

Barcelona Declaration

Euro-Mediterranean Economic Leader Summit

Preamble

In the occasion of the **tenth anniversary of the Barcelona Declaration**, and with the reason of the extraordinary meeting of the Heads of States from the Euro-Mediterranean countries – that will be held in Barcelona the 27th and 28th of November 2005 – **Business Leaders and representatives of Business Association and the Private Sector** from the region met on the 21st and 22nd of November 2005 and analyzed the euro-Mediterranean policies of the last ten years, the results obtained until now, the current prospective, and, especially, the future objectives and challenges, in order to stimulate and realize the aspirations of the Barcelona Process.

The participants to the ***Euro-Mediterranean Economic Leader Summit*** have highlighted a series of key points, elaborated into **propositions and recommendations, following the principles of the Barcelona Declaration**: Define a common area of peace, stability, prosperity and safety through the political dialogue and the establishment of an economic and financial association, as well as a social, cultural and human.

These propositions and recommendations have been summarized in a **Joint Declaration, addressed to the Heads of States**, with the aim to present measures elaborated and suggested by the representatives of the private sector in the Euro-Mediterranean region.

Declaration

Thus, with the purpose of improving the present situation and promoting future actions for the success of the Euro-Mediterranean Association, which is based on the Barcelona Declaration's principles, the participants of the ***Euro-Mediterranean Economic Leader Summit*** declare **as necessary**:

1. **To increase the implication of the private sector in the elaboration of policies concerning its development within the Barcelona Process.**

It is necessary that the private sector participates more clearly and actively in the policies for its development. It should be an actor of this process and not only a mere executor. The private sector is one of the main elements of the economic growth, of the creation of employment and of the social development in the Euro-Mediterranean region. Predecessor of the Barcelona Process, through the long and constant tradition of exchanges between the two shores of the Mediterranean Sea, the private sector of the area deserves the acknowledgment and the implication necessities for its development. Moreover, the active role of the private sector and its representative Business Association must be enlarged, among others through the increase of horizontal and regional projects back to over 15% of the MEDA programmes and reactivation of the MedInvest programme.

2. **To support the private sector in the Mediterranean region, especially promote its emergency in the associated countries and foster the South-South economic integration.**

In order to turn the Euro-Mediterranean Association into a competitive zone facing the global market, it is fundamental to recognize the private sector as an engine of the economic growth and as an essential element for the economic integration of the region. For this reason, the elaboration of policies, especially in the associated countries, is required, which will promote and support the private direct investments, whether domestic or foreign. The entrepreneur spirit must be stimulated among young businessmen and the public authorities should provide them with efficacious instruments. In this context the South-South economic integration is an indispensable condition as the base of the Euro-Mediterranean Free Trade Area.

3. **To support and improve the conditions of SMEs in the Mediterranean zone: Facilitate their access to financing, new technologies, good practice.**

The SMEs form more than the 90% of the Euro-Mediterranean companies, but, in the same time, they are the ones facing more difficulties and suffering from a higher "mortality", especially in the associated countries. For this reason, it is needed to elaborate specific policies, programmes and initiatives to support the micro-enterprises and the small and medium enterprises. We must keep in mind that the SMEs are and will be the engine of the economic growth of the region, not to mention their role in creating employment and stimulating a real economic integration of the euro-Mediterranean zone which will reflect positively on peace, democracy, security, and prosperity: the pillars of the Barcelona Process.

4. **To improve the financial background of the Mediterranean region:**

- Create a **unified and transparent fiscal/legal framework** in the zone.
- **Reform the banking and financial institutions in the associated countries.**
- Establish a **Euro-Mediterranean Development Bank**, similar to those existing in other zones (BAD, BID, BERD...); a financial instrument as key element for the economic integration of the region, which is based on the co-participation between **public and private capitals**. Create a Mediterranean bank that facilitates financing to SMEs, funds of risk capital and stimulates the foreign and domestic direct investments in the region. A financial institution that encourages the external trade of the associated countries and harmonizes monetary and change policies. A Mediterranean bank that promotes the South-South relations and economic dialogue and facilitates the integration with the European systems, increasing, in this way, the competitiveness of the Mediterranean region within the global market.

5. **To stimulate programmes of continuous training and Research & Development**

Continuous training and Research & Development appear as a fundamental tool that assures development and expansion, for the enterprises in general, and especially for the SMEs. It is necessary to encourage private sector led, demand driven suited programmes, resulted from the cooperation between universities and enterprises, in order to reach the objectives of development and growth.

6. **Increase the competitiveness of the Euro-Mediterranean region facing the competition of other economic zones:**

- **To liberalize the market of products and services in the Euro-Mediterranean region.** In order to stimulate an economic growth and a real regional integration, it is considered necessary a higher liberalization of the markets of services, of the energetic sector, of the fishing and agricultural products; especially the latest should be followed by policies that assure a new rural development.
- **To apply a series of economic and structural reforms in the associated countries,** with the aim of encouraging and supporting the private sector, the competitiveness and the foreign trade; as well as attracting direct foreign investments and promoting the domestic ones, turning the remittances into productive investments. All this can be issued starting from a more active South-South economic dialogue.
- **The emergent sectors of the Mediterranean should have a higher power of attraction for the investors.** The sectors of telecommunications, agro-food and, above all, tourism, can be promoters of the economic growth and of the sustainable development in the region. Thus, it is necessary to support these sectors, spreading confidence among the private investors and promoting a unified, simplified and clear legislative/regulation framework in the trade and environment fields.
- **The application in the zone of the Pan-Euro-Mediterranean Protocol on the rules of origin** is a decisive step for the establishment of the Free-Trade Zone.
- **To invest in infrastructures and promote the transference of new technologies, Know How and Best Practice.** For a real competitiveness of the Mediterranean area, it is essential to invest in the infrastructures fields in the region, promoting, especially, the sectors of:
 - **Transports:** Concretize the new projects as the *Gibraltar Tunnel* and the *Sea Highways*, improving the harbour infrastructures.
 - **Energy:** This one should change into an element of competitiveness for the economies of the Mediterranean, especially concerning the derived sectors of energy (Electricity, gas, etc.).

Assure **environmental policies** and support tools to the enterprises. Prevent pollution is a necessity that implicates a remarkable added cost for which companies require helps and financing.

It is fundamental the diffusion of **new technologies, Know How and Best Practice**, the promotion of **innovation**, as well as the promotion of **training, information** and the elimination of the gap in the field of **I&CT** between the two banks of the Mediterranean sea.

7. **To support programmes that promote the businesswomen and the women entrepreneurs in the economic life of the Mediterranean countries**, especially in the associated ones, elaborating specific politics and programmes with their participation. This will encourage and stimulate their emergency and consolidation.
8. **To create an economic regional integrated space is necessary and urgent.** The integration South-South is fundamental for the conclusion of the association agreements: its absence restrains the development of the zone and restricts its possibilities, the opening of borders and the commercial interchanges. In order to increase the volume of the market and to attract foreign investors, it is important to create private sector led, designed and implemented support programmes and funds for regional actions that allow the improvement of this situation and assure the obtaining of progress in this field.
9. **To allocate resources for a MEDA 3 programme** besides those allocated under the Neighbourhood Policy, yet should be private sector led, designed and implemented, and focusing on regional rather than vertical programmes with emphasis on successful instruments implemented in other regions such as MedInvest, Partenariats, enterprises, ...etc.

All these propositions and recommendations must be applied in the framework of the **Barcelona Process**, which principles and programmes should receive new impetus, should be reinforced and widely spread out in the euro-Mediterranean region.

The **Euro-Mediterranean Association** needs a higher leading role in the international scene as well as new impulses. In the same time, a closer cooperation between the governments, the regional entities, the institutions and organizations of the zone, the associations of chambers of commerce and of managements, as well as the singles enterprises and the civil society is necessary.

More than ever it is necessary to introduce in the debate the implication of the private sector within the euro-Mediterranean Association, because the enterprises are playing a key role as promoters and creators of the economic activity and wealth; in this way, they are consolidating the economic pillar of the Barcelona Process.

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Afaemme – Association of organisations of Mediterranean Businesswomen

Ceeba - The Confederation of Egyptian European Business Associations

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