

ANNEX I

PARTNER TERRITORIES AND COUNTRIES REFERRED TO IN ARTICLE 1

The People's Democratic Republic of Algeria
The Republic of Cyprus
The Arab Republic of Egypt
The State of Israel
The Kingdom of Jordan
The Lebanese Republic
The Republic of Malta
The Kingdom of Morocco
The Syrian Arab Republic
The Republic of Tunisia
The Republic of Turkey
The Occupied Territories of Gaza and the West Bank

[^{F1}ANNEX II

Objectives and rules for the implementation of Article 2

Textual Amendments

- F1** Substituted by [Council Regulation \(EC\) No 2698/2000 of 27 November 2000 amending Regulation \(EC\) No 1488/96 on financial and technical measures to accompany \(MEDA\) the reform of economic and social structures in the framework of the Euro-Mediterranean partnership.](#)

I.

- (a) Support for economic transition and the establishment of a Euro-Mediterranean free-trade area shall include in particular:
- job creation and private sector development, including improvement of the business environment and support for SMEs,
 - the opening-up of markets, promotion of investment, industrial cooperation and trade between the European Community and the Mediterranean partners, as well as among the Mediterranean partners themselves,
 - upgrading of economic infrastructure, possibly to include the financial and taxation systems.
- (b) Operations in support of reform programmes of the partners are implemented on the basis of the following principles:
- the support programmes shall be designed to restore or, as the case may be, consolidate the major financial balances and to create an economic

Status: Point in time view as at 28/12/2005.

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- environment favourable to accelerated growth, while at the same time seeking to improve the well-being of the population,
- the support programmes shall also contribute to reforms in the key sectors with a view to the creation of a free trade area with the European Community,
- the support programmes shall be adapted to the particular situation of each country and take account of economic and social conditions,
- the support programmes shall lay down measures intended, in particular, to accompany, as regards social conditions and employment, economic transition and the accomplishment of a Euro-Mediterranean free trade area, and to alleviate the negative effects which this process may have on social conditions and employment, especially for the most underprivileged sections of the population,
- disbursement of the support will be implemented in tranches in the form of direct budgetary support according to the compliance with the objectives and/or sectoral targets agreed within the support programme.

The following eligibility criteria must be satisfied:

- the country concerned must undertake a reform programme approved by the Bretton Woods institutions or implement programmes recognised as analogous, in coordination with those institutions, but not necessarily financially supported by them, in accordance with the scope and effectiveness of the reforms,
 - account must be taken of the economic situation of the country, at the macroeconomic level, (indebtedness, cost of debt-servicing, the balance of payments, the budget situation, the monetary situation, the level of per capita income and the unemployment level) and at the level of sectoral reforms, with a view to creating a free trade area with the European Community.
- II. Support for sustainable economic and social development shall include in particular:
- the participation of civil society and populations in the planning and implementation of development measures,
 - the improvement of social services, especially in the areas of health, family planning, water supplies, sanitation and housing,
 - the promotion of wide and equitable sharing of the fruits of growth, paying particular attention to the objectives and targets agreed at UN summits concerning the fight against poverty and incorporated in the international development targets,
 - harmonious and integrated rural development and the improvement of urban living conditions,
 - reinforced cooperation concerning agriculture, particularly as regards quality and standards,
 - reinforced cooperation concerning fisheries and the sustainable exploitation of marine resources,
 - protection and improvement of the environment, particular consideration being given to the precautionary and the preventive action principles in supporting economic development through reinforced environmental cooperation,
 - upgrading of economic infrastructures, particularly in the sectors of transport, energy, rural and urban development, strengthening activities related to the information society, information technology and telecommunications,
 - integrated development of human resources to complement Member States' programmes, notably with regard to continuing vocational training in the context

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- of industrial cooperation, and improvement of the potential for scientific and technological research,
- strengthening democracy, respect for, and defence of, human rights, in particular through non-governmental organisations in the European Community and the Mediterranean partners,
 - cultural cooperation and youth exchanges,
 - cooperation and technical assistance in order to strengthen cooperation in the area of migrations and combating illegal migration, including repatriation of illegal residents,
 - cooperation and technical assistance in combating organised crime, including illegal drug trafficking and trafficking in human beings,
 - the development of cooperation in areas relating to the rule of law, such as cooperation in judicial and criminal matters, the strengthening of institutions which guarantee the independence and effectiveness of the judicial system, the training of national security services and civil protection.
- III. Regional, subregional and cross-border cooperation shall be supported in particular by:
- (a) establishing and developing structures for regional cooperation between the Mediterranean partners, and between them and the European Union and its Member States;
 - (b)
 - establishing the physical infrastructure necessary for regional trade, including transport, communications and energy,
 - improvement of the regulatory framework and small-scale infrastructure projects in the context of border-crossing facilities,
 - cooperation on the level of large geographic regions as well as measures complementary to those undertaken in this field within the European Community, including support for connection between the transport and energy networks of the Mediterranean partners and the trans-European networks;
 - (c) other regional activities including the Euro-Arab dialogue;
 - (d) exchanges between civil society in the European Community and the Mediterranean partners; in this context, decentralised cooperation will:
 - have as its objective to identify the non-governmental beneficiaries of Community aid,
 - concentrate particularly on the networking of universities and researchers, local communities, associations, political science foundations, trade unions and non-governmental organisations, the media, private business and cultural institutions in the widest sense, as well as the other bodies listed in point IV.

The programmes must concentrate on promoting the participation and the emergence of civil society within the partner countries, in particular by encouraging information between networks and durable links between network partners.

- IV. Good governance shall be promoted by supporting key institutions and key protagonists in civil society such as local authorities, rural and village groups, mutual-aid associations, trade unions, the media and organisations supporting business, and by assisting in the improvement of the capacity of the public administration to develop policies and manage their implementation.

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- V. Measures taken under this Regulation shall take into account analyses of the needs and potential of women and men in economic and social life so as to include gender aspects in the programming and implementation of development cooperation. Special importance shall be attached to education and the creation of jobs for women.

The measures shall also take account of the need to promote education and the creation of jobs for young people in order to facilitate their social integration.

- VI. The activities financed under this Regulation shall mainly take the form of technical assistance, training, institution-building, information, seminars, studies, projects for investment in micro-enterprises, small and medium-sized undertakings and infrastructures and action designed to highlight the Community nature of the assistance. Recourse should be had to decentralised cooperation where this may prove effective. Risk-capital operations and interest-rate subsidies will be financed in collaboration with the Bank.
- VII. Due regard shall be paid to environmental considerations in the preparation and implementation of activities financed by means of this Regulation.]

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