



MEDGOVERNANCE Project

A NEW REGIONAL GOVERNANCE FOR THE EUROMED AREA



First Master Class

“The Europe 2020 Strategy and the Mediterranean: Challenges and Prospects for Territorial Cooperation”

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Working Document

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Introduction

This working document is meant to focus discussions and present some preliminary ideas for the first Master Class of the Medgovernance Project. It will also build a basis, as part of the Master Class report, for the other two Master Classes. As such, it is structured around the subjects dealt with in the different sessions of the Master Class Programme.

The **MEDGOVERNANCE Project** is a territorial cooperation project in the framework of the European Commission MED Programme of interregional cooperation (March 2009 – February 2011). It brings together six European Mediterranean regions: Junta de Andalucía, Generalitat de Catalunya, Région Provence-Alpes-Côte d'Azur (PACA), Regione Piemonte, Regione Lazio, and Regione Toscana and their respective research and training institutes: Fundación Tres Culturas, Seville, Institut Europeu de la Mediterrània (IEMed), Barcelona, Institut de la Méditerranée, Marseille, Paralleli – Istituto Euromediterraneo del Nord-Ovest, Turin, Centro Studi Politici Internazionali (CeSPI), Rome, and Associazione MAEM/MEMA, Florence, as well as the Inter-Mediterranean Commission of the Conference of Peripheral Maritime Regions of Europe (CPMR). The partners are assisted by the Plural – European Study Centre in Florence. The Project's main objective is to develop common regional policies in the Mediterranean in a new multi-level governance framework.

The specific objectives of the Medgovernance Master Class Programme are: 1) to assess the debate on and preparatory work for the Europe 2020 Strategy and the status/role of the regions therein, 2) to assess the developments within the Mediterranean and the role of the Mediterranean in Europe and in global affairs, 3) to assess existing instruments and forms of cooperation in the Mediterranean, 4) to analyse existing instruments and forms of multi-level governance in Europe and assess their relevance for the Mediterranean, and 5) to make specific, concrete proposals for multi-level governance in the Mediterranean, including macro-regional approaches.

The document, like the Master Class, begins with a global analysis of the main forward-looking trends for the coming years in the Mediterranean, and then focuses on the implications of the new “Europe 2020 Strategy” for the Mediterranean, as well as its possible Mediterranean dimension (Europe-Mediterranean 2020 Strategy), in particular from the point of view of the regions. More specifically, the possibilities of developing a territorial cooperation strategy in the Mediterranean along the main lines of the Europe 2020 Strategy are explored. The prospects for territorial cooperation in the Mediterranean and across the Mediterranean (Objective 3 of the Regional Policy, Cross Border Cooperation Programmes, and the European Instrument for Neighbourhood and Partnership) will be discussed, in particular with a view to the negotiations of the new EU Financial Perspectives 2014-2020. The issues of the amount of resources, the potential new instruments to be developed, and what the strategy and priorities of the regions in this process could be will be addressed.

1. The Mediterranean and the Mediterranean Regions Towards 2020

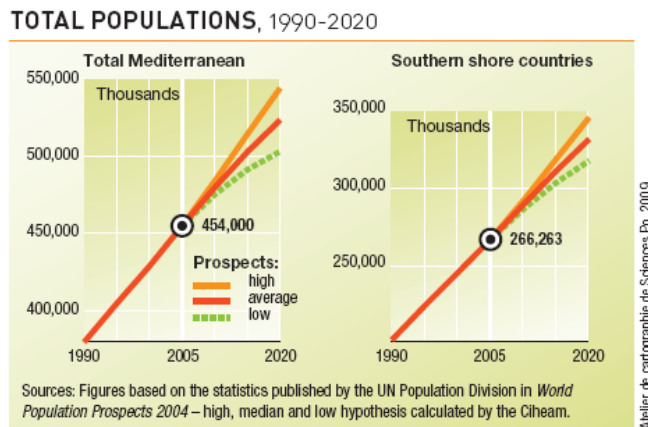
The Mediterranean in 2020: Main Trends

Of course, there are many ways to look into the future, many strategic vectors to look at, many context and dynamic factors to take into consideration, different perimeters or “areas” to focus on.¹ From an economic and social point of view, however, there is hard evidence that the Mediterranean constitutes a forward-looking unit, i.e., that, in many respects, it has a common future to share. Among the many issues that could be picked to prove the case (environment in general, energy, urbanization...), four main trends in the Southern and Eastern Mediterranean countries that will determine the future of the Mediterranean, and hence of its regions, highlight the high level of interdependence across the Mediterranean, common challenges and potential synergies:

- **Demographic Dynamics and Employment**

The Arab Mediterranean Countries (AMCs, i.e. Morocco, Algeria, Tunisia, Egypt, Lebanon, Jordan, Palestine, and Syria) are, taken together, the world region with arguably the most daunting employment challenge, at least in relative terms. Official labour participation rates there are the lowest in the world (below 46% of the working age population, compared to the world average of 61.2%), reflecting the lowest female participation rate in the world (below 25% as compared to a world average of 42%). Despite this, average unemployment rates (almost 15% of the labour force) are higher than in any other region with the exception of Sub-Saharan Africa.

Figure 1. Total Population in the Mediterranean. 1990-2020



Demographic projections for the coming ten to fifteen years, with an expected increase of 2.5 million a year in the working-age population (see Figure 1), make all foreseeable scenarios even bleaker. Adding together the projected needs for new jobs calculated under conservative assumptions on the basis of national statistical sources, the AMCs will need more than 1,500,000 additional jobs a year over the next 10 years (see Table 1) in order to provide employment opportunities for new labour market entrants and to keep the number of unemployed unchanged (already 7 million before the crisis). And these figures may be significantly underestimated, since they are based on the (hardly realistic) assumption that there will be constant labour participation rates. The 15 million new jobs which are needed up to 2020 would therefore mean an increase of 30% in relation to the current level of total employment in these countries, and would amount to between 1/3 and 2/3 more jobs per year than those created over the last five years in the region, a period of marked economic prosperity with average yearly growth rates of 5% for the region.

Eliminato:

¹ For a recent, normative forward-looking analysis of the Mediterranean, see IPAMED (2010): "The Mediterranean Region in 2030: The Ways for a Better Future", 8 pages, as well as CIHEAM (2008): *Mediterra. The Future of Agriculture and Food in Mediterranean Countries*. Sciences Po. Les Presses and CIHEAM, Paris, 356 pages.

Table 1. Estimation of Yearly Job Creation Needs up to 2020*

	Morocco	Algeria	Tunisia	Egypt	Palestine	Jordan	Lebanon	Syria	TOTAL
2009-2020	180,000	225,100	84,600	715,526	45,977	53,501	15,000	221,000	1,540,704
+5% labour participation of women	228,000	317,600	107,077	742,286	70,294	54,845	16,700	247,000	1,783,802

*Assuming unchanged labour participation rates and number of unemployed.

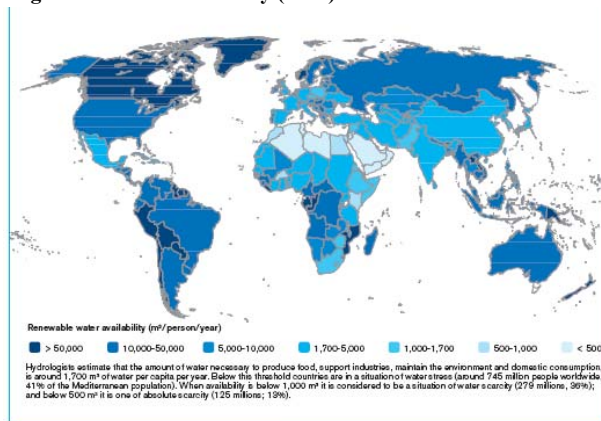
Source: “Labour Markets Performance and Migration Flows in Arab Mediterranean Countries: Determinants and Effects,” see footnote 2.

A study commissioned by the European Commission in 2009² concludes that immediate action is needed, because the status quo in terms of employment risks causing not only serious social and even political instability, but also permanent damage to the development prospects of these countries.

• **Water Access and Availability**

Always considered in relation to people’s living conditions, a glance at Figure 2, a map of the world’s fresh-water availabilities, clearly shows a common characteristic of the countries to the south and east of the Mediterranean: all of them, from Morocco to Palestine, have less than 1,000 m³ per year of available water per inhabitant, the lowest levels in the world and well below the threshold of 1,700 m³ of renewable water laid down by the United Nations Environment Programme (UNEP) as the minimum necessary to cover the basic needs of the population. Half the world’s population suffering this type of “water poverty” lives in the Mediterranean. In this situation of “water stress,” access to drinking water has already become one of the main factors of social instability and a recurrent source of conflicts in the region.³

Figure 2. Water availability (2007)



The figures are eloquent: 30 million inhabitants of the Mediterranean Partner Countries have no access to drinking water, and 35 million have no access to sanitation, and the United Nations Development Programme (UNDP) is already forecasting that the Arab countries will not reach the Millennium Development Goal of “reducing to half by 2015 the percentage of persons without sustainable access to drinking water and to basic sanitation.” Besides this, the distribution of water resources between the north and the south of the Mediterranean is as unequal as the distribution of income (and inverse to the distribution of energy resources): the north has 75% of the total renewable water resources in the

² “Labour Markets Performance and Migration Flows in Arab Mediterranean Countries: Determinants and Effects,” *European Economy*, Occasional Papers Num. 60, May 2010. Brussels. 3 Volumes, http://ec.europa.eu/economy_finance/publications/occasional_paper/2010/op60_en.htm. Executive Summary: www.eui.eu/DepartmentsAndCentres/RobertSchumanCentre/Research/Migration/LabourMarketsMigration/LMM.aspx.

³ *Agua y conflicto en el mundo árabe*. Notas del Foro Socioeconómico de Casa Árabe Num. 04/2008, January 2008. http://publicaciones.casaarabe-ieam.es/foro/notas/notas_4_agua.pdf.

Mediterranean Basin, the east has 13% and the south of the Mediterranean only 10%, whereas more than 80% of the land in North Africa is desert. The demand for water in the countries to the south and east of the Mediterranean, which has grown by 60% in the past 25 years, is set to continue growing, and the scarcity of water in the south can only get worse in the coming decades, especially as a result of demographic growth (an increase is expected from the present 270 million inhabitants to 370 million by 2030) and growing urbanisation, but also as a result of the increase in agricultural production (FAO calculates that irrigated lands will grow by 38% in the south and 56% in the east of the Mediterranean by 2030), together with climate change and the desertification of part of their lands: according to estimates by Population Action International, the per capita water availabilities will remain at stable levels between 1995 and 2005 to the north of the Mediterranean, and will be reduced by 40% to the south and east.

Thus, the issue of water needs to stop being treated, as hitherto, merely as an environmental problem (which it is, of course): it is an essential factor in economic development (especially in relation to agriculture, which consumes between 70 and 85% of available fresh water, but also in relation to tourism and industry), and it is also a social issue of major importance (it should not be forgotten that access to drinking water is, above all, a human right), central to poverty-fighting strategies in the region, besides being an ever more pressing geopolitical problem. But all this should not make us forget that the issue of water is, above all, an issue of efficiency in the management of available resources: between 40 and 50% of available water is lost in leakage from the distribution systems. Here the city governments, but also local and regional authorities more generally, have an important role to play, and decentralized cooperation could take the lead.

These major challenges of employment and water availability, with a direct effect on people's living conditions, are compounded by the challenges of food security (the AMCs have a structural deficit in basic food production) and environment deterioration.⁴

- **Development finance**

With the exception of oil- and gas-producing countries (in the region, mainly Algeria and Syria), Arab Mediterranean Countries still have a major shortage of resources for development. The inflow of migrant remittances was 26 billion US\$ in 2007, amounting to 9.5% of the GDP in Morocco and more than 20% in Jordan or Lebanon. Foreign direct investments were 24.2 billion US\$ in 2008 according to the IMF for all the Arab Mediterranean Countries, hence excluding Turkey, but much too volatile, descending to 16.2 billion US\$ in 2009, and too concentrated in Egypt, which absorbs around half of the total. Aid was around 6 billion US\$ a year for the AMCs. These resources do not make up for their structural trade deficits (according to IMF figures, the AMC current account deficit amounted in 2009 to 16.5 billion US\$, and this despite the surplus registered by Algeria as the only country in the region) and the external debt service (exceeding 20 billion US\$ a year).⁵ In economic terms, this means that they are indeed financing the development of the rest of the world, instead of benefiting from development finance for their own development needs.

⁴ See CIHEAM (2008), quoted in footnote 1, as well as CIHEAM (2010), *Atlas Mediterra. Mediterranean Agriculture, Food, Fisheries and the Rural World*, Sciences Po. Les Presses and CIHEAM, Paris, 132 pages.

⁵ For an exhaustive analysis of finance for development in Africa, and case studies for Morocco and Algeria, see AECID, CeSPI, FILAPP and SID (2009): *International Finance for Development in Africa. Trade, Investment, Debt, Aid and Remittances. 2009 Edition*. 2 Vol. 83 and 116 pages.

The recent “Report on Co-Development Financing in the Mediterranean,” drafted by the “Milhaud Commission” under the mandate of President Sarkozy⁶ confirms this lack of financial resources and the need for public investment as a leverage for development in the Mediterranean. This makes the contribution of EU funds to development in the Mediterranean Partner Countries critical, and focuses attention on the coming EU Financial Perspectives 2014-2020 as a possible turning point in this regard.

- **Convergence**

As a result of the former issues (low employment rates and a deficit of development finance resources), the Mediterranean has emerged as one of the most acute economic dividing lines in the world, with an income gap of close to 10 which has hardly been reduced over the last fifteen years (if one excludes the statistical effect of EU enlargements in 2004 and 2007). In Purchasing Power Terms, the income gap has hardly been narrowed between the euro zone and the MPCs since 1995 (see Table 2): at this pace of convergence, Morocco would need 241 years to reach 50% of the Euro area PPP GDP per capita, and Tunisia more than 62 years, for instance.

The convergence situation is still more dramatic if we look into development gaps within the AMCs, given the important income disparities between AMC regions. A real convergence policy is arguably the most pressing rationale for enhanced co-operation across the Mediterranean, and regions have an important role to play in it.

Table 2. GDP per capita 1995-2007 (PPP constant 2005 international US\$)

	1995	2000	2005	2007
Morocco	2661 (10.69%)	2980 (10.57%)	3589 (12.13%)	3880 (12.55%)
Algeria	5631 (22.63%)	6087 (21.59%)	7176 (24.25%)	7310 (23.64%)
Tunisia	4422 (17.77%)	5444 (19.31%)	6445 (21.78%)	7102 (22.97%)
Egypt	3586 (14.41%)	4211 (14.94%)	4574 (15.46%)	4628 (14.97%)
Jordan	3547 (14.25%)	3632 (12.88%)	4342 (14.67%)	4628 (14.97%)
Syria	3759 (15.11%)	3725 (13.21%)	4002 (13.52%)	4260 (13.78%)
Lebanon	7979 (32.06%)	8328 (29.54%)	9561 (32.31%)	9546 (30.87%)
AMC (a)	4294 (17.26%)	4743 (16.82%)	5417 (18.31%)	5537 (17.91%)
Euro Area	24884	28194	29590	30921

a) Weighted average. In parenthesis, the ratio to GDP per capita of the Euro Area.

Source: World Development Indicators Database, World Bank

⁶ Milhaud, Charles (2010) : *Rapport de la Commission sur le Financement du Co-développement en Méditerranée*.

A Crucial Moment for the Future of Territorial Cooperation in the Mediterranean

In this framework, the second semester of 2010 and 2011 will be a crucial period for the prospects for territorial cooperation in the Mediterranean for the next ten years:

- The 16 new National Indicative Programmes 2011-2013 within the European Neighbourhood Policy were approved in March 2010, and will give rise to new Action Plans to enter into force in 2011. The latter will frame EU bilateral cooperation for the next 3-4 years.
- The II Summit of the Union for the Mediterranean, postponed until November 2010, should give new impetus to this ailing initiative, as the Secretariat starts operating and fund commitments should begin to materialize. Despite the creation of the Euro-Mediterranean Regional and Local Assembly (ARLEM) in January 2010, which embodies a long-term aspiration of Euro-Mediterranean Local and Regional Authorities,⁷ the regions have been largely excluded from the formulation of the six UfM projects, at both the political and operational levels. And this notwithstanding the fact that, in at least two of the six projects already selected, local and regional authorities play an important role: de-pollution of the Mediterranean (44 priority projects identified under the Horizon 2020 Program directly concern coastal cities) and civil protection.
- More important, negotiation of the Financial Perspectives 2014-2020, the budgetary framework for the EU policies in the coming period, will start soon, and it should include a new framework for the Regional Policy (and hence intra-European territorial cooperation) and External Action (including the European Neighbourhood Policy). It could also mobilize resources to sustain the implementation of the Europe 2020 Strategy to be definitively approved at the European Council on June 16-17, 2010 (see next section).

So this is the right moment for the European Mediterranean regions to ask themselves where territorial cooperation in the Mediterranean stands (assessment), where they want it to go (priorities) and what strategy they intend to put in place to bring about this transition (engagement).

Territorial Cooperation in the Mediterranean: Where Do We Stand?

The last Financial Perspectives 2007-2013 introduced a new financial instrument, the European Neighbourhood and Partnership Instrument (ENPI), which entailed at least two major innovations: the introduction for the neighbour countries of a series of technical assistance instruments (such as TAIEX, SIGMA, and institutional twinnings) originally designed for the enlargement process and hence reserved to candidate countries, and a substantial Cross-Border Cooperation Programme (CBC Programme) with an allocation of 1.181 billion euros for 2007-2013 (10% of the total ENPI financial envelope). This programme aims to strengthen cooperation between territories located on the EU's external borders, in other words, between member States and partner countries that share common maritime or land borders, by financing cooperation projects managed by local and regional authorities, as well as by other local actors and social partners such as universities, trade unions, employer organizations, NGOs, and Chambers of Commerce, under a slightly simplified regional policy methodology. So for the first time it puts local and regional authorities at the centre of Euro-Mediterranean cooperation.

Now, more than three years after its introduction, it should be recognized that, in the Mediterranean, the CBC Programme is facing difficulties for working as planned: the bilateral Spain-Morocco

⁷ See Martín (2009a), Background Note Num. 3.

Programme (156.7 million euros) has been blocked for political reasons and its resources are being reprogrammed, and the Mediterranean Sea Basin Programme (173 million euro) is finding it difficult to mobilize actors, as most of the Mediterranean Partner Countries cannot yet benefit from it (either for political reasons, as in Morocco or Turkey, or for lack of the required financial protocols). The time has come to undertake a thorough assessment of the bottlenecks and obstacles (technical, political, and institutional) and implement a strategy to overcome them and ensure the success of the programme. This is crucial for the future credibility of the regions as partners in Euro-Mediterranean cooperation.

Another deep trend to be taken into consideration by the European Mediterranean regions is the “drift to the East” of EU neighbourhood cooperation focus. This is most obvious when we compare how quickly the Eastern Partnership is being implemented in comparison to the Union for the Mediterranean or even the Euro-Mediterranean Partnership established in 1995, or how the prospects and advantages offered to Eastern European neighbours are clearly more favourable than even the most favourable terms offered to any Mediterranean partner, for instance in the framework of the EU-Morocco Advanced Status.⁸

The approval by the European Commission, on March 3, 2010, of 16 ENP National Indicative Programmes for 2011-2013, including the bilateral budgetary allocations for that period, marks a turning point. Not only was the increase in budgetary allocations substantially higher for Eastern European countries than for Mediterranean neighbouring countries, with an overall increase of 57.9% for Eastern Partnership partners (although a catch-up effect partly explains this difference) compared to a 12.9% increase for Mediterranean Partner Countries (see Table 3). More telling, for the first time the per capita and per year allocation of funds for Eastern European Countries (6 €) has exceeded the per capita allocation for Mediterranean Partner Countries (4€ per year; see Table 3).

In the Mediterranean area itself, the EU is already devoting more resources, around 1.32 billion euros a year, to the Balkans and Turkey (under the Pre-accession Instrument) than to the eight AMCs (1 billion € a year, despite having 2.5 times more inhabitants). Taking into account only bilateral allocations, this means that, in per capita terms, the Balkans and Turkey receive 11 € per year in EU aid, versus 4.2 € per year in the case of the AMCs. A new balance of power within the EU seems to be changing the geographical balance of EU external policy priorities.

Finally, any assessment of existing territorial cooperation instruments in the Mediterranean has to deal with overlapping schemes: the Med Programme for European Mediterranean regions, the CBC Programme, multilateral programmes such as CIUDAD, etc. This proliferation leads to a lack of effectiveness and dispersion or competition between instruments. Just as the different financial instruments addressed to neighbouring countries were merged into the ENPI in 2007, there is a case for rationalizing this variety of instruments. As argued in the next section, the articulation of the priorities and actions of these instruments with the process of the Europe 2020 Strategy would allow for consideration of the specificities of the Mediterranean regions, whether in the fields of agriculture, innovation policy, transport, or maritime policy.⁹

⁸ In this respect, see Larabi Jaidi and Iván Martín (2010): *Comment faire avancer le Statut Avancé UE-Maroc?*, Documents IEMed Num. 5, IEMed and Groupement d'études et de Recherches sur la Méditerranée (GERM), Barcelona, 90 pages, http://www.iemed.org/publicacions/DocsIEMed_5.pdf, pp. 28-29.

⁹ See CRPM (2010).

Table 3. Bilateral Indicative Multi-Annual Allocations for 2011-2013 (million €)

Country	Financial Envelope 2011-2013 (Million €)	Increase in relation to 2007-2010	Population (Millions)	Assistance per capita per year (€)
Morocco	580.5	18.2%	31	6.2
Algeria	172	4.2%	34	1.6
Tunisia	240	6.7%	10	8
Egypt	449.3	7.2%	82	1.8
Palestinian Authority*	504	6.3%	4,5	37.3
Jordan	223	12.2%	6	12.4
Lebanon	150	7%	4	12.5
Syria	129	32.3%	21	2
Libya	60	1000%	6	3.3
Arab Mediterranean Countries**	2 507.8	12.8%	198,5	4.2
Ukraine	470.1	26.8%	46	3.4
Moldavia	273	73.5%	4	22.7
Georgia	180	99.3%	4	15
Azerbaijan	122	76.8%	9	4.5
Armenia	157	213%	3	17.4
Eastern Partnership***	1 202.1	57.9%	66	6.0

*Excluding extraordinary humanitarian aid.

** The NIP for Israel, as a Mediterranean Partner Country, was also approved by the European Commission, but as a developed country, it has not been considered for these calculations. Israel will benefit from 6 million euros for 2011-2013.

*** Excluding Belarus (an allocation of 80 million euros is planned, an increase of 533.3%, equivalent to 2.6 euros per inhabitant and per year). For Russia, 45 million euros have been reserved for 2011-2013 under the ENPI.

Source: Prepared by author based on European Commission documents. See Press Release: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/221&format=HTML&aged=0&language=EN&guiLanguage=en>).

2. The Europe 2020 Strategy and the Mediterranean

10 years after the adoption of the Lisbon Strategy aiming to make the European Union the most competitive economy in the world and to ensure full employment, the European Council endorsed, in the 2010 Spring European Council,¹⁰ the main lines of the proposed "Europe 2020 - A strategy for smart, sustainable and inclusive growth."¹¹ It will be formally approved in the European Council scheduled for June 17, jointly with the Integrated Macroeconomic and Employment Guidelines. The Europe 2020 Strategy presents itself as a road map to increase European economies' long-term competitiveness and to preserve the European social model ("Where do we want Europe to be in 2020?") along the following lines: employment, innovation and competitiveness, climate change, education, and the fight against poverty. It establishes a series of concrete objectives for each of these fields (see Table 4 -for poverty reduction and education, the objectives are still to be agreed on by the Heads of State of Government).

Smart, Sustainable, and Inclusive Growth

The three priority axes of the Europe 2020 Strategy are:

- **“Smart growth:** developing an economy based on knowledge and innovation” to avoid “a lost decade” “leading to high levels of unemployment and social distress, and a relative decline in the world scene,” one of the three scenarios of crisis recovery described in the Strategy. This should not lead Europe to ignore the fact that it can hardly remain a world economic power without developing and stabilizing its surrounding neighbourhood (and this includes the Mediterranean), and that the Mediterranean offers a growth potential (both in demographic and economic terms) that cannot be found elsewhere.
- **“Sustainable growth:** promoting a more resource-efficient, greener and more competitive economy.” The greening of the economy cannot be achieved sensibly without joint management of resources with the Mediterranean Partners, because of the shared maritime areas and because of the fact that Mediterranean countries are an important source of energy resources for Europe (including future solar energy developments).
- **“Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion.” It would be morally paradoxical and economically ineffective to focus on inclusiveness within the EU borders and at the same time to exclude the neighbouring regions. Migration makes it impossible to think about social inclusiveness in Europe without integrating the less developed Mediterranean regions and ensuring territorial cohesion across the Mediterranean as well.

¹⁰ 25-26 March, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/113591.pdf.

¹¹ Communication from the European Commission COM(2010) 2020 final, 3.3.2010, http://ec.europa.eu/archives/growthandjobs_2009/pdf/complet_en.pdf.

Table 4. Europe 2020 Strategy Headline Targets

Area	Objectives
Employment	– 75% of the population aged 20-64 should be employed
Innovation and competitiveness	– 3% of the EU's GDP should be invested in R&D
Climate Change	– The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
Education	– The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree*
Fight against Poverty	– 20 million less people should be at risk of poverty*

* Not yet approved by the European Council

To “catalyze progress under each priority theme,” the Commission is putting forward seven flagship initiatives. Most of them are directly relevant for the Mediterranean Partner Countries and in several cases for EU-Mediterranean cooperation as well.

– **“Innovation Union”** to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.” The participation in the EU’s research and innovation system offered to neighbouring countries by the ENP allows for integrating them into this initiative.

– **“Youth on the move”** to enhance the performance of education systems and to facilitate the entry of young people to the labour market.” This initiative could hardly be more relevant for the Mediterranean Partner Countries as well.

– **“A digital agenda for Europe”** to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.”

– **“Resource efficient Europe”** to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernize our transport sector and promote energy efficiency.” The Mediterranean Solar Plan promoted within the UfM framework is only one of the many ways in which MPCs can and should be involved in this process.

– **“An industrial policy for the globalization era”** to improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.” This cuts directly across one of the most often-mentioned levers for development and job creation in the MPCs.

– **“An agenda for new skills and jobs”** to modernize labour markets and empower people by developing their skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.” The win-win matching possibilities of labour demand and supply across the Mediterranean advocate for a joint management of this issue (see the next section).

– **“European platform against poverty”** to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society”. This is a major issue in the MPCs as well.

But, beyond concrete actions at the EU level, the Europe 2020 Strategy is first and foremost a process of multilateral surveillance within the European Union, so that, after approval at the European Council, the Member States will have to define national targets and present national plans to achieve them for discussion (on a yearly basis, for the first time in December 2010, jointly with the national Growth and Stability Pact). Their implementation will be the object of annual progress reports established by the European Commission and eventually of country-specific recommendations. Nothing prevents this same scheme from being extended to the Mediterranean Partner Countries.¹² The rationale could be brought down to the level of the regions, but this would entail a systematic development of regional economic and social statistics, which are far from being generally available in the Mediterranean Partner Countries today.

In any case, it is not yet clear how the Strategy will be “flexibly adapted to territorial differences” “to promote territorial cohesion and keep in tune growth and cohesion goals,” as asked for in the consultation document of the Committee of the Regions (2010), or how “the need for a “territorial dimension” of the policies for sustainable growth, jobs and a better quality of life” will be met. In most cases, we do not know, either, how the participation and contribution of the European regions will be articulated at national and EU levels (i.e., how multilevel governance will be implemented in practice¹³). In both cases, there is scope for European regions to have a proactive role. In the case of the European Mediterranean Regions, these two issues should be compounded with a strategy for integrating the specific aspects of the Mediterranean region into the Strategy implementation process.

The Mediterranean in the Europe 2020 Strategy

A quick reading of the Europe 2020 Strategy leads to the conclusion that the Mediterranean has been absent from the European Union’s strategic reflection on its future, despite the reiterated political statements that the Mediterranean is a key element in the future of Europe. Indeed, the single reference to the Mediterranean in the 37 pages of the Strategy proposal engages the European Commission to work to “*present an initiative to upgrade Europe’s networks, including Trans European Energy Networks, towards a European supergrid, “smart grids” and interconnections in particular of renewable energy sources to the grid (with support of structural funds and the EIB). This includes to promote infrastructure projects of major strategic importance to the EU in the Baltic, Balkan, Mediterranean and Eurasian regions.*” The consultation document of the Committee of the Regions (2010) has no reference to the Mediterranean, either. The European Union has therefore defined its strategic template for the coming 10 years as if its economic and social development were isolated from the immediate environment.

As stated in the Commission’s Communication, it is aware that “the Europe 2020 strategy is not only relevant inside the EU, it can also offer considerable potential to candidate countries and our neighbourhood and better help anchor their own reform efforts. Expanding the area where EU rules are applied, will create new opportunities for both the EU and its neighbours.” But it takes them as mere recipients of the policy, without integrating them in the process in any way or bringing their potential as part of the EU’s strengths to bear.

¹² For a discussion of the potential transposition to the Euro-Mediterranean Partnership of the EU’s Open Method of Coordination, see JAIDI, Larabi (2010): “A Monitoring System for the Euro-Mediterranean Partnership,” in Iván Martín (ed.), *20+10. 30 Proposals to Develop a True Social Dimension in the Euro-Mediterranean Partnership*, 183 pages, Friedrich Ebert Stiftung, Rabat, Morocco, www.fes.org.ma/common/pdf/publications_pdf/Policy_Brief/Policy_Brief.pdf.

¹³ For an analysis of the concept and gradual implementation of multilevel governance, see *Mediterranean Governance Report*, pp. 12-14.

Interestingly, another major report commissioned by the European Council to a reflection group, “Project Europe 2030: Challenges and Opportunities,”¹⁴ equally ignores the interdependence between Europe and its Mediterranean neighbourhood. Despite highlighting the challenges and threats of an “ageing population,” the “global economic crisis,” “climate change,” and “increasing energy dependency,” among others, the report, with a rationale that follows the Europe 2020 Strategy closely, includes a single reference to the Mediterranean, under the chapter “Europe in the World: Becoming an Assertive Player” i.e., dealing with it as part of the external and not internal policy:

“The EU’s power of attraction must also remain the centre-piece of its evolving neighbourhood policy. It must develop an enhanced role in stabilizing its immediate surroundings by building on the existing ‘European Neighbourhood Policy’, ‘Eastern Partnership’ and ‘Union for the Mediterranean’. These partnerships should be used to create a regional space of democracy, human rights, development and free trade. They should also offer fair access to the EU market and ultimately a space for the free movement of people to the benefit of the EU and its partners. Moreover, the EU should manage a strategic co-existence, modernization and region-building policy with Russia.”

What Scope Is There for a Common Europe-Mediterranean 2020 Strategy?

So the challenge is to explore and demonstrate the scope for developing a joint Europe-Mediterranean agenda which could be articulated around the priorities and objectives of the Europe 2020 Strategy, and hence, in time, be integrated into EU dynamics. In order to do this, and as a first approach, Table 5 offers a non-exhaustive crossing of objectives of Mediterranean cooperation frameworks (the Five-Year Work Programme approved in 2009, the 2006 European Neighbourhood Policy Strategy paper, the Strategy Paper for Cross-Border Cooperation within the ENPI, the CIUDAD Regional programme and the UfM priorities as set in the Marseille Declaration in 2008, but also the Med Programme, an EU Regional Policy Programme under the Territorial Cooperation Objective).

The table proves that there is a strong overlapping of objectives between the Europe 2020 Strategy and the different layers of EU-Mediterranean cooperation, and therefore that a common Europe-Mediterranean 2020 Strategy in the field of growth and employment is perfectly feasible. Once this has been established, European Mediterranean regions should ask themselves where they want the Europe-Mediterranean area to which they belong to be in 2020, and act consequently.

¹⁴ A Report to the European Council by the Reflection Group on the Future of the EU 2030 chaired by former Spanish Prime Minister Felipe González, May 8, www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection_en_web.pdf.

Table 5. Linkages between Europe 2020 Strategy Targets and Mediterranean cooperation Objectives

AREA	Europe 2020 Objectives	Mediterranean (Territorial) Cooperation Objectives
Employment	– 75% of the population aged 20-64 should be employed	2005WP: “Create more job opportunities for more young people in the region”. “Increasing the rate of employment of women in partner countries” UfM: Employment Framework of Actions
Innovation and Competitiveness	– 3% of the EU's GDP should be invested in R&D	2005WP: “Improve the business climate, in particular for SMEs” ENPI-CBC: “Promote economic and social development in regions on both sides of common borders” ENP: “Reinforced support for reforms and efforts aimed at improving the economic [...] regulatory environment and the investment climate” CIUDAD: “Sustainable economic development [...] (competitiveness)” MedP: “Strengthening of the innovation capacities (dissemination of innovative technologies and know-how)”
Climate Change	– The “20/20/20” climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).	2005WP: “Promote environmental sustainability and implement the Mediterranean Strategy for Sustainable Development. To develop as soon as possible a road map for de-polluting the Mediterranean by 2020, based on the recommendations of Euromed Environment Ministers using inter alia the MSSD and the UNEP Mediterranean Action Plan towards this end, while providing adequate financial and technical assistance to this end. The goal should be to tackle all the major sources of pollution including industrial emissions, municipal waste and particularly urban wastewater. Exchange experience on sustainable development in the Baltic Sea, the Mediterranean and the Black Sea.” ENPI-CBC: “Address common challenges, in fields such as environment” MedP: “Protection of the environment [...] ([...]; promotion of renewable energies and enhancement of energetic efficiency [...])” CIUDAD: “Environmental sustainability and energy efficiency” UfM Priorities: Water, Environment
Education	– The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree (Not yet approved by the European Council)	2005WP: “Halve the number of illiterate female and male adults and children” “Ensure equality of access to quality education at all levels for girl and boy students by 2015” “Ensure that by 2015 all children complete at least primary education” “Reduce disparities in educational achievement between Mediterranean states” “Develop national capabilities in the field of scientific and technological research and innovation to establish a knowledge based society through increased co-operation with and access to relevant European programmes and institutions” UfM Priorities: “Towards a Euro-Mediterranean Higher Education and Research Area”
Fight against Poverty	– 20 million less people should be at risk of poverty (Not yet approved by the European Council)	2005WP: “Reducing regional poverty rates” “Closing the prosperity gap and raising the GNP growth rates” CIUDAD: “Reduction of social disparities: (economically depressed urban zones, [...] integration of minorities, immigrants, etc.)”

2005WP: Euro-Mediterranean Summit of Barcelona, November 2005. Five-Year Work Programme,

<http://register.consilium.eu.int/pdf/en/05/st00/st00002.en05.pdf>

ENP: COM (2006) 726 final, Communication from the Commission on Strengthening the European Neighbourhood Policy, Brussels, 4 December 2006. http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf

ENPI-CBC: ENPI Cross-Border Cooperation Programme (Strategy Paper 2007-2013),

http://ec.europa.eu/world/enp/pdf/country/enpi_cross-border_cooperation_strategy_paper_en.pdf

UfM: Final Declaration, Barcelona Process: Union for the Mediterranean, Marseilles, 3-4 November 2008

www.ue2008.fr/webdav/site/PFUE/shared/import/1103_ministerielle_Euromed/Final_Statement_Mediterranean_Union_EN.pdf

MedP: European Territorial Cooperation Objective, Trans-national MED Programme, www.programmemed.eu.

Some quick considerations on the employment and education axes of the Europe 2020 Strategy are set forth, but similar reflections could be developed for the other areas.¹⁵ As is the case in the framework of the Europe 2020 Strategy, different objectives are interrelated and complementary, and they should be seen as dimensions of a holistic strategy to bring about development: competitiveness, growth, employment, and social cohesion.

As regards Employment and Education, the reality of interdependence and the potential for synergies in matching labour supply and demand across the Mediterranean are highlighted in the Study mentioned in footnote 1, but they are directly contingent on an upgrading of AMC education systems. The demographic evolution and skills profile of the EU offer opportunities for win-win matching strategies between EU potential labour demand and AMC labour supply, provided that the right cooperative strategies are implemented.¹⁶ Indeed, in the near future, there is no doubt that Europe will need an increased inflow of skilled labour. The Commission Communication "New Skills for New Jobs. Anticipating and matching labour market and skills needs"¹⁷ highlighted this point in a context of economic crisis and transformation of the economic model. In this regard, the preparatory CEDEFOP¹⁸ report on Future Skill Needs in Europe, even though it was written before the current economic global recession, is still fully relevant for understanding the long-term direction of European labour demand. Thus, in the course of the coming five years more skilled labour will be needed. Whichever scenario is considered, a decline in low-skill demand (-1.9%) will be compensated for by an increase in medium-skill (1%) and even more in high-skill labour demand (2.4%)¹⁹.

On the other hand, the abovementioned AMCs suffer instead from an excess and increasing supply of educated workers. Unemployment affects mainly the young (15-29), and increases with the level of education. Higher unemployment rates among the highly educated are common to all the AMCs, and the number of graduate unemployed has already reached 1 million and is increasing rapidly (and this without taking into consideration the high rate of inactivity among graduate women). So the AMCs provide an available pool of foreign skilled labour because there is an available graduate labour supply and, in the foreseeable future, a lack of sufficient labour demand for skilled workers. This matching of EU medium- and highly-skilled labour demand and AMC excess labour supply would be mutually beneficial and would partially dampen the main factor for social instability in the region.

However, this synergy is contingent upon an effective and immediate skills upgrading of labour forces in the AMCs (this should become a priority for EU-AMC economic cooperation) and upon a friendly climate for legal migration in the EU being set up, effectively attracting skilled migrants. According to the conclusions of the abovementioned study, the current instruments of EU migration policy, including the recently approved Blue Card, do not seem to provide for this. These are two important question marks to recall in matching supply on one side of the Mediterranean and demand on the other, and should guide policy action both on EU-AMC cooperation and on EU migration policy.

¹⁵ On the mobilization of local agents regarding climatic emergencies and environmental challenges, for instance, see Tourret *et alia* (2010, pp. 15-17). On innovation, see Pierfrancesco Salemi (2007): *The Economic and Innovation Context of the Mediterranean Area*, CeSPI, Rome, 35 pages, www.cespi.it/RIM/RIM-economic%20context.pdf.

¹⁶ See Iván Martín (2010): "A Win-Win Match of Labour Demand and Supply across the Mediterranean," in *BEPA Monthly Brief* Num. 34, Bureau of European Policy Advisers of the European Commission, pp. 16-18, http://ec.europa.eu/bepa/pdf/publications_pdf/see_also/n34_-_feb_2010.pdf.

¹⁷ Communication from the Commission, COM(2008) 868, 16 December 2008, http://ec.europa.eu/education/lifelong-learning-policy/doc/com868_en.pdf.

¹⁸ CEDEFOP (2008): *Future Skill Needs in Europe Medium-Term Forecast*, publication of the European Commission, Luxembourg.

¹⁹ Data from CEDEFOP (2008, Table 7 in p. 60).

The Medgovernance Thematic Report on Innovation analyses the current status and prospects of the Euro-Mediterranean Higher Education and Research Area, which “is far from being closed. As a matter of fact, it is in its initial phase.”²⁰

In terms of objectives, the Europe 2020 Strategy headline target in terms of percentage of the population employed is directly relevant for the MPCs, in particular for women. In these countries, it could be usefully complemented by an objective in terms of percentage of the employed population with a formal job. This, in turn, could contribute to the fight against poverty, by at least guaranteeing a minimum wage to those employed (although the minimum wage is not always enough to maintain a typical family above the poverty line).

Multilevel Governance in the Mediterranean or Across the Mediterranean?

The considerations above point clearly in one direction: the Europe 2020 agenda should integrate intra-European territorial cooperation and North-South territorial cooperation across the Mediterranean in the same overall dynamics. In other words, for the European-Mediterranean Regions, due to environmental, social, and ultimately economic interdependence the new paradigm of multilevel governance can only be implemented, in the Mediterranean, as multilevel governance *across* the Mediterranean. Therefore, the Mediterranean should be taken as a whole, or at least as a set of basins including both northern and southern regions. This has major implications.

First, the Europe 2020 Strategy should be developed into a Europe-Mediterranean 2020 Strategy if it can have any chance of success, at least for the European Mediterranean regions.

Second, the European Mediterranean regions have a vested interest in strengthening their partner regional authorities in the Mediterranean Partner Countries: this should be an objective in itself, and be integrated into the institutional reform process supported by the European Neighbourhood Policy.

Third, the European Mediterranean Regions certainly have an interest in the region-wide projects implemented in the framework of the Union for the Mediterranean, but they also have a strong interest in recovering the global development agenda within the framework of Euro-Mediterranean cooperation, including employment and migration, education and growth and innovation –some of the focal points of the Europe 2020 Strategy.

Fourth, a case can be made for integrating the various current instruments of Mediterranean territorial cooperation into a single, integrated instrument responding to the shared problems of regions in the area and, in particular, putting in a place a true convergence policy in and across the Mediterranean.

The challenge now is how to translate those interests into a clear, shared Mediterranean territorial cooperation agenda.

²⁰ www.medgov.net/site/files/download/thematic_report_innovation.pdf.

3. What Are the Prospects for European Mediterranean Regions in the Financial Perspectives 2014-2020?

The budgetary framework for the EU for the coming decade will begin to be negotiated sometime in the second semester of 2010 or the first semester of 2011, and should be finalized, at the latest, by 2012, when an agreement among the Member States for the Financial Perspectives 2014-2020 should be reached. This will increase the big figures and the distribution for all major EU policies, including the Regional Policy (which could see a major upheaval of its objectives and instruments) and the External Action budget, distribution, and instruments, including the new allocations for the European Neighbourhood Policy from which the funds for Euro-Mediterranean cooperation come. The shape of the new Financial Perspectives 2014-2020 will be determined to a large extent by the deep **economic crisis**, with the subsequent adjustment plans in all European economies and the drive to renationalization of some common policies, so that a substantial increase of budgetary resources is all but excluded. In the Mediterranean, the margin for manoeuvring has been narrowed by a certain “cooperation fatigue” which has emerged in the last two years, in particular, as conflicts and political interference have prevented the Union for the Mediterranean from advancing and the Cross-Border Cooperation Programme from being implemented as planned.²¹

In any case, two major trends can be highlighted as far as territorial cooperation is concerned:

- i) As shown by the long-term development of the Structural Fund from 1994 through 2013, Regional Competitiveness and Employment is set to become an increasingly important regional policy objective (for European Mediterranean regions, also); this builds a rationale for integrating territorial cooperation with the Europe 2020 Strategy, focused precisely on these two issues.
- ii) Cross-Border Cooperation is going to remain a key feature of the EU’s external territorial cooperation, in particular in the Mediterranean, as border control and management will remain a key dimension of EU security and stability; for European Mediterranean Regions, the integration of Cross-Border Cooperation and the Territorial Cooperation Objective of the Regional Policy would increase their chances of playing a more active role as regions (and probably of attracting more EU funds).

In this context, the three scenarios which can be envisaged for territorial co-operation in and across the Mediterranean can be summarized as follows:

Scenario 1. Status Quo

This is the most probable scenario. Funds for both the Regional Policy within the EU and External Action will be frozen or increase marginally, and the current proliferation and overlapping of instruments will remain a main feature of territorial cooperation in the Mediterranean.

The increase will be higher for Eastern European neighbours than for Mediterranean neighbours, as already happened in 2011-2013, and probably for the Balkans and Turkey, reflecting a major geopolitical shift and, even more so, the increasing weight of Eastern European Member States in the EU decision-making process.

The Cross Border Cooperation Programme is maintained, with a stronger emphasis on basin programmes at the expense of bilateral programmes (at least in the Mediterranean). To make up for the

²¹ See Martín (2009a), Euromed Background Note Num. 2.

shortcomings and difficulties of some bilateral programmes in the Mediterranean (i.e., Spain-Morocco), possibilities for inter-regional cooperation are enhanced.

The multilateral CIUDAD Programme is renewed and it will probably benefit from an increase in funds, but its working and content is quite comparable to standard decentralized cooperation (its added value is to be found in the establishment of multilateral partnerships with at least two Southern Mediterranean or Eastern European partners).

The main drawback of this continuity scenario is that budgetary resources will remain insufficient to carry out a true convergence policy across the Mediterranean, and hence to have a true leverage for reform in the Mediterranean Partner Countries and to push for further decentralization. Dispersion of available funds across different instruments and actors will undermine their effectiveness.

Scenario 2. Mediterranean Macro-region

The adoption of the EU Strategy for the Baltic Sea Region in 2009,²² followed by the Danube Region Strategy to be presented in late 2010, as well as the probable adoption of the Atlantic Strategy after the European Council in June 2010, seem to have given rise to a new model of regional cooperation in the EU around the concept of “macro-region,” widely defined as “an area including territory from a number of different countries and regions associated with one or more common features or challenges.” In 2010, several high-profile seminars and workshops are exploring the possibility of extending this model to the Mediterranean (for a discussion of this possibility, see *Mediterranean Governance Report*, pp. 39-42).

The “macro-regional” approach is based on a “three NOs” principle (no additional institutions, no additional legislation, no additional funding) and hence focused on a multilevel, transnational coordination approach along the axes of concrete cooperation issues (in other words, limited to a joint, integrated, decentralized planning and programming exercise which can be useful to create synergies between existing dynamics converging on the same territory or issue, but not necessarily to create new dynamics). However, some specific features of the Mediterranean point to the need to explore the possibility further and the strategic interest of transposing this concept:

- In the case of the Mediterranean, a pressing reality has to do not only with the concurrence of non-Member States and Member States, but with a wide development gap. It is not clear how the “three NOs” principle can be compatible with this reality, and the macro-regional approach risks creating an intra-European dynamic which excludes the Southern Mediterranean regions, where most of the challenges come from.
- The concept of macro-region presupposes strong institutional capacities in participating regions. This feature does not concur in the case of the Southern Mediterranean countries.
- The limited approach focused on a low number of issues of common interest –maritime surveillance, environment...- is fine among countries and regions with a similar level of development. It remains to be seen whether this can work between countries and regions with a wide development gap, where a true convergence policy is needed first before concrete cooperation on specific issues is possible.
- Although the “no additional funds” principle applies to start-up macro-regions, it should not be ignored that, once established, macro-regional strategies will most probably become a

²² Bringing together eight Member States (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and Sweden), see Communication from the European Commission COM(2009) 248, of 10.6.2009, http://ec.europa.eu/regional_policy/cooperation/baltic/pdf/communication/com_baltic_en.pdf, accompanied by an action plan.

reference unit for the allocation of funds (probably in the framework of the Financial Perspectives 2014-2020 already). This prospect makes it necessary to undertake detailed analysis of the financial implications they could have in the future (for instance, if the population they group together would be taken as a criteria for funds allocations vis-à-vis the current distribution of funds).

As a first step, a “macro-regional” approach could be adopted in the framework of the Integrated Maritime Policy. In the Mediterranean, this will make it necessary not only to “continue working in close cooperation with Member States on an integrated approach with non-EU Mediterranean coastal States and engage in the exchange of best practices complementing existing initiatives, paying attention, where appropriate, to the development of regional strategies at the sub-regional level,” as stated in the EU Council conclusions on Integrated Maritime Policy (2 June 2010) and the 2009 European Commission Communication on “An Integrated Maritime Policy for a Better Governance in the Mediterranean,”²³ but also to combine it with the “Mediterranean Maritime Strategy,” since, according to the Marseille Declaration of the Union for the Mediterranean (November 2008), “Studying the process of developing a harmonized maritime policy and promoting a foreseeable maritime strategy for the Mediterranean shall take particular consideration within the EuroMed Partnership in 2009 and beyond,” with the creation of a sectoral working group composed of national experts. In turn, it will have to be reconciled with national integrated maritime strategies, such as France’s or, at the regional level, the proposal for “Andalusia’s Strategy for Integrated Management of Coastal Areas,”²⁴ So for the time being a plethora of dynamics overlap and coexist.

In any case, under this approach the would-be “Mediterranean Macro-Region” could be a useful tool to advance shared management of the Mediterranean Sea, but it is hard to see it, for the time being, as an alternative instrument for territorial cooperation across the Mediterranean. However, it could be a useful tool in the Mediterranean, provided that it includes the Southern Mediterranean countries and that it applies to sub-regions in the Mediterranean (the first choice, quite obviously, would be the Western Mediterranean or, more narrowly, the Gibraltar Strait area).

Scenario 3. Towards an Extension of Structural Funds?

The extension of the Regional Policy Model of the EU (i.e., the Structural Funds) to the neighbouring countries is an option that has been increasingly present in policy debate on territorial cooperation across the Mediterranean at least since 2005. It was already agreed, in the Five-year Work Programme approved in 2005 for the Euro-Mediterranean Partnership, to “launch by 2007 at least two projects implementing EU regional policy methodology in two pilot regions.” Yet, instead of a pilot project approach, ultimately a simplified version of the regional policy methodology has been introduced since 2007 for all cross-border cooperation projects and programs of the ENP.

This prospect emerged again in the shape of a clear commitment in the Joint Document on the Advanced Status of Morocco published in October 2008 in which the parties agreed to engage in a joint reflection aimed at achieving, from 2013 on, a new phase that would provide access to adequate EU financial resources to support Morocco in a process consistent with the EU regional and cohesion policy and the adoption of new implementation procedures, in other words, to envisage a new scheme of financial assistance modelled on the methodology of EU structural funds.

²³ http://ec.europa.eu/maritimeaffairs/pdf/brochure_mediterranean_en.pdf.

²⁴ See www.juntadeandalucia.es/medioambiente/site/web/menuitem.a5664a214f73c3df81d8899661525ea0/?vgnnextoid=4c2730001ac92110VgnVCM1000000624e50aRCD&vgnnextchannel=ec1db63465846110VgnVCM1000000624e50aRCD&lr=lang_es.

Now that the Financial Perspectives 2014-2020 are about to start being negotiated, it is the right moment to study the implications of this new emerging structural approach of EU financial assistance, the preconditions for Structural Funds transferability in the Mediterranean, the shape and modulation of the country or thematic funds to be established, the institutional capacity building needed to advance in that direction....²⁵ The European Mediterranean Regions can play a crucial role in this process, as they have the experience managing structural funds and an extensive experience of territorial cooperation with Southern Mediterranean partners.

In any case, even if the current economic context is not the most propitious for adopting this kind of approach, the discussion is as much about the *model* of cooperation (Structural Funds are based on a territorial development approach, versus the sectoral or structural adjustment model implemented so far) as about the *amount* of the funds allocated. A well-defined framework for gradual transferability of structural funds to the Mediterranean Partner Countries, regardless of the amounts involved, would contribute to putting convergence at the centre of EU territorial cooperation in the Mediterranean, and the European Mediterranean regions as main actors in this process.

4. Stakes and Strategy for the European Mediterranean Regions

What Are the Stakes?

In the aforementioned context, a robust strategy for Mediterranean territorial cooperation by European regions is required to overcome the current “cooperation fatigue” and to mobilize resources commensurate to the challenges ahead. The stakes are high: Mediterranean cooperation runs the risk of being marginalized and stigmatized as an ineffective instrument and a waste of resources (as it is often presented in central European countries). The credibility of the regions as reliable and effective partners for Euro-Mediterranean cooperation is largely linked to the success of the ENPI Cross-Border Cooperation Programme, so they should mobilize their resources and cooperative energies to work in this direction.

On the other hand, in the coming year or so the very model of territorial cooperation in and across the Mediterranean is at stake, along with the role of the regions in it. After the breakthrough for local and regional authorities of their acknowledgment as partners for a large segment of the ENPI, through the Cross-Border Cooperation Programme, there is the risk of a backlash. So the European Mediterranean regions should choose their strategy and the cooperation model they promote carefully, weighing its long-term implications and the ultimate objectives it leads to.

Ultimately, the very role of the regions within EU policy-making in key areas such as regional policy or the Europe 2020 Strategy is at stake in this endeavour. And a strong political stance in favour of territorial cooperation across the Mediterranean is a good way to strengthen territorial cooperation within the European Union.

A Strategic Path

A clear strategy formulation and lobbying plan should be adopted if the interests of the European Mediterranean regions are to have any leverage in the decision-making process in the next few

²⁵ For a preliminary analysis of this issue, see Martin (2009b); for a more general advocacy of the extension of the Structural Funds to Mediterranean Partner Countries, see CRPM (Commission Interméditerranéenne) (2008).

months.²⁶ This should include the consolidation of existing instruments, the elaboration of technically sound, feasible proposals for further development of territorial cooperation in the Mediterranean based on an inventory of the long-term interests of the European Mediterranean regions, the coordination of their lobbying action before their national governments and in EU institutions (and cooperation with partner regions or national governments in Mediterranean Partner Countries when appropriate and possible), and a clear strategic direction to integrate all these elements.

To be credible, the European Mediterranean Regions should not only claim an increase in resources and adjustments in the instruments, but take responsibility and put their own political commitments on the table. The alignment and coordination of decentralized cooperation in Mediterranean countries with the objectives and working of national and EU cooperation is a first commitment they could make: current institutional, thematic, and geographic dispersion of decentralized cooperation, despite the substantial amounts of resources that it mobilises, does not help to establish regions as credible partners for territorial cooperation with the Mediterranean neighbours at the EU level. Concrete measures and instruments to advance in this direction should be figured out and implemented to demonstrate that the regions have an important role in territorial cooperation in the Mediterranean because they can act locally and in a decentralized way and thus contribute to the global political agenda, and that this does not necessarily mean dispersion or the prevalence of local political interests.

To conclude, European Mediterranean regions are strategically interested in promoting a change of paradigm in EU dealing and cooperation with the Mediterranean Partner Countries, in order to stop being considered “external” to the EU and hence subject to its external action and to allow them to be seen as part and parcel of the European Union Area. This would fit perfectly into the rationale of the European Neighbourhood Policy, which can be understood as an enlargement process without accession, in a true “everything but the institutions” spirit.

²⁶ See *Mediterranean Governance Report*, pp. 25-29.

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