CONCLUSIONS
OF THE CONFERENCE OF THE MINISTERS FOR INDUSTRY
OF THE UNION FOR THE MEDITERRANEAN
(NICE, 5 and 6 NOVEMBER 2008)


The participants in the Conference:

- reaffirming that, linked by a common destiny, the Member States of the Barcelona Process: Union for the Mediterranean intend, through this process, to tackle the shared challenges facing the Euro-Mediterranean region, inter alia sustainable economic, social and environmental development, including the fight against climate change and desertification and the strengthening of food and energy security;
- noting that the successful integration of the Euro-Mediterranean countries in the world economy can contribute to guaranteeing peace and stability in the region and the prosperity of all the areas concerned;
- recalling that the creation of a Euro-Mediterranean area of shared prosperity, which was referred to in the Barcelona declaration of 28 November 1995, and the relevance of which was reaffirmed on the occasion of the Paris summit on 13 July 2008, constitutes one of the main goals of the Barcelona Process: Union for the Mediterranean;
- in the context of developing Euro-Mediterranean industrial cooperation, Ministers recalled the Paris Declaration of July, 13, 2008 concerning the balanced facilitation of legal circulation of persons;
- welcomed the participation of the Arab League in the EuroMed industrial cooperation following the decision taken in Marseille on November 3 & 4, 2008;
- reaffirming that the negotiation of a free trade area between now and 2010 is still an important instrument making it possible to achieve these objectives and to help the Euro-Mediterranean region to cope with the multiple challenges presented by globalisation;
- recognising that a stable and attractive business climate is a prerequisite for business creation and for the growth of internal and foreign private investment;

- recalling that the financial crisis makes the EuroMed industrial cooperation even more pressing;

- recalling the five-year work programme adopted during the Barcelona Summit in 2005 and its objectives as regards sustainable socioeconomic development, and in particular the commitment taken to implement the Euro-Mediterranean Charter for Enterprise and to encourage investment in the Mediterranean partner countries;

- reaffirming that, in order to benefit fully from the free trade area, it is necessary to step up and coordinate efforts throughout the region in order to:

1) strengthen business competitiveness, paying particular attention to the needs of small and medium-sized undertakings,

2) stimulate investment by improving and enhancing the business environment and professional qualifications,

3) facilitate the freedom of movement of industrial goods,

4) promote innovation and technology transfer,

5) develop the services sector by identifying the key sectors and encouraging regional cooperation,

6) ensure sustainable development.

- recalling that the Barcelona Process: Union for the Mediterranean intends to make the European Union's (EU) relations with its Mediterranean partners more tangible and visible by means of additional regional and subregional projects which help citizens of the region, and local and regional authorities, and that, to begin with, it has decided to launch key initiatives in the following fields: depollution of the Mediterranean, maritime and land highways; civil protection; alternative energy: Mediterranean solar plan, higher education and research: Euro-Mediterranean university; Mediterranean business development initiative;

- stressing the merits of industrial cooperation at sectoral and horizontal levels and the importance of pooling each party's experience, including between professional associations and undertakings, with a view to accelerating reforms and progress;
- having regard to the conclusions of the sixth Euro-Mediterranean conference of Industry Ministers held in Rhodes (Greece) in September 2006, and in particular the resolution to continue implementing the Euro-Mediterranean Charter for Enterprise, intended to provide a framework for the development of industrial policies, and to strengthen effective cooperation, in particular by stimulating innovation in the Mediterranean region and through the dialogue established in order to improve the competitiveness of the textile/clothing sector;

- in view of the first Higher Education and Research Conference, which was held in Cairo on 18 June 2007 and which focused on the promotion of innovation, in particular through the use of innovative methods and Information and Communications Technologies (ICT) to improve higher education (aiming inter alia to create a multilingualism portal);

- having regard to the conclusions of the third Euro-Mediterranean meeting of ECOFIN ministers held in Oporto on 15 September 2007, which led to the creation of the Euromed network of public finance experts;

- having regard to the conclusions of the second Euro-Mediterranean conference on the information society which was held in Cairo (Egypt) on 27 February 2008, and which underlined the essential contribution made by the information society, research and innovation as regards competitiveness and job creation vis-a-vis the challenges of globalisation; given that Ministers have decided to take appropriate steps to continue with the EUMEDCONNECT initiative, calling on the Mediterranean partners and other sources of financing to endow it with sufficient financial resources; and given that the European Commission decided on 5 August 2008 to continue supporting this programme;

- having regard to the conclusions of the first Euro-Mediterranean ministerial conference on tourism which was held in Fez (Morocco) on 2 and 3 April 2008, and the acknowledged role of the Euro-Mediterranean Charter for Enterprise in improving the business climate, forging Euro-Mediterranean partnerships and thereby contributing to the development of tourism;

- having regard to the conclusions of the Euro-Mediterranean seminar on the prevention and control of industrial pollution which was held in Seville in June 2008, according to which the prevention and control of pollution are essential if industrial development is to go hand in hand with environmental protection and if sustainable development is to be thereby ensured; given that account should be taken of aspects specific to the Mediterranean industrial sectors;
and given that techniques combining improvements in the areas of the environment, the economy and business play a key role in enhancing the competitiveness of Mediterranean undertakings;

- having regard to the conclusions of Trade Ministerial Conference held in Marseilles on 2 July 2008, at which Ministers acknowledged the progress and economic benefits of the creation, by 2010 and beyond, of a deep Free Trade Area in the Euromed region and the strengthening of economic integration in all its dimensions and supported the main lines of the Euromed Trade Roadmap till 2010 and beyond. In particular, discussions will focus on the establishment of a smooth, efficient and business-friendly trade facilitation mechanism which would bring further transparency and trade and investment opportunities. Moreover, Ministers agreed that all the on-going negotiations and preparations for the negotiations on the Agreements on Conformity Assessment and Acceptance of industrial products should be given the highest priority and should be concluded as soon as possible;

- having regard to the conclusions of the fourth EUROMED ECOFIN Conference which was held in Luxembourg on 7 October 2008, and which brought together the Economic and Finance Ministers in the Euro-Mediterranean zone, the Commission and the European Investment Bank to discuss the subject of the Mediterranean business development initiative and Facility for Euro-Mediterranean Investment and Partnership (FEMIP)'s contribution to the priority projects adopted by the Heads of State and Government at their summit on 13 July 2008;

- in view of the 2008 report on the implementation of the Euro-Mediterranean Charter for Enterprise drawn up by the European Commission, the Organisation for Economic Cooperation and Development and the European Training Foundation, in consultation with the European Investment Bank;

Have decided to:

1. **Continue implementing the Euro-Mediterranean Charter for Enterprise**

   (a) The participants in the conference welcomed the progress achieved in implementing the Euro-Mediterranean Charter for Enterprise since its adoption at the time of the ministerial Conference held in Caserta in 2004. Ministers were pleased with the role
which the Charter had played in encouraging greater consideration to be taken of the needs of undertakings in the national strategies and priorities, the implementation of the reforms and interministerial cooperation.

(b) Ministers acknowledged the importance of the conclusions of the 2008 report evaluating the implementation of the Euro-Mediterranean Charter for Enterprise and the recommendations made, and reaffirmed their commitment to continuing and improving the implementation of the Charter while supporting the report's specific conclusions regarding their respective countries. More generally, they undertook in particular to:

- accelerate the implementation of laws and regulations applicable to undertakings and programmes benefiting undertakings (in particular, small and medium-sized enterprises (SMEs)) and verify their impact on the strengthening of the private sector,
- continue efforts to establish a business-friendly environment, including the simplification of legislation, regulations and procedures applicable to undertakings, in particular as regards tax compliance and foreign trade,
- encourage teaching and training systems to develop entrepreneurial skills and attitudes at all levels,
- improve the identification of undertakings' training needs and recommend the continuous evaluation of training given,
- create conditions which ensure better access to financing, including venture capital, in particular for innovative undertakings. It will be important inter alia to improve the legislative, regulatory and institutional framework governing access to credit,
- strengthen the ability of businesses to innovate in order to become more competitive, define a global strategy to encourage innovation, improve human resources and increase the volume of investment in research and development, facilitate cooperation in the field of innovation, in particular as regards services and non-technological innovation,
- promote mechanisms for consultation of the private sector which are open, transparent and constructive,
- verify the impact on undertakings of publicly-financed programmes supporting undertakings,
- optimise the use of information and communication technologies, improve the exchange of information on public procurement contracts.

(c) Ministers were pleased with the mobilisation and the participatory process which had led to the drawing-up of the report on the implementation of the Charter: under the leadership of the national Charter coordinators, all the private and public sector stakeholders in the nine Mediterranean partner countries had fully involved themselves in each phase of the pilot evaluation project. Ministers recognised that this participation and the multiple exchanges of knowledge and of experience which had characterised the process had made the Charter more visible and had strengthened its role as a reference document to stimulate development of the private sector in their respective countries. They welcomed the fact that the involvement of a large number of stakeholders in the evaluation encourages such individuals to take ownership of the results, and they called on all the parties concerned to disseminate the results as widely as possible and to take them into account in their field of activity.

(d) Ministers noted that a pool of best practice is available in the Mediterranean partner countries and in the European Union, which can be tapped to stimulate mutual learning. Special attention will be paid to trends in policies to support businesses and to EU policies to promote SMEs, e.g. the European Commission's proposal entitled "Small Business Act" for Europe.

(e) Ministers called on all the parties concerned to improve and supplement the method and instrument for evaluating the implementation of the Charter, taking maximum advantage of the European Union's experience with regard to the European Charter for Small Enterprises. In particular, it will be important to verify the impact of the policies, measures and instruments on undertakings. Particular attention will be given to the following areas: access to markets, access to financing, innovation, skills upgrading and sustainable industrial development.

(f) Ministers undertook to optimise the use of the instruments, programmes and resources available for implementing the Charter at national, regional and Euro-Mediterranean
levels. They called on the private sector, the European Investment Bank and the national and international donors to act similarly.

(g) Ministers insisted that the monitoring of the implementation of the Charter should be linked as closely as possible to the monitoring of the Barcelona Process: a Union for the Mediterranean and the European Neighbourhood Policy.

(h) Ministers stressed the need to focus equally on the regional cooperation alongside the ongoing bilateral relations. They also highlighted the importance of the UpM projects in achieving a higher degree of industrial regional integration in the Euro Mediterranean zone.

To his end, they called for intensifying the collective efforts to implement the list of projects announced on the Paris declaration towards concrete results.

They also agreed that the UpM projects - in terms of implementation and financing – will be a permanent element on the agenda of the future Euro-Mediterranean Conferences of Ministers of Industry.

Ministers welcomed the initiative of the Egyptian and French co-Presidents and the European Investment Bank to convene a high level meeting of Arab, European and Mediterranean financial institutions in Cairo in January 2009 to discuss ways and means to ensure the availability of funds for the UpM projects, notably in the field of energy preservation, solar energy, transportation, vocational training, as well as promoting SMEs.

2. **Combine efforts to conclude bilateral Agreements on Conformity Assessment and Acceptance (ACAAs) and thereby facilitate trade in industrial products**

(a) Ministers decided to align Mediterranean countries with the European Union in the field of technical legislation, standards and conformity assessment procedures. Such an alignment would remove the regulatory and technical obstacles and would facilitate the freedom of movement of industrial products between the European Union and the Mediterranean region. These efforts will contribute towards the objective of establishing a free trade area by 2010.
(b) In those sectors which are harmonised at EU level, Ministers wanted implementation of the Palermo Action Plan to continue and for it to lead to the conclusion of bilateral Agreements on Conformity Assessment and Acceptance (ACAAs) in the priority sectors between the European Union and each Mediterranean partner country, as well as between Mediterranean partners themselves.

(c) Ministers recommended that faster and more targeted progress be achieved in the adoption of the "acquis communautaire" and European harmonised standards in the priority sectors, and in the development or strengthening of the quality-related infrastructures required in order to fulfil the requirements of the ACAA. These structures must include a market surveillance authority, conformity assessment bodies in the priority sectors, an impartial and independent accreditation body to evaluate their competence and a body responsible for appointing such conformity assessment bodies, which will be separate from the standardisation body so as to avoid any potential conflict.

The expertise of external sectoral experts could be mobilised, e.g. through Technical Assistance Information Exchange (TAIEX) and Twinning, in order to help the partner countries to bring their legislation closer to the "acquis communautaire" in the harmonised sectors and to upgrade their infrastructure. Partner countries will have to endeavour to take part in standardisation work at European level, adopt the European harmonised standards and abolish incompatible national standards.

(d) As regards legislation which has not been harmonised at European level, Ministers recommended cooperation between the European Union and the Mediterranean partners to disseminate information on trade facilitation mechanisms, such as the mutual recognition mechanisms which already exist in the European Union. The EU also calls on the Mediterranean partners to identify problems linked to the movement of goods in the non-harmonised sectors so as to enable such problems to be rectified.

3. **Continue the dialogue on the future of the textile and clothing sector**

   (a) Noting the results of the activities carried out within the framework of the Euro-Mediterranean dialogue on textile and clothing, Ministers expressed their support
for the efforts made by the participating countries and by the European Commission to contribute towards increasing the competitiveness of the textile and clothing sector in the Euro-Mediterranean region.

(b) As regards future activities, Ministers recommended two activities which could produce positive results through the exchange of experience and best practice and which could be partly supported by the Community's TAIEX and Twinning instruments:

- activity to develop and improve the capacity of the social partners (employers and employees) in the textile and clothing sector in the Mediterranean countries, to help undertakings and employees to manage the structural changes and adapt to new market conditions,

- a Euro-Mediterranean conference on textiles and technological innovation aiming to encourage industrial partnerships in the fields of research, innovation and the development of technical textiles.

(c) Moreover, Ministers agreed to continue promoting industrial cooperation in the region, in particular in the fields of innovation, research and the improvement of qualifications, in order to strengthen the competitiveness of the sector in the Mediterranean countries.

4. Closely monitor growth in investment in the Mediterranean

(a) Ministers welcomed the launch of the new "Invest in Med" programme in Marseilles on 1 and 2 July 2008, together with the subsequent expression of interest within its network to encourage specific and sustainable ideas for action with a view to the development of trade between the two sides of the Mediterranean. Ministers hope that the proposals for initiatives which will be made by members of the networks represented within the "Invest in Med" consortium (ANIMA Investment Network, Ascame, Business Med, EUROCHAMBRES) will meet with success.

(b) Ministers also wanted the Working Party on Euro-Mediterranean Industrial Cooperation to continue to be kept informed of the activities of the regional investment promotion programme, FEMIP and the Neighbourhood Investment Facility.

(c) Ministers discussed the current level of the European investment flows to the southern Mediterranean countries;
They agreed that promoting European investments in the southern Mediterranean countries is a key for both North and South countries;

The Ministers agreed to create a working group including the private sector and, in particular, representatives of successful projects operating in the Euro-Mediterranean region. This working group will investigate how to encourage EU investment flows to the south and accordingly will work on a comprehensive promotion plan.

5. **Increase capacities for technological and non-technological innovation**

(a) Ministers stressed the importance of increasing capacities for innovation, in particular those of SMEs. In that connection, they considered it important to stimulate the most competitive sectors and facilitate the conversion of the least competitive ones, to encourage the creation of innovative companies, to increase product quality and the effectiveness of processes in undertakings and thereby meet the challenges of globalisation.

(b) Ministers approved the proposal to revive the topic of innovation through a two-part action: strengthening national innovation systems and selecting projects of common interest.

(c) Regarding the first aspect, Ministers noted the Charter's objectives in terms of innovation. The Ministers supported the conclusions of the 2008 report on the implementation of the Charter, in particular regarding the need to adapt the legislative framework, to facilitate access to venture capital and to improve skills. They also undertook to develop or supplement an innovation strategy for their countries and to improve the operational methods of programmes to support technological and non-technological innovation, taking account of experience acquired by other countries in the implementation of similar programmes and the results achieved under the Medibtikar programme (Euromed Programme for Innovation and Technology) launched in 2006. In particular, Ministers encouraged the adoption of institutional twinnings as regards innovation policy in order to strengthen national innovation systems. Following on from the work of the EU Competitiveness Council, Ministers wanted cooperation and exchanges of best practice to develop and strengthen intellectual property systems, which are essential for the legal security of innovative undertakings.

(d) As regards the second aspect, Ministers underlined the progress which will result from the continuation of the EUMEDConnect initiative. They recognised that a project
aiming to create a multilingual portal to support innovation was of common interest. They recommended that its feasibility should be studied, providing for a specific approach for small and medium-sized enterprises. They asked that a study should also be made with a view to establishing a Euro-Mediterranean frame of reference for e-skills, as well as a feasibility study of a Euromed Tech label. Ministers underlined that the EUREKA intergovernmental initiative was also enhancing technological cooperation between European countries and certain Mediterranean countries, and wanted an initiative on the EUROMEDTECH label to be devised in cooperation with EUREKA's governing bodies. Ministers were very keen to see the emergence of national and private initiatives to respond to these innovative proposals, since Community funding can provide only occasional support through the TAIEX and Twinning instruments within the framework of the 2009-2010 work programme.

(e) Ministers wanted the Competitiveness and Innovation Framework Programme (CIP) to remain open to the participation of the Mediterranean countries, which are invited to explore in particular the possibilities offered by the Enterprise Europe network. Similarly, Ministers encouraged those countries to take part in the Seventh Framework Programme for research and technological development and to consider the option of cooperating with EUREKA.

(f) Ministers pointed out the impact that the mobilisation of the national indicative neighbourhood policy programmes and recourse to the European Investment Bank may have on improving capacities for innovation and on the use by industry of the results of research.

(g) Ministers, in accordance with the ECOFIN conclusions on 7 October 2008 supported the Mediterranean Business Development Initiative that was adopted at the Paris summit for the Mediterranean on 13 July 2008 and encouraged the interested parties to continue their work in close coordination with countries, financial institutions and EU institutions active in the area, contributions by countries from both rims of the Mediterranean being done on a voluntary basis.

6. Support on the issue of sustainable industrial development

(a) Aware of the importance of the challenges in terms of sustainable industrial development, Ministers wanted the issue to be at the heart of Euro-Mediterranean
industrial cooperation. Aware of the place which industrial challenges hold within the key initiatives adopted at the Paris Summit for the Mediterranean on 13 July 2008, they asked that the Mediterranean countries should continue to be kept informed of the European Union's policies, actions and projects, in particular as regards sustainable industrial development.

(b) Ministers undertook:

- to cooperate in developing synergies which can assist in the development of the Mediterranean Solar Plan, the Mediterranean Water Strategy, the Maritime and Land Highways and the depollution of the Mediterranean.

(c) Ministers recommended that an active effort should be made to take account of environmental concerns in industrial development, and in particular:

- that there should be exchanges of best practice in the manufacture of environmentally-friendly products by means of energy-efficient processes, and in eco-labelling,

- that there should be exchanges of knowledge and experience as regards the safety of industrial installations and the management of natural risks, based on the best practises of all members and the European Union's experience,

- that encouragement should be given to use the best techniques available and the corresponding reference documents, taking account of the specific conditions which prevail in the Mediterranean countries and making the most of the European Union's experience.

Here again, Ministers were very keen to see the emergence of national and private initiatives to respond to these proposals, since Community funding can provide only occasional support through the TAIEX and Twinning instruments within the framework of the 2009-2010 work programme. The Ministers stressed the importance of mobilising additional resources for implementing the work programme, including from the private sector. Thus, they ask to the IEB to propose, during the first semester of 2009, an investment program to develop solar energy (which will strongly contribute to the program Energy 2020).
Ministers took note of the 2009-2010 work programme of the Working Party on Euro-Mediterranean Industrial Cooperation. They called on all the parties concerned, and the private sector in particular, to help to implement the work programme, and asked the Working Party to ensure its implementation in a demand driven approach reflecting the needs of the industrial communities on both sides of the Mediterranean and to assume an enhanced role of coordination.

They encourage the future co-presidencies of the Barcelona Process: Union for the Mediterranean to persevere in accordance with the guidelines adopted at the Nice ministerial conference on 5 and 6 November 2008.