

Meeting of the National Coordinators of the Euro-Mediterranean Charter for Enterprise (Brussels, 14.11.11)

Background information: Adopted by Industry Ministers in 2004, the Euro-Mediterranean Charter for Enterprise¹ was originally based on the model of the European Charter for Small Enterprises and will gradually be brought into line with the Small Business Act. An improved business environment and the promotion of entrepreneurship and small and medium-sized enterprises (SMEs) are challenges not only for the European Union (EU), but also for our partners in the neighbourhood. It is therefore appropriate to share recipes for prosperity and job creation.

Attendance at the meeting of 14-15 November 2011 and general atmosphere:

Seven Mediterranean (MED) partner countries (Algeria, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Tunisia) were represented in the meeting by their national Charter coordinator. Egypt's representative came from Egypt's Mission in Brussels.

Roundtable discussion of the following issues:

(1) Regional training workshops:

Representatives discussed the problems encountered: lack of coordination between Charter coordinators and TAIEX National Contact Points; mismatch between those taking part in the workshop and the profile required; problems of communication (i.e. not knowing who received the original invitation); difficulties in disseminating the information after the workshop and in keeping track of follow-up activities.

The European Commission (COM) explained that Charter Coordinators and the TAIEX National Contact Points are jointly responsible for selecting the participants. The scope of TAIEX has been extended from the Enlargement policy to also cover specific needs concerning European Neighbourhood Policy (ENP). COM confirmed that the selection of participants is very important, not least because it will influence the dissemination of information and follow-up activities. COM proposed to enhance the coordination between the Charter Coordinator and the TAIEX National Contact Points from the outset by selecting participants from each country.

To make recipients aware of who else is receiving an invitation, the COM will send out e-mails in which only the names of addressees are visible (but not their e-mail addresses, in order to comply with privacy rules).

Concerning last minute cancellations, the COM understands that some cancellations are unavoidable due to unforeseen circumstances. However, the COM would like to be informed as early as possible, in order for it to find a substitute or to recover money.

On the issue of speakers, the Charter Coordinators believe that speakers need to be better informed beforehand. Some delegates suggested that speakers should follow the "best practices" criteria laid down for making a presentation at the annual conference on the Small Business Act (SBA). The COM replied that speakers had been properly briefed before the workshop. Guidelines on the content, focus and structure of their presentations were adopted. Unfortunately, not everyone follows these guidelines. As far as the agenda is

¹ Areas for action: 1. Simple procedures for enterprises; 2. Education and training for entrepreneurship; 3. Improved skills; 4. Easier access to finance and investment-friendly taxation; 5. Better market access; 6. Innovative companies; 7. Strong business associations; 8. Quality business support schemes and services; 9. Strengthening Euro-Mediterranean networks and partnerships and 10. Clear and targeted information. Recently, another dimension was added on the field of sustainable enterprise development.

concerned, the COM pointed out that it is always circulated well in advance to the Charter coordinators, asking for their comments. The COM thinks that countries should take full advantage of this opportunity to suggest topics of interest and relevant speakers. The COM will balance the number of presentations of good practice between the North and the South. At the first workshop, around 75% of presentations were made by speakers from the North.

The COM emphasized that the interactive format of workshops made it worthwhile to attend, even if not everyone spoke, as participants had ample opportunity to state their case during the general discussion. Finally, COM explained that it would be difficult to organise a site visit back-to-back with the workshop.

National Coordinators asked for annotated presentations, and also audio and video recordings. As much information as possible should be sent beforehand, and reports should be circulated after the workshops. In addition, some Charter coordinators offered to hold preparatory meetings at country level ahead of the regional workshop, and suggested issuing a certificate of attendance to participants.

The COM will try to take all these good suggestions on board. However, preparations for the next workshops are already fairly advanced. Therefore these suggestions can only be considered when preparing the 2012 workshops. As far as the "certificate of attendance" is concerned, the COM thinks that the idea of establishing a reward system of some sort could be beneficial.

(2) Good practice data base, list of on-line tools:

The general concern is that not many people are aware of the "EuroMed Database of Good Practice". It has received only 94 visits in the last two months. The COM wondered whether this database was at all useful. Participants all maintained that the database was a useful tool; it has potential, but it will take time for them to get used to it and exploit it on a regular basis. However, they are committed to making the most out of it.

Among other possible solutions to improve the use of this database, the COM proposed that it could include the good practices presented at the workshops. Other possibilities would be to build up further links with Enterprise Europe Network (EEN) and to secure greater participation from the private sector.

The National Coordinators again asked for this database to be merged with the European database. For instance, they would like to have the possibility of searching in both databases (Mediterranean and European) using a single search engine. The COM explained that the reference documents (EuroMed Charter and SBA) were structured differently and that the two databases were aligned with these two different structures. Egypt had offered to select particularly relevant examples of good practice in the EU database in order to feed them in the Mediterranean good practice database too. In a first attempt, Egypt found this selection to be time-consuming, as the EU database contains a large number of good practices.

It was also acknowledged that the list of on-line tools was under-utilised.

Lastly, the participants concluded that a wealth of programmes, activities and tools were available and there was a real need to exploit them more effectively.

(3) Coordination of Charter activities at national level:

The National Coordinators spoke of the difficulties they encountered when carrying out their Charter coordination role in their respective countries. Their role, which has always been challenging, has become even more difficult owing to the current social, political, economic

and time constraints. They acknowledged the need to hold regular meetings in order to follow up the activities with the main stakeholders and to promote their role at national level. In addition, they emphasized the need to enhance their role in "training the trainers". The COM acknowledged the difficulty of their tasks. The COM is convinced of the added-value that they can bring to the process by mobilising and coordinating resources in their countries. The COM invited them to identify avenues of collaboration in their own countries, in order to be able to participate in the process as proactively as possible.

All the participants agreed on the need to involve the private sector to a greater extent. This could be achieved by nominating someone from the private sector as a Deputy Charter Coordinator. Another possibility would be to strengthen the participation of the private sector in the Working Party (WP) meetings and/or encourage the private sector to work closely with the Charter Coordinators. No joint decision was made about how private sector representatives should be selected. The participants considered that there was a need to improve communication. The representative of the Algerian business sector proposed the drawing up of a communication schedule. Lastly, all participants agreed that private sector representatives would help to address the needs of the real beneficiaries, i.e. the enterprises, more effectively. Furthermore, they agreed that business networks should be more widely used and exchanges should be based on practical real-life examples.

Participants suggested that the EU's work was, to some extent, disconnected from what is happening on the ground. In this respect, they would like the COM to enhance the coordination between EU Delegations and Charter Coordinators. Involving EU delegations more closely is very important when it comes to implementing the Charter. The COM replied that missions to MED countries can be planned if this is deemed useful for the coordination of activities on the ground.

Opinion varies significantly among the participants as to the need for a Deputy Charter coordinator and/or national focal points specialised in the Charter dimension. Therefore, the COM proposes to leave it up to each country to decide on how to best organise themselves at country level. Egypt, for instance, is planning to appoint focal points for each Charter dimension and to hold a monthly national meeting with them and further Charter stakeholders. However, some participants felt that some common rules and procedures should apply to all.

(4) Next steps in the Charter implementation:

The difficulty of setting up a unique model of implementation in all countries was acknowledged, because each country has its own specific issues. For instance, the assessment carried out in 2008 showed that public and private participation in Charter meetings differs from country to country. Therefore, a 'one-size-fits-all' model is not applicable, and each country will develop its own specific implementation process. However, everyone recognised that networking was useful and, in this respect, opening up the EEN services and expertise to those countries was seen as a positive step. Furthermore, most of the participants agreed that, at national level, information needs to be disseminated more effectively.

Next steps are: training in 2012, evaluation of progress in implementing the Charter in 2012-2013, and adaptation of the Charter to focus on SMEs (hence, the need for a definition of SME).

The COM is ready to plan missions to particular countries in order to assess the situation and help them to improve the implementation of the Charter. However, the mission needs to be consistent with other bilateral and/or regional processes already in place. The COM asked for an indication of interest from MED countries in this respect.

(5) 2011/2012 Work programme:

The work programme should go beyond economic and industrial cooperation and also tackle one of the main challenges in these countries - namely job creation. COM pointed out that the work programme is focused not only on industrial cooperation, but also on services. In addition, COM explained that they wanted the work programme to create as much synergy and to be as consistent as possible. Therefore, any further comments concerning the work programme would be welcomed. COM encouraged the participants to send written contributions on this point.

The participants felt that there was a need to improve communication. An effort in this regard would bring positive outcomes, such as better engagement and increased motivation. COM agreed with them on the usefulness of developing a communication plan. The representative of the Algerian business sector proposed to draw up a communication schedule.

Apart from the main focus, future national Charter stakeholder meetings can serve as a valuable opportunity for developing awareness campaigns and conducting the evaluation. As part of the communication campaign, a short flash newsletter setting out good practices/news was also proposed.

COM confirmed that the main Charter activity in 2012 would be training, followed by a re-evaluation of progress and the revision of the Charter.

(6) Sustainable enterprise development:

Derek Light, from the EIM Business and Policy Research/Oxford Research, presented the state of the play concerning the 2012 survey on Sustainable Enterprise Development in MED countries. The purpose of this survey is to identify, analyse, contextualise, and describe policy measures and good practice in Mediterranean partner countries with respect to sustainable enterprise development.

The rationale is “enabling SMEs to turn environmental challenges into opportunities” (Principle 9 of the SBA). The final report is due on 27.01.2012. One of the most important limitations has been the differing concepts of sustainability reported in the MED countries. Nonetheless, the researchers have so far managed to collect a total of 89 examples of sustainable enterprise development, which is an excellent sample size to carry out further research. The descriptive overview has already highlighted a number of trends (such as the lack of market-based instruments, limited efforts to change markets or industries etc.), although further analysis is required.

The participants asked to what extent the conclusions of this report would be made available; they also wanted the study to be translated in French. In addition, the participants suggested that it might be a good idea to group the measures and consider the relevance of sustainability, taking into account the link between this dimension and other challenges, such as job creation and the Millennium Development Goals. Lastly, some participants asked for the National Charter Coordinator to become more fully involved in the process of developing this study. The speaker promised to do his best to strengthen contacts with the respective National Charter Coordinators. The study will be translated in French and there are also plans to carry out an in-depth analysis, the results of which will be made publicly available.

Meeting of the Working Party on Euro-Mediterranean Industrial Cooperation (Brussels, 14-15.11.11)

Background information: The Working Party (WP) on Euro-Mediterranean Industrial Cooperation meets twice a year to monitor the implementation of priorities for Euro-Mediterranean Industrial Cooperation as defined by Industry Ministers.

Attendance at the meeting of 14-15 November 2011 and general atmosphere:

Eight Mediterranean (MED) partner countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority and Tunisia) were represented by senior-level participants from both the public and private sectors. On the EU side, 13 Member States (MS) were present. Further countries involved in the Union for the Mediterranean (Turkey, Croatia and Monaco) and several national and international business associations also attended. The atmosphere of the meeting was cordial and constructive. All MED delegates took an active part in all of the discussions. However, some participants criticized the fact that there was not enough time left for them to engage in a fruitful debate, as some interesting themes (such as investment promotion) were not discussed in depth. They called for more flexibility in the agenda, for prioritising items in future meetings and for concentrating on the issues that need to be discussed.

Mr. Calleja-Crespo, Deputy Director General of the Directorate-General for Enterprise and Industry (DG ENTR) welcomed the members of the WP. He emphasized the relevance of this meeting, as it was the first opportunity to take stock of what had been accomplished since the Ministerial meeting in May, to review what had gone well - and less well - and to plan what was to be done in the coming months.

He highlighted three recent events of interest to the audience: (1) On 31 October, the world population reached the figure 7 billion human beings; (2) Democratic changes and political events were taking place as a result of the Arab Spring; (3) On 21 October, Europe launched its first two operational Galileo satellites which will bring many benefits to economies and to people's daily lives, thereby demonstrating the key role of technology. These three events illustrate why Euro-Mediterranean Industrial Cooperation matters. In a context of severe financial and economic crisis, and with the threat of climate warming, there was a pressing need to act together and move forward in a way that is not only smart, but also inclusive and sustainable, in accordance with the principles underpinning the EU2020 strategy. Furthermore, both sides of the Mediterranean have many assets and opportunities which can be shared and built on. Mr. Calleja-Crespo pointed out that there is a great potential for cooperation still to be explored, to enable all stakeholders to capitalise on those assets.

Winding up, he referred to the two most recent EU Communications which set out the framework for this Industrial Cooperation. The former, a Communication entitled "A partnership for democracy and shared prosperity with the Southern Mediterranean" (8.03.11), calls for the promotion of an inclusive economic development and refers to Euro-Mediterranean industrial cooperation. In the latter communication, of 25 May 2011, the EU pledges to increase the financial support offered to its neighbours, while making this support contingent on progress in building and consolidating democracy and the rule of law.

Didier Herbert, Acting Director "Coordination, Planning and International Affairs" (DG ENTR), gave an overview of the meeting structure which was based on the structure of the approved work programme for 2011-2012 in Malta. The meeting covered the following topics: promotion of SMEs in relation to the implementation of the Euro-Mediterranean Charter for Enterprise; progress of the preparation of Agreements on Conformity Assessment and

Acceptance of Industrial Products (ACAAs); investment promotion; and innovation and technology transfer. The afternoon session of the second day would be devoted to specific sectors such as textiles/clothing, tourism, space and raw materials.

Joanna Drake, Director of "SMEs and Entrepreneurship" (DG ENTR), explained the SMEs' agenda with neighbouring MED countries. She began by saying that the Southern MED area is extremely important for the EU. Supporting SMEs means supporting growth creation for jobs. Entrepreneurial spirit needs to be further developed. She considered efficiency and legal certainty as the two most necessary factors in this respect. She highlighted the new role that EEN can play in this area and compared the future role of this network with the recent adoption of the Communication on SMEs internationalisation. In conclusion, she mentioned the "SME finance forum for Africa" which had taken place in Brussels (23.11.11). This was an example of the need to maintain an active dialogue between financial institutions and stakeholders.

Victoria Petrova, Head of Unit "SME Policy Development and Crafts" (DG ENTR), presented a summary of the morning's meeting with Charter Coordinators.

Agreements on conformity assessment and acceptance of industrial products

Evelyne Hania (DG ENTR) presented the state of play in the "Agreements on conformity assessment and acceptance of industrial products" (ACAAs)² for this region. Mediterranean partners have begun preparing the agreement and major projects are underway in all partner countries, she gave examples of the progress made by providing specific details on the following MED partners:

- Tunisia and Egypt are at an advanced stage of preparation of the agreement. If the effort is maintained, it might be possible to launch ACAAs negotiations in the course of 2012 (electricity and building materials sector for Tunisia and gas appliances and toys for Egypt).
- Morocco and Jordan will probably need a further year to finalize the preparations and launch negotiations. The process of adoption of the legislative framework by their respective parliaments has delayed progress in both countries.
- The ACAA on pharmaceuticals that was signed with Israel is awaiting ratification by the European Parliament.

In the roundtable discussion which followed the presentation, Egypt reported the progress made on simplification of procedures, harmonisation of technical regulation, implementing trade policy and a range of measures to support SMEs. Egypt's representative requested more technical assistance on the subject of market surveillance. Jordan's representative pointed out that the new government had only been in power for two weeks. The new team was currently being updated. Tunisia explained that the law on product safety was in the final stage of adoption. It would incorporate COM's latest comments. COM services will provide

² ACAAs are a specific type of mutual recognition agreement based on the alignment of the legislative system and infrastructure of the country concerned with those of the European Community. The conclusion of an ACAA is the end result of extensive dialogue and assistance in the fields of technical regulations and standards for industrial products. The adoption of the EU system by other third countries will contribute to the elimination of technical barriers to trade, thereby increasing the accessibility of third countries' markets to products from the EU and vice versa. The benefits of this agreement are both economic and political for both parties. On the one hand, this is an ambitious instrument for expanding the single market for industrial products in Mediterranean countries and a major tool for the implementation of the international dimension of industrial policy of DG Enterprise and the Commission. On the other hand, the benefits for the Mediterranean countries are numerous: opening for their industrial products in the European market of 27 Member States and also Turkey and the EFTA countries; increasing the quality and safety of products available on their domestic market, etc.

comments on the latest version of the technical regulations covering construction products and electrical products. At this stage, the most pressing need would be to set up an awareness action for public servants. Algeria asked whether TAIEX can be used in order to finance a study on the reorganisation of the quality system in Algeria. Morocco explained that several horizontal laws had recently been approved, which will allow them to speed up the transposition of the sectoral legislation. Israel requested a videoconference with DG Enterprise experts on the Machinery Directive, which it is considering as an additional priority sector.

The COM representative replied that there are plans to hold a seminar in Brussels for all the ENP countries and the Balkans in spring 2012 in order to present the new EU legislation which has recently entered into force in the internal market (i.e. evolution and change in the field of construction materials). Actions of this type are organised every year. She invited the country delegates to speak about their needs with respect to bilateral technical assistance. COM wants to establish closer cooperation with the following four countries - Tunisia, Egypt, Morocco and Jordan - in order to speed up the finalisation of the preparatory phase and start negotiating ACAAs agreements as soon as possible. As for the Algeria question, the COM representative confirmed that TAIEX could be used for studying the feasibility of reorganising the quality system, because TAIEX is used to explaining the "*acquis communautaire*".

Investment promotion

Sébastien Dagault, Deputy Project Director, presented the results of the regional project "Invest in MED"³. This project was aimed at developing investments and business partnerships between SMEs from Northern and Southern MED countries. In order to do so, it relied on a public/ private partnership (PPP) to achieve efficiency. This PPP is called "The MedAlliance".

"Invest in Med" initiatives were focused on EuroMed clusters and chose a demand-driven approach. Several themes (such as industrial upgrading, technology transfer, EU regulation compliance, export promotion, sustainable development, capacity building, development of new services, access to finance, etc.) were addressed and a number of sectors (such as agro-food, tourism, ICT, entrepreneurship, cosmetics, renewable energies, technical textiles, logistics, energy efficiency, vocational training etc.) were also tackled. This project has given rise to a large implementing network. They have worked not only on regional initiatives with partners inside the COM (WP Euro-Mediterranean Industrial cooperation, Europe Innova or EEN), but also with relevant stakeholders such as the European Investment Bank (EIB), the Organisation for Economic Co-operation and Development (OECD), the World Bank (WB) and UfM.

This project has had a significant impact on FDI and business partnerships, as well as on "MedVentures" start-ups. Promising clusters have emerged and innovation in traditional industries has been promoted. Additionally, this programme has reinforced business services in the targeted countries and has also played a key role in supporting reforms to enhance the investment and business environment.

On the one hand, the participants regretted that business organisations had not taken full advantage of this initiative. This project is an important tool for maintaining industrial employment and for SMEs to remain competitive, because "InvestMed" goes beyond the

³ COM funded this project through ENPI funds (2008-2011). Its budget was €12 million for 3 years (of which 75% financed by the Commission). The beneficiary countries have been the following: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian authority, Syria, Tunisia. For more information: on the project: <http://www.invest-in-med.eu/en/>

informal cooperation to include political dialogue. The general conclusion was that this project had helped to set the scene for developing long-lasting cooperation activities. The final stage would be for the "The MedAlliance" to remain operational. This consortium should be flexible enough to focus on SMEs' needs. Having MED SMEs integrated in networks of this sort is considered very useful as a means of enhancing industrial cooperation and enterprise (and SMEs) competitiveness.

Participants underlined the need to fully disseminate, transfer and exploit the know how developed under Invest in MED. Areas for further development include the setting up of an investment guarantee fund and the organisation of SME to SME events.

Apostolos Aravanis (EuropeAid Co-operation Office) referred to the two Communications: "A partnership for democracy and shared prosperity with the southern Mediterranean (8.03.11)⁴ and "A new EU response to a changing neighbourhood" (25. 05.11)⁵ and explained that financial resources to support regional cooperation were very tight. He enquired which Charter areas were considered as priority areas for future work and support.

Please find below a table which contains the MED countries' priority dimensions under the Charter:

	Dimensions										
	1	2	3	4	5	6	7	8	9	10	11
Algeria		x			x	x				x	
Egypt	x		x	(x)	x						
Israel	x		x	x							
Jordan								x			
Lebanon	x	x	x	(x)		(x)					
Morocco	x	x		x	(x)						
OPT	x										
Tunisia						x	x				

(1) Administrative simplification, (2) Education and training for entrepreneurship, (3) Improved skills, (4) Access to finance, (5) Access to markets, (6) Innovation, (7) Strong business associations, (8) Quality support services, (9) Euromed networks and partnerships, (10) clear and targeted information

It was emphasized that all Chapters of the Charter are relevant to the promotion of enterprises, especially SMEs. All of them are equally important, but some actions could be grouped together

A number of MED participants underlined the fact that job creation, the Millennium Development Goals and poverty alleviation had become priority objectives after the Arab Spring.

Suzanne Kodsi (DG DEVCO) presented the "SPRING Programme" (Support for partnership, reforms and inclusive growth). First, the speaker also referred to the two above-mentioned Communications in order to set the context for this programme. Both Communications advocate the setting up of a partnership for democracy and shared prosperity with the southern MED countries. The partnership will be founded on three pillars: (1) Democratic reforms and institution-building; (2) Stronger partnership with people; (3) Sustainable and inclusive growth and economic development.

This partnership is based on a joint commitment to common values (democracy, human rights, social justice, good governance and rule of law) and mutual accountability. Moreover,

⁴ More information: http://eeas.europa.eu/euromed/docs/com2011_200_en.pdf

⁵ More information: http://ec.europa.eu/world/enp/pdf/com_11_303_en.pdf

this partnership adopts an incentive approach based on differentiation (adapted to country-specific circumstances) and conditionality governed by the "more for more" principle. This is only in the case where the EU is not satisfied with national authorities' democratic reforms.

The SPRING programme is designed as a vehicle to provide additional support to those partner countries in the southern MED region that are making more progress with democratic reforms. Its main aim is to respond to the socio-economic challenges that partner countries are facing by making funds available to those that are truly committed to establishing deep and sustainable democracies. SPRING is an umbrella programme covering a number of countries. The main objectives are to support democratic reforms and institution building, as well as sustainable and inclusive economic development. The total budget is € 350 million (broken down as follows: € 65 million for 2011 and € 285 million for 2012).

The countries' allocation is based on: (1) Assessment of countries' progress and efforts in building and consolidating deep and sustainable democracy; (2) Countries' needs; (3) Assessment of progress towards "deep democracy". All countries in the southern MED are eligible. Tunisia has been the first country to benefit from the SPRING funds. Here, the funds were allocated to the economic recovery support programme "*Appui à la Relance*" and to support Tunisia's reform priorities "Support to the transition and the rule of law".

Some participants felt that the SPRING programme had a political component and therefore might not be suitable to achieving the declared objectives. The COM replied that this programme is the response to a new development policy. The COM has decided to add extra funds (€12 billion) in order to be able to respond, as quickly as possible, to the changes that are taking place in the MED countries. However, this initiative will only be implemented if the appointed authority of each country, in collaboration with EU Delegation, identifies useful initiatives and signs a Financing Agreement. Therefore, the discussion of this issue in the specific setting of the WP is very relevant, as it is a forum where ideas and initiatives are examined in order to advance within the implementation of the Charter. The question was raised of how SPRING complements the SIGMA instrument⁶ The COM acknowledged that there was a risk of overlap, and underlined the important role of the EU Delegations in ensuring complementarity.

Concerning the "more and more" approach, the COM stated that this principle is only applied in the second stage. Firstly, the allocation of COM funds is based on an assessment of countries' progress and their efforts in building and consolidating deep and sustainable democracy, as well as on the countries' needs, capacities and reform objectives. Secondly, the "more for more" approach for the SPRING funds will make additional support from the EU available only to those partner countries that go further and faster with reforms. This conditionality means that additional SPRING funds are on top of the funds already available through existing Country Strategy Papers and revised national Indicative programmes (2011-2013) to address new challenges.

The SPRING programme can also be used to strengthen the democratic structures already in place, so that their sustainability can be assured. As for the scope of this programme, the COM replied that this programme is very much open and can be used for implementing existing measures, creating the necessary infrastructures and developing the conditions for a stable/democratic environment. Lastly, reluctance was expressed by some participants with regard to the participation of NGOs established on the ground in the MED countries. The COM gave an assurance that the SPRING programme was due to be implemented by national authorities. Other instruments, such as the Civil Society Facility, will be implemented exclusively through registered and well known NGOs.

⁶ More information: http://www.sigmaxweb.org/pages/0,2987,en_33638100_33638151_1_1_1_1_1,00.html

Fernando de la Fuente and Roger Albinyana, from the Secretariat of the Union for the Mediterranean (UfM)⁷ presented the state of play of the UfM flagship projects. The UfM mandate is to gather, regional, sub-regional or transnational project initiatives, within UfM's priority areas, (from various sources such as sector ministerial meetings, national or regional authorities, regional groupings, private sector, civil society), as well as to examine project initiatives and facilitate their implementation.

The new context in the region resulting from the processes of political transformation is favourable for the UfM. With the new Secretary General, the UfM has deployed its efforts in the past three months to improve visibility, with tangible initial results (including the reconstruction of Libya, Deauville Partnership in the framework of the G8 Summit, EU-Tunisian government Task force, signature of a collaboration Agreement with the UN, OECD and the Arab League).

UfM presented the state of play of some projects and explained the added value of the UfM projects. This added value can be defined by the broad political visibility backed by 43 countries, the access to secured finance thanks to strengthened cooperation with the largest development banks operating in the region (EIB, African Development Bank - AfDB, WB group, Inter-American Development Bank - IDB, European Bank for Reconstruction and Development - EBRD, etc.), the extended network of regional partners and the possibility of providing technical assistance and support. In addition, UfM helps to offset risks by encouraging banks to use mechanisms that have proved useful in the EU. A working group (consisting of COM, EBRD, WB, OECD and national banks) has been set up to promote risk sharing finance facilities. As for the new investment instruments⁸, UfM is exploring the feasibility of extending instruments used in EU to the MED region (Mediterranean Project Bonds, Risk Sharing Finance Facility - RSFF). UfM is not planning to create any new funds.

The EIB injects €2.5 billion per year in the MED region, in sectors that also correspond to priority sectors of the UfM.

Spain has agreed to allocate €300 million for promoting SMEs in MED countries, and other EU Member States and partners are invited to follow this example.

Technology transfer and innovation

Firstly, **Robert Sanders** (European Business & Innovation Centre Network), **Sima Biukamon-Amir** (Manufacturers' Association of Israel) and **Marie Corman** (DG ENTR) provided feedback from the training workshop which took place in Milan (24-25.10.11).

Overall, the full potential of workshop's objectives was not achieved due to language problems and the fact that some presentations lacked focus. Speakers should be better briefed. However, the informal feedback received suggested that there was a strong interest in learning more about the current and future trends in holistic support systems for innovative start-ups and SMEs.

The workshop also underlined the need for more coordination, cooperation and exploitation of existing tools in MED countries.

Moreover, a representative of the business sector explained the nature of the needs with regard to private sector participation in this kind of workshop. They would like the workshop

⁷ The UfM was launched on 13 July 2008 at the Paris Summit, encompassing the 27 European Union Member states, the European Commission and 16 Mediterranean countries. More information: <http://www.ufmsecretariat.org/en/>

⁸ In this regard, more information can be found in the "Investment Bank's Facility for Euro-Mediterranean Investment and Partnership" (FEMIP). More information: http://www.enpi-info.eu/mainmed.php?id_type=1&id=21862&lang_id=450

to be action oriented, practical, and concentrated on future steps rather than past activities; to provide more information about access to market and access to finance; to learn more about case studies, tips, guidelines as well as tools, projects or calls for proposals that were open to SMEs; to help to network with organizations in MED countries as a possible way to build promising consortiums for successful projects.

Another lesson to be learned from the workshop on innovation that was recently held in Milan is that there is no purpose to be served by splitting the workshop into two parallel sessions.

Hélène-Diane Dage (DG ENTR) gave a presentation on the issue of **promoting Cluster Excellence to facilitate Cluster Cooperation**.

First, the speaker underlined the important role that clusters play in the EU in order to support groups of SMEs in various areas, such as access to finance, access to new markets, IPR, facilitation of research and business partnerships. As a consequence, a number of tools have been developed at EU level to promote excellence in cluster management.

- "The European Cluster Collaboration Platform" (ECCP)⁹, which is an open online platform that is rich in information and services. This an efficient way of learning from others and sharing experience. This tool generates new cooperation opportunities between cluster organizations / cluster firms, both within Europe and beyond.
- "Memoranda of Understanding" (MoUs) promoting international cluster cooperation signed between the ECCP and relevant partners, such as the European Business and Technology Centre (New Delhi, India), the EU-Japan Centre for Industrial Cooperation (Tokyo), the Permanent Work Group on Local Productive Systems, Ministry of Industry (Brazil) and the Korea Industrial Complex Corporation (Seoul).

These tools could also be used and promoted in South MED countries. So, there is scope for adding value by using tools in cluster management in MED countries, such as the signing of MoUs on cluster cooperation – a first step with Tunisia and Egypt in 2012. First and foremost, it is necessary to identify the areas with the greatest potential for cooperation between clusters (i.e. renewable energy and clean-tech, creative industries and tourism).

Participants may be interested in the five international match-making events between European clusters and international partners outside Europe which COM plans to organize in 2012 and 2013.

Antonios Fysekidis (DG ENTR) presented the Enterprise Europe Network. This Network is currently active in 50 countries, covering the 27 EU Member States, with the EuroMed countries covering Israel, Turkey, Egypt, Syria, and Tunisia; Morocco has already submitted an application to join the Network.

Overall, since its establishment in 2008, Enterprise Europe Network has succeeded in delivering very important results in the area of support for SMEs. The speaker confirmed that the Network is able to add value to the Euro Mediterranean Cooperation in terms of helping local SMEs to become involved in technology transfer and business cooperation, thereby serving the ultimate goal of the MEDA partnership to establish a Euro-Mediterranean Free-Trade Area (as part of the Association Agreements and the Euro-Mediterranean Charter for Enterprises). Moreover, the host organisations of the Network partners are able to benefit

⁹ European Cluster Collaboration Platform: <http://www.cluster-collaboration.eu>

from access to information on Community legislation and programmes, dissemination of best practices and expansion into new markets.

There are plans for the network to continue beyond 2014 under the dedicated "Competitiveness and SME Programme".

More information about the how to make an application can be found in the following link (http://www.enterprise-europe-network.ec.europa.eu/index_en.htm). It is important to note that any new proposal to join the Network must include a supporting letter from the Delegation of the Commission in the particular country.

André Richier (DG ENTR) and **Philippe Magnabosco**, Secretary CEN WS ICT Skills, AFNOR, presented "E-Skills - Euro-Mediterranean repository of digital trades".

Sector-specific activities: State of play and next steps

Textile / clothing:

Jean-François Aguinaga (DG ENTR) presented the opportunities for industrial cooperation in this sector, which is a very important one, not only for the EU but also for the MED counterparts.

The textile sector at EU level accounts for about 200.000 firms, mostly SMEs with around 10 employees. It had a labour force of more than 2 million in 2010 and its annual turnover is in excess of €200 billion. As far as the MED countries are concerned, this sector has major economic importance in this area. It accounts for 3% of manufacturing value added, with significant production in countries such as Turkey, Morocco, Tunisia and Egypt; it also has a high level of impact on employment.

Strong trade and production linkages between these two areas are already well established. The main reasons are the geographical and cultural proximity, the lower labour costs in MED countries, the use of an Arabic version of high-tech and ICT, and the need for a rapid response to supplementary orders for fast fashion.

The objectives of the sectoral dialogue are to share good practices among stakeholders and discuss challenges, future directions and concrete actions. This sectoral dialogue will be linked with the dimensions of the Euro-Med Charter for Enterprise, especially to the actions concerning education and training for entrepreneurship; skills development and the improvement of the Euro-Med networking and partnerships.

The DG ENTR representative also took advantage of the opportunity to disseminate information about the next conference on challenges and opportunities for the textile and clothing sector¹⁰, which will be held in Milan on 12-13 March 2012. He welcomed participants from Southern Neighbourhood countries (plus Turkey) and interested European countries. Sessions will be held on topics such as the challenges within the economic context; the opportunities for R&D cooperation and international cooperation between SMEs; capacity building and skills development; and funding opportunities.

After the presentation, one participant pointed out that the picture painted in this presentation would be likely to change if the rules of origin concerning this matter were to

¹⁰ More information can be found on the following link. http://ec.europa.eu/enterprise/sectors/textiles/external-dimension/euro-mediterranean-region/index_en.htm

change. COM took note of the statement, but considered that this was not the appropriate forum to open a political debate on this issue.

Tourism policy:

Cristina Calabro (DG ENTR) presented an overview of the main initiatives in the area of European tourism policy¹¹:

- “European Destinations of Excellence” (EDEN)¹² aims to promote models of sustainable tourism development across the EU. Its objectives are as follows: Giving visibility to emerging/non-traditional tourist destinations; Rewarding sustainability and creating a platform for exchanging good practices at European level, while promoting networking and cooperation between destinations that have received awards.
- The “Calypso”¹³ initiative aims to encourage off-season tourism and developing a mechanism for voluntary tourist exchanges between the MS, especially for target groups such as the elderly, young people, disabled persons and families on low incomes.
- The “Sustainable Tourism” programme promotes the development of sustainable and responsible tourism; it emphasizes the growing importance of cycling tourism, its benefits and its regional and economic impact; and promotes the role of transnational thematic tourism products as a factor in sustainable economic development, identity and intercultural dialogue.
- "Transnational Touristic Thematic products", while enhancing the cultural heritage, are also an important tool to strengthen identity; the "Cultural Itineraries", set up in conjunction, with the Council of Europe, are a good example.

The speaker mentioned the possibility of holding a seminar for the EuroMed Countries in the first half of 2012 in Brussels, with a view to providing more information on the COM programmes and initiatives in the field of sustainable tourism.

The questions raised by the participants related to the development of green tourism and medical tourism. COM replied that sustainable tourism was certainly a major focus. COM supports initiatives such as the development of energy efficiency/savings in hotel infrastructures. As regards medical tourism, COM is aware of the growing demand but this activity is not currently included as a priority in the Commission's Tourism Communication. The Egyptian delegate inquired about the state of play of the European Charter for Sustainable Tourism. COM explained that they were working on this issue and promised to come back with more detailed information.

Space:

Patrick Chatard Moulin (DG ENTR) presented an update of EU developments in the space sector. He began his presentation by defining the EU context in this field, which is reflected in the Communication “Towards a space strategy of the European Union that benefits its citizens”¹⁴. Secondly, he presented the main themes of the European Space Policy which are: GALILEO; GMES (Global Monitoring for Environment and Security); Security; Climate Change and Space Exploration. In this regard, he explained the links between EGNOS and

¹¹ This policy has acquired new competences once Lisbon Treaty has entered into force.

¹² More information: <http://ec.europa.eu/eden>

¹³ More information: http://ec.europa.eu/enterprise/sectors/tourism/calypso/index_en.htm

¹⁴ More information:

http://ec.europa.eu/enterprise/policies/space/files/policy/comm_native_com_2011_0152_6_communication_en.pdf

the Neighbourhood and Partnership Instrument South, where two programmes have been put in place: Euromed GNSS I (2006-09) and Euromed GNSS II (2011-13). He also described the content of the "Pan-African Space Cooperation" and invited the EuroMed countries to sign the "International Code of Conduct" on Outer Space activities, the aim of which is to enhance safety and security in outer space.

The speaker wound up his presentation by suggesting the possibility of organizing a "Space seminar" for the EuroMed Countries in 2012. The topics proposed were earth observation and GMES, EGNOS or the Code of Conduct.

The participants proposed another topic, namely the use of satellite navigation for agricultural purposes. COM took note of this suggestion and confirmed that "smart farming" could be regarded as a relevant theme for the future conference, as COM had already acquired some expertise in this area. For instance, COM has funded projects designed to develop maps in which differentiated between different types of soil. The user can then decide on the best crop for a particular area and the farming performance will improve as a consequence. This is an example of a good practice that can be shared at the conference. As for the question of the relevance of GNSS, the answer from the COM was that it would improve the quality of the current signal.

Raw materials¹⁵:

Malwina Nowakowska (DG ENTR) presented the challenges in the area of raw materials (pressure on demand for raw materials due to the continued growth of emerging countries; demand increasingly being driven by the use of new technologies; EU dependence on imports of important raw and increased competition for different types of land use and a highly regulated environment) and the "EU Raw materials strategy" in which the COM proposes a new integrated strategy outlining actions in the area of non-energy, and non-agricultural raw materials. Overall, the "Raw Materials Initiative" pursues and reinforces the three-pillar approach, which focuses on:

- (1) Fair and sustainable supply from global markets; EU raw materials diplomacy with a view to securing access to raw materials through strategic partnerships and policy dialogues. Cooperation under the Africa-EU Joint Strategy Union (2011-2013).
- (2) Fostering sustainable supply of raw materials from EU sources; access to land and enhancing the EU's knowledge base (ProMine).
- (3) Boosting resource efficiency and promoting recycling. For instance, strengthening the Waste Shipment Regulation.

The speaker also expressed the need for innovation along the entire value chain of raw materials. COM is preparing a proposal for an Innovation Partnership on raw materials in this regard. This initiative will be aligned with the Europe 2020 Innovation Union Flagship

In conclusion, the COM representative outlined the next steps in this field, which include the need for strengthened cooperation with MS; raising the level of awareness and boosting cooperation at international level. All these needs can be achieved by different approaches, for example the holding of annual thematic events such as the High Level conference on EU/Africa and raw materials, which is due to take place on 26 January 2012 in Brussels. This kind of event is just one of the many possible approaches to be pursued, and it should help in identifying other ways of addressing and dealing with the raw materials issue.

¹⁵ More information: <http://ec.europa.eu/enterprise/policies/raw-materials>

COM asked the participants for their comments on the potential for cooperation within the PanEuroMed on raw materials. The participants expressed the opinion that the sustainable extraction of raw materials has a relevant added value as part of the Euro-Mediterranean Industrial Cooperation.

Enhance the role of the Working Party (WP) on Euro-Mediterranean Industrial Cooperation:

Some representatives felt that the role of this WP should be enhanced (for instance, by setting new goals, changing the structure or setting a new vision reflected in a streamlined agenda). In the past, the WP monitored the implementation of several EU-supported regional programmes. Now that there were no such programmes currently in progress and that there are no financial resources to support action, the role of the WP needs to be reviewed. The role of this WP is to ensure that Ministerial Decisions are implemented and also to monitor progress. In order for this to happen, more work needs to be done during the time between the meetings at all levels, including at local level, especially in areas that are lagging behind. Meetings should concentrate on issues that need to be discussed and on those that are scarcely covered in other meetings (e.g. trade issues should be dealt with in meetings of trade senior officials). This WP is a policy group whose aim is to debate significant issues, taking country specificities into consideration.

Most participants agreed that the people who usually attend the WP meetings should adopt a creative, proactive and anticipative role. Contributions on the spot are considered to be just as important as comments submitted in advance. Therefore, the country representatives who usually attend the WP meetings should not confine themselves to the role of "*rapporteur*", but to take a pro-active role.

All participants were very satisfied with the relevant information that was sent to them, on a regular basis, by the COM.