

The EU's Cross Border Cooperation Program in the Mediterranean (CBC Med/NEXT MED): Potential for Israel and Neighbouring Countries

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Briefing Paper

The Cross Border Cooperation (CBC) is one of the European Union's (EU) financial instruments aiming to help the neighbouring countries develop better connections and relations between them, responding to common challenges. Israel is part of the CBC Mediterranean Sea Basin project (CBC Med, now called NEXT MED), along with its immediate neighbours. Southern Mediterranean suffers from low south-south interconnectivity, and CBC Med aims to enhance such cooperation. This paper shows how the CBC Med program has been underutilized by Israel and recommends taking full advantage of the potential opportunities in the new NEXT MED, 2021-2027.

A. What is the Cross Border Cooperation (CBC) programme?

The vision of the European Community (later the EU) since its foundation in the 1950s, was of creating lasting peace by enhancing trans-border cooperation, increasing connectivity and mutual interdependence among its members, aiming to multiply ties and trust between governments, economies and societies.

By the end of the Cold War, as the EU developed its Common Foreign and Security Policy, its internal success story of promoting cross-border integration, prosperity, stability, and peace, translated into external action. First program in 1989 (named [Interreg](#)) addressed Central and Eastern Europe, who later became candidate countries to join the EU. In 2007 the EU created the Cross Border Cooperation (CBC), duplicating the program beyond its enlargement policy, to also address its neighbours.

In the past three decades, CBC and Interreg programmes have [funded](#) over than 20,000 projects. They include 184 regions with a combined population of 260 million people in 33 countries along the EU external borders from its North-East border to the Mediterranean region and from Atlantic to Black Sea Basin. These programmes [aim](#) "to jointly tackle common challenges and find shared solutions in fields such as health, environment, research, education, transport, sustainable energy and more". They support smarter,

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greener, more connected, more social programmes, while intertwining the EU and its neighbours and enhancing neighbour–neighbour cross border cooperation.

The CBC program is divided between Eastern European and Southern Mediterranean countries. This paper will focus on one of sixteen CBC programmes: the **Mediterranean Sea Basin Programme (CBC Med)**, which begun in 2007.¹ Under the new EU budget for 2021-2027 the programme changed from CBC to **Interreg NEXT**. The Mediterranean Sea Basin program is hereinafter called '**NEXT MED**'. It is part of the European Neighbourhood policy (ENP), to which the EU allocates financial resources to fund its programs and projects. NEXT-Med is the largest of these cross-border programmes by which the EU is trying to advance its foreign policy goals (see box to the right for hierarchical order of the CBC program under EU policies).

Box: EU NEXT Med Hierarchy

EU (European Union)

CFSP (Common Foreign and Security Policy) & **Cohesion Policy**

ENP (European Neighbourhood Policy) divided to East and South

ENP Southern Mediterranean (countries from Morocco to Syria, including Israel, the Palestinian Authority, Jordan, Egypt, and Lebanon)

CBC/NEXT Med Program (Cross Border Cooperation Mediterranean Sea Basin Program). In 2021 Turkey has joined the program

B. CBC Med: The Mediterranean Sea Basin Programme

Geographic coverage of CBC Med: out of the 27 EU member states, seven Mediterranean countries take part: Portugal, Spain, France, Italy, Greece, Cyprus and Malta. Seven out of the ten Southern ENP countries participate: Israel, Egypt, the Palestinian Authority, Jordan, Lebanon, and Tunisia. In 2021 Algeria joined for the first time and **Turkey** re-joined CBC.² All in all, 15 countries, representing over 90 territories, participate (see map below).

Morocco has adhered to the former CBC 2014-2020 programme but did not sign the financing agreement with the European Commission. This situation seems to continue to the 2021-2027 program. Due to its [tense and hostile political relations with Algeria](#) and lack of border crossing, the projects Morocco can take part in are mostly with Spain and Portugal or across the Mediterranean. Libya hasn't taken part due to its political instability³ and Syria, which signed financing agreement in 2009, was suspended due to its civil war (though Syrian non-state organizations are [allowed](#) to submit proposals).

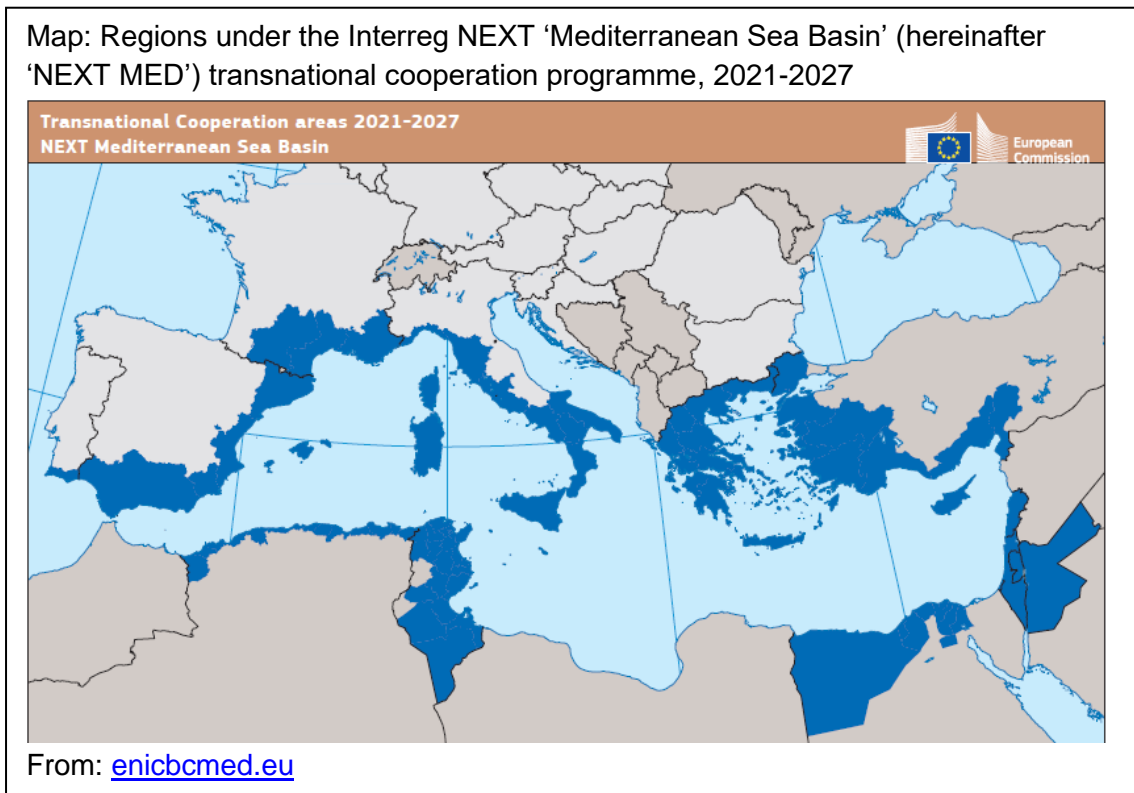
State of low connectivity: According to the [OECD 2021 report](#) on "regional integration in the Union for the Mediterranean", **many problems in the southern Mediterranean have to do with it being an area with a considerably low interconnectivity**. The report examined five areas: trade, finance, infrastructure for transport and energy, research and higher education, and movement of people. The report found that "there has been progress in regional integration since the 1995 Barcelona Process, but it also indicates that the **progress has been slow and remains below the potential of the region in terms of capacities and resources**". This is apparent especially with regards to trade, tariffs and

¹ For CBC Med website see [here](#).

² In mid 2000s Turkey asked to be removed from CBC program due to its candidacy status to join the EU. After almost two decades in which its accession process was frozen, Turkey has/ was returned to CBC.

³ Libya did partake in several CBC projects but was not part of the whole programme.

research investment (see [here](#), p. 10). The EU's CBC/NEXT Med program aims to advance such interconnectivity.



The general aims of CBC Med are updated each round of the EU's seven-year budget (Multi-Financial Framework, MFF) and in response to changes in the region, EU priorities, and country's needs and circumstances (see below). Some aims remain quite constant, for example, the social aspects. The CBC Med has conducted both bottom up and top-down surveys in these countries to identify the medium-term needs of the region.

Co-ownership: The EU conducts a dialogue with partner countries to jointly develop CBC Med priorities that focus on mutual interests. The funds are allocated according to the EU's and its neighbours' objectives.

Even before **2014**, but moreover during the Arab Spring, CBC Med aimed to put more emphasis on promotion of shared values. The EU defined then CBC Med's aims to develop "a special relationship founded on cooperation, peace and security, mutual accountability, and a shared commitment to the universal values of democracy, the rule of law and respect for human rights" (see [here](#), p. 6, and [here](#), p. 27). The program focused on projects that aimed to address what was seen as the root cause of the uprising, and therefore prioritized inclusion, sustainable economic growth, poverty reduction and democracy building projects.

In **2021**, as a result of a re-evaluation process of the EU's Southern neighbourhood few achievements, NEXT MED's [aims](#) are more problem oriented: "the Mediterranean faces a multitude of common challenges, including climate change, pollution, youth unemployment and social inequality".⁴ The European Commission shifted to more stability-oriented goals and defined ENP's priorities as following: (1) human development, governance and rule of

⁴ See the publication of the [Joint Communication](#) for Renewed Partnership with the Southern Neighbourhood.

law; (2) strengthen resilience, build prosperity and seize the digital transition; (3) peace and security; (4) green transition; and (5) support to the main drivers of regional integration.⁵

For 2021-2027, NEXT MED **projects** are divided into four *thematic objectives* that the programme support, divided into 9 *priorities*, which are colour coded (see [website](#)) as follows:

NEXT MED four broad thematic objectives (2021-2027)	EU budget, millions € (%)
1. 'A more competitive and smarter Mediterranean' - Research & innovation enhancement - SME (Small and Medium sized Enterprises) development for sustainable growth and competitiveness	66.6 (29%)
2. 'A greener, low-carbon and resilient Mediterranean' to promote: - Energy efficiency & reduction of greenhouse gas emissions - Climate change adaptation and disaster risk prevention - Water access and sustainable water management - Transition to a circular and resource efficient economy	96.9 (42%)
3. 'A more social and inclusive Mediterranean' - Improving equal access to inclusive and quality services in education, training, and lifelong learning - Ensuring equal access to health care and fostering resilience of health systems	48.8 (21%)
4. 'A better cooperation governance for the Mediterranean' - Fostering local governance models and processes through cross-sectoral, multilevel and cross-border partnerships	17.7 (8%)

Budget: For the period of 2014-2020, CBC Med was allocated 209 million euro out of the 1.052 billion euro whole CBC budget. Meaning 20% of the CBC entire budget. In [2021-2027](#) the allocation is 253 million euro out of the 1.1 billion euro whole CBC budget, which amounts to 23% of the budget (see allocations according to the four objectives in the table above).

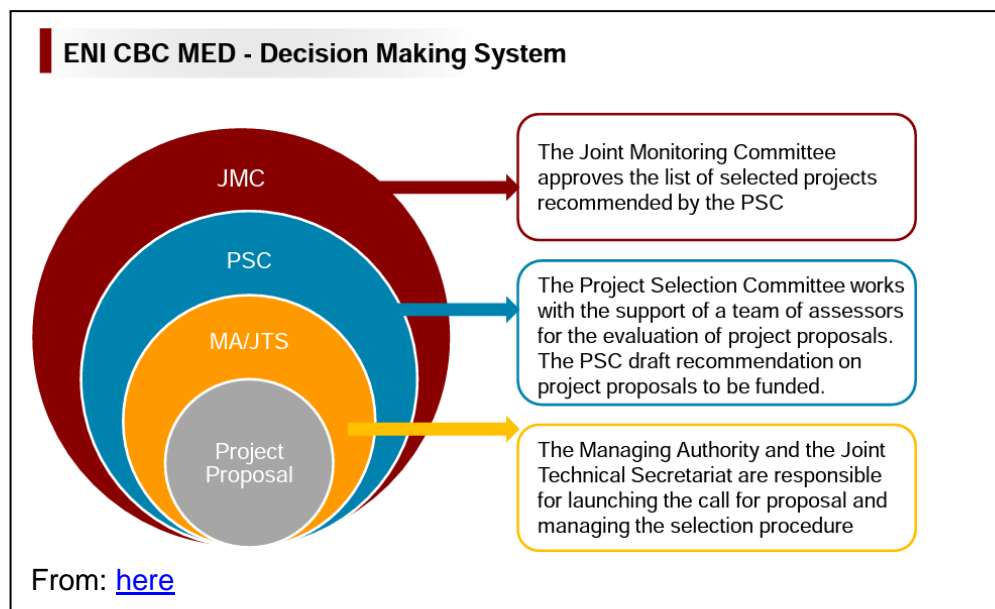
For each seven-years financial period (MFF), the participating southern countries should sign a financial agreement with the EU to be eligible to take part in the program.

C. CBC Med Management

CBC Med finances cooperation projects through calls for proposals. In line with the principle of co-ownership, all countries have an equal say in the programme decisions and in the selection of projects. The management of the programme is conducted by [joint structures](#), namely:

⁵ See "[Commission Implementing Decision of 16.12.2021](#), on the financing of the multiannual action plan part I in favour of the Neighbourhood, Development and International Cooperation Instrument (NDICI) Regional South Neighbourhood for 2021-2023."

- The *Joint Monitoring Committee* (JMC) is the programme's decision-making body. It is composed by the national and regional representatives of the 15 countries involved in the programme and the European Commission (with observer status). It takes the decisions related to the programme: launching of the calls for proposals, approval of projects, and adoption of final reports. It meets at least once a year and is chaired by the Managing Authority.
- The *Projects Selection Committee* (PSC) is appointed by the JMC and oversees the evaluation of the projects submitted under the different calls for proposals. It is composed of one delegate per participating country and is assisted by a pool of independent external experts.
- The *Managing Authority* (MA) is responsible for the day-to-day Programme *operational* and financial management. It sits in Sardinia and is served by the *Joint Technical Secretariat* (JTS). Two *Branch Offices* are located in Valencia (Spain) and Aqaba (Jordan) (see [here](#)).



Applications to the calls for proposals can come from public bodies and civil society organizations from several countries, some from the EU, some from the Southern Mediterranean. It is up to these bodies to find their counterparts and propose a project.

Once winners are announced, they can receive up to 90% funding from the European Commission. At least 10% should be co-financed. Many bodies are eligible for funding, such as government ministries and agencies, local municipalities, public authorities, universities and research centres, NGOs, and small and medium sized enterprises.

D. Israel and CBC Med

For the 2007-13 EU's MFF, Israel signed the financial agreement in December [2009](#). [During this period](#), 16 Israeli bodies took part in 12 projects, adding up to 8.5 million euro (about 35 million Shekels).

For the 2014-20 EU's MFF, Israel begun to participate only in [2018](#). During this period, Israeli bodies took part in only 5 projects, adding up to 12.6 million euro (see table 1 below). The late entry was due to the [EU's differentiation policy](#) and the worsening political ties. In mid-2013 the EU published Guidelines for its differentiation policy, stating no EU funds can be allocated beyond the 1967 border.⁶ Before 2013 such differentiation was part of the EU's practice but was not written into the agreement. The differentiation policy created a political crisis, followed by the November 2015 Commission's Notice on labelling of Israeli settlement products. Therefore, PM Netanyahu only signed the agreement in December 2017.

Minister Miri Regev [objected](#) to this approval, stating that the government should reject agreements requiring Israel to "de-facto boycott homeland regions or populations living in the Golan Heights, in Jerusalem or in Judea and Samaria". She was later joined by deputy Foreign Minister, Tzipi Hotovely and two Members of Knesset. Nevertheless, the Netanyahu government [approved](#) it in [January 2018](#).

Israel is now in the process of discussing its participation in the 2021-2027 NEXT MED, along with the other countries of the Southern Mediterranean. Negotiations have only started on March this year and will take some time to conclude.

Israel's Low Levels of Participation in CBC Med

There are large differences in the numbers of projects and the volume of involvement in which the South-Eastern countries participate in CBC Med. Out of the total 80 CBC Med projects in 2014-2020, Lebanon was involved in 51 projects (64%), Jordan in 50 (62%), Palestinian Authority in 31 (39%), Egypt in 26 (32%), and Israel was only involved in 5 (6%) projects (see table no. 2 below).

Out of the five projects Israel took part in, only in three other Southern neighbouring countries take part (Palestinian Authority in all three, Jordan in two). In the other two projects, only EU member states joined Israel. Of the five projects, Spain participates in 4, Greece in 3, Cyprus and France in 2 (see table no. 1 below).

There are several **explanations to the low level of Israeli participation**. One is technical, others are political. The technical reason is that as a developed country, Israel is not eligible to CBC Med projects under the category of social inclusion and fight against poverty (now titled 'more social and inclusive Mediterranean'), although these projects may well have benefited periphery towns as well as minority communities in Israel (mainly Arabs and Ultra-Orthodox). That objective accounts to 21% of the 2021-2027 funds. However, this explains only in part the low numbers of Israel's participation in CBC Med.

Another reason for the particularly low level of Israeli participation rate in 2014-2020 was its late entrance to the program, which only took place in 2018 due to political rift as explained above.

When it comes to deciding on projects at the JMC, as written above, all countries have an equal say in the selection of projects. Decisions are taken on a professional non-political basis. What can explain why Israel had less projects was the condition to have at least two neighbourhood (non-EU) countries, which has been a political hurdle and difficulty for Israel. Thus, one main explanation for Israel's low participation is the character of relations with its

⁶ The Palestinian Authority is eligible for funds independently and regardless of Israel.

neighbours. With Syria and Lebanon, a state of war continues since 1948. Cold peace with Jordan and Egypt has warmed up, especially with the Egyptian government, but levels of hostility remain very high in the public opinion of both countries, discouraging cooperation projects. The ongoing conflict with the Palestinians and Israeli occupation is obviously a major cause for the low levels of cooperation also in that front, but here there is more potential as there is cooperation between civil society organizations on both sides. The question is how many of these organizations are dealing with the above aims of the program (green, smart, and local governance). The level of awareness of such bodies to CBC-Med is unknown.

The Sinai desert, as the neighbouring region of Egypt to Israel, was probably less conducive to cooperation in the past, but the Egyptian government major [investments](#) there in recent years and the warming G2G relations with Israel, as well as enhanced tourism from Israel to the peninsula, may serve as a basis for cross-border cooperation in the near future. Other than in tourism, there is potential of producing solar energy, dealing with water management, developing agriculture, and more.

Under the East-Med Gas Forum, relations between the governments of Israel, Egypt, Cyprus, and Greece considerably improved. Such CBC regional development may enhance B2B and P2P connections and increase employment, stability, and joint prosperity.

The 2020 Abraham Accords with the UAE, Bahrein, and normalization of relations with Morocco, did not open a new pathway of CBC Med cooperation under the EU program, as the Gulf countries are not part of the program and Morocco does not participate in it (and none are a direct neighbour of Israel). Yet the above developments did improve relations with Egypt and to a lesser extent with Jordan. Indeed, after deterioration in the relations between Israel and Jordan, the Bennet-Lapid government (2021-2022) invested much effort and succeeded to improve them. The sixth Netanyahu right-wing government has deteriorated the relations again. But, as the program removed the condition to have at least two neighbourhood countries, Israel can now offer more proposals. Especially since in 2023 Turkey has joined the program.

As the initiative should come from public bodies and civil society organizations, lack or very low levels of P2P relations may account for the low number of projects in which Israel takes part. Another possible explanation is low levels of advertisement and knowledge of this programme among civil society organization in Israel.

Israel can contribute to all the fields the EU is mentioning in NEXT MED: health, environment, research, education, transport, sustainable energy, disaster risk prevention, access to water and sustainable water management, etc. Israel is a world leader in innovation and start-ups, in Agri- and food-tech. Since it is facing similar climate challenges as desertification, water, and food security, and has been dealing with them much more successfully than its neighbours, Israel has much to contribute to them and to the region.

E. Conclusion

Israel is currently underutilizing the CBC Med in comparison to its neighbouring countries. The reasons are mainly political. The potential of the programme is to decrease political tensions through a non-politicised area of cooperation for the mutual benefit of all sides, be it SMEs, local municipalities, small farmers, etc.

The goals of technology transfer, small and medium sized business development, social inclusion, and the fight against climate change are all goals that Israel would do well to be more involved with regionally, and Israel's neighbours would benefit and do well to cooperate with Israel. The very specificity of Israel's place in the region means that Israel must work harder than others to achieve cross border cooperation. The opportunities are present for all sectors, for government agencies, local municipalities, research centres, NGOs and medium to small businesses. Projects mediated through the CBC Med can be one avenue towards reducing tension between Israel and its neighbours.

Table no. 1: The CBC Med projects in which Israel takes part, 2018-2020

Name	Objective	Category	Southern Participating countries	EU Participating countries	Budget (million €)	period
Artolio	<i>Profitable and Sustainable artisanal olive oil industry in the Mediterranean</i>	SME development	Israel, Palestine, Jordan	Cyprus, Greece, France, Spain	2.9	August 2020 - February 2023
Berlin	<i>Cost-effective rehabilitation of public buildings into smart and resilient nano-grids using storage</i>	Environment and Climate Change	Israel	Cyprus, Greece, Italy	2.8	September 2020 - September 2022
Decost	<i>Decentralised Composting in Small Towns</i>	Environment and Climate Change	Israel, Palestine, Jordan	Greece, Italy, Spain	3	September 2019 - August 2022
GreeninMED	<i>Speeding up the MED SMEs' up taking of eco-innovative solutions in energy and water management</i>	Technology transfer and innovation	Israel	Spain, France	1.5	July 2019 - July 2022
Sme4smartcities	<i>Mediterranean SME working together to make cities smarter</i>	SME development	Israel, Palestine	Spain, Italy	2.4	September 2019 - August 2022

Table no. 2: Total CBC East Mediterranean Projects, 2014-2020						
Social inclusion and fight against poverty						
Environment and climate change				Jordan	Jor	
SMEs and business development				Palestine	Pal	
Technology transfer and innovation				Lebanon	Leb	
Total Projects: 80				Egypt	Egy	
				Tunisia	Tun	
Name of the Project	IL	Pal	Leb	Jor	Egy	Tun
Aquacycle			1			1
Artolio	1	1		1		
Beep		1	1	1	1	
Berlin	1					
Bestmedgrape			1	1		1
Carismed		1		1		1
Ceomed				1		1
Clima			1			1
Cluster		1		1		1
Cluster4Green			1	1	1	1
Co-Evolve4BG			1			1
Common			1			1
Creative		1		1	1	1
Crossdev		1	1	1		
Decost	1	1		1		
Emphasis			1	1	1	
Enseres			1			1
Esmes			1	1		1
Fish Med Net		1	1			1
FruitFlyNet-ii			1	1		1
Gimed		1	1		1	1
Green Building			1	1		1
GreeninMed	1					

Name of the Project	IL	Pal	Leb	Jor	Egy	Tun
Greenland		1	1	1	1	
Helios		1		1		1
iHeritage			1	1	1	
Innomed-Up		1		1		
InnovAgroWoMed		1				1
IntecMed					1	1
Internisa		1	1	1		1
Investmed			1		1	1
IpMed				1		1
Livingagro			1	1		
Maia-Taqa			1	1	1	
Med Gaims				1		
Med Pearls		1		1	1	
Med-EcoSuRe		1				1
Med-InA			1	1		1
Med-Quad		1		1	1	1
Med4Ebm			1	1		1
Med3Waste			1	1		1
MedArtSal			1			1
MedBEESinEssHubs		1	1		1	
MEDISS		1		1		1
MedRiSSE		1		1		1
MedSNAIL		1	1	1		1
MEDSt@rts		1	1			1
MedTOWN		1		1		1
MEDUSA			1	1		1
MEDWAYCAP		1		1	1	1
MENAWARA		1		1		1
MoreThanAJob		1	1	1		
MYSEA			1	1		1
NAWAMED			1	1		1

Name of the Project	IL	Pal	Leb	Jor	Egy	Tun
NEX-LABS			1	1	1	1
OENOMED			1			1
ORGANIC ECOSYSTEMS			1	1		1
Plastic Busters CAP			1	1	1	1
PPI4MED				1	1	1
Prosim			1	1		1
RE-MED			1			1
RESET		1	1			1
RESMYLE			1	1		1
ReStarts						1
RESTART MED			1	1		1
REUSEMED				1		1
SEACAP 4 SDG			1	1	1	1
SIRCLES			1	1		1
Skills4Sports		1	1			
SME4SMARTCITIES	1	1				
SOLE			1		1	1
STAND Up			1		1	1
Sustainable MED Cities			1			1
TEC-MED			1		1	1
TECHLOG			1		1	1
TEX-MED ALLIANCES		1		1	1	1
TRANSDAIRY			1			1
U-SOLVE		1			1	
WEF-CAP					1	1
YEP MED			1	1	1	1
Totals	5	31	51	50	26	61
	IL	Pal	Leb	Jor	Egy	Tun