

Transport Dimension of the BRICS Penetration in the Mediterranean Region

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In order to adequately assess the development processes under way in the Mediterranean transport sector and related infrastructure services, a general consideration should be introduced about the evolutionary situation in the whole region.

The New Global Centrality of the Mediterranean

In fact, the Mediterranean area, which even just a few years ago seemed to be placed at the margins of globalization processes, is currently deeply involved in it. In a framework, like the current one, which sees the Mediterranean suffer for the tragedies of war, political clashes and migratory flows, there are still unforeseen internationalization processes of its economic and social systems, which, alongside the traditional public and private players who refer mainly to the European Union, increasingly involve new non-European subjects, coming from other continents.

This unprecedented situation is progressively changing the conditions for the future economic and social development of the whole area, creating new references for businesses and flows of people, with new forms of competition between the different systems, as well as individual operators. This situation is marked, in particular, by the increasingly active and incisive role played by the member states of the BRICS international coordination: Brazil, China, India, Russia, South Africa.

A report by the Ministry of Foreign Affairs of the Italian Government (MAECI) and officially presented at

the 3rd edition of the Mediterranean Dialogues-MED 2017, held in Rome, 30 November, 2017 - *“Italian strategy in the Mediterranean: stabilizing the crisis and building a positive agenda for the region”* - defines the Mediterranean as “a geopolitical paradox” because it has become “an increasingly fragmented region and - at the same time - more interconnected.” The Italian government’s report highlights, in particular, the extent of three processes intensified in recent years, making the Mediterranean area “wider, more fragmented, more interconnected.” Wider, because this space has long involved, in its complex and tumultuous evolutionary processes, other vast areas that go well beyond the perimeters of its coasts, including the Middle East, the Persian Gulf, the Balkans and North Africa; more fragmented, because it is divided into new areas of confessional, political, military and economic influence; more interconnected, because many open questions arise on the international and European agenda, from military tensions to the fight against terrorism, and from important aspects of economic competition to major infrastructure projects, which may also be closely linked to what happens in the Mediterranean area. The new global centrality of the Mediterranean is the result of the interrelationship between these three processes and, we could add, what happens in the specific sector of transport and infrastructure services confirms the validity of this general political evaluation.

Main Features of BRICS Penetration in the Mediterranean

The impact on the transport sector of the intense BRICS penetration in the Mediterranean is conditioned by two specific elements: a) the BRICS evaluations of the geo-economic role of the area and b)

the extent of the cooperation agreements signed with the non-EU Mediterranean countries.

The first element, that of their evaluation, presents a contradictory character because no explicit reference to the 'Mediterranean area' has so far appeared in the official documents related to the common strategies to be implemented by the coordination. See, for example, the Final Declarations of the last BRICS Summits in 2016 and 2017. As a result, there is no active coordination of the BRICS states' initiatives in the area in question, but rather only individual actions.

The second element, related to the cooperation initiatives promoted in the Mediterranean area by the BRICS states, is highly effective because it applies an articulated approach with a combination of bilateral and multilateral agreements which are at the origin of investments policies directly or indirectly affecting the Mediterranean transport system.

With reference to *bilateral agreements*, we could recall the following initiatives: China has signed bilateral agreements in terms of strategic partnership with Egypt, Algeria, Morocco and Turkey, which concern co-development actions and, in particular, large infrastructure investments like road and railway works, ports and civil constructions. Russia has also signed agreements in terms of strategic partnership with Egypt, Tunisia, Algeria and Morocco, in particular for joint development actions in the energy, defence and food sectors. Brazil, which incidentally has in Egypt the main recipient of its exports, has signed agreements of commercial preference with Morocco, Algeria, Tunisia, Egypt and Israel, in particular with reference to the food, chemical, oil and gas sectors. India has a bilateral strategic partnership agreement with Morocco and a trade agreement based on the 'most favoured nation' clause with Egypt. South Africa has collaboration agreements with Egypt and Morocco.

As regards *multilateral agreements*, real co-development platforms, the following cases can be recalled: **Brazil**, since 2005, shares a permanent cooperation platform with the Arab world (*South American and Arab Countries Summit (ASPA)*); has promoted agreements between the states of the southern and eastern Mediterranean shores with MERCOSUR (Egypt, the first African state, Israel, the first Middle Eastern state), that is, with the market organization of the whole of Latin America; has organized a permanent South-South coopera-

tion platform between Latin America and Africa (*Africa-South America Process (ASA)*).

India, since 2008 India has promoted the "*India - Africa Forum*" for a cooperation covering the whole African continent and in this context has a "*Duty Free Trade Preference Scheme (DFTP)*" which became fully operational in 2012 with most of the African states. This scheme enabled 34 African countries to significantly increase their exports to India over the past few years.

South Africa participates in the *African Union-AU*, the *New Partnership for Africa's Development (NEPAD)*, the *Tripartite Area for Free Trade (TFTA)* with the aim of organizing a *Customs Union and a Common Market (COMESA)*, for the countries of southern and eastern Africa.

Russia and **China** participate respectively in co-development platforms with the Arab world and with the African world. Russia has the status of 'observer' in the *Organization of Islamic Cooperation (OIC)*, regularly participates in the *Russia-Gulf Cooperation Council* and has promoted the *Russian-Arab Council for Economic Affairs*. Furthermore, Russia offers to the partners of the bilateral and multilateral agreements the opportunity to extend them to the EAEU Eurasian Economic Union, in which Russia participates. China has promoted two permanent platforms: in 2000, the *Forum on China-Africa Cooperation (FOCAC)*, for the cooperation with the African continent and in 2004 the *China-Arab States Cooperation Forum* for cooperation with the Arab world.

Land Transport and Service Infrastructures

In recent years, states in the southern Mediterranean have offered significant opportunities to investors in the construction of major infrastructure works for land transport, railways, roads and motorways. In general, these are big projects aimed at linking population centres, economic zones and new development poles, and thus creating an indispensable basis for supporting the overall economic and productive development policies. The active participation of BRICS countries in the realization of these strategic works is a clear indication of their positive evaluation, as well as of their capability to take these opportunities.

China is particularly active in this sector. Here are some emblematic examples: in Algeria, since 2015,

China, with the state enterprise CSCEC, has committed to building a section of the more than 1,000-kilometre-long motorway with the aim of connecting the north and south of the country, from Algiers to In-Guezzam, on the Mali border; in the period 2007-2010, China signed contracts worth over 4.1 billion dollars for projects to improve the Algerian railway network. At the same time, since 2016, China has committed to the construction of part of another motorway connecting the east and west of Algeria.

China, along with investments in the Suez Canal and others in many ports of the Mediterranean region, has benefitted, so far, from two key situations: the port of Piraeus (Greece) and the new port of Cherchell (Algeria)

In Egypt, Chinese companies participate, in particular, in the construction of the new high-speed railway line, which connects the north and south, from Alexandria to Aswan, on the Sudan border; to the construction of railway lines serving the new development poles, economic zones and the new Egyptian administrative capital, from El-Salam City to Belbeis and Sharquya, in Cairo; to the improvement of the Alexandria port platform. In particular, in the Suez Canal since 2016, China has participated in the construction and management of the new special economic zone: China-Egypt Suez Economic and Trade Cooperation Zone, with investments amounting to 2.5 billion dollars. In Libya, China has recently resumed negotiations for the project to build the railway line connecting the east and the west of the country, suspended due to civil war; the contract had already been entrusted to the Chinese company CRCC. In Turkey, China completed part of the new Istanbul-Ankara high-speed railway line in 2014 and is participating in the construction of two Baku-Tbilisi-Kars and Edme-Kars railway lines and the new Marmaray railway tunnel under the Bosphorus.

India, with the Indian company Mahindra, built the first truck production plant of the entire African continent, in Sousse, eastern Tunisia. In Turkey, Indian

companies have worked on the modernization of Istanbul International Airport.

Russia, like China, is participating in Egypt in the construction of a special economic zone along the Suez Canal, east of Port Said, called a “priority project” by the Egyptian president Al-Sisi (2015). With Libya, before the outbreak of the civil war in 2011, in the transport infrastructure sector, Russia had agreed in 2008 the start of projects for the construction of road (worth 2.2 bn US \$) and railways connections (worth 4.5 bn US \$) between the cities of Benghazi and Sirte. An extension to Egypt was also planned. In particular, concerning the railways connection, the Russian State Railways Company RZD had already started in 2010 the construction of a first section of the new line (554 km of high-speed railway), then blocked due to the war. In February 2013, the Russian-Libyan negotiations were restarted to resume and implement these projects. In Morocco, Russia participated in the construction of the motorway between Taza and Al Hoceima. With Tunisia, in 2016, Russia launched its first direct air and sea connection, a direct Tunis-Moscow flight and a maritime line for commercial traffic between Sfax in Tunisia and Novorossiysk in Russia, near Crimea; moreover, between the two countries a new system of telematic customs came into force, a product of the information revolution destined to mark an epochal change between customs operators, while an intergovernmental commission is developing a single customs code between Russia and Tunisia.

South Africa. Since the end of the 1990s, immediately after the end of apartheid in 1994, South Africa has been the main promoter of African regional and continental integration. Under the Mbeki administration, the country played a key role in setting up the *New Partnership for Africa's Development (NEPAD)* and launching the *African Union (AU)*, and still pursues, as a priority objective, the political and economic integration of the whole continent, including, therefore, the North African countries of the Mediterranean region. This is all according to the strategic document *Africa 2063 Vision*, approved by the AU in 2013, together with its first ten-year plan. Within this framework are included the agreements signed by South Africa with Morocco and Egypt, considered as reference countries to facilitate the penetration of BRICS in the African continent along the north-south axis, from the Mediterra-

nean area. To this end, an important contribution can arise from the new BRICS Plus strategy, approved by the 9th BRICS Summit 2017, and from the fact that South Africa has become the seat of the African Regional Centre, the reference structure for the entire African continent of the New Development Bank-NDB, the credit institute organized by the BRICS coordination. Among the numerous projects, already launched in Africa, as a result of continuous international investments, including those by single BRICS states, it is worth mentioning the projects for the construction of pan-African multi-modal road and rail corridors for the following connections: a) on the north-south axis: Cairo-Dakar, Dakar-Lagos, Algiers-Lagos, Cairo-Gaborone-Cape Town, Tripoli-Windhoek-Cape Town; b) on the east-west axis: Dakar-N'Djamena, N'Djamena-Djibouti, Lagos-Mombasa, Beira-Lobito.

Maritime Traffic in the Mediterranean and the Great Protagonism of China

Overall, maritime traffic in the Mediterranean represents 19% of global traffic and 25% in terms of routes (UNCTAD, 2016). The flows affect the following four geographical areas of origin/destination of the traffic: a) northwestern Europe, b) Asia and Southeast Asia, c) the Red Sea, United Arab Emirates, Iran, Pakistan and India, d) the western and eastern Mediterranean. It should be noted that the works of enlargement and doubling the Suez Canal - 72 km of work, completed in 2015 - have enabled ships to reduce waiting times from 18 to 3 hours and shorten the transit from 16 to 11 hours, also favouring the passage of large ships that had previously used the African circumnavigation routes. In 2017, 17,550 ships passed through the Suez Canal, a number lower than the peak of 2008, the year in which the serious international financial and economic crisis exploded, which amounted to 21,415 ships; but this decrease is well compensated, especially for container ships, thanks to the doubling of transported goods, rising from 8,000 TEUs (twenty-foot equivalent units) in 2008 to about 18,000 TEUs in 2017. It should be added that in 2016, 56% of the traffic travelling through the Suez Canal stopped at Mediterranean ports (in 2001 the percentage was 34%): this increase is a precise indicator of the

great potential for development open to these ports. In particular, the goods container traffic registered very diversified trends between the ports of the northern and southern shores of the Mediterranean. In the period 2008-2014, the overall traffic growth was equal to + 33.7%, but a clearly differentiated trend was registered between the north and south of the Mediterranean: in fact, the growth of the movement of goods in the southern ports recorded a level of + 52.3% compared to the growth of the northern area which was equal to + 23.9%. As a consequence, the world market share fell from 6.4% to 6% for the northern ports, while it rose from 3.3% to 3.8% for the southern ports. In this situation, two cases stand out for their exceptionality: on the southern shore, in Morocco, the traffic growth in the Tanger Med port (+ 233.9% of transported containers) and, in Greece, the Piraeus port, where, following the investment of the Chinese COSCO in 2009, growth was exponential, equal to + 484.3%. Faced with these trends of continuous growth, Morocco, for example, decided to build five other ports by 2030, three of which are in the areas hosting a customs free zone (Nador) and two in export-free zones (Kenitra and Dakhla); Algeria decided to entrust China with the construction of a new mega container port in Cherchell; in 2016, the Prime Minister of the Libyan government of Tobruk (Abdullah Al-Thinni) announced the launch of a major Chinese investment plan in Cyrenaica, in the Tobruk area, in the infrastructure sector. China will fund, in particular, a large and complex project that includes: the construction of the country's largest deep water port, as well as a commercial airport and a railway line to the border with Egypt, in the direction of Sudan. Also in Libya, Russia is interested in recovering and re-establishing a 2010 agreement that gave it the Benghazi port. In this context of continuous expansion of traffic in the Mediterranean, China, along with investments in the Suez Canal and others in many ports of the Mediterranean region, has benefitted, so far, from two key situations: the port of Piraeus (Greece) and the new port of Cherchell (Algeria).

China and the Port of Piraeus (Greece)

At the end of February 2018, the 400-metre-long Taurus cargo ship, owned by China's COSCO Ship-

ping, one of the world's largest companies, docked at the Port of Piraeus, Greece, thus inaugurating the third berth for ships of over 20,000 TEUs. The inauguration of this new structure is only a part of the Piraeus port development programme, which includes logistics services and rail links, and which was initiated by PCT, a subsidiary of the COSCO Shipping Corporation, since it was given the concession to manage the site for a period of 35 years. In 2016, following an international tender, COSCO strengthened its role in the Port of Piraeus, also taking control of the Port Authority-PPA, guaranteeing further investments and a Sino-Greek cooperation of mutual benefit.

Piraeus is thus becoming the largest distribution centre for computers and mobile phones in central, eastern and southern Europe and the Black Sea area

The goal, declared by the PPA managing director, the Chinese Fu Chenggiu, on the occasion of the inauguration of the new terminal, is to make Piraeus the Mediterranean's main port within the next two or three years and one of the thirty largest ports in the world; in other words, according to the Chinese strategy, the Greek Port of Piraeus, which is well-connected with the Balkan terrestrial route, along a south-north axis, is destined to become one of the most important hubs of the great project of the Maritime Silk Road in the Mediterranean region. The results achieved so far are clear: under the Chinese impulse, Piraeus recorded a faster growth rate than any other container port in the world, as recognized in the Dutch Clingendael Report, 2016; and the Italian institute ISSM-CNR adds its near-future prediction for it to be able to mobilize 6.2 million TEUs, constituting a great challenge for Italian, German and Dutch ports. A very important signal of the great potential for expansion of the Piraeus port was recorded in 2012 when the multinational Hewlett-Packard, the computer manufacturer, decided to move its distribution activities from Rotterdam to Piraeus, generating, as is understandable, major concerns among Dutch operators; similar decisions to concentrate distribution centres in Piraeus have

been taken by other multinationals of the sector: Huawei, ZTE and Samsung. Piraeus is thus becoming the largest distribution centre for computers and mobile phones in central, eastern and southern Europe and the Black Sea area.

China and the New Mega Port of Cherchell (Algeria)

In 2016, the Algerian Transport Minister and the Chinese companies, China Harbour Engineering Company (CHEC) and China State Construction Engineering Corporation (CSCEC) signed commitments for the construction of the new large container port of Cherchell. The goal is the establishment of a consortium that will build the new port in the central part of the country, west of the Algiers capital. The project will be completed in seven years. The new port will be equipped with 23 docks able to manage 6.5 million containers (20-feet) and 26 million tons of goods each year. The forecasts to 2050 calculate that the port will manage 35 million tons of goods per year. The management of the structure has been entrusted to China's Shanghai International Port Group, a choice that will allow both to better orientate the traffic coming from Southeast Asia, and to make the best use of Algeria's motorway and railway network for transferring the containers within the African continent.

China and the Agreement for a Coordinating Agency

A major agreement aimed at increasing the presence of Chinese shipowners in the Mediterranean was signed in France in May 2015. The agreement was signed by the Chinese company China Shipping Container Lines (CSCL), which was already active in Morocco, with the United Shipping Agency Network (USAN) and plans to open an agency in France, in Aix-en-Provence, for the coordination of all activities in the Maghreb and Malta. The agency is called China Shipping North Africa Services. It is worth remembering here that the Ocean Three alliance, of which China Shipping is a part, along with the companies CMA-CGM and UASC, manages 27% of the maritime traffic between Asia and the Mediterranean

and 19% between Asia and northern Europe. (The competitors, known by the acronym 2M, i.e. the Maersk and MSC companies, manage, respectively, 39% of the traffic between Asia and the Mediterranean and 32% between Asia and Europe).

European Transport Policy in the Mediterranean: Limits and Perspectives

In general, European transport policy from the beginning, in the 1990s, has mainly been directed towards serving the internal market and free movement of people and goods in the Community area, while actions in the Mediterranean region have mostly been considered as non-strategic, that is to be settled on the basis of bilateral agreements between the states, mainly in the field of short sea shipping connections (Mediterranean cabotage of RO-RO services). According to this vision, European policy has focused mainly on carrying out the big project of the TEN-T networks (Trans European Network - Transport): nine multimodal transnational corridors (railways, roads, waterways) to be completed by 2030 among the Member States in the territorial area of the Union (Core network) and which will stretch outside, to the east and to the south, by 2050 (Comprehensive Network).

The TEN-T project, which is currently still the main strategic reference for European transport policy, has been the object of precise checks and revisions carried out on the basis of the following criteria: facilitating the mobility of European citizens, satisfying the internal demand of Member States, promoting environmental sustainability, organizing financial planning related to Member States' resources, EU budget policies and, in recent times, the introduction of new financial instruments according to a partnership logic between public and private capital PPPs. Overall, for the 2014-2020 period, the EU has made available a networks connectivity fund, the Connecting Europe Facility (CEF), of 26.25 billion euros (the previous budget for TEN-T in the period 2007-2013 was equal to 8.013 billion euros). It should be noted that only 5% of this CEF 2014-2020 fund is allocated to the global network.

A first indication of greater attention being paid to EU-Mediterranean relations came in 2001, during Romano Prodi's Presidency of the Commission, with the

initiative of the EU Vice-President and transport commissioner Loyola de Palacio and the publication of the White Paper "*Time to decide*"; but it is only since 2003 that the European Union, when revising the guidelines of the TEN-T networks, has defined a broader strategy aimed at using the set up of the new land corridors, appropriately integrated with new maritime corridors, as tools to extend the economic space of the internal market and better project the EU towards the eastern states (Russia, Black Sea, TRACECA countries) and towards the Mediterranean (Maghreb countries), and, more generally, to promote economic cooperation with the whole Mediterranean region. The new EU strategy is illustrated in the *Wider Europe* programme (2003-2007) in the implementation of the 2001 White Paper the *Motorways of the Sea (MoS)* project, which deals with opening access from the sea to the TEN-T networks and promotes short sea shipping. It focuses on maritime corridors organized with infrastructure that is useful for enhancing maritime services, to develop inter-modality in ports, thereby rendering the whole maritime transport chain, including logistics services, more efficient. This is all done with the dual strategic objective: a) to stimulate the transfer of the road traffic to RO-RO maritime transport, with economic and environmental benefits; b) to facilitate the connections between the seas surrounding the EU states, Mediterranean Sea, Black Sea, North Sea and Baltic Sea. The endowment fund amounts to 450 million euros for the period 2014-2020. The MoS identified by the EU are the following (ports and lines): Tunis-Rades-Marseille; Tunis-Rades-Genoa, Bejaia-La Spezia-Marseille-Barcelona, Oran-Valencia, Haifa-Trieste-Koper, Haifa-Marseille, Alexandria-Trieste-Koper, Agadir-Port Vendres, Aqaba-Genoa-Beirut-La Spezia-Marseille-Castellon de la Plana, Alexandria-Istanbul. As part of this initiative, collaboration agreements (MoU) have been signed between the ports of Genoa and Aqaba, and Marseille and Rades.

The *Marco Polo programme* (2004-2010) had the environmental aim of reducing greenhouse gas as well as CO₂ emissions, achieved through the transfer of large amounts of freight and passenger traffic from the road to short sea shipping services. During the application period of the Marco Polo EU legislation, intermodal transport projects on the maritime corridors were co-financed for around 450 million euros. The EU contributions have enabled 150 new

international sea lines to be activated in the Mediterranean, creating the economic prerequisites for the Motorways of the Sea project.

Another important turning point in the launch of a cooperation policy between the EU and the Mediterranean countries was marked by the *Euro Mediterranean Ministerial Conference on Transport held in 2005 in Marrakech (Morocco)*, which confirmed the ministers' commitment to implement the main cooperation objectives defined by the Barcelona process, launched in 1995 between the EU and the Mediterranean states, and to create an integrated Euro-Mediterranean system in the transport sector: a real Euro-Mediterranean network to be built in synergy between the EU partners and extra EU partners of the Mediterranean region.

Subsequently, the *Conference of EU Transport Ministers* held in 2007 in Lisbon under the chairmanship of the Transport Commissioner, Jacques Barrot, proceeded to define the terms for the extension of the main trans-European transport axes (TEN-T) to the whole Mediterranean area. To this end, it also proposed a specific *Regional Transport Action Plan RTAP (2007-14)*, which, acting above all on the harmonization of norms and regulations and training and technical assistance, should have allowed for the definition of European planning that could ensure consistency between the TEN-T corridors and their projection towards the Mediterranean area. This refers, in particular, to four of the nine corridors defined as priorities and projected towards the Mediterranean region: a) the *Scandinavian-Mediterranean corridor*, along the north-south axis, from the Baltic to the Mediterranean ports of Italy and Malta; b) the *Adriatic Baltic corridor*, along the north-south axis, from the Polish and German ports to the Italian ones of the upper Adriatic; c) the *Rhone-Alps corridor*, along the north-south axis, for connecting the ports of northern Europe, Antwerp and Rotterdam, with the Mediterranean ports of the upper Tyrrhenian, Genoa and Marseilles; d) the *Mediterranean corridor*, along the east-west axis, for the connection of the Spanish, French and Italian port system with non-EU countries of the eastern Mediterranean and the Black Sea

The *Paris summit in 2008*, which constituted the Union for the Mediterranean UfM, confirmed in its final declaration its commitment to promote enhanced cooperation throughout the region also in the transport

sector, based on a permanent dialogue and technical cooperation. From that event came a commitment to start, among other things, periodic meetings to check projects and programmes to be carried out for the creation of a Mediterranean transport network: the *Euro-Med Forums*. These meetings take place annually at the highest level and are coordinated by a group of representatives from five EU countries of the western Mediterranean GTMO (Portugal, France, Italy, Greece, Malta) and five non-EU countries (Morocco, Algeria, Tunisia, Libya, Egypt), the so-called 5 + 5 group.

The Motorways of the Sea project focuses on maritime corridors organized with infrastructure that is useful for enhancing maritime services, to develop inter-modality in ports, thereby rendering the whole maritime transport chain, including logistics services, more efficient

The *European Council held on 6 October 2011* with the aim of strengthening transport cooperation with regions bordering the EU, in the framework of the *European Neighbourhood Policy*, confirmed in its final declaration the European Union's support to the UfM to promote concrete priority projects in trans-Mediterranean transport.

The value of this activity was further recognized by the *Ministerial Transport Conference promoted by the UfM in Brussels on 14 November 2013* which confirmed the two complementary pillars on which Euro-Mediterranean cooperation in the transport sector is based: a) the regulatory reform and b) the convergence of initiatives promoted in all relevant transport sectors (maritime, road, rail, civil aviation and urban transport). The conference approved the establishment of the *Trans-Mediterranean-Network-Transport-TMN-T*, to be connected to the TEN-T corridors, underlined the progress made in implementing the RTAP plan (2007-2014) regarding the TMN-T project, as well as the definition of the legal and regulatory framework and, finally, defined the new guidelines of this regional RTAP plan for the period 2014-2020.

Regarding the support actions implemented with EU financial instruments, the final declaration of the transport ministers (Ministerial Declaration) confirmed the importance of CEF funds for the TEN-T networks dedicated to the MoS project, as well as of the strategic actions of the Mediterranean partners set up to implement the TMN-T project in the framework of European cooperation with the following bodies: the AMU (Arab Maghreb Union), CETMO/GTMO 5+5 (Study Centre for Transport in the Western Mediterranean and Transport Ministers Group of the Western Mediterranean, 5- France, Italy, Malta, Portugal, Spain and 5- Algeria Libya, Mauritania, Morocco, Tunisia), the ESCWA (United Nations Economic and Social Commission for Western Asia). Finally, the final 2013 Ministerial Declaration underlined the importance of the EU-EIB Technical Assistance Programme “*Neighbourhood Programme Management and Support in the Transport Sector, Southern Neighbourhood,*” which promotes financial support for infrastructure projects and innovative technologies to be applied in order to improve air traffic and maritime control and logistics services in ports.

On 27 April 2017, during the semester of the Maltese EU Presidency, the European ministers responsible for the “*Integrated Maritime Policy on Blue Growth*” confirmed the importance of the initiative carried out by governments in the western Mediterranean transport system where the GTMO 5+5 countries operate and decided to extend this initiative to the entire Mediterranean region. The ministers also confirmed financial support for the *Blue Maritime Economy* programme with the *Multi-annual Financial Framework 2014-2020*, a financial tool to facilitate investments in research and innovation programmes aimed at blue growth (*Blue Med Initiative* project).

The reference to the EU-EIB programme “*Neighbourhood Programme Management and Support in the Transport Sector, Southern Neighbourhood*” reveals an important aspect for understanding not only the value, but also the limits, of European cooperation in the Mediterranean area, real shortcomings that have contributed greatly to creating opportunities for substantial penetration of non-European competitors. In general, it can be said that the prevailing orientation in the use both of the European TEN-T CEF budget funds and the European Regional Development Funds (ERDF) referring to the MED programmes

“*Europe in the Mediterranean*” has favoured technical assistance for studies and research projects, the adjustment of regulatory systems and operating standards, without entering directly and massively into the construction of infrastructure. On the basis of the aforementioned programme, the EIB is the only institution that has cooperated - and still intervenes - in the infrastructure building of non-EU Mediterranean partners, acting with the tools of the Public-Private Partnership (PPP) in collaboration with other international financial institutions and the World Bank. In fact, in the Mediterranean area, the EIB has so far invested 13 billion euros through important projects in the transport sector. Here are some examples: the EIB contributed to Morocco through the construction of the ‘*Autoroute du Maroc*’ with an investment of about 1 billion euros and participated in the development of the Tangier port; in Tunisia, the EIB financed the ‘*Autoroute du Sud*’ and the Sfax-Gabes, as well as other priority routes; in Turkey, the EIB was one of the major financiers of the tunnels - road and rail - under the Bosphorus and participated in the financing of the high-speed Ankara-Istanbul line; in Jordan, the EIB financed the connections around Amman; in Lebanon it financed motorway works, to mention just some of the major interventions.

In general, in the transport sector, the fact that the EU has so far prioritized its own internal market, in terms of investment goals and structure, has ended up highlighting the main weakness of its programme in Mediterranean cooperation, influencing the decisions by North African states on infrastructure development and objectively leaving space to extra-EU international investors. In summary, for the EU, the prospects for recovering and improving its position in the Mediterranean region are substantially linked to a profound change in the guidelines of its budgetary policies to be defined for the period 2020-2027, in particular with regard to strengthening cooperation between Mediterranean countries launched with the ENI-Med programme started in 2016.

A decisive contribution could come from the establishment of a *European Fund for Africa*, with financial programmes coordinated by the World Bank, EIB, international financial institutions, private banks and international funds. The general strategic objective is already well defined: it is based on carrying out the Trans-Mediterranean Network (TMN), whose features were outlined in the conference of

transport ministers held in Marrakech in 2005 and subsequently approved in the conference of transport ministers promoted by the UfM in Brussels in 2013. Therefore, in specific terms, the goal is also to use the creation of the European TMN network to promote the connection between the TEN-T corridors with the Silk Road network launched by China. To this end, which can also be achieved in the short term, the following available funds could be used: a) CEF TEN-T, to extend to all Mediterranean countries, b) the funds for the projects of the Motorways of the Sea (MoS), c) the funds already made operational by the EIB.

Finally, it is important to consider the value of the primacy that the big European companies in the infrastructure sector still hold at the international level, which is a real potential that could be put at the service of the Mediterranean network, with more decisive strategies and a far greater commitment than the one they have made so far. In fact, in the international infrastructure and construction market, European companies prevail among the top ten (2017): 52 European companies have a turnover of 212 billion dollars, followed by 65 Chinese companies with a 94-billion-dollar turnover, US with 47 billion, Korean with 40 billion, Japanese with 25 billion, Turkish with 22 billion and Brazilian companies with a 16-billion-dollar turnover. This current primacy of European companies is the true value to be mobilized.

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