

# **Euro-Mediterranean Parliamentary Assembly**

## **Committee on Economic and Financial Affairs** **Social Affairs and Education**

### **Meeting Minutes Summary**

Istanbul 21-22 May 2010

*The Committee held its 7<sup>th</sup>. meeting in Istanbul on 20-21 May 2010. The meeting was attended by delegations from: Turkey, Tunisia, Syria, Sweden, Spain, the European Parliament, Poland, Palestine, Morocco, Luxembourg, Israel, Germany, Finland, the European Union, Egypt, Bulgaria, Italy and Algeria.*

#### **Meeting events:**

#### **Committee Chairman's address:**

- The Chairman welcomed the members and thanked the Turkish side for hosting the 7<sup>th</sup>. meeting of the Committee. He pointed out that the Committee's previous meeting was in Jordan where the draft resolution was adopted. It includes the topics of education, economy, finance and financial crisis. All members' opinions, proposals and recommendations are included in the final resolution.

- The Chairman called for discussing the topics that could form the Committee's draft resolution for presentation to the next Bureau meeting to be held in Palermo, Italy on June 18, 2010.

### **The First Topic:**

#### ***Transferring the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) into a Euro-Mediterranean Development Bank.***

- The topic of establishing a Euro-Mediterranean Development Bank was discussed in the light of discussions took place EMPA's plenary session held in Jordan on March 12, 2010. Some countries such as Italy, Spain and Greece proposed the establishment of this bank because of its importance for cooperation between Mediterranean countries, as well as in light of current circumstances and the need for funding joint projects.
- Most delegations underscored the need for the establishment of this bank because of its importance. They also emphasized that the Bank should not substitute the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) because of its important role. The participation in establishing the Bank is voluntary rather than

**mandatory, and must involve many other countries from outside the region in the funding process.**

- **Some countries such as Finland opposed the establishment of the Bank. The Finnish delegation emphasized that (FEMIP) has achieved great success. According to them, the question of transferring FEMIP into a bank has been discussed in the European Union ECOFIN several times. The EU ministers have decided to keep FEMIP as it is. There are good reasons for that. The current facility is more effective in terms of costs more than a bank. Therefore, loans will be more expensive to the Mediterranean countries if FEMIP was transferred to a bank. The problem for the Mediterranean is not the matter of capacity to finance various investment projects but the capacity to absorb the credit. The Finnish EMPA delegation supports the EU policy on FEMIP and therefore opposing the transferring of FEMIP into a bank.**
  
- **The Chairman of the Committee replied that, while preparing the final report on this topic, names of the countries that opposed the establishment of the bank would be mentioned. He called on all member countries opposed the creation of this bank to send a letter to the Committee stating their opinion.**

## **The Second Topic:**

### ***Financial Crisis and Prospects for Growth in the Mediterranean***

- In light of the financial crisis and its repercussions that affected some Mediterranean countries such as Greece, the Committee approved to include this topic on the agenda during the coming period.
- The Mediterranean countries are still facing a serious recession because of the economic crisis affecting many countries. These countries have taken many steps and the various measures to overcome these difficulties. The G20 have discussed how to overcome this crisis, focusing on the new global financial system.
- The Committee members recognized that world countries are trying to keep up with recent developments of the crisis, and they assess its results and implications. Therefore, this topic has to be studied to find out the impact of the crisis on growth potential and opportunities in the region.
- Furthermore, the Euro-Mediterranean free trade zone will give new prospects on the long run. So, a new strategy should be defined regarding the financial affairs and their impact on potential growth and trade opportunities in the Mediterranean region.

## **The Third Topic:**

### ***Progress of the UfM Projects***

**The Committee Chairman stressed that there are 230 important projects in infrastructure, education and energy. All countries will be able to benefit from these projects. There are 27 projects with regional characteristics. He also pointed out that UfM Presidency expressed interest in these projects, and the Committee will discuss the importance of these projects and ways to create funding opportunities for them. This issue will be discussed in the upcoming UfM Summit.**

**Mohamed M. Abou El-Enein**

**Chairman of the Committee**