

MEDA

Neighbourhood Programme

Strategy paper and Indicative Programme for countries under the Euro-Mediterranean Partnership

ANNEX :

Indicative Programme

2004-2006

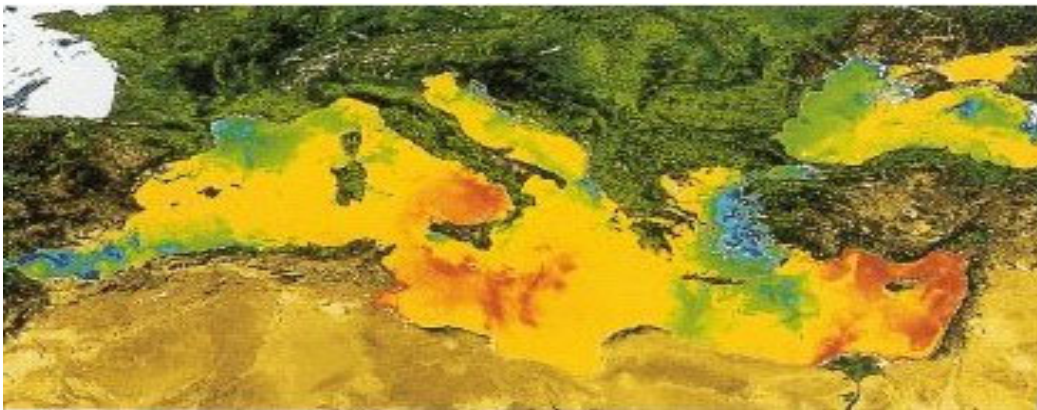


TABLE OF CONTENTS

MEDA Neighbourhood Programme Strategy paper and Indicative Programme for countries under the Euro-Mediterranean Partnership ANNEX : Indicative Programme 2004-2006	1
Executive summary	4
I. STRATEGY PAPER	5
1. EU Policy and cooperation objectives	5
1.1. Background and explanatory note	5
1.2 Enlargement and the New Neighbourhood Policy	6
2. Objectives	7
3. Regional analysis including the EU's eligible border area in the South	8
3.1 Regional analysis	8
3.2 Analysis of the key sectors targeted by MNP	8
4. Overview of past and current cooperation	9
4.1 Barcelona Process	9
4.2. INTERREG	10
5. EC Response	11
II. MEDA NEIGHBOURHOOD PROGRAMME 2004-2006	13
1. Outline of MNP	13
2. Measures proposed	14
2.1 Preparation of the region's energy sectors	14
2.1.1 Integration of the Maghreb electricity market	15
2.1.2 Creating an integrated gas market in the Mashreq	16
2.1.3 Israel-Palestine	17
2.2 Preparation of the region's transport sectors	19
2.2.1 Promoting a Euro-Mediterranean airspace	20
2.2.2 Re-enforcing maritime safety and security, and promoting short sea shipping including motorways of the sea	21
2.2.3 Galileo: using the European satellite navigation system to make the Mediterranean safer and better protected	23
2.2.4 Development of an integrated Euro-Mediterranean transport network: promoting interconnections and interoperability	24

2.3 Cross-border cooperation/Transnational cooperation	25
2.3.1 Cross-border cooperation	25
2.3.2 Transnational cooperation	26

EXECUTIVE SUMMARY

This strategy provides a framework for a Neighbourhood Programme (MNP) for the countries covered by the European Community's MEDA assistance programme. A total amount of EUR 45 m will be drawn from MEDA funds for the next three years to finance Neighbourhood Programmes in the Mediterranean. Specific indicative allocations per programme will be set out in this Strategy Paper/Indicative Programme to be confirmed in the Annual Financial Programmes. Similar Neighbourhood Programmes have been presented for the regions covered by TACIS and CARDS. All Neighbourhood Programmes are based on the existing legal and financial framework of cooperation.

Neighbourhood Programmes prepare for the European Neighbourhood Policy, a coherent concept for all of the EU's neighbours after enlargement. As such, the MEDA Neighbourhood Programme reflects the policy objectives of the Commission Communications on the Neighbourhood Policy as it has been developed in 2003 and 2004 but is also guided by the "Strategic Partnership with the Mediterranean and the Middle East"¹. Preparations for the new policies from 2007 onwards have to be flexible and take account of the very different geographical, economic and social conditions of the neighbours on the Union's Eastern and Southern borders. Therefore, the proposed MNP will differ from the parallel programmes under TACIS and CARDS in some respects as the EU's southern and south-eastern Mediterranean borders are sea borders.

The priorities identified for the MNP and of EU strategic interest come in response to the major challenges identified together with Mediterranean partner countries in the fields of institution-building in infrastructure and energy, i.e. regional gas and electricity markets, improvement of environmental and safety standards for transport across the Mediterranean. These challenges have become a priority in setting the basis for a meaningful Neighbourhood Policy with the Mediterranean partner countries. The purpose of the proposed MNP is therefore to fill the gap between the current regional programme, the specific bilateral country programmes and the Neighbourhood Instrument from 2007 onwards. The added value of the MNP lies in its flexibility to respond to urgent political and economic priorities identified in the ongoing dialogue with Mediterranean partner countries, which cannot be addressed through any of the other, current programmes of cooperation.

Part of the funds, however, will be set aside in order to build on the progress already made in coordinating the existing external and internal instruments. Thereby, the MNP is for the first time earmarking specific counterpart funding to finance activities in the Mediterranean partner countries in cooperation with those financed in the EU border areas by the Structural Funds, notably under cross-border programmes such as MEDOC and ARCHIMED. These activities will address common challenges as defined by the respective Commission communications, including those that involve people-to-people activities in order to encourage cross-border and trans-national co-operation.

¹ see footnotes 2, 3, 4 and 6.

I. STRATEGY PAPER

1. EU Policy and cooperation objectives

1.1. Background and explanatory note

The strategy provides a framework for the MEDA Neighbourhood Programme (MNP) covering Mediterranean Partner Countries. It reflects the policy objectives of the Commission Communications on *Wider Europe* and on *Paving the Way to a Neighbourhood Instrument* adopted in 2003². More recently the Commission has further developed this concept by proposing a single financial instrument for the Neighbourhood Countries³. The Commission proposes that this new European Neighbourhood and Partnership Instrument (ENPI) will cover all the financial assistance to the countries under the European Neighbourhood Policy from 2007 onwards.

In preparation for this policy similar Neighbourhood programmes have been presented earlier for regions covered by the EC's TACIS and CARDS programmes.

The proposed Meda Neighbourhood Programme shares with the existing Neighbourhood Programmes the aim of preparing the EU's neighbouring regions with for the European Neighbourhood Policy. It will do so by addressing aspects of proximity, of particular importance for the EU's southern Member States. The MNP also proposes policy interventions of a wider strategic interest to the EU and the countries bordering the Enlarged European Union. During the current preparatory phase 2004-06 the MNP, similar to the other Neighbourhood Programmes will be funded within the existing legal frameworks, in this case. MEDA.

The European Neighbourhood Policy is a coherent concept for all of the EU's neighbours after enlargement. At the same time this concept must be applied in a flexible way, reflecting the very different geographical, economic and social conditions of the neighbours on the Union's Eastern and Southern borders. Therefore, the proposed MNP differs in some respects from the parallel programmes under TACIS and CARDS. These programmes have been conceived in 2003 in preparation of a future Neighbourhood Instrument which then was exclusively destined for cross-border and transnational cooperation in keeping with the original concept of the Neighbourhood Instrument, meant to complement rather than replace the existing instruments (TACIS, MEDA) Likewise, different geographical conditions call for a different approach: the seaborders shared by the EU's southern Member States and the Mediterranean Partner Countries are a particular challenge to cross-border and transnational cooperation but they also provide new opportunities.

The MNP is anchored firmly in the main framework of the EU's cooperation with the Mediterranean partners, the Barcelona Process, reflecting the strategic importance of this region. This process is based both on a proximity policy and guided by the principle of partnership through a comprehensive multilateral and bilateral framework. The Barcelona Process has been reinforced and deepened following the enlargement of the Union on 1 May 2004. With the New Neighbourhood Policy and the preparatory measures proposed in this

² Communication on 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours' (COM/104/2003) and Communication on "Paving the way for a New Neighbourhood Instrument" (COM/393/2003)

³ Communication on "Financial Perspectives 2007-13" (COM/487/2004)

strategy paper the EU will add another dimension to this relationship. At the same time, the “Strategic Partnership with the Mediterranean and the Middle East”⁴ and notably its agenda on political, economic and social reform provides additional guidance.

The aim of the European Neighbourhood Policy is to share the benefits of enlargement with neighbouring countries, i.e. stability, security and well-being, in a way that is distinct from EU membership. Measures leading towards a full realisation of these benefits must also take into account the different level of preparedness of the EU’s neighbours. The MNP responds to this challenge by adopting a gradual approach with respect to focus and timing of the proposed measures.

Mediterranean partner countries will be encouraged to strengthen their capacity in key policy areas which are in the EU’s and Mediterranean partners’ common interest, such as transport and energy infrastructure. The “Strategic Partnership with the Mediterranean and the Middle East” particularly addresses these aspects when it suggests fostering south-south regional integration.⁵

Likewise, cross-border activities, a key element of the Neighbourhood Policy and necessary to enhance the concept of proximity, will be gradually introduced in order to match ongoing activities in the framework of EU regional policy. Experience gained so far in cross-border and transnational cooperation with Mediterranean Partner Countries has been mixed. Absorption capacity was limited due to the weak institutional framework at all levels. Therefore, the activities funded under this heading will put particular emphasis on the **institutional capacity building of institutions** to allow Mediterranean Partner Countries to fully engage in all aspects of the Neighbourhood Policy.

1.2 Enlargement and the New Neighbourhood Policy

The two communications adopted by the Commission in 2003 have addressed the important changes following enlargement by setting out a new framework for relations with Eastern and Southern Neighbours. More recently this framework has been further developed in a Strategy Paper⁶. Accordingly, “the EU should aim to develop a zone of prosperity and a friendly neighbourhood...with whom the European Union enjoys close, peaceful and cooperative relations”.

The consequences of enlargement will be felt particularly in the border regions where living standards already differ considerably on either side of the EU’s borders. In the south, where most borders are maritime, these effects will be felt on both sides of the Mediterranean but in a different way due to the distance between neighbours. New policies are therefore designed to mitigate some of the effects of enlargement which might otherwise create new dividing lines in Europe’s neighbourhood. EU policy in the interest of its citizens, those of the new member states and its present and future neighbours aims to ensure continuing social cohesion and economic dynamism. Regional and sub-regional cooperation and integration foster political stability. They also contribute to economic development, and the reduction of poverty and social division in the shared environment, created by the new proximity and interdependence with the Union’s neighbourhood.

⁴“Strategic Partnership with the Mediterranean and the Middle East” adopted at the June 2004 European Council

⁵ see point 5 on “Economic Reforms in its relations with the Euro-Mediterranean Partnership”

⁶ Communication on “European Neighbourhood Policy – Strategy Paper” (COM/373/2004)

Geographical proximity increases the importance of a set of issues revolving around, but not limited to, the management of the new external border and trans-boundary flows. The EU and its neighbours have a mutual interest in cooperating, both bilaterally and regionally, to ensure that their migration policies, customs procedures and frontier controls do not delay or prevent people or goods from crossing borders for legitimate purposes. Infrastructure, efficient border management and interconnected transport, energy and telecommunications networks will become more vital to expanding mutual trade and investment. Cross-border cultural links, not least between people of the same ethnic/cultural affinities, gain additional importance in the context of proximity. Equally, threats to mutual security, whether from the trans-border dimension of environmental and nuclear hazards, communicable diseases, illegal immigration, trafficking, organised crime or terrorist networks, will require joint approaches in order to be addressed comprehensively.

The new EU approach to its neighbouring countries is not confined to the border regions alone. As it aims to create an area of shared prosperity and stability, proximity policy must go hand-in-hand with action to tackle the root causes of the political instability, economic vulnerability, institutional deficiencies, conflict, and poverty and social exclusion.

Relations between the EU and most countries covered by the European Neighbourhood Policy are already highly developed. In the Mediterranean, the Euro-Mediterranean Partnership and the Association Agreements provide the framework for relations and the European Neighbourhood Policy will apply to all the non-EU participants in the Euro-Mediterranean Partnership with the exception of Turkey, which is pursuing its relations with the EU in a pre-accession framework.

2. Objectives

The MNP 2004-06 follows the objectives of the European Neighbourhood Policy:

- The promotion of economic and social development in the border areas including infrastructure in the sectors of transport, environment, energy, as well as facilitation of border crossing.
- Addressing common challenges, in fields such as environment, public health, and the fight against organized crime.
- The protection of efficient and secure borders.
- The promotion of local, *people-to-people* type, contacts.

This agenda is coherent with the objectives of the Euro-Mediterranean Partnership and its trans-national and regional core issues, amongst them interconnection of infrastructure, fighting pollution or harmonization of standards. The proposed MNP is in keeping with such a regional approach. It will promote the development of skills and closer North-South and South-South cooperation by developing sub regional links, also one of the prime objectives of the EU's "Strategic Partnership with the Middle East".

3. Regional analysis including the EU's eligible border area in the South

3.1 Regional analysis

The area shared by countries around the Mediterranean, whether EU Members or Partner Countries, is characterized by striking economic and social contrasts. At the same time there

are common features and problems: a fragmented landmass, a large maritime expanse, threats to the environment of land and coastal areas and the sea, poor management of natural and cultural resources, insufficient coordination of transport, and significant socio-economic pressures on coastal areas with the progressive abandonment of inland areas. The areas of the Northern Mediterranean are confronted with the problems of an ageing population, while those of the Southern Mediterranean are experiencing rapid demographic growth.

The policy agenda of the Mediterranean partner countries, with their underlying political, economic and social circumstances are addressed in detail in the Country Strategy Papers and the Regional Strategy Paper⁷. These countries represent a heterogeneous group of mostly small economies, still mainly characterized by inward-looking and state-directed development. Despite some structural reform efforts and successes during the last decade, economic activity is still constrained by various factors, which call for further reforms. Most Mediterranean countries have unsupportive business environments with large and dominating governments. Financial sectors are underdeveloped. In general, efforts need to be intensified to turn the Mediterranean countries into efficient and well-functioning market economies, driven by the private sector, and supported by an efficient public administration. Notably, this will require the reinforcement of legal frameworks and the promotion of good governance, based on a review of the role of the state and accompanied by the reform of public administration. Mediterranean countries also need to close the growing knowledge gap by investing heavily in education and raising its quality.

Equally, trade liberalization needs to be maintained and progress in this respect is already visible in the context of the implementation of the Association Agreements. The establishment of a regional free trade area and support for regional economic integration, starting on a sub-regional basis, will be crucial to establishing an integrated economic space. This, in turn will represent an important stimulus to attract foreign direct investment to the region.

3.2 Analysis of the key sectors targeted by MNP

Regional infrastructure bottlenecks have been identified as particular obstacles to trans-national economic development and stand in the way of realising the Barcelona Declaration's objective of creating a Euro-Mediterranean Free-Trade area and making the European Neighbourhood Policy effective. This free-trade area will effectively integrate and link the Union and its southern and south-eastern neighbours. Solving transport and energy problems in a cost-effective and sustainable manner requires the development of key infrastructures these sectors and their regional networks. At the national level inadequate sector policies and administrative procedures aggravate the weak state of physical infrastructure development. The effective development of national, sub-regional and regional infrastructures must necessarily precede the successful connection to Trans-European-Networks.

In the course of 2003, the EU has adopted three communications, which provide a detailed analysis of these problems, their relevance for the Union and its relationship with neighbouring regions and countries. As such, the communications clearly set out priorities in view of the effective implementation of the Neighbourhood concept.

⁷ see Chapter 4 of Strategy Paper

In the energy sector⁸, the reform process in the Mediterranean partner countries needs to be accelerated to ensure the gradual integration of the Euro-Mediterranean markets of electricity and natural gas and their interconnections. Together with the neighbouring countries the EU is faced by growing external energy dependence. The economic development of Mediterranean partner countries is hampered by present inefficiencies in national and regional energy markets. Energy related environmental problems add to the lack of stable supply, high costs and the weak maintenance of existing infrastructure.

In the transport sector⁹, the need to link the EU to the Mediterranean partner countries by means of efficient networks and a high-performance transport system has taken on greater urgency in view of enlargement, the development of the Euro-Mediterranean partnership, and discussions within the EU on the future of the trans-European transport network. Trade flows, the development of tourism and the need to rebalance the Union's transport flows have been singled out in this context. Shipping oil and gas in an increasingly important transit area presents important safety and security concerns. The transport network on the southern and eastern shores of the Mediterranean itself is vulnerable because of insufficient interconnection, the lack of traffic management facilities, the still incomplete opening up of transport markets and the weakness of sub-regional cooperation. This is a major obstacle to investment in the region and to regional economic and social development.

In the aviation sector¹⁰ the EU pursues a comprehensive approach with all its neighbouring countries through bilateral agreements leading to pan-European cooperation. Countries participating in this policy would share with the EU the same rules with regard to fundamental aspects of aviation as safety, security or Air Traffic Management. The EU being for many of the Mediterranean partner countries the most important aviation partner will thus contribute to reciprocal economic growth.

4. Overview of past and current cooperation

The MNP is coherent with the Barcelona Process and its policy agenda. It also complements existing INTERREG programmes inside the EU borders by allocating funds to Mediterranean partner countries in pursuit of joint projects, thus preparing for the different dimensions of the European Neighbourhood Policy and notably to focus on the aspect of proximity.

4.1 Barcelona Process

Cooperation in the framework of the Barcelona Process began in the mid 1990s with the vast bulk of support provided through bilateral co-operation and some 10% dedicated to regional activities, a field in which the EU is the only substantial player. Euro-Med regional cooperation 2002-2006¹¹ draws on previous experience, in particular in the implementation of MEDA. Euro-Med regional cooperation, when compared with bilateral co-operation with Mediterranean partners, is more complex due to the number of partners involved and the political sensitivities in the region. An essential lesson learned is the need to focus activities on a limited number of areas so as to maximize the impact of programmes and projects. It has

⁸ Commission Communication on the development of an energy policy for the enlarged EU, its neighbours and partner countries, (COM/262/2003)

⁹ Communication from the Commission on the development of a Euro-Mediterranean transport network (COM/376/2003)

¹⁰ Communication from the Commission on a Community aviation policy towards its neighbours (COM/74/2004)

¹¹ see current Regional Strategy Paper 2002-2006 with its respective Regional Indicative Programmes 2002-2004 and 2004-2006

also been shown that a sub-regional approach is normally the most effective. Objectives need to be defined clearly in order to avoid a lack of focus while seeking synergies between bilateral and regional cooperation activities.

The institutional framework created by the Union and its Mediterranean partner countries over the past decade assists with identifying and endorsing priorities of mutual interest and ownership. Under the ongoing regional indicative programme the following priorities have been endorsed by the Foreign Ministers: industrial cooperation, environment, water, energy, transport and the information society. Emphasis will be given to policy dialogue, networking, and interconnection of infrastructure, reforming the legal and administrative network to encourage pro-competitive regulation. These activities are already well-coordinated with the other donors and IFIs active in the region and likely to be concerned by the Neighbourhood Programme. The Commission carries out a key-coordinating role, which is likely to facilitate the implementation of the Neighbourhood Programme. At the same time, the bilateral agenda in the framework of the Neighbourhood Programme is already been taken forward through Action Plans.

4.2. INTERREG

At the same time, existing instruments for regional cooperation in the framework of INTERREG are already being coordinated and synchronized in order to improve cross-border and trans-national cooperation between southern and northern Mediterranean partners. Cross-border cooperation between adjacent regions aims to develop cross-border social and economic centres through common development strategies. Trans-national cooperation involves national, regional and local authorities and aims to promote better integration within the Union through the formation of large groups of European regions.

Particular experience has been gained with the current INTERREG programmes ARCHIMED, MEDOC¹², Spain-Morocco and Gibraltar-Morocco. The total amount for these programmes is € 485.55 m for promoting cross-border cooperation in the EU's borders.

Although these programmes have made significant efforts to involve neighbouring countries their impact has been limited, mainly due to the lack of counterpart funding on the side of Mediterranean Partners. Difficulties remain in defining common strategies and achieving practical coordination, particularly with regard to legal and financial aspects and thus ensuring tangible benefits for all participants. The main challenge today is that of setting up genuinely common and integrated structures of cooperation to manage programmes that have been developed and implemented together. In the Mediterranean Partners the weak development of local governmental institutions constitutes a particular difficulty when addressing the differences in political institutions, administrative systems and procedures, legal structures and provisions, technical and environmental standards. In addition there are difficulties such as differences in language and culture as well as physical obstacles, i.e. the specific geographical conditions of participating regions, notably mountainous areas and the sea.

5. EC Response

The broader approach recently adopted for the European Partnership and Neighbourhood Instrument¹³ aims at reflecting the specificity of the ENP approach. It should provide both optimal coherence and visibility for future assistance for the EU's partner countries.

¹² see "Analyse des partenariats entre les pays de l'Espace Médoc et les pays tiers méditerranéens au sein du programme Interreg B Médoc"

The ENPI's scope goes beyond promoting sustainable development, economic growth and poverty reduction. It will address progressive economic integration, deeper political cooperation, involving legislative approximation, institution building, participation in Community programmes and Agencies, inter-connections and development of common infrastructure.

Another specific component of the ENPI will be the promotion of cross-border cooperation on each side of the border between the third country and the Member State concerned. This component will combine objectives deriving from external policy and from economic and social cohesion and operate according to a common methodology and harmonised management based on principles such as multi-annual programming, partnership, and co-financing.

The proposed Meda Neighbourhood Programme prepares for both aspects of the ENPI in pursuit of the reform agenda of the Mediterranean Partner Countries and the promotion of cross border and transnational cooperation.

The priorities identified for the MNP are of EU strategic interest come in response to the major challenges identified together with Mediterranean partner countries in the fields of institution building in infrastructure and energy, i.e. regional gas and electricity markets, improvement of environmental and safety standards for transport across the Mediterranean. The purpose of the proposed MNP is therefore to fill the gap between the current regional programme for the Mediterranean partner countries, the specific bilateral country programmes and the ENPI from 2007 onwards. The added value of the MNP lies in its flexibility to respond to urgent political and economic priorities identified in the ongoing dialogue with Mediterranean partner countries, which cannot be addressed through any of the other, current programmes of cooperation.

The close involvement of EU Member States will bring particular added value to this programme as professionals and experts will provide technical assistance in the jointly identified key sectors¹⁴ but also contribute to confidence building between professional sectors of EU Member States and their Mediterranean Partner Countries. This response strategy has been chosen in order to enable the Mediterranean partner countries to engage in the Neighbourhood Policy in a meaningful way.

Part of the funds, however, will be set aside in order to build on the progress already made in coordinating the existing external and internal instruments. Thus, the MNP earmarks for the first time specific counterpart funding to finance activities in the Mediterranean partner countries in cooperation with those financed in the EU border areas by the Structural Funds. These programmes were hampered in the past due to the lack of counterpart funding on the external side and funding for pilot activities in the framework of the proposed MNP will address this aspect. A particular focus will be on people-to-people actions like cultural and educational exchanges and co-operation in addition to involving civil society representatives in other fields of joint interest related to environment, energy, border crossings, investments in economic and social cohesion such as including productive investments, human resource development, business-related infrastructure, co-operation in RTD and innovation; support to institution building, etc.

¹³ see footnote 3

¹⁴ Joint Ministerial Conferences have taken place in all the fields covered by this programme. They will be complemented by joint expert meetings in order to define the still outstanding priorities in the field of transport (Aviation, Galileo)

The proposed response strategy combines cross-border and trans-national activities to enhance regional cooperation and economic development while contributing to confidence building and increased integration across borders. It will be important for governments to take an active role in supporting the proposed activities by providing the necessary legal and political framework and additional financial support to the extent possible.

In summary, the following key priorities have been identified:

- (i) To provide funding to prepare Mediterranean partners countries through trans-national cooperation for their effective participation in Trans-European Networks in energy and transport;
- (ii) To provide funding for activities addressing common challenges including those that involve people-to-people activities in order to encourage cross-border and trans-national cooperation.

A mid-term review of the MNP is foreseen in the course of 2005 in order to assess progress made and, if necessary, adapt the programme in accordance.

ANNEX

II. MEDA NEIGHBOURHOOD PROGRAMME 2004-2006

1. Outline of MNP

The MEDA Neighbourhood Indicative Programme (MNIP) will take up the two priorities identified above and concentrate funds in a limited number of programmes that reflect the strategic priorities outlined in the Strategy Paper.

MNP Strategy

Firstly, the MNIP will concentrate on the priorities singled out in the Wider Europe Communication with respect to the integration into transport and energy Networks. Specifically, the Communication states: “EU policies such as Trans-European Networks (TENs), Galileo and other research activities should draw up strategies for the Eastern and Southern neighbours. The MEDA regional programme is producing blueprints for infrastructure interconnection and regulatory approximation and harmonization in transport, energy and telecommunications (Trans-Euro-Mediterranean Networks)”.

Secondly, the MNP will improve coordination of existing internal funding instruments (INTERREG) with the external funding instrument MEDA in the framework of INTERREG programmes applicable to the Mediterranean region. The present phase of the INTERREG initiative is designed to strengthen economic and social cohesion throughout the EU, by fostering the balanced development of the continent through cross-border, trans-national and interregional cooperation. Special emphasis has been placed on integrating remote regions and those which share external borders with the candidate countries.

MNP sequencing

With respect to the sequencing of activities the MNIP will, in 2004, finance projects that have already been pre-identified and should improve regional cooperation meant to take the agenda in the **energy sector** forward for an amount of € 14 m. (see 2.1)

From 2005 onwards additional activities for an amount of € 19 m in the **transport sector** are proposed but may be subject to review in the course of the ongoing programming exercise. (See 2.2)

For the entire programming period an amount of € 9.4 m will be allocated to activities in support of **cross border and trans-national cooperation** aimed at addressing common challenges, including people to people activities and as counterpart funding for existing INTERREG programmes. Allocations will increase over the programming period as indicated in the following budgetary table in response to the limited absorption capacity of Mediterranean Partner Countries (See 2.3).

Gender and environmental aspects may be addressed through respective impact analyses.

Indicative budget

MEDA NEIGHBOURHOOD INDICATIVE PROGRAMME			
Headings 19-08-02-01 and 19-08-02-02 (Budget of the European Communities for 2004)			
TRANSNATIONAL COOPERATION	2004	2005	2006
ENERGY			
- Maghreb Electricity Market	5,6		
- Mashreq Gas Market	6		
- Israel – Palestine	2,4		
To be programmed: Market observation system and further interconnections		3,8	0,8
TRANSPORT			
- Maritime safety and security and promoting short sea shipping, including motorways of the sea		1	6
- Aviation: promoting an integrated Euro-Mediterranean airspace		5	
- Galileo			3
- Euro-Mediterranean transport network: promoting interconnections and interoperability		1	1
INTERREG			
- ARCHI-MED		1	1
- MEDOC	1	2	2
CROSS BORDER COOPERATION			
Morocco – Spain		1	1
Morocco – Gibraltar		0,2	0,2
Total	15	15	15

2. Measures proposed

2.1 Preparation of the region's energy sectors

The EU's Policy for the Mediterranean is based on existing EU policy and notably its Trans-European-Networks. Trans-European Networks emerged in conjunction with the EU's Single Market Policy and aim at enabling freedom of movement for goods, persons and services to ensure that regions and national networks making up the market are properly linked by modern and efficient infrastructures. Interconnection and interoperability of national networks as well as access to such networks are essential. More recently there have been initiatives to extend the Trans-European networks to the Mediterranean. Notably, the Copenhagen European Council of 12 and 13 December 2002 stressed the need to develop cross-border and regional cooperation with neighbouring countries with a special focus on the Mediterranean

“in order to develop the region’s potential to the full, inter alia by enhancing transport infrastructure, including appropriate instruments”.

2.1.1 Integration of the Maghreb electricity market

(1) Background: Mediterranean Energy Policy

Two Euro-Mediterranean Energy Ministerial Conferences have been held, in Athens on 21 May 2003 and in Rome on 1-2 December 2003. They laid the foundations for a Euro-Mediterranean energy policy based essentially upon security of supply and infrastructure interconnections, as well as on specific priority actions of common interest for 2003-2006. The objectives are to:

- accelerate reform in the countries on the southern shore of the Mediterranean with a view to the gradual integration of the Euro-Mediterranean electricity and gas markets;
- increase the security and safety of Euro-Mediterranean energy supplies and infrastructure and of oil shipping;
- develop South-South and North-South energy interconnections (also proposed in the Commission’s communication on interconnections between the enlarged EU, its neighbours and partner countries);
- promote the potential of renewable energy sources and support the Kyoto process;
- promote more efficient energy demand management;
- harmonise rules and standards, as well as information systems and statistics used in the energy sector in the countries on the southern shore of the Mediterranean.

(2) Objectives

The creation of a regional electricity market in the Maghreb will re-enforce cooperation in the field of energy policy. The participating countries, Algeria, Morocco and Tunisia have expressed their political will in pursuit of this objective by signing a protocol with the EU on the occasion of the recent Energy Conference in Rome (2/12/2003). This part of the programme will also aim at establishing synergies with EIB investment projects in the framework of FEMIP.

(3) Description of activities

This Agreement aims at creating an internal electricity market among the participants from 2006 onwards following the model adopted by the EU. The legislative framework and national policies in the energy sector will to be harmonised gradually. For this purpose a work programme and the respective institutional framework are in the course of being established. In the immediate future two EU Member States stand to benefit most from any progress made in this respect. They are, therefore, strongly involved: Spain because of the existing interconnection with Morocco and Italy in view of the interconnection planned with Tunisia. This programme covers highly specialised technical training for professionals in this sector such as regulators and network managers. They will be trained by their counterpart experts and practitioners of EU Member States. Technical studies will also be funded under this programme.

The programme aims at harmonising the regulatory framework in the three Maghreb countries, the establishment of a regional electrification market eventually leading to its integration with the EU's electricity market.

Funding for actions undertaken at the national level will cover: a study on the legislative and regulatory framework in order to map a strategy and action plan, the establishment of national independent regulators, electricity transport, distribution and interconnections, management of transport networks, the establishment of independent regulators for the sectors, and technical advice for other actors in the industry.

At the regional level support will be given to: the regional associations of regulators, of transport managers, market planning through bilateral agreements, the creation of a regional market.

(4) Expected results

Expected results are the development of regulatory and legislative framework for the creation of the Maghreb electricity market. Furthermore, it is expected that the programme will create adequate institutional structures for regulators, the management of transmission and distribution and a forum of regulation. In time, this will allow the Maghreb electricity market to integrate with the EU's electricity market creating important synergies and efficiency gains of strategic importance for both regions.

(5) Budget

It is proposed to allocate € 5,6 m for these activities.

2.1.2 Creating an integrated gas market in the Mashreq

(1) Background

At the Euro-Mediterranean Energy Ministerial Forum in Rome in December 2003, the pivotal role of energy in the implementation of the Euro-Mediterranean Partnership was acknowledged. Equally, there was recognition of the need to strengthen cooperation in the Mashreq region and to intensify the dialogue in the field of energy policies, as well as to encourage the introduction of general conditions conducive to investments and the activities of energy companies;

The countries concerned agreed to collaborate in developing studies on an integrated regional Euro-Mashreq natural gas market and to develop plans for the implementation of projects of common interest on the basis of gas market development scenarios to 2020. This would take into consideration the potential of the new gas resources discovered in the countries of the region, the transit possibilities for resources from other producer countries in the region as well as the interest of the companies developing the Trans Mashreq Gas Pipeline project (known as the Arab Natural Gas Pipeline) and the agreements already signed.

This collaboration between the Mashreq countries is linked to a number of projects designed to diversify the sources of natural gas into the European Union and in the Mediterranean partners, and thereby strengthen energy security. These projects are

- the “Nabucco” gas pipeline project from Turkey–Bulgaria–Romania–Hungary–Austria
- the Turkey-Greece-Italy gas interconnection project

- and the trans-Balkan gas project between Greece and Austria passing through the Former Yugoslav Republic of Macedonia, FRY (Serbia-Montenegro), Bosnia-Herzegovina, Croatia and Slovenia.

(2) Objective

The objective of this project is the integration of the Mashreq energy markets and it is thus another example of sub-regional coordination aiming at reinforcing cooperation between the partners. This part of the programme will also aim at establishing synergies with EIB investment projects in the framework of FEMIP.

(3) Description of the action

The action will provide technical and logistical support to the “Euro Mashreq Gas Working Group”, composed of representatives of the Mashreq countries, in:

- developing necessary studies and promoting appropriate projects important for the security and safety of gas supplies to the countries concerned and for the integration of the Euro-Mashreq gas networks;
- identifying and proposing measures aiming at promoting harmonised regulation systems in the Euro Mashreq region in the natural gas sector compatible with EU gas market regulation.

(4) Expected results

- completion of studies necessary for developing an integrated regional Euro-Mashreq gas market, which identifies the technical, legal, financial and market issues to be addressed.
- the identification and promotion of a number of key projects that will assist in the development of an integrated regional Euro-Mashreq gas market.
- the identification of the necessary regulatory changes required to build an integrated market.

(5) Budget

It is proposed to allocate € 6 m for these activities.

2.1.3 Israel-Palestine

(1) Background

At the Euro-Mediterranean Energy Ministerial Conference in Rome in December 2003, an agreement was signed between the Israel Infrastructures Minister and Palestinian Energy Minister, in the presence of the Commission Vice-President and Italian Deputy-Prime Minister, to create the basis for a substantive energy dialogue by identifying and promoting energy interconnection projects of common interest.

- among the concrete initiatives defined on this occasion were:
- a feasibility study for building a joint power plant,

- the development of an electricity interconnection between Gaza and Netivot in Israel and a gas interconnection between Ashkelon and Gaza,
- the definition of a joint framework for bilateral and regional exchange and trade in electricity,
- the development of co-operation in energy demand management and on renewable energy, in particular solar energy,
- the elaboration of a framework agreement on energy covering the upgrading and extension of energy infrastructures,
- the establishment of a joint technical body to support the energy co-operation and which could benefit from technical assistance.

(2) Objective

The objective is to integrate the Israel-Palestine energy market into the Mashreq market and from there into the wider Euro-Mediterranean electricity and gas markets, of much importance for the completeness of the Internal Energy Market and for the security of energy supplies of the European Union.

(3) Description of the action

As a practical follow-up to the agreements in Rome, this action will:

- a) Provide technical and logistical support to the Israel-Palestine Joint Energy Office.
- b) Undertake a joint feasibility study for the construction of a mutually beneficial power plant as a joint venture open to the participation of Israeli and Palestinian public and private entities, as well as any interested third party entities.
- c) Support projects in the field of energy demand management and renewable energy, specifically:
 - a feasibility study and the pilot phase of introducing modern technological solutions on demand side management. This includes the metering and billing of electricity, such as prepaid card meters, as well as efficient appliances. Combining the introduction of prepaid bills with a reduction in the level of the bills due to energy efficiency measures should increase the social acceptability of the energy savings programme, decrease peak power demand, which is useful for both the Israeli and Palestinian electricity utilities, and will be environmentally beneficial through the reduction of overall energy consumption.
 - subject to a pre-feasibility study to be conducted with French support, the pilot phase would comprise the installation of meters and efficient appliances (cold production) on a sample of electricity consumers.
 - a study on bio-gas production from agricultural and animal waste-water treatment plants in rural areas.
 - using solar energy for irrigation and electrification of remote communities.
 - solar powered desalination and pumping unit for brackish water.

- d) Natural gas pipeline
- technical support to determine the optimal routing

Article capacity building for the gas utilities

- assistance for the construction of the natural gas pipeline.

(4) Expected results

- a fully functioning and proactive Israel-Palestine Joint Energy Office;
- a comprehensive report on the feasibility of a joint venture between Israeli and Palestinian public and private entities to build a mutually-beneficial power plant
- a report on introducing modern technological solutions on demand side management and the conclusion of a pilot project on this issue.
- reports of the potentials for biological gas from agricultural and animal waste-water treatment plants in rural areas as well as on the utilisation of solar energy for irrigation and electrification of rural areas.
- a comprehensive report on the possibilities for an integrated approach to bringing natural gas to the Israeli and Palestinian energy markets.
- a contribution towards completing the EU's Internal Energy Market and towards improving the security of energy supplies of the EU.

(5) Budget

It is proposed to allocate € 2.4 m for these activities.

2.2 Preparation of the region's transport sectors

This part of the programme will address the challenges identified in recent Commission communications as indispensable in order to develop a Euro-Mediterranean transport network and prepare for the Euro-Mediterranean Free Trade Area (Barcelona process). The most important modes of transport in this region are air and sea transport. Land transport is essential for local transport and linking the main ports and airports to their hinterland. Restructuring of the transport sector is necessary in order to attract private investment to the region, boost economic development, foster tourism and ensure the efficient running of the Euro-Mediterranean free trade area. Developing interconnections and interoperability is also of prime importance in the perspective of an integrated Euromed transport network with effective North-South and South-South connections. The Commission has identified a number of priority policy objectives and actions, which need to be developed in order to take regional integration and the Neighbourhood concept forward: strengthening maritime safety and security and developing short sea shipping, promoting the creation of a Euro-Mediterranean airspace, involving the Mediterranean Partners in the European global satellite navigation system (Galileo) and developing interconnections and interoperability. This part of the programme will also aim at establishing synergies with EIB investment projects in the framework of FEMIP.

Budget

The precise budget and implementation arrangements for these transport activities will be determined in the course of 2004 in the framework of the project identification process. The global amount reserved for these programmes is up to € 17 m.

2.2.1 Promoting a Euro-Mediterranean airspace

(1) Background

Aviation has been identified as a key sector for promoting productive cooperation between Euromed partners. The aviation policy towards the Mediterranean Partners will be guided by the principle of flexible coherence, as it is the case with other neighbours of the Community. Eventually Euro-Mediterranean Aviation Agreements should be negotiated with the Mediterranean Partners, thus reflecting the comprehensive nature of aviation relations and the growing impact of air transport on the overall economy. Air transport touches on aspects which are key to the Neighbourhood concept. There are large numbers of immigrants originating in these countries and living in the EU Member States. More generally, for air travel, the EU is by far the most important partner for most of the Mediterranean Partners, which justifies more efficient and competitive aviation networks with a high level of safety and security. At the same time, better aviation relations will contribute to reciprocal growth, notably through increased transport flows, investment and trade in goods and services.

(2) Objective

The objective is to facilitate the future negotiations on Euro-Mediterranean aviation agreements by providing the Mediterranean Partners with adequate technical assistance and financial support in all domains likely to be covered by such comprehensive agreements, namely:

- Economic regulation (functioning of fully liberal internal aviation markets: liberalisation of charter flights and regular flights, liberalisation of ground handling services, slot allocation, etc.);
- Aviation safety (including occurrence reporting and accident investigation): elimination of problems identified by ICAO USOAP audits, in particular concerning the organisation of aviation safety supervision and applicable rules in the field of airworthiness, maintenance, operating (OPS) and staff licences (PEL); explore possibilities of cooperation with the European Aviation Safety Agency; promote regional and sub-regional cooperation;
- Aviation security (conforming local regulation with ICAO standards, promoting European standards);
- Air Traffic Management: promoting interoperability, fostering cooperation with Eurocontrol, and in the long run, harmonising the regulatory framework with a view to integrating air traffic management systems, encouraging and supporting regional and sub-regional cooperation initiatives (e.g. EMAC, the Europe-Middle-East Air Traffic Management Coordination between Cyprus, Egypt, Jordan, Lebanon and Syria; the AEFMP initiative between Algeria, Spain, France, Morocco and Portugal);
- Environmental issues (promoting European standards. e.g.: noise pollution);

- Administrative capacity: setting-up of civil aviation authorities, introduction of private management in airports.

(3) Description

- capacity building in favour of civil aviation administrations;
- cooperation on regulatory issues in order to adapt the legislative and regulatory framework to ICAO standards, promoting European standards, promoting interoperability and regional harmonisation, identifying twinning projects;
- study visits (Eurocontrol, European hubs) and training (including to the benefit of maintenance organisations and airline companies' staff responsible for the implementation of safety and security rules).
- support to sub-regional cooperation initiatives (ex: EMAC and/or AEFMP for ATM);
- additional activities derived from the recommendations of the ongoing Euromed Transport project which covers policy dialogue between the EU and the Mediterranean Partner Countries.

(4) Expected results

- opening of markets: increased offer on charter flights and regular flights, development of direct routes and of secondary airports, liberalisation of ground handling services, improved airport connections with hinterland;
- legislative and regulatory approximation with ICAO and EU standards (market rules, safety, security, ATM) with a view to facilitate the conclusion of comprehensive Euro-Mediterranean aviation agreements; elimination of shortcomings identified through ICAO audits;
- development of regional and sub-regional cooperation (harmonisation of the legislative and regulatory framework, improved interoperability, setting-up of regional and sub-regional cooperation mechanisms);
- setting-up of civil aviation authorities, modernisation and improved management of airports.

2.2.2 Re-enforcing maritime safety and security, and promoting short sea shipping including motorways of the sea

(1) Background

Short-sea shipping has received particular attention in the framework of the EU's transport policy and is of much relevance to the Mediterranean in view of the distances involved and the fact that, in some cases, practical inland links are non-existent. The Mediterranean partners have some 58 major ports, which handle more than a million tons of goods a year. The Commission is currently elaborating the concept of "Motorways of the Sea" in the framework of the trans-European transport network. This cross-border initiative would help to reduce road congestion and/or improve access to peripheral and island regions and states. In the maritime sector, some essential common objectives need to accompany the physical creation of a Euro-Mediterranean transport network, specifically maritime safety and security. The proposed measures would particularly aim at improving the safety and security of shipping and passenger transport, and developing short-sea shipping.

(2) Objective

- Maritime safety: follow-up of the SAFEMED project, specifically continuing the legislative approximation with IMO and EU standards, development of a regional traffic monitoring system integrated to the European one (Safeseanet), development of ports of refuge;
- Maritime security: conforming with the IMO regime entering into force on 1.07.2004, setting-up of an information-sharing system on potentially dangerous ships;
- Short-sea shipping: including the development of motorways of the sea: facilitation of the transit of goods (administrative and customs simplification); improving inter-modality, including supporting the development of logistical platforms in and close to ports, development of information systems, supporting feasibility studies and facilities related to the development of a “motorways of the sea” network.

(3) Description

The detailed activities to be carried out will stem from the implementation of / recommendations for action deriving from the ongoing Euromed Transport project and the SAFEMED project due to start in early 2005. The following type of activities will be carried out:

- capacity building for maritime administrations
- identification of a network of ports of refuge
- training on maritime safety and security issues
- identification of twinning projects
- study visits and exchange of personnel
- seminars on customs simplification and ports/customs cooperation
- feasibility studies on priority logistical platforms projects
- operational seminars with selected Euromed port authorities to facilitate shipping lines connections/routes including streamlining of formalities and incentives
- feasibility studies and preparatory work related to the development of identified Motorways of the sea projects

(4) Expected results

- legislative approximation in the field of maritime safety and security;
- information sharing on potentially dangerous ships;
- improved traffic monitoring in Mediterranean waters;
- better integration of ports in the multimodal transport chain;
- increased competitiveness of ports;

- time saving in the transport logistical chain (setting up of one-stop-shops for logistical operations, improved customs procedures including introduction of e-customs concept);
- increased regional and sub-regional cooperation
- better connection of corridors and shorelines for freight transportation
- better networking of Member States and neighbouring Mediterranean ports to facilitate commercial shipping operations
- significant progress towards the setting-up of an effective Euromed Motorways of the sea network

2.2.3 Galileo: using the European satellite navigation system to make the Mediterranean safer and better protected

(1) Background

The extension of the Global navigation satellite system (Galileo) to the Mediterranean is an important tool with regard to creating an efficient Euro-Mediterranean transport network. Involving the Mediterranean Partners in Galileo also contributes to the EU's aims to develop a European satellite navigation system with global coverage. Support to the expansion of Galileo would help Mediterranean partner countries to improve the safety of the transport sector and is thus an important tool of transnational cooperation in preparation of the New Neighbourhood Policy.

(2) Objective

Follow-up of the Euromed GNSS project:

- Downstream application development: developing further applications capitalizing on the results of proof-of-concept demonstrations from the Euromed GNSS project. Going beyond aviation and the maritime sector, these will extend to other application domains such as road, rail, tourism, the personal mobility sectors and surveying. Particular emphasis shall be given to the development of service enablers in the safety of life domain, such as certification of applications for aviation, maritime and other modes of transport;
- Institutional and Service Provision Framework development: developing the institutional and service provision framework of the region and its harmonization / integration into a common Euromed structure; developing links between Euromed actors and the European GNSS operators and service providers, promoting harmonisation with European GNSS safety regulations;
- GNSS interconnection: based on the infrastructure developed within the Euromed GNSS project, the aim will be to achieve suitable safety standards for the most critical applications and pursue harmonisation with European standards.

(3) Description

- concept demonstrations for further applications
- training activities
- awareness-raising activities

- preparatory work for the establishment of an operational GNSS provider in the region
- preparation, completion and validation of safety case to render the system certifiable
- preparatory and validation activities for the stable provision of GNSS signal and data in the interconnected Euromed mode
- studies in order to define the further necessary steps of GNSS interconnection to be implemented with the advent of Galileo
- additional activities derived from the implementation of the Euromed GNSS project due to start in the last quarter of 2004.

(4) Expected results

- development of relevant applications for the region;
- increased interest of Mediterranean partners for Galileo, resulting in the conclusion of Galileo bilateral cooperation agreements (like the EU-Israel cooperation agreement);
- establishment of an operational GNSS service provider in the region;
- development and networking of the GNSS infrastructure at the Euromed level;
- improved regional and sub-regional cooperation on GNSS issues.

2.2.4 Development of an integrated Euro-Mediterranean transport network: promoting interconnections and interoperability

(1) Background

The Commission Communication on the development of a Euro-Mediterranean Transport network calls for planning the network and identifying the priority infrastructure projects. The Ministerial Seminar on “Wider Europe” which took place in Santiago de Compostela on 8 June 2004 decided the setting-up of a High Level Group, composed of representatives of Member States and neighbouring countries, including the Mediterranean Partners, in order to identify priority interconnection projects between the Trans-European Transport Network and the transport networks of the neighbouring regions. This High Level Group will also discuss horizontal projects related to interoperability and standardization. It will start its activities in the last quarter of 2004 and produce a final report by the end of 2005.

(2) Objective

- provide some concrete follow-up to the recommendations of the Santiago de Compostela High Level Group;
- provide some catalyst financial support to the priority projects identified by the High Level Group;
- Facilitate the raising of other public and private funds on these priority projects;
- promote, wherever possible, subregional cooperation projects which fall under the development of the Euro-Mediterranean transport network;

- promote industrial cooperation on interoperability issues. This part of the programme will also aim at establishing synergies with EIB investment projects in the framework of FEMIP.

(3) Description

- co-financing feasibility studies and preparatory work related to the priority projects identified by the High Level Group;

- co-financing feasibility studies and preparatory work related to subregional projects which fall under the development of the Euro-Mediterranean transport network;

- training and capacity building on infrastructure related issues;

- organising awareness raising actions for industry.

(4) Expected results

- concrete progress on the realisation of a few priority interconnection projects;

- concrete progress on interoperability and normalisation issues;

- improved North-South and South-South interconnections;

- Emergence of subregional cooperation projects in the Maghreb and the Mashrek;

- increased industrial cooperation on interoperability issues.

2.3 Cross-border cooperation/Transnational cooperation

The Commission has sought to harmonise procedures from both internal and external funding to allow the efficient functioning of Neighbourhood Programmes in the period 2004-06, while staying within the constraints of the respective existing legal bases. Each Neighbourhood Programme will operate under the same management structure. Neighbouring countries will have an equal role in the Neighbourhood Programme. A responsible authority will be appointed at national level, and a wide partnership at regional, local and non-governmental level will be involved, as is already done on the Member State side.

The precise implementation arrangements for this part of the programme are presently being defined through specific guidelines. It is, however, understood that no budgetary funds under MEDA can cover activities inside the EU.

2.3.1 Cross-border cooperation

Cross border cooperation in the framework of INTERREG IIIA aims at the promotion of integrated regional development between bordering regions. Existing INTERREG programmes for the Mediterranean will be further developed in the framework of the MNIP and will cover cooperation between Morocco and Spain and between Morocco and Gibraltar.

The financial envelope for cooperation between Morocco and Spain will € 2 m and for cooperation between Morocco and Gibraltar € 0.4 m.

While the present programmes financed in the framework of INTERREG were limited in scope they could extend in the future to all of the following eligible activities: promotion of urban, rural and coastal development; strengthening enterprise culture; developing small and

medium-sized enterprises including those in the tourism sector; developing local employment initiatives; assistance for labour market integration and social inclusion; initiatives for encouraging shared use of human resources and facilities for research and development; education; culture; communication; health and civil protection.

Furthermore, the programme could encompass measures for environmental protection such as improving energy efficiency and renewable energy sources. It could also cover activities to improve transport, information and communication networks and services, water and energy systems. Finally, there could be increased cooperation in legal and administrative areas and support to increase the human and institutional potential for cross-border cooperation.

2.3.2 Transnational cooperation

Transnational cooperation in the framework of the MNIP and based on INTERREG IIIB will involve national, regional and local authorities with the aim to promote better integration between the Member States and neighbouring countries. This cooperation will build on the existing INTERREG programmes ARCHIMED for the Mashreq and MEDOC for the Western Mediterranean countries. The budgetary allocation providing counterpart funding for Mediterranean partner countries participating in ARCHIMED and MEDOC amounts to €7 m distributed over the entire programming period.

Priorities for action are as follows:

- Drawing up regional development strategies at transnational level, including cooperation between towns or urban areas and rural areas
- Promoting effective and sustainable transport systems, together with better access to the information society to facilitate communication between island or peripheral regions.
- Promoting protection of the environment and natural resources, particularly water resources.
- Promotion and protection of the cultural heritage.

APPENDIX: Acronyms and explanations

MNP	MEDA Neighbourhood Programme
Mediterranean Partner Countries	all the non-EU participants in the Euro-Mediterranean Partnership with the exception of Turkey, which is pursuing its relations with the EU in a pre-accession framework.
People-to-people actions	cultural and educational exchanges and co-operation in addition to involving civil society representatives in other fields of joint interest related to environment, energy, border crossings, investments in economic and social cohesion such as including productive investments, human resource development, business-related infrastructure, co-operation in RTD and innovation; support to institution building, etc
TACIS	Launched by the EC in 1991, the Tacis Programme provides grant-financed technical assistance to 12 countries of Eastern Europe and Central Asia (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan), and mainly aims at enhancing the transition process in these countries. (Mongolia was also covered by the Tacis programme from 1991 to 2003, but is now covered by the ALA programme.)
CARDS	CARDS (Community Assistance for Reconstruction, Development and Stabilisation) adopted with the Council Regulation (EC) No 2666/2000 of 5 December 2000. The programmes wider objective is to support the participation of the countries of the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, Serbia, Montenegro and the former Yugoslav Republic of Macedonia) in the Stabilisation and Association Process.
INTERREG	The INTERREG IIIC programme is one of the three strands of the European Community Initiative INTERREG III. INTERREG III is designed to strengthen economic and social cohesion in the European Union (EU) by promoting cross-border (strand A), trans-national (strand B) and interregional (strand C) co-operation. With INTERREG IIIC, interregional co-operation between regional and other public authorities across the entire EU territory and neighbouring countries will be promoted. It allows regions without common borders to work together in common projects and develop networks of co-operation. Specific programmes of relevance for the MNP are MEDOC for the Western Mediterranean and ARCHIMED for the Eastern Mediterranean.
Maghreb	Mediterranean partner countries Algeria, Tunisia and Morocco
Mashreq	Covers Mediterranean partner countries Egypt, West Bank/Gaza, Syria, Lebanon, Jordan
GALILEO	European Satellite Navigation System
ICAO	International Civil Aviation Organisation
ENPI	European Neighbourhood and Partnership Instrument