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I. Background

The Mediterranean region is of strategic importance to the EU, in both economic (trade, energy, migration) and political (security, stability) terms. The political situation in the region is characterized by persistent tensions due to the Middle East conflict, the war in Iraq and its spill-over effects to other countries, regular upsurges of terrorist activity, and in some countries domestic political tensions, lack of political openness and increasing popularity of political Islamic movements. In the economic domain, a combination of fast demographic and labor force expansion and slow economic growth is resulting in high unemployment and stagnant economies. The economic situation in the Middle East is aggravated by three socio-political “deficits”; the freedom deficit, the women’s empowerment deficit and the lack of access to knowledge and education. The prospects for long-term economic growth are further threatened by the non-sustainable management of the environment and natural resources. (Regional Strategy Paper (2007-2013))

The Euro-Mediterranean Partnership (or Barcelona Process) started in 1995 with the Barcelona Euro-Mediterranean Conference. It was organized by the [European Union](#) to strengthen its relations with the countries in the [Mashriq](#) and [Maghreb](#) regions. The [European Union](#) enlargement of 2004 brought two Mediterranean countries (Cyprus and Malta) into the Union, while adding a total of 10 to the number of Member States. The Euro-Mediterranean Partnership today comprises 37 members: 27 [EU Member States](#) and 10 Mediterranean Partners ([Algeria](#), [Egypt](#), [Israel](#), [Jordan](#), [Lebanon](#), [Morocco](#), the Palestinian Authority, [Syria](#), [Tunisia](#) and [Turkey](#)). [Libya](#) has had [observer status](#) since 1999.

II. The Barcelona Process

The Barcelona Process is a unique and ambitious initiative, which laid the foundations of a new regional relationship and which represents a turning point in Euro-Mediterranean relations. In the Barcelona Declaration, the Euro-Mediterranean partners established the three main objectives of the Partnership:

1. The definition of a **Common area of Peace and Stability** through the reinforcement of political and security dialogue ([Political and Security Basket](#)).
2. The construction of a **Zone of Shared Prosperity** through an economic and financial partnership and the gradual establishment of a free-trade area ([Economic and Financial Basket](#)).

3. The rapprochement between peoples through a **Social, Cultural and Human Partnership** aimed at encouraging understanding between cultures and exchanges between civil societies (Social, Cultural and Human Basket).

The Barcelona Process comprises three "baskets":

- First Basket "The Political Basket": Promotion of political values, good governance and democracy
- Second Basket "The Economic Basket": Work for shared prosperity in the Mediterranean, including the Association Agreements on the bilateral level
- Third Basket "The Cultural Basket": Cultural exchange and strengthening civil society

Regional dialogue represents one of the most innovative aspects of the Partnership, covering at the same time the political, economic and cultural baskets. Similarly, Regional Co-operation has a considerable strategic impact as it deals with problems that are common to many Mediterranean Partners while it emphasises the national complementarities.

The European Union carries out a number of **Bilateral Activities** with each country. The most important are the Euro-Mediterranean Association Agreements that the Union negotiates with the Mediterranean Partners individually. They reflect the general principles governing the new Euro-Mediterranean relationship, although they each contain characteristics specific to the relations between the EU and each Mediterranean Partner.

The MEDA program is the principal financial instrument of the European Union for the implementation of the Euro-Mediterranean Partnership. The program offers technical and financial support measures to accompany the reform of economic and social structures in the Mediterranean partners and it is implemented by DG EuropAid.

1. The priorities for MEDA resources at the bilateral level are:
 - Support to economic transition: the aim is to prepare for the implementation of free trade through increasing competitiveness with a view to achieving sustainable economic growth, in particular through development of the private sector;
2. Strengthening the socio-economic balance: the aim is to alleviate the short-term costs of economic transition through appropriate measures in the field of social policy.

Examples of projects financed by MEDA are: structural adjustment programs in Morocco, Tunisia and Jordan; Syrian-Europe Business Centre; the social fund for employment creation in Egypt; rehabilitation of the public administration in Lebanon; rural development in Morocco. Similarly, examples of loans signed by the European Investment Bank (EIB) are: projects to improve waste water treatment and management of water resources in Egypt, Lebanon, Jordan, the West Bank and Gaza Strip, and Morocco; measures to reduce pollution and modernization of traffic control systems at airports in Algeria; renovation of a train line in Tunisia; post-earthquake reconstruction of infrastructure and industry in Turkey.

III. Review of the Barcelona Process

By some analysts, the Barcelona Process has been declared ineffective. The blockade of the Middle East Peace Process is having an impact on the Barcelona Process and is hindering progress especially in the political basket. The economic basket can be considered a partial success, and there have been more projects for the exchange on a cultural level between partners of the Barcelona Declaration. Other criticism is mainly based on the role the European Union is currently playing. The EU currently is assessing the state of affairs of countries in the South; thus leading to the impression that the North is dictating the South what to do. The question of an enhanced co-ownership of the process has repeatedly been brought up over the last years.

In financial terms, between 1995 and 2006, the EU supported the Barcelona Process through its MEDA budget line. Since 2007, EU support has been provided under the “European Neighborhood Policy Instrument” (ENPI) budget line. Between 1995 and 2006, a total of €8,785 million were channeled to the South Mediterranean Partners. The Breakdown of these € 8.7 billion is:

1995-1999 MEDA €3,435 million
2000-2006 MEDA €5,350 million

Furthermore, Countries Financial Details reveal the following breakdown:

Country	2000-2006 (MEDA)	2007 under ENPI
	Commitments in € millions	Commitments in € millions
Bilateral Cooperation		
Algeria	339	57
West Bank & Gaza	522	453
Egypt	593	137
Jordan	331	62
Lebanon	133	50
Morocco	980	190
Syria	180	20
Tunisia	518	103
Israel	0	2
Libya	0	2
Total Bilateral	€3,595	€1,076
Regional Cooperation		
Total Regional	€1,052	€178
TOTAL EC Financial Support	€4,647	€1254

Source: Communication From the Commission to the European Parliament & the Council. The Barcelona Process: Union for the Mediterranean. Brussels, 20/5/08, p. 12

In addition, between 1995 and 2007, the European Investment Bank (EIB) contributed a total of € 11,208 million in funding projects to Partners in the South. The breakdown of these € 11.2 billion is as follows:

1995-1999 European Investment Bank €4,808 million

2000-2007 European Investment Bank €6,400 million

During the period 1995-1999, some 86 % of the resources allocated to MEDA were channeled bilaterally to partners (this relates to Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority). The other 12 % of the resources were devoted to regional activities. All Mediterranean Partners and the EU Member States (together called the Euro-Mediterranean partners) are eligible to benefit from these activities. The remaining 2% were set aside for technical assistance offices.

The review of the nature of the bilateral treaties signed with partner countries in the south of the Mediterranean reveals the fact that most of the treaties focused on issues that are not considered "*PRIORITIES*" for countries in the South. In the listing of the bilateral treaties with Egypt, Jordan, and Lebanon; as examples, focus is given to the following issues; Protection of the Environment, Climate Change, Depletion of the Ozone Layer, Energy Efficiency, Access to Information, Public Participation in Decision Making, Smuggling of Migrants, Persistent Organic Pollutants, Protection of Animals, Biosafety, Control of Transboundary movements of Hazardous Wastes and their disposal, Transboundary of Nuclear Material, Conservation of European Wildlife and Natural Habitats, Air Services, Trade and Trade-related matters, Tobacco Control, Persistent Organic Pollutants, the Law of the Sea, Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, Agreement on Olive Oil and Table Olives, Protection of the Mediterranean Sea against Pollution, Early Notification of Nuclear Accident, The Control of Transboundary Movements of Hazardous Wastes and their Disposal, Dealing with Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and the Unification of Certain Rules for International Carriage by Air. Truly, these issues are worth consideration at the Global – European levels. But I wonder what is their relative degree of importance in the priority list of many of the "under-developed" or "developing" partners in the South. Truly, these are good noble issues; but are they on the top of the priority list of these countries in the south of the Mediterranean?. A question that is self-answering.

According to the Euromed Regional Strategy Paper (2007-2013) and the Regional Indicative Programme (2007-2010) for the Euro-Mediterranean Partnership, several lessons have been learned from past regional cooperation programmes. First, the creation of regional networks and dialogue has become an important achievement of the partnership but can not constitute an objective on its own. Second, regional programmes require the support and involvement of participating countries. Decentralization of the management of regional programmes to countries in the region may facilitate and strengthen effectiveness but should be appropriately managed to ensure efficient participation by all stakeholders.

Generally speaking, as stated by Senator Marwan Muasher, the former deputy prime minister and foreign minister of Jordan, there is large consensus between Europe and the

Mediterranean on the importance of the Barcelona Process, but there is also dissatisfaction on both sides, and both sides complain that the partnership has not achieved its full potential. Delinquantly stated by Muasher is that different initial expectations were amongst the factors that prevented the Barcelona Process from fully achieving its objective of establishing a political, economic and cultural partnership between the EU and nine Mediterranean countries, including Jordan. "When the process was launched, Europe was more concerned with achieving security and containing immigration, while the Mediterranean countries were more interested in economic development and the peace process," Senator Muasher said.

Similarly, many scholars and officials highlighted the limited results in some fields covered by the Euro-Mediterranean Partnership, such as the failure to draft a Euro-Mediterranean Charter for Peace and Security, or move more speedily and decisively towards the creation of a free trade area across the shores of the Mediterranean, or effectively foster people-to-people contacts that would fight prejudice and intolerance.

Furthermore, the bilateral agreements made under the Barcelona Process emphasises the importance of the principles of the United Nations Charter, in particular the observance of human rights, democratic principles, and economic freedom. Consequently, rule of law, justice, respect for human rights, and democratic principles constitute an essential element of the EuroMed Bilateral Agreements. Therefore, one may clearly argue that these Bilateral Agreements stressed by the Barcelona Process are conditioned bilateral agreements. However, the question that needs to be addressed here and now is whether *conditionality should be stressed as a priori* at this junction of time in light of the highly volatile global food and oil price hikes and the state of Global Terrorism facing both the North and the South alike. Can the Partners in the South accommodate now the conditionality imposed by the North? Is this the right time to stress these noble issues in light of these external threatening countries of the South? I doubt much that the answer is yes for these questions.

In conclusion, the existing instruments used under the Barcelona Process/Treaty proved limited success. On one hand, the political basket with its instruments was not successful in achieving its objectives. It could be that the objectives set in the Political Basket are either unrealistic, unachievable, or just the EU did not do use the right approach in handling the Political Basket.

On the other hand, the economic basket through its many diversified instruments is a successful example. The achievement of the objectives on the economic modernisation and economic transition has been observed and appraised. The "Bottom-Up" initiatives, such as support to the private sector, have proved valuable, even though their cost effectiveness remains questionable. Egypt Country Strategy Paper (2007-2013). In the absence of reforms, the EU provided substantial assistance from the "Social Development Fund" that targeted unemployment, access to credit, and non-financial services to SMEs and support community, and social development initiatives.

Many of the micro finance funding schemes and the Social Development Funds developed in some Middle East countries contributed to some extent to the increase of employment. The

technical assistance provided to the private sector improved the chances that for these “Southern Economies” are now in a better position to trade with the European Union.

The situation regarding the Socio-Cultural Basket is also encouraging and optimistic. The EU Strategy has generated better positive results in health reforms, improvement of access to education, and support to community and social development initiatives. Yet, I strongly believe that a lot more could have been implemented in the Cultural Basket during the last 13 years since the kick-off of the Barcelona Process in 1995.

IV. Recommendations

In summary, Europe risks to lose ground in the Middle East to the United States, which since 2001 has launched several initiatives addressing the Mideast as a whole. Europe risks to lose ground in the Middle East also to the emerging giant China, whose exports to the region are growing exponentially. At the same time, Europe is also failing to address the main shortcomings in approaching and handling the Middle East crises, namely in the political agenda, the restricted immigration policies, the bureaucratic management of assistance programmes, and the perceived protectionism in trade of agriculture products.

In parallel, the new realities and challenges of the 21st century make it necessary to update the Barcelona Declaration and create a new Action Plan (based on the good results of the Valencia Action Plan).

I believe a redirection of strategic focus is highly due now in both the type of instruments used and the financial budget allocation in light of the recent global developments in international oil and food prices. Furthermore, more funding should be allocated for Bilateral Agreements since such agreements not only proved successful earlier in the Barcelona Process, but also because each country in the South has its own different political, economical, and socio-cultural urgent agenda.

Furthermore, a revision of priority allocation to the three baskets and their forums is due now. Not all baskets should be assigned the same weight of attention at this junction in time. Some baskets should take more weight of importance and focus than the others. At this moment in time, the Economic Basket should be given the utmost priority in light of the threatening global developments. At the end, the Barcelona Declaration is about them (people of the South) not us (people of the North) to deliver the Barcelona Treaty main objectives. More importance and attention should be given to building the ailing economies of the South. The ailing and aging economies of the South resulted from the abrupt and aggressive domestic economic reforms and threatening global prices hike (oil and food prices) confronting all economies of the South.

In more specific terms, the strategic focus and in turn the instruments to be used in the coming years should center around the following:

1. Increasing employment through encouraging “foreign direct Investment from the European Union” and more support for “capital flows” from the EU to the nations of the South.
2. Increasing micro finance and building on the successful earlier schemes in action such as the “Social Development Fund” in Egypt
3. Hammer strongly on the agricultural sector aid and support by encouraging more agro-industrial EU foreign direct investments, more agricultural technical assistance to increase agricultural land productivity and combating the severe shortages in basic food supply in the South, more financing schemes and financial support to small and micro agricultural producers (small peasants), more IT training for those small producers to enable them to be able to benefit from the information technology superhighway. Academic faculty and student exchange initiatives and scholarships should also be increased.
4. The Energy Sector should be given more attention as well. foreign direct investment from the EU in this vital sector is of utmost priority at this stage of the Barcelona Process life cycle. Technical assistance and joint researches are crucial and should be given more priority and focus in light of the skyrocketing oil prices.
5. More financial support is highly needed in the education sector, applying the bottom-up approach in educational reforms in the South is more appropriate than and more effective than the currently implemented top-down approach. Joint academic researches with private sector universities in addition to more faculty and students exchanges and faculty and students scholarships (similar to the US-AID, the Fulbright, and the Amideast foundations in several countries of the South) are all instruments that need to be introduced if not existing or more attention provision if already thought of.
6. More budget should be allocated to Public Awareness Mass Communication Campaigns in the partner countries South of the Mediterranean. The success of the Barcelona Process Three Baskets in the South is partially linked with how successful countries of the South would be able to change the habits of behavior among the masses. In specific terms, “birth control”, “water conservation”, “energy consumption”, and “food eating habits” are essential topics that need to be addressed through mass communication public awareness campaigns. Currently the US-AID through its subcontracting to the US based academy of education development – USA (AED) is very active in Egypt in this regard.

Last but not the least, EU handling of such vital issues as *Justice and the Rule of Law, Human Rights, Good Public Governance, and Democracy* need to be revised in light of the highly turbulent Middle East and the rise in under-ground fundamentals movements supported by external forces. Nobody denies the importance of such issues. Nobody is against the reinforcement of these vital issues. Yet, these vital issues should not be used as “conditionalities” for benefits to be provided to countries of the South. The EU has to seriously evaluate and consider the case of Ira as an example of differences in culture, religious background, religious doctrines diversity, and history between the West and the Middle East (in

general) has led to chaotic environment in Iraq. The US when it leaves eventual Iraq will leave a state of chaos. In 2003, when Iraq Invasion started, the initial annouced and officially communicated causes behind Iraq Invasion were noble and partially justiable. Many of these causes spoke about about Justice, rule of law, democracy, and human rights in Iraq. Yet five years down the line, where does these causes exist today in Iraq. Is Iraq and in turn the Middle East better places today? Is Iraq's democracy and multiparty political regime today better serving its population? These are all good questions that need definite good straight forward answers. As a result, the EU should not tie the benefits and support to be given to nations south of the Mediterranean to the implementaion of reforms in these vital issues that nobody will disagree with.

In final words, the Barcelona Process curently needs both a revised strategic focus and a revised seeting of priorities. Furthermore, being a long-term process and much more complex than any other similar projects, it may be many years before a final judgement can be made about the Barcelona Process and its foras and instruments.



