

# Euro-Mediterranean industrial cooperation

## 2014-2017 work programme

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## **1. INTRODUCTION**

In order to stimulate growth and employment, Europe and the neighbouring Mediterranean countries (MED countries) need more entrepreneurs. Entrepreneurship is a powerful vector of shared prosperity: the creation of businesses and their growth foster employment and the development of new skills, boost innovation and open up markets. SMEs are the main source of new jobs.

Whilst the economic crisis is still weighing heavily on Europe, many countries on the southern shores of the Mediterranean have engaged in reforms of their political, economic and social systems. Major societal changes are under way in a region with areas which are currently affected by conflicts which block the free movement of goods and the industrial and entrepreneurial development of the region.

Political and economic systems able to stimulate investments, encourage initiative and foster solid economic partnerships will be essential throughout the Euro-Mediterranean region.

Chapter 5, entitled "Promoting inclusive economic development", of the Communication published by the European Commission and the European External Action Service on 8 March 2011<sup>1</sup> states "There is a need for the countries of the region to re-invigorate their economies to deliver sustainable and inclusive growth, development of poorer regions and job creation complying with international labour standards. Small and medium size enterprises (SMEs) have a critical role to play in job creation. To thrive, they need a sound regulatory framework, conducive to business and entrepreneurship. The EU is ready to support this through policy dialogue and cooperation under the Euro Med industrial work programme."

Since the adoption of the Europe 2020 Strategy<sup>2</sup>, the European Union (EU) has stepped up its efforts to achieve intelligent, sustainable and inclusive growth. The measures intended to encourage and support the economic activities of SMEs beyond EU borders are therefore an important element in the global competitiveness strategy of the EU.

For this purpose, in its Communication "Small Business, Big World"<sup>3</sup> the European Commission undertakes to "support the creation of a business-friendly environment in enlargement, neighbouring and developing countries and in particular for SMEs."

Faced with the same challenges, the MED countries and the EU wish to pool their ideas and will try to expand on the elements developed in this programme in order to stimulate growth and employment.

These objectives are underpinned by the aim of welfare and prosperity for all.

This work programme sets out actions to be taken in 2014-2017 in the field of Euro-Mediterranean industrial cooperation<sup>4</sup>.

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<sup>1</sup> [COM\(2011\) 200 final](#)

<sup>2</sup> [COM\(2010\) 2020 final](#)

<sup>3</sup> [COM\(2011\) 702 final](#)

The proposed areas of work reflect the will to establish parallels between the policies of the MED countries and the European Union which are applicable to the manufacturing industry and the services, in accordance with the Euro-Mediterranean Enterprise Charter, approved at the Euro-Mediterranean conference of Ministers for Industry in October 2004 in Caserte, Italy.

The work programme is a working document drafted by the working party on Euro-Med industrial cooperation<sup>5</sup>.

Reference is made to the organisations likely to conduct actions and participate in them, although this does not constitute a commitment either on their part, or on the part of the European Commission, to undertake or support such actions.

As a rule, it will be up to the Mediterranean countries (MED countries) to put measures into action and to allocate to them the necessary resources from the national budgets and from the private sector, possibly with the support of donors. This work programme does not constitute a financing decision by the European Commission. Subject to the available funds, the European Commission could support the proposed actions in so far as they correspond to the priorities established in the bilateral, regional and cross-border programmes of the European Neighbourhood and Partnership Instrument (ENPI), and of the European Neighbourhood Instrument (ENI) after 2014. The proposed actions will have no budgetary implications beyond that which is already provided for in the upcoming years in the official schedule of the Commission (ENPI and ENI)<sup>6</sup>.

Implementation of the work programme requires the cooperation of all the stakeholders affected by industrial cooperation: businesses, social partners and the public authorities. Public-private partnerships will be encouraged to foster economic integration, job creation and development in general.

Coherence will be reinforced between the regional process of Euro-Mediterranean cooperation and the bilateral processes involving the EU with these countries (monitoring of the Association Agreements, monitoring of the action plans of the European Neighbourhood Policy, budgetary support and the political dialogue underpinning it, technical assistance and financial support). Synergies will also be optimised with the agencies of the Member States and all public and private institutions and organisations, which are national and international partners in the region, such as the European Investment Bank, the European Bank for Reconstruction and Development, the Secretariat of the Union for the Mediterranean, the Chambers of Commerce, etc.

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<sup>4</sup> The following nine countries participated in the 2007-2008, 2009-2010 and 2011-2012 programmes in the field of Euro-Mediterranean industrial cooperation: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the EU Member States on this issue), Syria and Tunisia. Libya was invited to participate in the process in 2013.

<sup>5</sup> [http://ec.europa.eu/growth/industry/international-aspects/cooperation-regions/eu-mediterranean\\_en](http://ec.europa.eu/growth/industry/international-aspects/cooperation-regions/eu-mediterranean_en)

<sup>6</sup> Two Euro-Mediterranean industrial cooperation actions undertaken in 2012 and 2013 will be continued in 2014 and 2015 with support from the Commission's framework programme for competitiveness and innovation (ENT/CIP/12/F/N02C01 and ENT/CIP/13/F/N01C02)

Special attention will be given to the **inclusive** nature of economic development in the 2014-2017 work programme and to the need to improve the predictability and transparency of the business climate.

For this purpose, the work programme attaches special importance to the promotion of SMEs with reference to the [Small Business Act for Europe \(SBA\)](#). The establishment of a large pan-Euro-Mediterranean market for industrial products is an ambitious aim to extend the internal EU market to Mediterranean countries (ACAA agreement on conformity assessment and the acceptance of industrial products) and eliminate technical barriers to trade. Sectoral dialogues constitute further focal points for cooperation.

The work programme comprises four main objectives

1. improving the business climate, promoting entrepreneurship and SMEs based on the Small Business Act for Europe;
2. encouraging SMEs to innovate, export, import and become more international;
3. establishing a major pan-Euro-Mediterranean market for industrial products (through the ACAA instrument and the elimination of technical barriers to trade);
4. developing activities in the textile and clothing sector, and for the creative industries.

These objectives are themselves structured around specific activities, detailed below.

## **2. ACTIVITIES PROPOSED**

### **2.1 Improving the business climate, promoting entrepreneurship, innovation and SMEs based on the Small Business Act for Europe**

#### *Small Business Act for Europe*

##### *Background*

The Euro-Mediterranean Enterprise Charter for Enterprise<sup>7</sup> was adopted at ministerial level in 2004 and sets out guidelines in 11 fields<sup>8</sup> with a view to improving and creating a more uniform business climate throughout the Euro-Mediterranean region.

The 2007-2008 pilot project to evaluate the implementation of the Euro-Mediterranean Charter for Enterprise conducted in Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria and Tunisia was conducted jointly by the European Commission (COM), the Organisation for Economic Cooperation and Development (OECD) and the European Training Foundation (ETF), in consultation with the European Investment Bank (EIB). The evaluation was successfully completed with the direct participation of the Mediterranean

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<sup>7</sup> <https://publications.europa.eu/en/publication-detail/-/publication/ee529ceb-5e6f-4f1c-a25a-c729afa976f5>

<sup>8</sup> Simple procedures for businesses, entrepreneurship education, appropriate skills, access to financing made easier, better market access, innovative enterprises, strong professional associations, support services for quality businesses, networks and strengthened Euro-Mediterranean partnerships, clear and targeted information, the sustainable development of businesses.

countries both in establishing the indicators used for evaluation and in the evaluation phase itself. The Ministers for Industry meeting in Malta in 2011 decided to conduct another evaluation, launched in Cyprus in mid-November 2012 and carried out in 2013 with the same partner organisations (COM, OECD, ETF, EIB). The approach taken stayed close to that adopted in 2008 and kept its participatory character. However, the Small Business Act (SBA) for Europe was used as a policy reference document, alongside the Charter, and Libya was involved in the evaluation process.

Furthermore, the Small Business Act for Europe (SBA) adopted by the EU in 2008 reflects the essential role played by SMEs in the economy. It establishes a global political framework which is non-binding but which provides an incentive through measured, monitored objectives. Its aim is to improve the general approach in terms of entrepreneurship, to irreversibly anchor the "Think Small First" principle both in the legislative process and in administrative behaviour, and to promote the growth of SMEs by helping them to overcome problems which continue to hinder their development, including on an international level.

Furthermore, in order to strengthen the competitiveness and durability of businesses, in particular SMEs, and to encourage an entrepreneurial culture and foster the growth of SMEs, the promotion of the knowledge society, and development based on balanced economic growth, a European programme for the competitiveness of enterprises and SMEs (COSME) was established for the period 2014-2020.

This programme is intended in particular for SMEs. Special attention is paid to micro-enterprises, businesses involved in craft activities, the self-employed, liberal professions and social enterprises. Attention is also paid to new potential, young people and female entrepreneurs, and to other specific target groups such as the elderly, migrants and entrepreneurs belonging to socially disadvantaged or vulnerable groups, such as disabled people. The programme also addresses the promotion of business transfers, spin-offs, spin-outs and second-chance businesses of bankrupt entrepreneurs.

The aim of industrial cooperation is to better equip SMEs for growth and innovation. Projects including those supported in 2013 by the seventh Framework Programme for Research and Technological Development of the EU (PCRD7) aim at improved cooperation between businesses and with research centres. They supplement actions in favour of innovative businesses imposed by the Euro-Mediterranean Charter for Enterprise, and those of the Framework Programme for Research and Innovation of the EU, Horizon 2020

Through its "Cooperation and strengthening of capacities" action, the Erasmus+ programme will make it possible to support projects aimed at fostering links between higher education establishments and the labour market, partly by encouraging the spirit of enterprise and the creation of, or support for, start-ups.

In 2013, the MED countries received detailed information on the COSME, Erasmus+ and Horizon 2020 programmes of the European Union (content, procedure and conditions of participation).

### *Objectives*

- 1) To broaden the cooperation and learning achieved since the launch of the Charter.
- 2) To disseminate and use the results of the evaluation of the progress achieved by MED countries in the implementation of the SME policies based on the SBA.

### *Actions*

#### **National level**

National dissemination seminars (one seminar per year in each country), organised by the MED members of the Working Party on Euro-Mediterranean industrial cooperation to disseminate information and the results of regional evaluation in their respective countries. The aim of these seminars is to establish the link between the regional process and the needs and actions specific to each country. For example, national seminars could be used to further develop the main lessons learned from the regional training workshops organised from 2011 to 2012 in each country. They could also be used to disseminate, at national level, the evaluation results for implementing SME policies in 2013, and to mobilise stakeholders with respect to the priority action to be taken. In each country, the participants and actors in the public and private sectors, as well as EU experts and practitioners, will be invited to these seminars. In particular, participants from regions lagging behind in development, female entrepreneurship associations, the social economy, young entrepreneurs' associations and the social partners will be encouraged to take part.

#### **Regional level**

##### 1. Evaluation based on the Charter/SBA

In 2013, an evaluation was carried out of the progress achieved with respect to Charter/SBA implementation, paying special attention to the effect of policies and programmes on the end beneficiary businesses and in zones lagging behind in development.

The results of this exercise<sup>9</sup> in evaluating the Charter/SBA were presented to the ministers for industry at [the 9<sup>th</sup> ministerial meeting on Euro-Mediterranean industrial cooperation](#) on 19 February 2014.

A method that is compatible with EU's SME Performance Review will be piloted for monitoring further developments of SME policies.

##### 2. Participation in the Programme for the Competitiveness of Enterprises and SMEs (COSME – 2014-2020)

MED countries are able to participate in the Programme for the Competitiveness of Enterprises and SMEs (COSME – 2014-2020). The COSME programme is in fact open to the participation of countries covered by the Neighbourhood Policy provided that the agreements and procedures authorise such participation and in accordance with the general principles and conditions applicable to the participation of these countries in European Union programmes

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<sup>9</sup> ["The Mediterranean Middle East and North Africa 2014 - implementation of the Small Business Act for Europe"](#)

as defined in the framework agreements, protocols annexed to the association agreements and decisions of the Association Councils<sup>10</sup>.

3. Regional training seminars on the priorities set for the development of SMEs.

These training seminars are addressing to all the coordinators of the Charter/SBA and to the parties concerned by "SME" issues. They include the following:

- Training seminars on the effective management of SME policies, taking into account the Commission's experience in managing the network of national SME Envoys.
- Training seminars on the public-private consultation and impact assessment procedures, with the close cooperation of the professional associations representing the MED region.
- Training seminars on the programmes implemented at European and national level in order to promote entrepreneurship, in particular among young people and women, for example through mentoring by women and the social economy.
- Training seminar concerning the approaches to and methods for entrepreneurial learning in school and higher education and in initial and ongoing vocational training. Active employment policies aimed at encouraging business creation will also be covered.
- Training seminars on access to financing intended for private sector associations and representatives of target groups such as start-ups and innovative businesses, in particular in the fields linked to green growth (e.g. energy, climate, water management and waste), micro-enterprises and the social economy, women and young entrepreneurs. The seminars will cover subjects such as microfinance, loans and bank guarantees, and risk capital. These subjects will be dealt with from the angle of available financing and access conditions.
- One training seminar will also concern the creation, maintenance and dissemination of a database dedicated to access to financing for MSMEs. Such a national database on the financing of MSMEs is used as a coordination tool and facilitates the development and monitoring of effective support policies at national level in order to allow more businesses, including micro-enterprises and the social economy, access to financing.

In order for the seminars to be as action oriented as possible, they are based on learning by doing. These seminars are closed by a written summary of the main points/conclusions and recommendations discussed. The conclusions and recommendations will be shared at regional level, in cooperation with the Working Party on Euro-Mediterranean industrial cooperation, and with the network of Charter/SBA coordinators. They will also be used for the follow up work at national level.

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<sup>10</sup> REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC. 2011/0394 (COD) - PE-CONS 58/13, 22 November 2013.

4. Studies on the priority issues to be taken into account in order to improve the business climate

The training seminars above could be coupled with studies. For example, one study could look at how SMEs can access financing programmes in the region. This exercise will also help to intensify efforts to coordinate with the other main international financial institutions (IFI). The study should include an introduction detailing the main obstacles facing SMEs when accessing various sources of financing in the region. A practical brochure for SMEs will identify the existing financing programmes in the region, with the aim of broadening the funding available for SMEs, micro-businesses and social-economy enterprises in a sustainable manner.

In addition, within the framework of a programme entitled "Support to political and economic research, studies and dialogues of the Euro-Mediterranean Partnership", the following two studies will be performed: "Euro-Mediterranean Network for Economic Studies", and "Support to economic research, studies and dialogue of the Euro-Mediterranean Partnership".

5. Database of good practices of the Charter/SBA and list of tools online

This will involve adding to the Euro-Mediterranean database of good practices and encouraging the use of databases of good practices (Small Business Act<sup>11</sup>, Euro-Mediterranean Enterprise Charter for Enterprise<sup>12</sup>).

It will also involve supplementing the list of tools available online in order to push ahead with implementation of the Charter<sup>13</sup> and to disseminate information by e-mail and via the Web page<sup>14</sup> in the fields covered by the Charter.

6. Improving the availability and quality of business statistics in the region, in line with EU and international standards

This will involve opening a dialogue between the national statistical offices, ministries and other relevant stakeholders on the need for and use of business registers and statistics, which data are needed, how to compile them most efficiently, reducing the burden on respondents (enterprises), etc.

*Who will conduct the activities?*

Policy-makers of the MED countries, the private sector, Coordinators of the Charter/SBA in cooperation with the specialised focal points for the different dimensions of the Charter/SBA, the partner organisations involved in evaluating Charter/SBA implementation (OECD, ETF, EIB), the MED national statistical offices, and the European Commission (Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Eurostat with Directorate-

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<sup>11</sup> <http://ec.europa.eu/growth/tools-databases/sme-best-practices/SBA>

<sup>12</sup> <http://ec.europa.eu/docsroom/documents/6564/attachments/1/translations/en/renditions/native>

<sup>13</sup> <http://ec.europa.eu/docsroom/documents/28282/attachments/1/translations/en/renditions/native>

<sup>14</sup> [http://ec.europa.eu/growth/industry/international-aspects/cooperation-regions/eu-mediterranean\\_en](http://ec.europa.eu/growth/industry/international-aspects/cooperation-regions/eu-mediterranean_en)



General for Neighbourhood and Enlargement Negotiations,) in a general coordination and support role.

*Who should be involved? Based on what experience? What synergies should be developed?*

- The private and public sector partners concerned by the Charter in the MED countries.
- The conclusions and recommendations of the evaluation of the Charter/SBA in 2013 in the MED countries.
- The lessons learned and good practices established as a result of implementing the Small Business Act in the European Union, the Western Balkans, Turkey, and the neighbouring eastern countries.
- The experience gained through national projects, including those supported by the EU and other donors.
- The preparatory action "New Euro-Mediterranean initiative for youth employment promotion"<sup>15</sup> and the "Private sector development in the Southern Mediterranean" project<sup>16</sup>.
- The existing collections of statistics on businesses and in particular start-ups, micro-businesses, young entrepreneurs, female entrepreneurs and social-economy enterprises and work done by the Euro-Mediterranean Working Group on Business Registers and Business Statistics.

With respect to energy efficiency and resource efficiency, action can build on a pilot project supporting reduction of greenhouse gas emissions in the cement sector in Tunisia. The established practices could be shared across the region and applied to other energy intensive sectors as appropriate, based on discussions within the framework of the Union for the Mediterranean climate change expert group. In the related area of climate change, the next (2<sup>nd</sup>) Union for the Mediterranean (UfM) Climate Change Expert Group meeting is foreseen to take place on 5-6 May, 2015. Involvement of private sector in climate related business opportunities in the region is one of the priority areas identified by the UfM Climate Change Expert Group (CEEG). That is why a UfM Energy and Climate Business Forum is foreseen at the 4<sup>th</sup> quarter of 2015, gathering authorities, promoters and financial institutions to showcase business opportunities and innovative financial models in this sector.

## **2.2 Encouraging SMEs to innovate, export and become international**

### *Background*

Drawing inspiration from the recent re-examination of the "Small Business Act for Europe" and from other documents such as the Europe 2020 Strategy and the Commission Communication "Small Business, Big World – a new partnership to help SMEs seize global opportunities"<sup>17</sup>, a new framework to encourage SMEs on an international level is being established in the EU, in particular by:

- offering SMEs relevant and easily accessible information on how to develop their activities outside their borders;

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<sup>15</sup> [http://ec.europa.eu/europeaid/documents/aap/2012/aap-spe\\_2012\\_enpi-s\\_en.pdf](http://ec.europa.eu/europeaid/documents/aap/2012/aap-spe_2012_enpi-s_en.pdf)

<sup>16</sup> [http://ec.europa.eu/europeaid/documents/aap/2012/af\\_aap\\_2012\\_enpi-s\\_p5.pdf](http://ec.europa.eu/europeaid/documents/aap/2012/af_aap_2012_enpi-s_p5.pdf)

<sup>17</sup> <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52011DC0702>

- improving the coherency of support activities;
- improving the cost-effectiveness ratio of support activities;
- filling in existing gaps in the field of assistance for businesses;
- establishing fair conditions and ensuring equal access for SMEs.

This partnership will also take account of the interdependence between the internationalisation and the capacity to innovate of SMEs. This interdependence will be taken into account in the activities referred to in Chapter 2.1, in particular in the context of projects financed by the PCRD7 and Horizon 2020. Innovative businesses tend to look for new opportunities on new markets. Young, rapidly growing SMEs which take on an international dimension as soon as they are set up have strong chances of becoming champions of innovation.

Lastly, the Enterprise Europe Network, which is a component of the COSME programme, has proven its added value for SMEs by helping businesses to improve their competitiveness and explore business opportunities. In particular, this network helped SMEs to find cooperation partners, set up transfers of technology in third countries, obtain advice on sources of financing, legislation and intellectual property and programmes to foster eco-innovation and sustainable production. It also provided information on legislation and standards. Its unique expertise is particularly important for overcoming information imbalances and for tempering the costs of cross-border transactions.

### *Objective*

To strengthen cooperation between MED partners and the EU in order for more effective services to be provided to businesses, and to promote the integration of SMEs in the global economy.

### *Actions*

#### 1. Exchange of information and experiences with the networks

This concerns in particular the national mentoring networks for entrepreneurs in general and for female entrepreneurs, the development of clusters, and the network of Ambassadors for SMEs.

The capacity of the national and local chambers of commerce, the professional associations and the members of the Enterprise Europe Network (for the countries concerned) to provide consultancy services to MED SMEs regarding the requirements for exporting/importing/cooperating with EU businesses will be strengthened.

A training seminar will be organised each year for staff of the intermediary professional organisations and EEN partners (where appropriate). Training will provide information on the European market, and allow MED participants to improve their ability to better serve their members – MED businesses – with an interest in the EU market. EEN experience (as an example of an efficient networking tool) will be used as part of the training.

MED partners are also encouraged to become members of the European Forum for Science and Industry (EFSI)<sup>18</sup> that was established in 2012, to provide a reliable platform to (1) exchange views on the needs of the industry concerning science and innovation and (2) to strengthen the dialogue and cooperation between science and industry in key sectors for European competitiveness and economic growth. The Forum has more than 1,000 members and brings together public institutions, private companies, the scientific community, European associations, industrial organisations and related networks through regularly organised conferences, roundtable discussions, and bilateral meetings. Regular newsletters are published on EFSI.

The [SME Internationalisation Portal](#)<sup>19</sup> can be a useful tool for information for the EU SMEs wanting to cooperate with the MED countries included in the portal. It can also be useful for the MED organisations that want to see what European organisations are active in this field and what services they provide.

## 2. Workshops, studies, identification of the best networking practices in targeted sectors

In this field, the aim is to study means of improving the possibilities of establishing business and investment partnerships in the targeted sectors, as well as strategies/best practices for welcoming new businesses and potential investors in the region. Regional theme-based and sectoral MED workshops as well as sub-regional workshops (south-south) involving the parties concerned (stakeholders) will offer forums to discuss and highlight best practices, including from the angle of their sustainability.

## 3. Inter-business meetings at regional and sub-regional levels in targeted sectors

The aim will be to develop long-term relations and partnerships between businesses/SMEs on both sides of the Mediterranean with the aim of reaching business agreements, issuing licenses, creating joint ventures, transferring technology, etc. These events could take place as part of international or regional fairs. Euro-Med sectoral meetings will be organised by grouping together participants from the European and Mediterranean partner countries. The meetings should focus on one or more of the sectors selected for the intervention strategy. Euro-Med sectoral meetings will be organised by grouping together participants from the European and Mediterranean partner countries. South-South sectoral meetings will be organised for participants of the MED partner countries.

## 4. Strengthening of capacities, training and short-term technical assistance

The activities in this field will aim to develop and adapt Southern Mediterranean business development organisations and the public agencies responsible for efficiently promoting investments and facilitating joint ventures in the private sector. The best practices for training on internationalisation will be disseminated via virtual networks and on-line training.

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<sup>18</sup> <https://ec.europa.eu/jrc/en/efsi>

<sup>19</sup> [http://ec.europa.eu/growth/smes/access-to-markets/internationalisation\\_en](http://ec.europa.eu/growth/smes/access-to-markets/internationalisation_en)

## 5. Networking of business development and investment promotion organisations.

Clusters from South Mediterranean countries are invited to register in the European Cluster Collaboration Platform<sup>20</sup> to join and interact with over 950 European clusters profiled already and be constantly updated on COSME programme calls on clusters, cluster match-making events, and other cluster news.

Cluster organisations from South Mediterranean countries that participate to the COSME programme are invited to take part in COSME actions on cluster internationalisation including the "Cluster Go International" action. The objective is to support the establishment of European Strategic Cluster Partnerships (ESCPs) to develop joint internationalisation strategies towards third-countries with a focus on foreign trade, industrial cooperation and innovation and direct investment. They can also take part in forthcoming calls supporting management excellence for cluster organisations.

Cluster matchmaking events will be organised with clusters from third countries in Europe and beyond, notably in the framework of forthcoming economic diplomacy mission to be organised by DG Internal market, industry, Entrepreneurship and SMEs. A specific cluster-to-cluster event is likely to be organised in the context of the business event on agro-food manufacturing with South Mediterranean countries that will take place on 6-7 May at the EXPO Milano 2015.

Cluster stakeholders, policy-makers and academics from South Mediterranean countries are also invited to make use of all cluster studies and cluster mapping made available on the European Cluster Observatory<sup>21</sup>, focusing on the role of clusters in support of emerging industries and new industrial value chains.

The EU cluster portal<sup>22</sup> provides all relevant information on EC cluster activities and studies.

In addition the *Alliance méditerranéenne des industries créatives* (MCIA, Mediterranean Alliance of Creative Industries) connecting clusters will be set up on the basis of synergies with the MCIA. Effective interfaces with the Enterprise Europe Network (EEN) will be developed in order to maximise trade links. It will also be important to draw on the results of the "EuroMed – Innovative entrepreneurs for change" preparatory action. Reinforced cooperation with research centres can offer added value in this respect.

A project developing Clusters in Cultural and Creative Industries in the Southern Mediterranean, is funded by the European Union with a financial contribution from the Italian Development Cooperation and labelled by the Union for the Mediterranean (UfM), was concluded in December 2014. A mapping of clusters in the region yielded very promising results with the identification of 144 clusters in 7 countries, thus confirming the potential for

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<sup>20</sup> <http://www.clustercollaboration.eu/>

<sup>21</sup> [http://ec.europa.eu/growth/industry/policy/clusters/observatory\\_en](http://ec.europa.eu/growth/industry/policy/clusters/observatory_en)

<sup>22</sup> [http://ec.europa.eu/growth/industry/policy/cluster\\_en](http://ec.europa.eu/growth/industry/policy/cluster_en)

the development of cultural and creative industries in the Southern Mediterranean. 14 clusters were selected for further support.

Main activities in 2015 include a diagnostic phase which will allow defining strategic options and action plans for each of the clusters, a product diagnostic and the organization of design trainings and quality upgrading workshops, and the identification of potential markets and outlets in Europe and Gulf countries. A regional conference on clusters and creative industries is envisaged to be organized in early 2016.

#### 6. Annual conferences

An annual conference will be organised by inviting a wide range of EU and MED stakeholders in the private and public sectors. The annual conference will aim to strengthen networking and cooperation between the various stakeholders involved in the project.

Information and dissemination activities and the results will be shared, via the website on Euro-Mediterranean industrial cooperation and other sites relating to the above-mentioned activities.

*Who will conduct the activities?*

Businesses, professional associations, Charter/SBA Coordinators, the EIB, and the European Commission for information linked to the Neighbourhood Investment Facility (NIF) operations and for the organisation of Working Party meetings on Euro-Mediterranean industrial cooperation (Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs with Directorate-General for Neighbourhood and Enlargement Negotiations of the European Commission).

*Who should be involved? Based on what experience? What synergies should be developed?*

Perform these activities within the framework of the "Private sector development in the South Mediterranean" project.

Create all useful synergies with the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) and the other public European development banks operating in the region in the context of the NIF.

Build on the expertise of the Danube Innovation Partnership (DIP)<sup>23</sup> where the members of Technology Transfer Offices, the World Intellectual Property Organisation (WIPO), and the European Investment Fund (EIF), brought together stakeholders in the innovation value chain of the Danube region into a partnership to accelerate innovation, technology transfer and research commercialisation in the Danube area.

Take account of Tempus<sup>24</sup> (partnerships between universities and businesses) and of its successor, the Erasmus+ programme and of the Marie Curie programme<sup>25</sup>, soon to be

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<sup>23</sup> <https://ec.europa.eu/jrc/sites/default/files/jrc-danube-innovation-partnership-concept-paper.pdf>

<sup>24</sup> [http://eacea.ec.europa.eu/tempus/index\\_en.php](http://eacea.ec.europa.eu/tempus/index_en.php)

renamed "Marie Skłodowska Curie" (international networks which support for researcher training).

Take also into account the dialogues on mobility intended in particular to facilitate exchanges, meetings and partnerships, including on the basis of the diasporas established on the other side of the Mediterranean.

## **2.3 Establishing a large pan-Euro-Mediterranean market for industrial products**

### ***2.3.1. Agreements on the conformity assessment and acceptance of industrial products (ACAAs)***

#### *Background*

The preparatory work for the ACAAs has been under way in all Mediterranean partner countries for a number of years. In 2014, there were two groups of countries: those that were able to accelerate the rate of progress and enter into the final phase of preparation (Tunisia, Morocco and Jordan) and others at an initial stage of establishing the quality system following the example of the EU system (Algeria, Egypt Lebanon, and Palestine). For Israel, a first ACAA on pharmaceutical products entered into force on 19 January 2013.

#### *Objective*

In sectors where legislation is harmonised at EU level, the aim is to finalise alignment with the EU model of horizontal and sectoral legislation, including the adoption of standards for priority sectors, and upgrade the enforcement infrastructure in the fields of accreditation, standardisation, conformity assessment, metrology and market monitoring. When the preparatory work is complete, it will be possible to negotiate and conclude an ACAA (Agreement on the conformity assessment and acceptance of industrial products) in the priority sectors with each partner country. This work programme makes for continuity in the work undertaken previously.

The challenge posed by this policy was to find a means of extending the benefits of the EU internal market to neighbouring countries which are not eligible to become Member States. The entry into force of this bilateral agreement will allow free movement of industrial products between the 28 EU Member States and each partner country. The agreement will then be extended to EFTA countries and Turkey. Ultimately, a market of 33 countries will be open to products from the Mediterranean countries. The adoption of common regulatory structures will in the long term help to promote the creation of an EU/Mediterranean free trade zone for industrial products.

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<sup>25</sup> <http://ec.europa.eu/research/mariecurieactions/>

## *Actions*

### **Bilateral**

#### (1) Work programme

For partner countries in the initial preparatory stage, a detailed work programme must be developed. It will comprise the list of actions to be undertaken to prepare an ACAA and the timetable for implementing these tasks. It will clearly define the responsibilities of the various stakeholders in the process. .

#### (2) Assessment of legislation

The Commission will continue to assess the horizontal and sectoral legislative projects submitted to it by the partner countries. Texts taking the comments into account will be sent to the Commission until alignment with the *acquis communautaire* is recognised in writing. An updated list of the horizontal *acquis* to be aligned will be sent to the partner countries. The list of sectoral *acquis* is established depending on the sectors chosen and will be transmitted to the partner country. SEVESO III and REACH norms (security of industrial sites and restriction of chemical substances) are included in the required set of legislation to be adopted.

The information needed to maintain legislative alignment until the signing of the ACAA will be provided at seminars organised annually by the Commission, presenting revisions of the European Directives in the priority ACAA sectors.

Commission sectoral experts will work with experts from the partner countries to assess whether horizontal and sectoral legislative projects are enough to achieve full alignment with the *acquis communautaire*, according to the chosen sectors.

#### (3) Upgrading institutional capacity in the field of industrial product quality

The partner countries must continue to further strengthen accreditation, standardisation, conformity assessment, metrology and market monitoring bodies, following the EU models and with technical assistance.

##### ○ Standardisation

Standardisation bodies in the partner countries will be affiliate members of the European bodies (CEN/CENELEC, ETSI). They will adopt the European harmonised standards and will eliminate incompatible national standards in the priority sectors. They will participate in the work of these bodies.

##### ○ Accreditation

The accreditation bodies of the partner countries must become members of the European Accreditation Organisation (EA). They will have to participate in its work and sign its multilateral agreements in the fields set out in European legislation for adoption in priority sectors. However, the partner countries can still choose to use the services of the accreditation body of an EU Member State to accredit their future notified bodies.

##### ○ Conformity assessment

The partner countries will have to establish at least one conformity assessment body, a future notified body. It may be accredited by the national accreditation body which signed the

European Accreditation bilateral/multilateral agreements or by the accreditation body of a Member State.

- Metrology

The metrology agencies of the partner countries will have to become members of the European metrology bodies (EURAMET and WELMEC) and participate in their work.

- Market monitoring

The partner countries will have to reorganise their market monitoring system based on the European model.

- Technical assistance

Technical assistance is carefully prepared, taking account of the specific needs of each partner country. It is also important to plan the following projects further upstream to support each partner country in their progress and to enable them to build up the necessary know-how for the acquis obtained. Furthermore, at the request of the partner countries, the expertise of the EU Member States is made available using seminars, and study and expert visits financed by the TAIEX instrument, facilitating the adoption of the EU acquis, reinforcement of institutional capacity and the transfer of best practices.

(4) ACAA missions of the Commission departments

One or more missions per year will allow one or more Commission experts to support and guide the progress of the partner countries in the transposition of the appropriate acquis and the establishment of enforcement infrastructures. The aim of these missions will also be to plan the technical assistance needed to maintain the rate of progress, define the next steps and negotiation prospects and identify any additional priority sectors

(5) Finalisation of preparation and negotiation of the agreement

When legislation has been seen to be aligned to the acquis, negotiations may be launched on the framework agreement and on one annex per sector, for one or more priority sectors, by the two parties.

When enforcement infrastructure becomes operational, it will be assessed by the experts from the Member States and the Commission departments. When the reports establish that the infrastructure is equivalent to that of the EU, negotiations may be concluded.

After ratification by both parties, the agreement may enter into force.

## **Multilateral**

(6) Information sessions

The Commission will initiate information sessions to explain the various provisions of the agreement and how it works. These sessions will also make it possible to give more detailed responses to all questions concerning the ACAA requirements, in the final phase of preparation and during negotiations

(7) Training workshops and transfer of best practices

The Commission departments will organise training workshops to allow the Member States to pass on their know-how to Mediterranean partner countries in the fields of accreditation,



standardisation, conformity assessment, metrology and market monitoring. The responsible bodies in the Member States will host these events, in which the corresponding European bodies will also participate.

#### (8) Seminars

Each year, seminars on new legislation on the EU internal market (in particular concerning the horizontal legislative framework for industrial products and the priority sectors selected by the partner countries for ACAA preparations) will be organised by the Commission departments.

*Who will conduct the activities?*

The Mediterranean partner countries, with the help of the Commission (DG Internal Market, Industry, Entrepreneurship and SMEs, DG Trade and DG Health and Food Safety, DG Neighbourhood and Enlargement Negotiations, the EU Delegations) and the European External Action Service (EEAS).

*Who should be involved? Based on what experience? What synergies should be developed?*

The national stakeholders must be involved in the activities. The technical assistance projects conducted in the partner countries must constitute the basis on which to build up experience and know-how, following the European example. The partner countries will have the opportunity during study visits and training seminars to familiarise themselves with European best practices, and may also exchange experiences on how to adopt the European system.

With respect to SEVESO III and REACH norms, further initiatives can build on action taken so far for strengthening risk governance and chemical accident prevention and preparedness in enlargement and European Neighbourhood Policy countries and support the implementation of the Seveso directive in third countries.

#### ***2.3.2. Technical obstacles to trade and notification of the technical rules to the WTO***

The Agreement on Technical Barriers to Trade of the WTO (TBT Agreement) introduced a notification procedure which obliges all WTO members to inform other Members through the WTO Secretariat of their draft technical regulations and their draft conformity assessment procedures. Active participation in this notification procedure prevents the creation of unnecessary obstacles to international trade.

Information meetings on the TBT Agreement as well as training activities regarding the notification procedure<sup>26</sup> will be scheduled with a view to improving enforcement of the TBT Agreement. Training activities will be focused on practical aspects of the procedure, in particular the tasks and functioning of the TBT notification and information points. This technical assistance will be financed by the TAIEX instrument of Directorate-General for Neighbourhood and Enlargement Negotiations of the European Commission.

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<sup>26</sup> <http://ec.europa.eu/growth/tools-databases/tbt/en>

The Commission will help the partner countries, on their request, to reply to the comments received from other WTO members regarding notifications of draft technical regulations and conformity assessment procedures transposing EU legislation.

### ***2.3.3. Standardisation***

The majority of MED countries are already involved in the European standardisation process because their respective national standardisation bodies are members of either the CEN-CENELEC or the ETSI.

This means that their experts can participate in the process of drafting European standards on condition that the standards developed are adopted as national standards and that old, conflicting national standards are removed from the national catalogue.

Nevertheless, it is important to support the participation of experts from the MED countries in the standardisation process on the one hand and, on the other, the capacity of national standardisation bodies to adopt European standards and to work with the national authorities on defining priorities (for example if ACAAs are to be negotiated).

Standardisation cannot function alone but must be integrated into the global quality infrastructure (with technical regulations, accreditation, certification, metrology and market monitoring). An effective programme should cover all these fields and may also be extended to regional level to benefit from benchmarking between countries and differing realities.

*Who will conduct the activities?*

The Mediterranean partner countries, with the help of the Commission (DG Internal Market, Industry, Entrepreneurship and SMEs, DG Trade and DG Health and Food Safety, DG Neighbourhood and Enlargement Negotiations, the EU Delegations) and the European External Service (EEAS).

*Who should be involved? Based on what experience? What synergies should be developed?*

The national stakeholders must be involved in the activities. The technical assistance projects conducted in the partner countries must constitute the basis on which to build up experience and know-how, following the European example. The partner countries will have the opportunity during study visits and training seminars to become familiar with the best European practices, and may also exchange experiences with each other on the adoption of the European system.

### ***2.3.4. Regional agreement on the pan-Euro-Mediterranean rules of preferential origin (PEM agreement)***

*Background*

The regional PEM agreement on the pan-Euro-Mediterranean rules of preferential origin will replace the rules of origin protocols of all the existing free trade agreements of the pan-Euro-Mediterranean region with one single instrument. This agreement will create one big origin-cumulation area, by merging the current cumulation areas between the EU, Turkey, the EFTA countries, the Faroe Islands and the countries participating in the Barcelona Process (Mediterranean partner countries), on the one hand, and the EU, Turkey and the countries

participating in the EU association and stabilisation process (Western Balkans), on the other hand.

The current agreement was opened for signing on 15 June 2011. In January 2015, 17 contracting parties out of a total of 22 signed and ratified the agreement (the EU, the EFTA States, the former Yugoslav Republic of Macedonia, Montenegro, Albania, Serbia, Jordan, the Faroe Islands, Turkey Tunisia, Palestine<sup>27</sup>, Bosnia-Herzegovina, Egypt and Israel). Three contracting parties have signed but have not yet ratified the agreement (Morocco, Algeria and Lebanon). The Republic of Moldova has been accepted to accede to the Convention.

### *Objectives*

The upcoming stages will involve replacing the protocols of origin in the free-trade agreements between parties who have already ratified the agreement and updating the rules of origin with a view to their simplification and adaptation to today's economic reality. Due to the importance of the textile and clothing industry in the value chain in the pan-Euro-Mediterranean region (40% of trade), this sector accounts for a large proportion of the negotiations under the PEM agreement.

### *Actions*

The next stage will be for the contracting parties who have ratified the agreement to make it effective by referring to it in the protocols of origin of their free-trade agreements with their pan-Euro-Mediterranean partners who have also completed their respective ratification procedures.

### *Who will conduct the activities?*

The Commission (the Directorate-General for Taxation and Customs Union)

### *Who must be involved? Based on what experience? What synergies must be developed?*

The national administrations of all the contracting parties who represent the ministries concerned, and the customs union offices, must be involved in the process.

## **2.4 Developing sectoral activities**

### ***2.4.1. Euro-Mediterranean dialogue on textiles and clothing***

#### *Background*

Commercial relations and industrial dialogue on textiles and clothing are crucial in the Euro-Mediterranean area (around 40% of EU trade in textiles and clothing is intended for the Mediterranean area). The textiles and clothing sector alone accounts for 40% of MED exports of manufactured products to the EU). Thanks to the exchange of good practices in the national administrations, industrial associations, businesses, research centres and other social partners

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<sup>27</sup> This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the EU Member States on this issue.

involved in the textile products industry, the dialogue which began in 2004 encourages more detailed discussions on possible approaches in the future.

A conference was held in Malta from 10 to 11 April 2013 in cooperation with TAIEX, the Chamber of Commerce, Enterprise and Industry of Malta and the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission. At this event, representatives of national administrations, industrial associations, chambers of commerce, trade unions, universities and research centres involved in the textile industry exchanged views on given needs in terms of qualifications and competences and on cross-border cooperation in the field of social dialogue. For the first time, representatives from the countries of the Western Balkans took part, thereby ensuring improved representation of the vast "Pan-Euro-Med" free trade zone".

The exchange of good practices and information, the cross-border cooperation, the active participation of stakeholders in the textile and clothing sector and the importance of seizing financing vocational, education and training opportunities have been identified as the main elements in acquiring skills in the textile and clothing sector throughout the Euro-Mediterranean region.

#### *Objective*

To conduct specific actions to modernise the sector and increase its industrial competitiveness in the Euro-Mediterranean region and internationally.

#### *Actions*

On 24 to 25 March 2014 in Florence (Italy), DG for Internal Market, Industry, Entrepreneurship and SMEs, with the support of the TAIEX programme of the Directorate-General for Neighbourhood and Enlargement Negotiations of the European Commission, in cooperation with the European University Institute, marked the 10<sup>th</sup> anniversary of Euro-Mediterranean dialogue on the textile industry with a conference on creativity, innovation and Intellectual Property Rights in the textile and clothing sector in the Euro-Mediterranean region.

The main objective of the conference was to exchange experience on policies, practices and programmes to support creativity, innovation and intellectual property as an economic lever to improve the brand image, sales and profitability of businesses in the textile and clothing sector in the Euro-Mediterranean region.

The participants conducted their discussions with a view to stimulating and supporting creativity and innovation in textile and clothing businesses in the area while protecting the *acquis*. The discussions on creativity, innovation and intellectual property rights in the field of textiles and clothing would have been incomplete without the presentation of various financing possibilities for this sector.

Participants included representatives of the national administrations, industrial associations, businesses, schools of fashion and design, training and research centres specialised in innovation in the field of textile and clothing and also international, European and national organisations involved in programmes intended to stimulate creativity and innovation (around 100 participants).

Participants came from the EU Member States, Mediterranean partner countries (southern neighbours), Western Balkans (+ Turkey) and EFTA countries covering the entire pan-Euro-Mediterranean zone, which are party to the agreement on pan-Euro-Mediterranean rules of origin.

In 2015, the annual new Euro-Mediterranean Conference will address digital integration, energy and resource efficiency: opportunities in textile and clothing value chains across the Euro-Mediterranean Area, will take place on 27-28 April 2015 in Krakow (Poland) The main objective of the conference is to exchange experiences regarding successful business practices, programmes and policies on digital communication (e-business), energy-efficiency, sustainability of textile materials and sustainable textile chemistry and water management in EU Member States, Mediterranean partner and Western Balkan countries.

Mediterranean Young Talent (YOTA) is based on hosting of young designers and creators, from the Mediterranean partner countries in fashion-based business incubators in the European Union. After the transparent selection based on merit organised by the consortium of experts in fashion sectors, the chosen participants will acquire new skills necessary to start up and develop a fashion-based company. This knowledge and expertise would also serve for the future business cooperation among companies across the Euro-Mediterranean area.

*Who will conduct the activities?*

The Working Party on Euro-Mediterranean industrial cooperation. The Unit for Tourism, Emerging and Creative Industries of DG Internal Market, Industry, Entrepreneurship and SMEs coordinated the organisation of the 2013 and 2014 conferences and will do the same in 2015.

*Who should be involved? Based on what experience? What synergies should be developed?*

Stakeholders in the private and public sectors working in the textiles and clothing sector.

#### **2.4.2. Creative industries**

*Background*

The development of creative industries is essential to the creation of new businesses, innovation, the emergence of new professions and employment.

*Objective*

To promote entrepreneurial cooperation in the cultural and creative industries, in particular through the sharing of experiences with clusters and the promotion of promising pilot initiatives reflecting the sector's contribution to inclusive growth.

*Actions*

1. Creating a map of the clusters and value chains in the cultural and creative industries of the MED region.
2. Stimulating promising pilot initiatives in a certain number of clusters which show the

potential of cultural and creative industries in terms of promoting inclusive growth and employment in the MED region.

3. Contribute to replicating promising pilot initiatives in the MED region.

4. Disseminating the results to stakeholders.

The activities at regional and sub-regional level will be based on a map-making exercise resulting in the selection of promising clusters for subsequent action, probably in sub-sectors such as design and jewellery, and other sectors such as tourism, textiles/clothing and information and communication technologies (ICT), through their links with the cultural and creative industries. Training, awareness-raising and information workshops, study trips and technical support for stakeholders in the field will be organised.

*Who will conduct the activities?*

The Working Party on Euro-Mediterranean industrial cooperation and the European Commission (DG Internal Market, Industry, Entrepreneurship and SMEs for the general coordination of the work programme in collaboration with DG Neighbourhood and Enlargement Negotiations in partnership with UNIDO for this specific action which is part of the "Private sector development in the South Mediterranean" project).

*Who should be involved? Based on what experience? What synergies should be developed?*

The European platform for collaboration between clusters and the European Women's Cluster Network (ClusterWene<sup>28</sup>).

Stakeholders in the private and public sectors involved in the innovative sectors/creative industries.

The United Nations Industrial Development Organisation (UNIDO).

### **3. STEERING, MONITORING AND ADAPTATION OF THE WORK PROGRAMME, DISSEMINATION OF RESULTS**

*Who will conduct the activities?*

The Working Party on Euro-Mediterranean Industrial Cooperation updated the work programme on 25 February 2015 and extended it for one year until 31 December 2016.

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<sup>28</sup> <http://www.tci-network.org/news/883>  
<http://www.tci-network.org/gender>