as required between Directorate Generals before launching calls for proposals. The Commission's line Directorate Generals should be consulted on the proposals submitted within the calls for proposals. For that purpose, AIDCO will request each DG to nominate one or more contact points.

### 3.2. Monitoring system and management and accounting tools

The Programme will include a **monitoring system** based on data submitted annually by the project Beneficiaries (Lead Partners). Applications must indicate forecasts regarding monitoring indicators. During the life of the projects, operational and financial reports will make it possible to obtain physical, procedural, and financial indicators informing on the progress of the projects, and consequently of the Programme.

The JTS will maintain a database with the indicators obtained, and will prepare periodic reports at the consolidated Programme level to assess developments in the indicators as compared with the projections.

According to article 22 of the Implementing Rules, accounts for the joint operational programme will be drawn up by the financial and certification unit of the Joint Managing Authority. These accounts will be independent and separate and will include only transactions relating to the Joint Operational Programme. They shall be kept in such a way as to enable analytical monitoring of the Programme by objective, priority and measure.

The JMA will set up a dedicated software for the management of the Programme, featuring:

- The specific accounts of the Programme, enabling analytical monitoring mentioned above as well as a separate monitoring of the expenditures of the various managing structures.
- A data base of the calls for proposals, including a registry of the received proposals and of the entire evaluation procedure.
- A data base of the contracts signed with the Beneficiaries (Lead Partners) and a registry of all the requests for payment. The software will allow to monitor the payment procedure within the managing structures (JMA and JTS).
- A data base of the calls for tenders, with a registry of received bids and of the entire awarding procedure.
- A data base of the contracts with suppliers and service providers, including all the payment procedures.
- A data base for the staff of the managing structures, featuring the payments of salaries and social security contributions to be paid by the Programme.

- A registry of the payment requests to the European Commission and the payments received.
- A data base of the audits conducted by the JMA on a sample of projects.
- A registry of the recovery procedures issued by the JMA.

That software will be accessible through the Intranet of the Programme by the authorised users of the managing structures. It will feature a registry system of all the transactions made by each user, including the authorisations, in order to facilitate the work of the internal audit unit, which will have a privileged access. It will also include a “scoreboard” - featuring key information and synthesis data on the projects and the Programme - for the Director of the JMA and the members of the JMC.

### 3.3. Financial procedures

#### 3.3.1. Projects payment procedure

The JMA will pay pre-financing and final payments to Beneficiaries (Lead Partners) subject to the transfer by the EC of an annual advance payment in a sufficient amount. This point will be mentioned in the grant agreements.

The procedure for checking and payment for the projects will follow the PRAG whose most important rules are listed below, in order to recall the main steps. In no way does this section represent a complete description of procedures. The complete procedure is the one described in the PRAG.

1. The JMA and the Beneficiary (Lead Partner) sign the grant agreement. Within 45 days, the JMA will transfer a pre-financing of 80% of the EU contribution of the first year in an account in Euro, held by the Beneficiary (Lead Partner). According to PRAG, a financial guarantee for up to the same amount as the pre-financing is required where pre-financing represents over 80% of the total amount of the grant and provided it exceeds € 60,000 or, where the Beneficiary (Lead Partner) is a non-governmental organisation, when it exceeds € 1,000,000 or 90% of the total amount of the grant. . The Beneficiary (Lead Partner) must pay the proportion of the pre-financing due to its partners within 30 days. The Beneficiary (Lead Partner) can not require a bank counter guarantee from the partners.
2. At least once a year, the Beneficiary (Lead Partner) submits a request for payment with an activity, financial and audit report in accordance with international standards. Each project partner must prepare his part of the report, based on the accounts specific to the project and have it checked by an auditor. The work of the auditors responsible for this control shall be done in accordance with the PRAG and its cost will be covered by the Beneficiaries (Lead Partners) and partners and financed as eligible cost of the project within the limit of 3% of its budget. The Beneficiary (Lead Partner) collects the partners' reports and also requests an audit report on the consolidated accounts. The Beneficiary (Lead Partner) then sends the report to the JTS. The auditors will be members of private practices recognised by international standards. In accordance with the PRAG, Beneficiaries (Lead Partners) can receive a new payment only when they can provide evidence that they have spent at least 70% of the last pre-financing and 100% of previous payments.
3. On receipt of the documents by the JTS, the JMA has 45 days to pay. This time limit may be suspended if the JTS requires any clarifications, corrections, or additional information/documentation

from the Beneficiary (Lead Partner). In consequence, the JTS checks the reports received within 20 days. On day 21 at the latest, the JTS sends a letter stopping the payment procedure to the Beneficiary (Lead Partner), or gives the JMA the green light to pay another pre-financing, indicating the amount.

4. The JMA checks that the total amount of the pre-financing paid to the project does not exceed 90% of the grant, and transfers the sum to the Beneficiary (Lead Partner). The JMA sends a copy of the transfer to the project Beneficiary (Lead Partner) by electronic means. The Beneficiary (Lead Partner) transfers the amount of the grant to each of the partners within a maximum of 30 days.
5. After receiving and checking the final project report, the JTS confirms the final payment to be done or any possible request for recovery of funds and notifies the JMA. The JMA makes the last payment and releases the bank guarantee (in the case of private Beneficiaries) or starts the demand procedure for the recovery of funds if this is necessary.

### 3.3.2. Audit and National Control System

According to Article 29 of the Implementing Rules, the JMA will have a completely independent **internal audit unit**, which will each year implement a control programme to check the internal circuits and ensure procedures have been correctly applied within the Joint Managing Authority. It will draw up an annual report to be sent to the European Commission and to the JMC. The JMA internal audit system will ensure the respect of the principles of sound financial management, the legality of operations and the prevention, detection and correction of potential irregularities and frauds.

In addition, according to Article 31 of the Implementing Rules, the JMA will call upon an independent public body or contract an independent auditor to carry out each year an ex post verification of the revenue and expenditure presented by the JMA in its annual financial report. This **external audit** will cover all the JMA financial transactions: direct expenditure on technical assistance – including JTS and branch offices expenditure – as well as payments to projects Beneficiaries (Lead Partners). An annual external audit report will be drawn up by the independent auditor and sent by the JMA to the European Commission and to the JMC.

Finally, in accordance with Articles 30 and 37 of the Implementing Rules, the JMA will each year draw up an **audit plan for the projects** that it finances and will send each year a report on the previous year's implementation of the audit plan for the projects to the European Commission and to the JMC. To this end, the JMA will contract an independent auditor for examining documents and conducting on-the-spot checks of sample of projects selected by the JMA based on a random statistical sampling method, taking account of international recognised audit standards.

According to PRAG, the project Beneficiaries (Lead Partners) and partners will carry out an **expenditure verification** by an external auditor before submitting their request for payment (see also paragraph 3.3.1 point 2). The verification shall cover at least 65% (Expenditure Coverage Ratio) of the total amount of expenditures reported in the financial report. Each EU Member State may decide the increase of the “Expenditure Coverage Ratio” of the project audit required by PRAG to 100% of the expenditure of all beneficiaries and partners within its territory. The decision will have to be notified to the JMC in written before

the launching of each call for proposals. Indication on this additional requirement for some countries will be mentioned in the call.

In addition, according to article 39 of the Implementing Rules, each EU Member States may set up a **separate national control system** making it possible to verify the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules and their national rules. EU Member States which decide to set up a national control system should provide its detailed description to the JMA and ensure that the beneficiaries of their respective territories are duly informed about the specific requirements to comply with. These national control systems will be financed from the EU Member States' own resources.

### 3.3.3. Financial circuits

According to Article 21 of the Implementing Rules, a single bank account in euro, specifically dedicated to the Programme, will be opened and managed by the unit acting as accounting officer within the Joint Managing Authority. The account will be set up in such a way that the transactions require signatures of both the authorising officer and the accounting officer. According to Article 14 of the Implementing Rules, the functions of authorising officer and accounting officer shall be separate and mutually incompatible.

Payments to Beneficiaries (Lead Partners) will be as follows:

1. The JTS will verify the request for payment accompanied by technical and financial progress reports and the audit report. The JTS will issue a conformity report which will consist in a checklist of the verifications done by the JTS. If the documents are not conform, the JTS will ask additional information and documents to the beneficiaries.
2. The authorising officer will receive the conformity report and will give its authorisation for the payment after having verified that the procedure was correctly applied. The authorising officer can verify the documents accompanying the request for payment, in particular the different reports provided by the Beneficiary (Lead Partner). He will sign the payment authorising note for the bank and transmit it to the accounting officer of the JMA.
3. The accounting officer will proceed to a second verification. He will also sign the authorising payment note and transmit it to the bank for payment. He will record the transaction in the accounting system once the payment is made by the bank.

### 3.4. Provisional indicative timetable

According to the article 4 of the Implementing Rules, the Programme includes a provisional indicative timetable which specifies the dates for the launching of calls for proposals and those for the selection of projects.

As indicated in the following table, three calls for proposals are scheduled for standard projects - in 2008, 2010 and 2011 – and two for the strategic projects – in 2009 and 2011.



	2008				2009				2010				2011				2012				2013				2014				2015				2016			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV				
Programme activities																																				
JMC meetings (a)																																				
Launching of the calls for proposals - standard projects (b)																																				
Establishment of the PSC and selection of standard projects																																				
Launching of the calls for proposals - strategic projects (b)																																				
Establishment of the PSC and selection of strategic projects																																				
Operational and financial monitoring of projects (c)																																				

(a) According to Art. 12(4) of the Implementing Rules, the Joint Monitoring Committee shall meet as often as necessary and at least once a year.

(b) According to Art. 43 of the Implementing Rules, no call for tenders or call for proposals may be launched after 31/12/2013.

(c) According to Art. 43 of the Implementing Rules, all activities of projects financed by the Programme shall end by 31/12/2014 at the latest.

### 3.5. Use of languages

Languages to be used for the implementation of the Programme ENPI-CBC Mediterranean are the following:

- *Legal and arbitration languages*: English and French;
- *Programme languages*: English, French and Arabic;
- *Projects' languages*: English and French.

In all procedures and documents referring to each project (from the submission of the application to the final activity and financial report), the partnership must choose one of the two projects' languages. All requests of information addressed to the Joint Managing Authority and its answers will have to be drawn up in one of the Programme languages.

The Programme languages will also be used in the following documents:

- calls for proposals;
- annexes to calls for proposals;
- a summary of the Programme;
- all documents referring to the dissemination phases.

Legal and arbitration languages will be used in all the contracts, conventions and legal procedures relating to the Programme (Programme's managing structures and projects).

### 3.6. Information and visibility

The Programme is part of the framework of the European Neighbourhood Policy and represents a practical contribution to the development of a good neighbourliness area of cooperation among Mediterranean Partner Countries and EU Mediterranean Countries, by promoting integrated development of border areas to avoid creating new lines of demarcation.

The Joint Managing Authority promotes the content of the Programme through information and publicity activities carried out as provided by Art. 42 of the Implementing Rules and by paragraph 2.3.4. of the ENPI Cross Border Cooperation Programmes' Guidelines, as well as by the instructions contained in the Communication and Visibility Manual for External Actions (2008).

Given the nature and scope of the Programme, the active participation of local stakeholders is a crucial element. The Programme must therefore be accompanied by a detailed information and communication plan<sup>46</sup>, effective and ambitious, aimed at achieving the following objectives:

- Make potential beneficiaries aware of the purposes of, the opportunities offered by the Programme and the modalities of participation;
- Guarantee transparency in the use of community resources, through regular dissemination of information and the use of simple and effective procedures and instruments of direct participation;

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<sup>46</sup> The information and communication plan is annexed to the Programme. Before the adoption of the detailed plan by the JMC, the Programme includes a provisional version of the plan providing the guidelines for information and communication activities.

- Communicate effectively to public opinion the political and strategic aims that the European Union intends to achieve, in partnership with the countries involved, through activities financed by the Programme and, more generally, by the ENP.

This plan should consider the cultures of the participating countries, taking into account their different sensitiveness, in order to achieve a shared perception of the relevance of the Programme itself.

To this end, the information and communication plan:

- Will include targeted actions, favouring the direct participation of local actors in the construction of intense cooperation between the countries participating in the Programme;
- Will use communication instruments and techniques most closely tied to the specificities of the countries concerned and to the necessity to broadly involve all levels of public opinion;
- Will meet the twofold requirement to have adequate internal channels of communication (*intranet*) and to guarantee a permanent access to quality level information from outside.

The information and communication plan follows the whole implementation of the Programme. It will start from a first step, where priority is given to informing potential beneficiaries of the opportunities offered by the Programme, to pass then to a second step, where priority is given to the dissemination of the results achieved.

The information and communication plan is prepared by the JMA and submitted to the JMC for its approval. It includes:

- Objectives of information, publicity and visibility actions and target groups;
- Modalities for implementing actions;
- Provisional budget;
- Organisations responsible for the implementation of the plan;
- Criteria used for the assessment of actions implemented.

Among the communication tools, the plan will provide for a multilingual Internet website - in English, French and Arabic - which will guarantee the diffusion of information regarding the Programme and projects as well as information related to events, conferences, seminars, etc.

In particular, in order to strengthen the capacity of beneficiaries in elaborating projects, the website will put at their disposal the necessary archives and data for a better exploitation of the opportunities offered by the Programme. Within the website an intranet will be foreseen, which will provide for several operational instruments allowing verification and updating of information relating to projects and their activities.

The Joint Managing Authority will be responsible for:

- Identifying and recruiting the communication manager, with the functions to coordinate activities included in the information and communication plan;
- organising appropriate and targeted information campaigns;
- ensuring periodical information;
- organising and diffusing information on the Programme and the projects, as well as on the achieved results;
- defining the activities of communication of the branch offices.

In preparing and implementing the information and communication plan, the JMA will be supported by the JTS and the branch offices.

During the meetings of the JMC, the JMA communication manager will present a report on the progress reached in the implementation of the plan, stressing the results achieved and any difficulties encountered.

## ANNEX A – Examples of possible actions

### Examples of possible actions related to priorities and measures (non exhaustive list)<sup>47</sup>

Priorities	Measures	Examples of actions
<b>1. Promotion of socio-economic development and enhancement of territories</b>	<b>1.1 Support to innovation and research in the process of local development of the Mediterranean Sea Basin countries</b>	<ul style="list-style-type: none"> <li>Promoting the transfer of scientific and technological knowledge through joint actions of research and capitalisation in the production sectors, research centres, universities, SMEs and public authorities, with the aim of promoting a greater competitiveness of local productive systems</li> <li>Supporting the development of innovation and technology transfer centres, through networking</li> <li>Supporting the introduction of innovative technical and financial services to SMEs and their networks, by promoting public-private partnership</li> <li>Supporting pilot projects aimed at developing business incubators, technology parks, technological development agencies, etc.</li> <li>Strengthening the offer of university and post university professional training programmes in order to offer to the main economic sectors a qualified human capital, associating universities, public and private research centres, SMEs (single or clusters), technological and scientific parks, business incubators organised in excellence networks and exchanging platforms</li> </ul>
	<b>1.2 Strengthening economic clusters creating synergies among potentials of the Mediterranean Sea Basin countries</b>	<ul style="list-style-type: none"> <li>Joint definition of strategies and services supporting the development of agro-industrial, textile and clothing sectors through platforms of cross border cooperation at Basin level in order to promote collaboration among SMEs clusters supported by the joint development of financial and regulatory tools adapted to the different national contexts</li> <li>Developing a sustainable Mediterranean tourism by carrying out joint actions in order to promote the offer of tourist products on new markets and to the joint development of new products (including the definition of new trans-Mediterranean tourist routes based on geographical or thematic criteria)</li> <li>Promoting pilot projects for the development of a sustainable aquaculture and the promotion of fishing, also considering linkages to activate and to strengthen the tourist sector</li> <li>Developing competitiveness of the handicrafts industry, agro-food products and regional product sectors, improving the quality of the products as well as the economic value of local know-how</li> <li>Supporting the competitiveness of the productive sectors strengthening the relationships among sectorial professional organisations, in order to contribute to the elaboration of a common strategic vision</li> </ul>

<sup>47</sup> on the examples of possible actions are the result of the elaboration of information provided by participating countries through a questionnaire prepared by Joint Task Force at the beginning of the programming process in order to define the priority thematic interests of the countries, thus facilitating the identification of priorities and measures of the Programme.

Priorities	Measures	Examples of actions
<b>1. Promotion of socio-economic development and enhancement of territories</b>	<b>1.3 Strengthening the national strategies of territorial planning by integrating the different levels and promotion of balanced and sustainable socio-economic development</b>	<ul style="list-style-type: none"> <li>▪ Support to local competitiveness through the development of networks of institutions in charge of territorial planning at various levels, aimed at the development and implementation of joint integrated planning methodologies on priority sectors, through best practices exchange, local actors training and the adoption of new technologies</li> <li>▪ Using innovation to support economic activities in rural areas as a territorial strategy to safeguard the Mediterranean area</li> <li>▪ Experiences exchanges for the development of procedures and fiscal instruments (incentives/constraints) to support local development processes oriented towards an efficient use of natural resources and the innovation through experiences exchange and joint formulation of innovative solutions</li> <li>▪ Drafting of joint pilot projects to disseminate and to promote the utilisation of the environmental certification (such as EMAS and ISO 14001) and the procedures of territorial planning developed under Agenda 21</li> <li>▪ Improving intermodal transport services, in particular through the use of “short sea shipping” systems and inland waterborne traffic routes to improve the performance and the integration of passenger and goods transport network</li> <li>▪ Joint development of innovative strategies for effective and sustainable management of public transports</li> <li>▪ Development of innovative welfare systems at regional and local levels by promoting public/private partnership aimed at improving the health services for rural populations and most vulnerable groups (elderly persons, disabled, immigrants, women and young)</li> <li>▪ Promoting joint initiatives aimed at decreasing school drop out rates, especially among girls in countryside</li> <li>▪ Promoting networks among local communities concerning social policies (employment and health)</li> </ul>

Priorities	Measures	Examples of actions
<b>2. Promotion of environmental sustainability at the basin level</b>	<b>2.1 Prevention and reduction of risk factors for the environment and enhancement of natural common heritage</b>	<ul style="list-style-type: none"> <li>▪ Support for the reduction of marine pollution through the implementation of transnational initiatives for the adoption of environmental monitoring systems in port areas and during maritime navigation, and drawing up of joint protocols for dealing with shipping damages</li> <li>▪ Development of good practices, mainly through the exchange of experiences, in the management of coastal areas, in combating coastal over-exploitation, beach degradation, in preventing and reducing the pollution of natural resources (water and soil) in urban, industrial and agricultural areas; mitigation and management of the effects of the climatic changes</li> <li>▪ Support for the conservation and enhancement of the maritime heritage (flora and fauna, archaeological sites, etc.) by adopting transnational joint monitoring systems</li> <li>▪ Promoting pilot initiatives for the joint use of new technologies for environmental protection, risk management and territorial planning</li> <li>▪ Development of pilot projects for the transfer of experiences on management and urban waste recycling and integrated planning in the framework of the management of natural resources</li> <li>▪ Adoption of joint forms of environmental impact assessment for the Mediterranean's greatest urban areas</li> <li>▪ Adoption of joint approaches on water cycle planning and management, including rivers</li> <li>▪ Adoption of standards for "maritime social responsibility" for SMEs at the level of operators of maritime clusters</li> <li>▪ Support for the creation of networks among the Mediterranean's natural parks and protected areas for sustainable tourism purposes</li> <li>▪ Enhancement of halieutical resources to guarantee sanitary quality of products</li> <li>▪ Improving technical and administrative skills at local level for the prevention, monitoring and management of natural and technological risk, particularly through the exchange of best practices on environmental planning methodologies</li> <li>▪ Promoting coordination among emergency services and civil protection departments in order to promote the development of joint intervention procedures in cases of major crises as consequence of natural phenomena or human activities</li> <li>▪ Promoting joint awareness, information and mobilising campaigns for people on common challenges and environmental issues related to the valorisation and the rational utilisation of natural resources.</li> </ul>
	<b>2.2 Promotion of renewable energy use and improvement of energy efficiency contributing to addressing, among other challenges, climate change</b>	<ul style="list-style-type: none"> <li>▪ Development of joint activities to spread the use of renewable energies (solar, photovoltaic, wind, geothermal) and energy efficiency in the public and private sectors</li> <li>▪ Conducting joint awareness and mobilising campaigns for people on common challenges related to the cooperation area and on the rational use of energy resources</li> </ul>

Priorities	Measures	Examples of actions
3. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capitals	3.1 Support to people flows among territories as a means of cultural, social and economic enrichment	<ul style="list-style-type: none"> <li>Promoting joint structures for observing migration flows (legal and illegal) associating local communities and networks of associations from both Mediterranean shores, aimed at carrying out studies on migration impact on origin, transit and hosting territories</li> <li>Promoting information, education and awareness raising campaigns on migration, immigrants' rights, non discrimination, etc. addressed to different target groups (migrants, economic operators, institutions, communities, associations)</li> <li>Exchange of good practices on local government policies on migrants integration in hosting territories, in cooperation with the civil society and joint elaboration of action plans in order to facilitate their integration (labour market, education, knowledge of languages, services for housing, health and social services, etc.)</li> <li>Drafting of joint programmes for improving skills qualification and re-qualification of human resources and to increase employment</li> <li>Development of transfer mechanisms for immigrants' remittances so as to promote economic development of the communities of origin (development of economic activities, strengthening of the financial sector, transparency of financial flows)</li> </ul>
	3.2 Improvement of conditions and modalities of circulation of goods and capitals among the territories	<ul style="list-style-type: none"> <li>Dissemination, adoption and application of common, shared and harmonised technical and administrative standards procedures, involving ports, airports, customs, producers SMEs and consumers (transport, logistics, maintenance, port storage, etc.)</li> <li>Carrying out joint training activities for operators (productive sectors and public administrations) especially in relation to quality standards and health controls, with particular attention to the agro-food chain</li> <li>Promoting joint information, education and awareness raising campaigns on the circulation and movement of goods and capitals, targeted to the different actors involved in cooperation activities</li> <li>Strengthening the links and the networking among Mediterranean ports especially through the utilisation of ITC applied to sea transport and port operations ("communication hubs")</li> <li>Improvement of the logistic systems on both shores of the Mediterranean and networking</li> </ul>



Priorities	Measures	Examples of actions
<b>4. Promotion of cultural dialogue and local governance</b>	<b>4.1 Support to mobility, exchanges, training and professionalism of young people</b>	<ul style="list-style-type: none"> <li>Promoting cultural cooperation and exchange activities for young people (primary and secondary schools and universities) including training for teachers, educators and operators of local associations</li> <li>Setting up platforms of dialogue among and through young people about issues related to the pan-Mediterranean culture, to be organized by students in order to support the understanding process among people</li> <li>Promoting joint pilot experiences in participatory democracy involving young people</li> <li>Promoting exchange of good practices in order to contribute to the development of a Mediterranean-wide voluntary service</li> <li>Support for dialogue among universities in complementarity to other EU programmes (such as TEMPUS and ERASMUS)</li> <li>Joint development of modalities for supporting employment among young people, including placement in companies for young people</li> <li>Promoting joint vocational training initiatives as well as joint university and post-graduate initiatives especially in those economic sectors which constitute the basis for the integration of this particular cooperation area</li> </ul>
	<b>4.2 Support to the artistic creativity in all its expressions to encourage dialogue among communities</b>	<ul style="list-style-type: none"> <li>Promoting dialogue through initiatives of intercultural exchange among young emerging artists (painters, musicians, writers, actors), and artistic cross-fertilization</li> <li>Support for creativity in the arts, industry, design and architecture through the establishment of trans-Mediterranean networks of art colleges and cultural associations</li> <li>Spreading knowledge of Mediterranean cultures through the use of new technologies, including the digitalisation and distribution of cultural and scientific material</li> <li>Promotion of sustainable actions of cultural heritage, scientific and artistic preservation and promotion of local identities</li> <li>Support for cooperation in the audio-visual and media sectors, through the joint production of documentaries, short films, TV programmes, books, etc.</li> <li>Development of joint measures for training technicians of different cultural sectors through the promotion and the dissemination of the use of new technologies</li> <li>Development and consolidation of local public initiatives in the cultural sector at the cross-border basin level</li> </ul>
	<b>4.3 Improvement of governance processes at local level</b>	<ul style="list-style-type: none"> <li>Exchanges among local administrations for the elaboration and implementation of good practices aimed at supporting decentralisation processes and administrative reforms</li> <li>Setting up joint pilot initiatives at local level on participatory decision-making processes and inter institutional cooperation</li> <li>Training and professionalization of the elected members of local authorities, and those working in trade and non profit associations</li> <li>Promoting public/private partnerships in the various fields of local development, through the transfer and the exchange of experiences, models and tools</li> <li>Promoting exchanges of good practices at local level on efficient public services subjects</li> </ul>



**ANNEX B – Programme's financial table\***

	A	B	C	D
	INDICATIVE PROVISIONAL COMMITMENTS BY THE EC	CO-FINANCING	PROGRAMME'S INDICATIVE PROVISIONAL COMMITMENTS - EC funding	PROGRAMME'S INDICATIVE PROVISIONAL PAYMENTS - EC funding
<b>2008</b>				
Projects	<b>23.865.054</b>	<b>2.147.856</b>	0,00	0,00
TA		<b>N.A.</b>	2.079.549	2.079.549
<b>TOTAL 2008</b>	<b>23.865.054</b>	<b>2.147.856</b>	<b>2.079.549</b>	<b>2.079.549</b>
<b>2009</b>				
Projects	<b>26.088.882</b>	<b>2.347.999</b>	70.310.966	12.599.725
TA		<b>N.A.</b>	2.498.066	2.498.066
<b>TOTAL 2009</b>	<b>26.088.882</b>	<b>2.347.999</b>	<b>72.809.032</b>	<b>15.097.791</b>
<b>2010</b>				
Projects	<b>26.610.660</b>	<b>2.394.959</b>	32.811.784	656.236
TA		<b>N.A.</b>	2.414.581	2.414.581
<b>TOTAL 2010</b>	<b>26.610.660</b>	<b>2.394.959</b>	<b>35.226.365</b>	<b>3.070.817</b>
<b>2011</b>				
Projects	<b>34.130.213</b>	<b>3.071.719</b>	53.123.841	31.494.625
TA		<b>N.A.</b>	2.367.097	2.367.097
<b>TOTAL 2011</b>	<b>34.130.213</b>	<b>3.071.719</b>	<b>55.490.938</b>	<b>33.861.722</b>
<b>2012</b>				
Projects	<b>34.673.070</b>	<b>3.120.576</b>	0	43.761.545
TA		<b>N.A.</b>	2.229.644	2.229.644
<b>TOTAL 2012</b>	<b>34.673.070</b>	<b>3.120.576</b>	<b>2.229.644</b>	<b>45.991.189</b>

2013				
Projects	28.239.445	2.541.550	0	34.972.675
TA		N.A.	2.028.241	2.028.241
<b>TOTAL 2013</b>	<b>28.239.445</b>	<b>2.541.550</b>	<b>2.028.241</b>	<b>37.000.916</b>
2014				
Projects	-	-	N.A.	18.890.213
TA		N.A.	1.729.279	1.729.279
<b>TOTAL 2014</b>	<b>N.A.</b>	<b>-</b>	<b>1.729.279</b>	<b>20.619.492</b>
2015				
Projects	-	-	N.A.	13.871.572
TA		N.A.	1.408.646	1.408.646
<b>TOTAL 2015</b>	<b>N.A.</b>	<b>-</b>	<b>1.408.646</b>	<b>15.280.218</b>
2016				
Projects	-	N.A.	N.A.	0
TA		N.A.	605.630	605.630
<b>TOTAL 2016</b>	<b>N.A.</b>		<b>605.630</b>	<b>605.630</b>
		X	X	
<b>TOTAL 2007-2016</b>	<b>173.607.324</b>	<b>15.624.659</b>	<b>173.607.324</b>	<b>173.607.324</b>
<b>TOTAL COFINANCING RATE</b>			<b>10%</b>	<b>10%</b>

\* Subject to a mid-term review of the programme.

## ANNEX C – Indicative financial plan by priority

*Priorities by source of funding (in Euro at current prices):*

	EC Funding (a) *	Co-financing (b)	Co-financing rate (in % ) (c) **	Total funding (e) = (a)+(b)
<b>Priority 1</b>	<b>62.498.637</b>	<b>6.249.863</b>	<b>10%</b>	<b>68.748.500</b>
<b>Priority 2</b>	<b>46.873.978</b>	<b>4.687.398</b>	<b>10%</b>	<b>51.561.376</b>
<b>Priority 3</b>	<b>15.624.659</b>	<b>1.562.466</b>	<b>10%</b>	<b>17.187.125</b>
<b>Priority 4</b>	<b>31.249.318</b>	<b>3.124.932</b>	<b>10%</b>	<b>34.374.250</b>
<b>Technical Assistance</b>	<b>17.360.732</b>	<b>-</b>	<b>-</b>	<b>17.360.732</b>
<b>Total</b>	<b>173.607.324</b>	<b>15.624.659</b>	<b>10%</b>	<b>189.231.983</b>

\* In accordance with the Strategy Paper.

\*\* Co-financing rate shall be calculated on the basis of the Community contribution to the joint operational programme, minus the amount of technical assistance financed from the Community contribution (see: Art. 20.1 of the Regulation n° 951/2007).

**ANNEX D – Indicative\* Technical Assistance budget**

POSTS		INDICATIVE COSTS (Current prices)	%
<b>A</b>	<b>JOINT MONITORING COMMITTEE</b>	<b>1.206.039,87</b>	<b>6,95%</b>
	TRAVEL COSTS AND PER DIEM OF THE JMC MEMBERS	720.309,70	4,15%
	RENT OF THE ROOMS FOR THE JMC MEETINGS	46.773,36	0,27%
	INTERPRETING IN 3 LANGUAGES (FR, EN, AR)	249.457,90	1,44%
	CATERING FOR THE JMC MEETINGS	178.362,40	1,03%
	REPRODUCTION OF MATERIAL	11.136,51	0,06%
<b>B</b>	<b>PROJECTS' SELECTION COMMITTEE</b>	<b>610.212,78</b>	<b>3,51%</b>
	PSC MEMBERS' AND ASSESSORS' TRAVEL ALLOWANCES (TRAVEL AND PER DIEM)	249.835,56	1,44%
	ASSESSORS' REMUNERATION	360.377,21	2,08%
<b>C</b>	<b>JOINT MANAGING AUTHORITY</b>	<b>6.366.021,41</b>	<b>36,67%</b>
	PERSONNEL	4.436.998,59	25,56%
	PERSONNEL TRAVEL ALLOWANCES (TRAVEL AND PER DIEM)	403.330,08	2,32%
	DATA PROCESSING AND OFFICE EQUIPMENT	109.673,71	0,63%
	FUNCTIONING COSTS	416.039,25	2,40%
	FINANCIAL COSTS	193.503,84	1,11%
	SET UP AND MANAGEMENT OF THE MONITORING SYSTEM	806.475,95	4,65%
<b>D</b>	<b>JOINT TECHNICAL SECRETARIAT</b>	<b>5.029.294,94</b>	<b>28,97%</b>
	STAFF	3.755.618,61	21,63%
	TRAVEL ALLOWANCES (TRAVEL AND PER DIEM)	976.935,18	5,63%
	DATA PROCESSING AND OFFICE EQUIPMENT	59.055,07	0,34%
	FUNCTIONING COSTS	206.936,08	1,19%
	JTS STAFF SELECTION	30.750,00	0,18%
<b>E</b>	<b>BRANCH OFFICES</b>	<b>1.416.649,81</b>	<b>8,16%</b>
	AQABA	400.731,88	2,31%
	VALENCIA	1.015.917,93	5,85%
<b>F</b>	<b>COMMUNICATION PLAN</b>	<b>1.966.613,25</b>	<b>11,33%</b>
	ORGANISATION OF INTERNATIONAL SEMINARS	472.838,61	2,72%
	DOCUMENTS AND INFORMATION MATERIAL	786.452,77	4,53%
	WEBSITE AND INFORMATION CAMPAIGNS	282.990,91	1,63%
	ORGANISATION OF SEMINARS AT THE NATIONAL LEVEL	414.390,18	2,39%
<b>G</b>	<b>EXTERNAL AUDIT</b>	<b>565.373,26</b>	<b>3,26%</b>
	ANNUAL AUDIT OF THE JMA EXPENSES FOR TA AND OF PAYMENTS TO PROJECTS	367.135,28	2,11%
	ANNUAL AUDIT OF THE PROJECTS EXPENSES	198.237,98	1,14%
	<b>SUB TOTAL</b>	<b>17.160.205,31</b>	<b>98,84%</b>
<b>H</b>	<b>CONTINGENT EXPENSES</b>	<b>200.526,69</b>	<b>1,16%</b>
	<b>TOTAL RESOURCES FOR TECHNICAL ASSISTANCE</b>	<b>17.360.732,00</b>	<b>100,00%</b>
	<b>TOTAL EU CONTRIBUTION TO THE PROGRAMME</b>	<b>€ 173.607.324,00</b>	

\* The allocation of the Programme's TA component (amounting to 10% E.U. contribution) to the listed posts is to be considered as indicative. Any change of the allocation made during the Programme implementation does not require the modification of the Programme itself. The different posts are to be considered as inclusive of VAT and social security charges.

**ANNEX E – Indicative organisation of the managing structures**

MANAGEMENT STRUCTURE	ORGANISATIONAL UNITS	NUMBER OF STAFF	SOURCE OF FINANCING
JMA	Director of JMA	1 Director	TECHNICAL ASSISTANCE (40%) AND SARDINIA REGION BUDGET (60%)
	Operational management Unit	1 Head of Unit	
		5 Officers	
	Financial and certification Unit – Authorising Section	1 Head of Unit	
		2 Officers	
	Financial and certification Unit – Accounting Section	1 Head of Unit	
		2 Officers	
	Internal Audit Unit	1 Head of Unit	
		2 Officers	
	Assistant	1	
External consultants			
SUBTOTAL			
JTS	Coordinator	1	TECHNICAL ASSISTANCE BUDGET
	Projects Section	2 Officers	
	Communication and information Section	1 Officer	
	Financial Section	2 Officers	
	Assistant	1	
	SUBTOTAL		
BRANCH OFFICES	Aqaba	1 Coordinator	TECHNICAL ASSISTANCE BUDGET
		1 Assistant	
		1 Information Campaign expert	
	Valencia	1 Coordinator for the Antenna	
		1 Coordinator for the Liaison Office	
		1 Assistant	
	SUBTOTAL		
Total staff covered by the Technical Assistance			19 people