



Second plenary session
Agadir, 29 January 2011

**ARLEM report on the territorial dimension of the Union for the
Mediterranean – recommendations for the future**

This ARLEM report was prepared by rapporteur Mr José Montilla Aguilera, President of Catalonia (Spain) in October 2010. It was subsequently adopted by the new government of Catalonia, which was formed after the elections of 29 November 2010, and its new President, Mr Mas i Gavarro. The report was discussed by the members of the ARLEM Bureau on 28 October and was adopted at the second ARLEM plenary session in Agadir (Morocco) on 29 January 2011.

PREAMBLE

The Euro-Mediterranean Regional and Local Assembly (ARLEM) was set up in Barcelona on 21 January 2010 with the aim of contributing to a stronger territorial dimension in Euro-Mediterranean relations.

We, the cities, regions and territories of both sides of the Mediterranean, share the objective of building an area of peace, stability, prosperity and human and cultural exchange based on respect for shared values. This is not an easy task, and we are fully aware of the obstacles that, over recent decades, have prevented us from fully tapping the potential of this project for integration, cooperation and dialogue that is of key importance to our future. As players actively engaged in changing day-to-day life, and aware of the challenges, we, the local and regional authorities, are convinced that our contribution will be crucial to making progress towards sustainable and inclusive development, bringing to bear our grassroots familiarity with the concerns of our fellow citizens.

The President of the Government of Catalonia was asked to present this report on the state of the territorial dimension of the Union for the Mediterranean (UfM) to the next General Assembly of ARLEM. Since we are at an early stage in our establishment, it is important to combine the analysis of the current situation with proposals for the future, to make it possible to consolidate the territorial dimension as a priority on the Euro-Mediterranean agenda and recognition of ARLEM as a crucial player and factor within the new institutional architecture of the Union for the Mediterranean.

THE STATE OF EURO-MEDITERRANEAN RELATIONS AND THE ROLE OF THE REGIONS AND LOCAL AUTHORITIES

The **Barcelona Process** was launched in 1995 with 27 members and with the aim of taking a qualitative leap in relations between the countries of the European Union and their Mediterranean partners. Putting it into practice entailed raising the level of political dialogue, strengthening multilateral dynamics and a substantial budget increase. However, this process has faced obstacles to further progress and there have therefore been repeated attempts to revitalise the Euro-Mediterranean agenda over recent years, one of which has been the Union for the Mediterranean, which was created in 2008.

The Barcelona Declaration of 1995, the founding text of the Euro-Mediterranean partnership, contains a commitment to fostering cooperation between regional and local authorities. Within the framework of the New Mediterranean Policy, the cities had been recognised as an actor in decentralised cooperation in the Mediterranean through the **MED-URBS** programme. The 1995 commitment should therefore have led to a speedy increase in actions and the true recognition of the role of the regions as players in Euro-Mediterranean relations. However, despite the rhetoric regarding the territorial dimension, neighbourhood cooperation did not become a priority. On the tenth anniversary of the Barcelona Process, and taking up the proposals in the opinion of the Committee of the Regions on "Euro-Mediterranean Partnership and local and regional authorities: the need for coordination and a specific instrument for decentralised cooperation" of 21 April 2004, cities and regions of the Euro-

Mediterranean area took action to demand a more prominent role in the policy-making relating to the partnership and its practical application. This is enshrined in the "Declaration by the regions and cities of the Euro-Mediterranean Partnership" of 26 November 2005.

The state representatives participating in the Barcelona summit in 2005 took up the growing demand for involvement in the partnership by sub-state agents and, in the action plan approved for the following five years, undertook to promote citizens' participation in decision-making processes at local level, to promote the decentralisation of management and public services and, in operational terms, to launch at least two pilot programmes in 2007 implementing regional policy methodology in partner countries. Once again, good intentions were not turned into reality.

At the same time, since 2004 the European Union had established a new policy towards its neighbours, both in Eastern Europe and in the Mediterranean. The main objective of this policy, which takes a gradual approach and is adapted to the needs and dynamics of each partner country, has been to promote a wide range of reforms enabling neighbours to align with EU rules and practices and hence to facilitate greater integration with European policies and agencies. To make this possible, it has the **European Neighbourhood and Partnership Instrument** (ENPI), with a budget of EUR 11 810 euros for the period 2007 to 2013.

A very small portion of this budgetary package has benefited the regions and cities of the Euro-Mediterranean area, although the European Neighbourhood Policy treats cross-border cooperation as a priority. The aim is to promote economic and social development in the Mediterranean, to ensure secure and efficient border control, to promote citizens' cooperation and to enable the countries in question to tackle common challenges in a joint fashion. These strategies have been implemented by means of bilateral partnership programmes and programmes for the whole of the Mediterranean area, and there has been funding of cooperation projects managed by local and regional authorities, as well as other local actors such as universities, trade unions, employers' organisations, NGOs and chambers of commerce. Worthy of note is the role played by the various networks of cities, local authorities and regions which work within the Euro-Mediterranean area generating and stimulating projects and facilitating decentralised cooperation partnerships.

At **bilateral level**, the Italy-Tunisia programme has been adopted and, within the Spain-Morocco programme, two channels of cooperation had been planned, between Andalusia and the North of Morocco and between the Canary Islands and the South of Morocco. Although this area of cooperation is clearly of interest, some of these actions have not come to fruition due to differences between the countries in question.

It has not been easy to implement the **Mediterranean Sea Basin programme** either, which was directed towards 117 regions of 19 different countries and provided a budget of EUR 173 million, to be managed according to the Structural Funds model, based on co-funding, a partnership and a multi-annual programme. The first batch of projects presented exceeded expectations, demonstrating the capacity of the sub-state bodies of the Mediterranean to mobilise and their experience of working in networks. Nevertheless, as a result of political and administrative differences, certain countries have

decided not to take part in this programme, and this has significantly narrowed the objectives of an instrument which should have provided local and regional bodies with new ways to participate in cooperation projects, taking advantage of their experience of territorial needs and their competences in order to ensure more effective management.

Finally, on a strictly local level, the **CIUDAD** programme, allocated EUR 8 million by the European Neighbourhood Policy for the Mediterranean region for 2009-2011, is intended to help local governments to ensure sustainable urban development in accordance with the principles of good governance. The aim is to strengthen and modernise the local and regional governments of the partner countries, improving their capacities, prioritising urban planning and sustainable economic and environmental development. This programme consists of different projects which must include actors from at least two countries of the Southern Mediterranean.

In parallel with the implementation of the European Neighbourhood Policy, the **Union for the Mediterranean** has been launched. This Union, which involves 43 states of the Euro-Mediterranean area and which recognises the *acquis* of the Barcelona Process, is an arena both for political dialogue and for the implementation of multilateral cooperation projects. The key innovations compared to previous stages in Euro-Mediterranean relations, are: enhanced political dialogue, a new institutional structure, which, by means of the co-presidencies and the Secretariat, must involve the partner countries more closely in the leadership and management of the process, and finally, a new working methodology based on concrete but flexible projects, which must promote synergies amongst the various actors, including the private sector.

We, the regions and local authorities, have closely followed the development of the UfM since its launch in Paris on 13 July. In June, just before that founding meeting, we met in Marseilles in the context of the Forum of Local and Regional Authorities of the Mediterranean, where we adopted a declaration stating that we were hopeful in light of the new impetus intended to be given to Euro-Mediterranean relations, reiterating that we wanted to work together to become more effective at territorial level and closer to the citizens, and calling for a formal system of representation. Furthermore, the CoR adopted its opinion on the UfM, aimed at ensuring that the new Euro-Mediterranean strategy had a territorial dimension. We were pleased that the declaration of the heads of state and government mentioned the possible role of civil society, regional and local authorities and the private sector in the establishment of the UfM.

The second Forum of Local and Regional Authorities took place in May 2010 in Barcelona. In the presence of the Secretary-General of the UfM, it adopted a declaration intended to make a positive contribution to the ultimately postponed Summit of the UfM, then scheduled for 7 June 2010. In that declaration, we, the representatives of the cities and regions expressed our satisfaction at the launch of ARLEM, we offered our full support for the successful implementation of the projects identified as priorities by the UfM, and we expressed our support for the creation of a sustainable urban development project, a priority cooperation issue mentioned in the declaration of UfM Foreign Affairs Ministers of 4 November 2008.

Since then, it has been worrying to see the difficulties which the Union for the Mediterranean has had to face and which have delayed its establishment. We believe in the potential of Euro-Mediterranean relations and we call upon the heads of state and government to provide the solid foundations upon which the Mediterranean can become an area of dialogue, peace, development and interaction.

The creation of ARLEM and its active involvement in the UfM ensures the participation of regional and local authorities in the Euro-Mediterranean political debate, and the territorial dimension of projects selected by the Secretariat-General of the UfM. It also ensures the exchange of best practices.

THE MAJOR CHALLENGES WITH A TERRITORIAL DIMENSION

The territorial dimension is key to understanding the changes taking place in the Mediterranean, particularly in the east and south of the region, and to identifying the most important challenges to be tackled over the coming years in order to ensure the sustainable, cohesive and dynamic development of societies undergoing profound economic and demographic changes. Endogenous phenomena such as the demographic transition and the changes in industrial production go hand in hand with exogenous phenomena, such as our characteristics in terms of climate, landscape and resources. In most cases, these challenges are common to the whole of the Mediterranean, though we must pay particular attention to the specific characteristics of our individual territories. We believe that key to meeting these challenges, all of which have a clear territorial dimension, are sustainability, cohesion and good governance. We shall therefore present them in three separate sections.

Sustainability

The Mediterranean is an environmentally fragile region, the sustainability of which depends upon the action of governments and private actors. Within the context of the UfM, great attention is being paid to these problems through political dialogue and specific projects. Regions and local authorities have a particular responsibility, through the policies they implement, to promote sustainability and, specifically, they can play an important role in the following fields:

- **Water**

Water resources are scarce in the Mediterranean, and are distributed in an unequal manner. This situation is exacerbated by high demographic growth, by economic and urban development, particularly in the tourist sector, and by population movements towards large coastal cities, which, together with the problem of waste water treatment, are overwhelming drinking water access and distribution network capacity. A further problem is that agriculture requires the development of new methods for rational and efficient consumption. In some cases, all of this is complicated by a geo-political context which hinders cooperation between neighbours in a region where water distribution is crucial and may become a source of conflict.

- **Climate Change**

The Mediterranean is amongst the areas most vulnerable to global warming. Fighting climate change is now on the policy agenda at all administrative levels. At local level, and as part of a broader strategy of sustainable development, ambitious pollution reduction and territorial and biodiversity protection targets must be set.

- **Energy model**

One way to fight climate change is to promote clean energy sources. The Union for the Mediterranean has made a clear choice in favour of renewable energies. Local and regional authorities, as territorial managers, are key to promoting and ensuring the rational and sustainable use of natural resources. The aim is to promote the development of alternative energies, the establishment of a new energy market, the transfer of technology, improvements in access to electricity services for everybody, and to examine the viability and implementation of the Mediterranean Solar Plan.

- **Agriculture and rural development**

Mediterranean farming communities share the same problems, such as scarcity of water resources, rural exodus and the ensuing loss of fertile land, but the situation for the rural population is completely different between the countries of the EU and their Mediterranean neighbours in terms of the economic and social support the rural population receives from public administrations, and access to networks for marketing their products.

Development and cohesion

In the Mediterranean area there are huge inequalities between countries but also within our individual societies. Public policies and the work of the production sector face the challenge of having to resolve economic and social disparities which in some cases have been exacerbated by the current world economic crisis. On a daily basis, regions and local authorities face challenges such as:

- **Modernisation of the economic fabric**

The crisis has revealed the weaknesses of a number of economic systems in the northern Mediterranean countries, and has also highlighted the need to improve economic and business development conditions in the south and east. Although many of these countries are already engaged in demographic transition, the region must face up to the urgent need to create new jobs to absorb those newly entering the labour market. In this regard, the criteria set by the EU's 2020 Strategy, promoting smart, sustainable and inclusive growth, may provide a useful roadmap, not just for the northern Mediterranean, but for the whole region. It is also vital to deepen Euro-Mediterranean trade relations so as to achieve results for our citizens by deepening our economic ties.

- **Urban development, cohesion and territorial balance**

The Mediterranean must cope with the imbalances generated by the accelerated growth of large conurbations, particularly along the coastline, depopulating rural territory. This has created new needs for services to inhabitants and for economic development, and has increased inequality of opportunities. Local and regional authorities must be capable of mapping out cross-cutting strategies for cities, transport, services, public facilities, management of natural areas and territorial economic activity.

- **Social inclusion and equality policies**

None of the three shores has succeeded in substantially reducing the economic and social inequalities dividing them. The north-south disparities, inequalities in the distribution of natural resources, migration, and pockets of poverty mean that greater cooperation between actors across the Mediterranean is necessary. As governments close to the citizens, local and regional authorities have direct knowledge of the social realities requiring action and can therefore play a crucial role in promoting policies on social inclusion, equality and fighting discrimination, particularly in relation to the most vulnerable groups, such as women, children and the elderly.

- **Migration**

In the Mediterranean there are, and always have been, population movements, both internally (rural exodus) and across borders, particularly from south to north. However, we are seeing relatively new phenomena such as immigration from sub-Saharan Africa and south-east Asia towards the countries of the south and east of the Mediterranean, either as countries of destination or as countries of transit. Once again, the regions and local authorities are the public administrations closest to the migrants and we have the challenge and duty to receive the new citizens and respond to their social problems.

- **Human security**

The existence of organised crime networks, new areas of poverty and social exclusion, as well as the weakening of traditional systems of social relations, have led to an increase in insecurity in the Mediterranean's large conurbations. We, the administrations close to the citizens need tools for eradicating these problems and for providing security for all citizens.

Governance

The Mediterranean is a diverse area in terms of the representation of its territories. As a result of our histories and the specific characteristics of our countries, we have differing degrees of decentralisation and self-government. As regional and local authorities, we therefore have unequal resources for implementing public policies to benefit our citizens. We can identify three areas in which there is still much work to be done:

- **Decentralisation and multilevel governance**

The recent process of decentralisation in the eastern and southern Mediterranean countries has not been accompanied by the necessary economic resources or policy management powers. Enhancing the administrative and institutional capacities of local and regional authorities facilitates cooperation at sub-state level, improves efficiency and good governance and is fundamental to the process of democratisation. In order to meet the many great challenges (housing, education, provision of basic services, the environment, health, economic development etc.), multi-level cooperation amongst the different administrations in the territories is crucial.

- **Public management and spatial planning**

The urban explosion with the construction of new business areas and the massive arrival of people from the countryside has triggered the rapid and chaotic growth of cities, especially along the coasts. This disorganised growth exacerbates the vulnerability of certain territories and demands greater planning at local and regional level in order to ensure the necessary housing, services and facilities and to guard against environmental risks.

- **Public participation and local democracy**

Decisions taken at regional and local level affect our citizens directly. We have become increasingly aware of the need to put in place participatory processes that allow the general public to be informed and express their views on the issues affecting them. Civil society must be involved in Euro-Mediterranean territorial cooperation.

ARLEM AND EURO-MEDITERRANEAN RELATIONS

For years, we, the regional and local authorities of the Euro-Mediterranean area, have demonstrated our willingness to work together to make the Euro-Mediterranean area a reality. We are led by a desire to put the will to cooperate above the historical and current differences and conflicts which may still disrupt relations between our states. This spirit prompted our aim to create a structure representative of our territories, today reflected in the Euro-Mediterranean Regional and Local Assembly (ARLEM). The proposal took official form in a Committee of the Regions opinion of 9 October 2008. It met with a positive response at the meeting of Ministers of Foreign Affairs of November 2008 in Marseilles, and ultimately led to the establishment of the assembly on 21 January 2010 in Barcelona.

ARLEM is a permanent, joint assembly, in which the regions, local bodies and networks of the Euro-Mediterranean area are represented. We members work through a co-presidency system, a bureau and commissions that have met several times since their establishment in Barcelona, and presented two reports at the Agadir plenary session, one on urban development and the other on local water management.

The establishment of ARLEM represents the final outcome of a lengthy process in which we, the regional and local authorities, had called for recognition of our role in Euro-Mediterranean relations. The role of pre-existing networks was crucial to this process, and this is why they are so well represented in the assembly. Now such recognition has been achieved, we must consolidate our position as an advisory and representative body for the regional and local dimension in the Euro-Mediterranean area and promote concrete actions, maximising the territorial dimension of Euro-Mediterranean policies.

We will do this by means of our day-to-day work, pooling our efforts, the quality of our reports, our ability to think in terms of future strategic projects, by being in contact with all the relevant stakeholders and institutions and, above all, by performing a valuable function for the regional and local authorities of the Euro-Mediterranean area, and through them, the citizens of the 43 countries currently making up the Union for the Mediterranean, despite the difficult times the region is facing.

PROPOSALS AND RECOMMENDATIONS

In the light of the current state of Euro-Mediterranean relations, the role that has been and continues to be played by the regional and local authorities, the major challenges with a significant territorial dimension facing us, and the fact that the establishment of ARLEM represents a turning-point in making the territorial dimension an integral part of Euro-Mediterranean relations, we believe we must identify what our concerns are, where they fit in at institutional level, and how they may be acted upon.

Concerns and priorities:

1. The changes that the international system is undergoing, in both economic and political terms, lend particular urgency to the need to revitalise Euro-Mediterranean relations, if we wish to guarantee the central role of the Mediterranean and ensure that its cities and regions do not find themselves disconnected from the new opportunities generated in a world of multi-polar growth.
2. We express our concern at the slow pace of bringing the UfM into operation. The time lost must be made up, reviving the initial impetus of the Barcelona Process and the expectations raised at the time of the UfM's inception, since the reasons for this project remain valid and problems requiring solutions are now even more urgent.
3. We recall that cities and regions can make an enormous contribution to creating a climate of mutual trust, thereby overcoming historical and current conflicts and laying the foundations for closer cooperation between our peoples, while at all times respecting their values and sensitivities.
4. We note that the economic crisis has profoundly affected the citizens, the economic actors and the local and regional authorities of all countries, and economic development, the deepening of Euro-Mediterranean trade relations, innovation and social cohesion must therefore be our main priority. We would point out that these priorities are largely linked to the local markets and the opportunities offered by the territories in the Mediterranean.
5. We call for a strong territorial dimension in the UfM and in EU policies, especially the European Neighbourhood Policy (ENP). It should be framed and implemented in such a way as to take account of the regions and local authorities as actors for dialogue, cooperation and development, while at the same time strengthening territorial cohesion.
6. We view with concern the obstacles, both political and bureaucratic, preventing local and regional governments from making fuller use of European Neighbourhood Policy funds. The capacity to use these instruments is vital if further resources are to be claimed for the territorial dimension of European policies towards our neighbours. In this regard, we believe

that the difficulties faced to date should be assessed with a view to improving access to funding.

7. We must warn that the resources available to us, the local and regional authorities, are insufficient. We will therefore work actively and jointly to promote the institutional reinforcement of the regions and local bodies by applying the principle of subsidiarity in the Mediterranean, through enhanced skills in public administration and through sufficient resources and autonomy to implement the public policies that lie within our domain.

Institutional framework:

8. Our ambition is to be fully involved in the institutional machinery of the UfM in order to promote a territorial awareness and bring this new phase in Euro-Mediterranean relations closer to the public. We hope that ARLEM will be granted the same status as the Parliamentary Assembly of the UfM, i.e. a consultative role providing a democratic link with citizens.
9. We express our eagerness to work with the UfM secretariat, and to appoint an ARLEM member as a contact point for each of the priority areas.
10. Together, we will monitor the negotiations over the next EU financial perspectives and the implementation of the European Neighbourhood Policy, by building up a fluid relationship with the Commission and European Parliament through the Committee of the Regions.

Operational proposals:

11. ARLEM undertakes to prepare, within 12 months, a medium-term (4-year) and long-term (10-year) Strategic Plan to boost the territorial dimension in Euro-Mediterranean relations. The Strategic Plan will identify a series of indicators enabling us to check, by means of an annual report, if we are moving in the right direction.
12. We are aware that the local and regional authorities are often, by themselves, unable to monitor or influence major EU decisions, or to make adequate preparations to anticipate effects and seize opportunities. ARLEM undertakes to closely monitor legislative initiatives directly affecting the Euro-Mediterranean area at local and regional level, and to serve as a channel for conveying the priorities and concerns of its members.
13. Account must be taken of the contribution of regions and local actors in the process of selecting and implementing practical Union for the Mediterranean projects, especially when the projects in question have clear territorial implications.

14. We are committed to conveying the demands of civil society and to encouraging greater involvement of the private sector in developing the Mediterranean at territorial level. This will promote greater dynamism in implementing UfM projects.
 15. ARLEM will foster a greater cooperative dynamic between its members, so that they can identify positive synergies and facilitate the implementation of projects that could be financed through a range of European, Euro-Mediterranean and international channels.
 16. ARLEM will examine means of facilitating the transfer of best practice and the pooling of experience in the field of local and regional administration, with particular emphasis on public management and citizens' participation.
 17. The active presence of many local and regional authorities in the networks operating in the Mediterranean and in the regular fora enriches the debate and allows for wider participation by local and regional actors. ARLEM is very much in favour of broad participation and undertakes to promote it and take up participants' proposals.
 18. We will examine the feasibility of southern and eastern Mediterranean countries taking part in EU regional and cohesion policies.
 19. ARLEM will examine all possible ways to enhance cooperation in the Euro-Mediterranean area, paying particular attention to the idea of moving towards a macro-regional approach.
 20. Work at the Euro-Mediterranean level is entirely complementary with approaches to acting on a smaller geographical scale. Geographic proximity may mean it is appropriate to take certain specific actions within frameworks such as the Arco Latino, the Maghreb, the western Mediterranean, the Adriatic region or the eastern Mediterranean.
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