

# **CIVIL SOCIETY DIALOGUE ON THE SUSTAINABILITY IMPACT ASSESSMENT OF THE EURO-MEDITERRANEAN FREE TRADE AREA, BRUSSELS, MARCH 20 2006**

## **POSITION PAPER OF EURO-MEDITERRANEAN NETWORKS OF ENVIRONMENTAL NGO'S**

### **INTRODUCTION**

The European Environmental Bureau, Friends of the Earth MedNet, the Mediterranean Information Office for Environment, Culture and Sustainable Development and WWF Mediterranean Programme, representing several hundred environmental NGOs from the EU and non-EU Mediterranean countries welcomes the SIA-EMFTA process, in which it has been an active participant. One of our members, Friends of the Earth Middle East, serves on the SIA's advisory committee, and we NGOs attended and made a statement to the first consultation hosted by the European Commission on 24 November 2004. *The statement has been posted on the SIA-EMFTA project website.*

In October 2005, a civil society consultation on the Phase II report of the SIA EMFTA was organised in Malaga, Spain by Friends of the Earth MedNet (the Mediterranean members of Friends of the Earth Europe) and addressed by Dr. George and Ms. Chouchani from the SIA team. *The report of this consultation is also posted on the SIA EMFTA website.*

### **BRIEFLY RECALLING OUR VIEWS ON PHASES I AND II**

#### **i) Phase I**

Our 2004 statement said *inter alia* that :i) Euromed. Association Agreements as they stand lack details on environmental and social rights issues; ii) the EMFTA should include a regional side agreement on environmental and social issues, beginning with an agreed framework document which should be negotiated and adopted by Euro-Mediterranean Partners during 2005 iii) environmental management regimes are weak in many of the partner countries; action to strengthen them should be taken now, without waiting for the results of the SIA.

#### **ii) Phase II**

Many of the 42 recommendations from one or more NGO and parliamentary participants recorded in the Malaga consultation report have been tabulated in the SIA EMFTA Phase II Final Report. *The full session report is posted on the SIA-EMFTA project website*

We would however wish to particularly re-emphasise n the following key points:

- The meagre net economic welfare benefits forecast, compared to possible high social, economic and environmental costs to South Mediterranean Partner countries (SMPs), requiring extensive mitigation and remedial measures and involving considerable outlays of public revenues, raised a basic question: was the EMFTA exercise worth the effort, and should alternative approaches to development of SMPs be considered?

- The most likely scenario would be that liberalisation would occur without any mitigation measures in the South. The resulting situation under this scenario should be forecast and analysed as part of the SIA.
- The experience of the North American Free Trade Area and its impacts on Mexico, in particular in rural areas and the related loss of rural livelihoods of millions of small farmers, should be carefully evaluated for lessons on possible impacts of the EMFTA.
- The critically important issue of migratory flows in the Mediterranean was not mentioned in the SIA, nor possible impacts of trade liberalisation on them.
- Possible positive environmental impacts were exaggerated while the consequences of destruction of irreplaceable environmental services was not adequately addressed. An overall assessment of environmental impact has not emerged from the SIA so far.

### PHASE III

We view this phase within the context of the commitments made by all EuroMed partners at the UN Summit on the Millennium Development Goals MDGs in September 2005, as well as within the Mediterranean Strategy for Sustainable Development (MSSD) – adopted by the Contracting Parties to the Barcelona Convention last November, and subsequently endorsed by the Euromed summit in Barcelona, where heads of state or government committed under the 5-year action programme to ‘implement’ the MSSD. (*posted at [www.unepmap.org](http://www.unepmap.org)*)

Our central concern is that trade liberalisation in the region should contribute positively to and not undermine the implementation of both the MDGs and MSSD.

We welcome the contractor’s proposed list of topics for Phase III, but wish to advocate the addition of the following issues:

- the impact of agricultural trade liberalisation on non-farm rural employment/livelihoods and related gender and migration impacts as well as on implementation of the World Food Summit commitments for attaining greater food and nutritional security.
- the impact of services liberalisation on employment/income levels as well as access by low-income groups to basic public services (water, health, etc) in the sectors contemplated by the decisions of the forthcoming Euromed Trade ministers’ conference in Marrakech (24 March)
- possible impacts on national energy balances, air/ground/water pollution and coastal areas

We strongly advocate a close interface and cross-referencing between the conclusions/recommendations emerging from Phase III and the goals of the Mediterranean Strategy for Sustainable Development, which include the fulfillment of the MDGs.

### IMPLEMENTATION OF SIA-EMFTA RECOMMENDATIONS

**We are greatly concerned at the lack of clarity as to how, or indeed whether the SIA EMFTA recommendations will be implemented within the on-going process of trade liberalisation within the Euro Mediterranean Partnership.**

We are deeply disappointed at the absence of any reference to the SIA EMFTA either by the Barcelona VII conference of foreign ministers last May, or the Euromed summit in Barcelona last November. We note that a presentation made at a CIHEAM conference in Cairo on 8 March 2006 on the Euro-Mediterranean Roadmap for Agriculture, by Mr. Alexandre Asbil of DG Agriculture, makes no mention of it either, whilst announcing the roadmap's 'entry into force' in 2007.

- We formally demand that steps are taken to ensure the comprehensive consultation of affected stakeholders as well as of the Euro-Mediterranean Parliamentary Assembly in the roadmap design processes leading to this 'entry into force'

We are further alarmed at the report containing comments from Lawrence Pratt (posted on the DG Trade website) that DG Trade officials indicated that little or no account would be taken of any SIA recommendations for any of the EU regional trade liberalisation processes underway, and that no particular adjustments can be foreseen in current development assistance procedures, programmes or projects so as to incorporate such recommendations.

- A clear commitment from the European Commission, the EU and Partner states to fully incorporate the SIA EMFTA recommendations has now become an urgent necessity in all future trade negotiations, the operation of Association Agreements and the design, implementation and review of European Neighbourhood Policy Action Plans. In addition, full stakeholder and parliamentary involvement in these processes is long overdue, and should be instituted now.

In this spirit, the Euro Mediterranean networks of environmental NGOs has addressed a formal letter to the trade ministers of the Euro Mediterranean partner countries, on the eve of the Ministerial meeting in Marrakech this Friday, 24 March. The meeting is due to launch negotiations for the liberalisation of trade in agriculture and services. **We have called for a moratorium on such negotiations until the final SIA EMFTA recommendations become available at the end of 2006 and procedures are adopted for their implementation.** *The text of our letter is annexed.*

## SOCIO-POLITICAL ASPECTS OF TRADE LIBERALISATION IMPACTS IN THE MEDITERRANEAN REGION

It is hardly a secret that trade liberalisation favours the strongest partner most, and the NAFTA experience has shown the hazards of free trade between countries of vastly unequal levels of development and income.

As stated in the Carnegie Endowment's "NAFTA: Promise and Reality: Lessons from Mexico for the Hemisphere"(2003). *NAFTA has accelerated Mexico's transition to a liberalized economy without creating the necessary conditions for the public and private sectors to respond to the economic, social, and environmental shocks of trading with two of the biggest economies in the world. Mexico's most vulnerable citizens have faced a maelstrom of change beyond their capacity, or that of their government, to control.*

In view of the political volatility in so much of the South Mediterranean region, the large number of people living on less than \$2 a day (at least 100 million) as well as high levels of unemployment, in particular amongst youth, the undersigned Euro Mediterranean networks of environmental NGOs

consider that such a 'maelstrom' involving the region's poorest and most vulnerable citizens must be avoided at all costs.

**A critical reconsideration of the 2010 target date for the establishing EMFTA as well as its sector coverage and the timing of liberalization schedules, - which must be flanked by comprehensive, securely financed and carefully designed accompanying and mitigation measures - is surely a small price to pay in order to achieve greater, not less social and political stability in the region.**

### **OUR SUPPORT FOR THE NGO POSITION ON SIAs CONTRACTED BY THE EC**

The undersigned Euro Mediterranean networks of environmental NGOs takes this opportunity to express our support for the following two NGO documents:

1. Letter from EU NGOs to Commissioner Mandelson re: Re: European NGO demands: the future of the Sustainability Impacts Assessment (SIA) process 29 June 2005

2. NGOs statement on the draft Handbook for Sustainability Impact Assessments April 2005

*Signed by*

- The European Environmental Bureau.
- Friends of the Earth MedNet.
- The Mediterranean Information Office for Environment, Culture and Sustainable Development.
- WWF Mediterranean Programme.