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Under the leadership of the UfM co-presidency and with the active involvement of all Member States, the Secretariat of the UfM has been developing in the last years a broad range of activities aimed at strengthening regional integration in the Mediterranean by interacting with all actors of cooperation in the region.

It has drawn from consultations and actions both at the political level as well as on the operational level, the following observations and proposals formulated following the request by Member States at the 26 November Union for the Mediterranean informal Ministerial Conference. These proposals are a contribution to the global reflection process of the Member States and are subject to their consideration.

Introduction

The Union for the Mediterranean: a unique organization and a common ambition

The Union for the Mediterranean (hereafter referred to as UfM) is the unique intergovernmental Euro-Mediterranean organization gathering all 28 countries of the European Union and the 15 countries of the South and the East of the Mediterranean. It is in charge of enhancing regional dialogue and cooperation amongst its Member States. It therefore plays a central role with regard to the current evolutions in the region.

As a direct continuation of the Barcelona Process, the creation of the UfM in July 2008 was destined to reaffirm the political ambition to strengthen regional cooperation in the Euro-Mediterranean area.

A first phase 2008-2011 under the co-presidency of France and Egypt, was dedicated to the launch of the UfM and to the setting up of the UfM Secretariat in Barcelona (hereafter referred to as the Secretariat).

A second phase 2012-2015 under the co-presidency of the European Union and Jordan, allowed the increase and steady development of its activities, the reinforcement of the capacities of the Secretariat, working methods and partnerships, and a number of achievements that gave new momentum to Euro-Mediterranean regional cooperation.
Considering the magnitude of the pressing and serious current challenges in the region but also the existence of an untapped potential of opportunities, the **time has come for a third phase from 2016 onwards**. It is to build on the progress achieved, on the UfM identity and added value, and to further consolidate Euro-Mediterranean regional cooperation, thereby generating an enhanced common regional agenda for the Mediterranean. This will effectively and collectively address the emerging challenges.

The recent review of the **European Neighbourhood Policy** highlighted the EU’s strong political will to further strengthen the UfM as the true expression of co-ownership in the management of common issues in the Mediterranean. This also came as a result of the consultations held throughout 2015 with the Southern Mediterranean Countries (meetings in Barcelona, April 2015 and Beirut, June 2015) during which southern countries explicitly expressed the need to strengthen the UfM.

At the informal Ministerial Conference in Barcelona in November 2015, **20 years after the launch of the Barcelona Process**, Ministers of Foreign Affairs and their representatives, under the chairmanship of Mrs Federica Mogherini, HRVP of the EU and Mr Nasser Judeh, Vice Prime Minister and Minister for Foreign Affairs of the Hashemite Kingdom of Jordan, unanimously expressed their common commitment to work together on a deepened and operational regional cooperation within the framework of the UfM.

**The UfM working methodology: an asset to address the challenges of the region**

Throughout the last years, the UfM has developed a growing activity and a unique methodology which has yielded concrete positive results and given new momentum to the regional cooperation framework.

This methodology, and related priority areas of activity (Youth, Employability and Inclusive Growth, Women Empowerment, Sustainable Development), adequately addresses the three key interrelated priorities of the region, **regional stability, regional integration and regional human development**.

The main added value of the UfM lies in the interrelation created between the policy dimension and its operational translation into concrete projects on the ground, which in return nourishes the definition of relevant policies through a multi-stakeholder and inclusive approach.

However, the magnitude of the regional challenges implies that the results achieved by the organization can be significantly increased.
The Secretariat is the platform to operationalize decisions taken at political level through the organization of regional and sub-regional sectoral dialogues, and follow-up activities with a view to monitoring the progress in the implementation of Ministers’ commitments and promoting the initiatives intended to foster cooperation in the region. Its multi-partner approach is crucial for seizing opportunities through the exchange of best practices, sharing of experiences, identifying new and innovative methodologies and developing regional and sub-regional networks.

As of December 2015, the concrete and tangible results have been encouraging:

- Political Forum/Ministerial meetings: 7 Ministerial Conferences and many high level meetings took place these last two years;
- Regional Policy Platforms: Increasingly structured regional dialogues have involved a network of cooperation of over 10,000 stakeholders around the Mediterranean, including specialized organizations, parliamentarians, NGOs and other civil society representatives, international financial institutions, development agencies, industries and private sector representatives and entities, and universities;
- Projects with regional impact: 41 regional cooperation projects have been labelled worth around 5 Billion Euros.

These activities have targeted three key areas:

- Youth employability and inclusive growth: 16 projects, 200,000 beneficiaries;
- Women empowerment: 7 projects, 50,000 beneficiaries;
Looking ahead: an agenda for the future

Dealing with the growing challenges of the region requires additional and adaptable new efforts.

It seems important that the challenges of regional stability, regional integration and regional human development be dealt with collectively in the only intergovernmental institution gathering all countries concerned by these challenges.

This requires to further streamline the contribution of the current UfM activities, and of the ones to be developed in the framework of our mandate, to addressing the challenges through regional cooperation activities.

The Secretariat is presenting the following proposals to the Member States as a roadmap to strengthen regional cooperation in the Mediterranean. Seven chapters are considered as areas for action.

**Chapter 1: Enhancing political dialogue amongst the Member States**

The main relevance of the UfM is the political dialogue between the Member States. Socio-economic activities and project promotion are a methodology of action but the true nature of the UfM is political.

To that effect, the operational activities of the UFM and its Secretariat can only increase significantly and meet with the current challenges if the political dialogue between the Member States is deeper and stronger on all the key issues of the region.

It is therefore of paramount importance to intensify the political dialogue between Member States on key political, and security related issues of the region.

-Proposed actions-
1.1- Enhancing regional dialogue on political and security related issues between the Member States

- At MFA’s level:
  - Holding a yearly meeting of the Ministers of Foreign Affairs in the format of the meeting of the 26th November 2015;
  - Envisaging an informal meeting on the margins of the General Assembly of the United Nations;
  - Encouraging ad hoc sub regional frameworks of meetings such as the 5+5, the Medgroup...

- At the level of the Senior Officials:
  - Densifying the political strategic dialogue agenda of the SOMs;
  - Senior Officials could consider inviting where appropriate the political directors or the MENA/EU Directors to a SOM specifically dedicated to the political agenda;
  - Convening an annual meeting of the Ambassadors Permanent Representatives to the European Union (as per the Joint Permanent Committee foreseen in the Paris Declaration). A meeting took place recently between the EU ambassadors with the ASEAN Ambassadors in Brussels. It would only be natural to hold such informal meetings with Mediterranean partners;
  - Exploring with the Senior Officials the ways to further increase the knowledge about the UfM, in the various departments within the MFAs and other governmental structures, as this has proved very efficient with many colleagues.

- In addition, enhanced UfM political visibility is needed:
  - A communiqué can be issued by the Co-Presidency after each SOM.
  - Articles co-signed by UfM Co-Presidents to be published in international press.
  - Increase UfM visibility in official speeches and declarations by Member States (for instance at the UNGA or in high level conferences related to the challenges of the region).

The Secretariat stands ready to support the Member States in the development of these essential aspects of regional cooperation in the Mediterranean.

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1 “The Joint Permanent Committee based in Brussels will assist and prepare the meetings of the Senior Officials and ensure the appropriate follow-up; it may also act as a mechanism to react rapidly if an exceptional situation arises in the region that requires the consultation of Euro-Mediterranean partners.”
1.2- **Further strengthening Inter-institutional work**

The UfM is an ecosystem. Mobilizing and increasing synergies with all the institutions in this ecosystem is essential as it all moves towards the same global political objectives of regional stability, regional integration and regional human development.

- **Proposed actions**-

Closer interactions with all actors of the Euro-Mediterranean institutional set-up:

- **The Parliamentary Assembly of the UfM** and its five Committees (Committee on Political Affairs, Security and Human Rights; Committee On Improving Quality Of Life, Exchanges Between Civil Societies And Culture; Committee On Economic And Financial Affairs, Social Affairs And Education; Committee On Women's Rights In The Euro-Mediterranean Countries; Committee On Energy, Environment and Water).

  Intensifying interactions with the PA UfM would have significant impact on increased visibility of the UfM at the European Parliaments as well as in the Members States:
  - The co-presidency can do a yearly presentation to the plenary session of the PA UfM;
  - The SG of the UfM holds regular consultations with MEPs as well as the annual presentation of Activity Report to AFET;
  - Parliamentarians can be associated to the launch of major UFM Projects as well as associated in activities.

- **ARLEM**: the network of regional and local authorities is an essential tool to bridge more closely with the populations as well as to adapt the work of the UfM to the specific local needs (example of urban development). It is also very useful for actions in the fields of migration, extremism and terrorism. And finally, it is an additional appropriate framework to increase exchange of best practices and regional cooperation between local authorities (decentralized cooperation), in full coordination with the Member States;
  - The Secretariat regularly participates in the Plenary Session of ARLEM;
  - The Secretariat is cooperating with ARLEM for the labeling of a project;
- ARLEM participates actively to the SOMs.

- The network of Economic, Social and Environmental Councils: This network provides a very useful platform for further interactions with the civil society.
  - They hold regular Euro-Mediterranean Summits. One of them was held two years ago at the headquarters of the UfM in Barcelona. It is envisaged to host them once again.
  - There is a project of a Euro-Mediterranean ESEC that the UfM could support and encourage.

- The Anna Lindh Foundation for the dialogue between cultures (see page 8 below).

The list of institutions is limited in this chapter to those which play a direct role in the strengthening of the political dialogue but it is a fact that interinstitutional interactions involve other key institutions in the regions such as the IFIs (EIB, EBRD, ...), the UN agencies and their regional offices as well as other specialized and sub-regional organizations.

Bridging the activities of the different institutions in charge of Euro-Mediterranean cooperation by the UfM would strengthen complementarities, synergies and coordination to serve shared goals.

1.3- Building thematic common agendas

Sectoral ministerial meetings complementing the political dialogue by addressing the key strategic thematic priorities of the region is an important part of the political dialogue.

Seven Ministerial meetings have taken place in the course of the last two years on key areas such as Women empowerment, Transport, Energy, Industry, Environment and Climate Change, Digital Economy and Blue Economy, each chaired by an EC Commissioner and a Minister from Jordan, with the presence of ministers and/or High level representatives from all Member States.
Five ministerial meetings are programmed in 2016 on Cooperation, Employment and Labor, Urban development, Energy, and strengthening the role of women in society. We can expect a similar number for 2017, with possible Ministerial conferences on issues such as environment and climate change, industrial cooperation, high education and culture.

-Proposed actions-

- There is a need to ensure the appropriate ministerial level of participation.
- In accordance with the Co-Presidency and with the support of the Secretariat, Member States can take the lead in promoting regional dialogue in specific areas (organization of workshops, production of studies and surveys, presentations to SOMs). Ideally, one MS from the North and one from the South could join in to take this lead. This is a common practice in some international and regional organizations that have been benchmarked (ex: OECD).

Chapter 2: Contributing to regional stability

There is no development without security and no security without development. Therefore, it is more important than ever to strengthen the security-development nexus in order to create the appropriate environment conducive to social economic development and to address in a comprehensive and balanced manner the challenges of the region taking into account the priorities of both the EU and the Southern and Eastern Mediterranean countries.

Because of its geographical composition, its institutional governance as well as its working methodology, the UfM is the ideal organization for such an approach.

To that effect, it is important to further streamline the contribution of the current UfM activities, and of the ones to be developed in the framework of our mandate to the pressing security related issues.

With the growing number of beneficiaries of UfM activities, we have to connect these activities in a stronger manner with the efforts undergone by Member States to address the root causes of security challenges. The UfM role can also be useful to address some angles of the very pressing challenges of the region: Intercultural and Interfaith dialogue, mobility and migration, fight against extremism and terrorism.
The impact of UFM activities on regional security through their connection with the development dimension should be considered as an important parameter (regional policy dialogue platforms, best practices and success stories, support to sub regional initiatives, capacity building and training activities....).

The focus on Youth and human development as a main contribution to addressing the root causes of the current challenges is to be continuously strengthened.

2.1- Intercultural and Interfaith dialogue

Within the current context, it is essential that all efforts be made to bridge any potential cultural divide, to fight against extremism, racism and all forms of exclusion and to build upon a common heritage and aspirations. Intercultural and Interfaith dialogue in the Mediterranean is an important underlying dimension of all regional cooperation activities in the framework of the UfM. It also requires specific attention and a focused approach for which the Anna Lindh Foundation has the lead and develops an important action.

-Proposed actions-

- The Anna Lindh Foundation embodies the intercultural dimension of the UfM. Its institutional identity within the Euro-Mediterranean institutional set-up and overall UfM activities should be strengthened. The ALF and the Secretariat are already teaming up on a certain number of activities for which a joint action has proved meaningful. Likewise, the ALF action plan and the Secretariat work program could be presented in one main global strategy paper for the region in order to increase the visibility of the global objective.
  - Confirming the cross participation of the two institutions to the SOMs and ALF Board meetings.
  - Organizing joint events.
  - Opening each other’s activities and projects to the other.

- Coordination shall also be continuously strengthened with other international partners such as the Council of Europe, KAECID, the UN Alliance of Civilizations and UNESCO (non-comprehensive list). Capitalizing on its unique nature of stakeholders and being platform for regional dialogue, The UFM shall synergize with international efforts and initiatives to
promote interfaith dialogue, such as UN World Interfaith Harmony Week, which was proclaimed by the UNGA on 20 October 2010 in resolution A/RES/65/5. During the 22 July 2015 meeting held at the UFM headquarters in Barcelona at the initiative of Spain, all institutions dealing with intercultural and interfaith dialogue agreed to strengthen their synergies and complementarities and take joint action to reach a wider and significant impact. Needless to say, in its activities in this domain, the UFMS shall assure the association of relevant national and regional entities to these efforts.

- A ministerial Conference on Culture is suggested (in 2017). Activities in this area could cover the following pillars:
  - Common cultural heritage;
  - Cultural expressions and creative industries;
  - Inter-cultural dialogue;
  - Interfaith dialogue.

- The coordination meeting of institutions dealing with intercultural and Interfaith dialogue shall take place on an annual basis. The Secretariat will team up with the ALF and other institutions to that effect.

2.2- Mobility and migration

The issue of migration and mobility is complex and multidimensional. The UFM objective is to contribute to the implementation of the Migration and Development approach placing youth employability, job creation, alleviating poverty, education, and the territorial dimension, at the heart of the agenda within the framework of the UFM methodology. Solutions clearly lie in socio-economic inclusive growth in the region.

There is a broad acknowledgment that all these areas can be most usefully addressed at the regional level. The Secretariat can effectively contribute as a regional platform for policy dialogue in such areas as capacity building, governance, regional exchange of experience on customs and management of migratory flows, as well as develop concrete projects to this end. In close coordination between the governments concerned, the Secretariat will give special focus to concrete initiatives between local authorities that can target more efficiently those hotspots and regions where migration flows (out-going or in-coming) are most pressing. This approach takes into consideration the following parameters and lines of action:

- **On legal migration**, agreements on mobility are being negotiated by the EU with some Southern partners and studies anticipate increasing demand for a
larger workforce in the EU in the next decades. Youth mobility for students, interns and professional skills is subject to a growing number of initiatives, both bilateral and regional.

- **On illegal migration and trafficking in human beings**, the Mediterranean is facing challenges of a great magnitude. It is all the more important to build success stories to promote a concerted and balanced regional approach to the issue. Taking into account the geographical and strategical Europe-Mediterranean-Africa dimension, an inclusive cooperation between countries of destination and transit should be developed by building resilience and economic development, and by promoting shared responsibility and policy dialogue and initiatives between countries of origin-transit-destination.

- **On refugees**, through enhanced exchange of information, best practices and benchmarking, and liaising with the Europe Asylum Support Office (EASO), UNHCR and other relevant organisations, the UfM will join the international community and regional efforts for an increased support to refugee host countries (Jordan, Lebanon, Turkey, ...).

- The existence in the EU of a large population originating from the Southern Mediterranean countries is an asset to build bridges between the two shores. Showcasing success stories as part of the Euro-Mediterranean partnership seems beneficial and constructive.

**-Proposed actions-**

- A high level meeting on migration and mobility would allow an important exchange at the regional level, to showcase best practices and identify possible regional cooperation projects.

- Strengthened levels of interaction and cooperation are needed with the Global Forum for Migration and Development, the OIM, the EU Commissioner on Migration, as well as with the UN SG’s special envoy for international migration.

2.3- **Fight against extremism and terrorism**
It is important to remind that the fight against terrorism has always been present in the Euro-Mediterranean agenda. A clear reference was made in the Barcelona declaration in 1995 and 10 years after, in 2005, the first ever Euro-Mediterranean Code of Conduct on counter-terrorism had been adopted. Member States could consider updating this Code of Conduct to take into account recent tragic evolutions. Such an initiative would fit within the United Nations Global Counterterrorism strategy that was adopted in 2006 and recently reviewed in June 2014.

The Secretariat can play a facilitator role to promote soft security best practices and enhance confidence building measures to contribute to the deconstruction/counter-narrative of radical discourses and ideologies, crisis management, police cooperation as well as areas such as cyber/ICT security. Interactions can be promoted within the frameworks such as Global Counterterrorism Forum (GCTF) and CIMO (network of Ministers of Interior of the Western Mediterranean).

Positive experiences and success stories have been developed by many stakeholders and institutions in the region and need to be highlighted at regional level.

-Proposed actions-

- A UfM regional dialogue on best practices and/or social-economic development projects of regional relevance in the fight against extremism and terrorism is timely. The Secretariat could highlight the contribution of UfM activities to the prevention of terrorism/extremism.

In the three above mentioned areas related to regional stability, it would be very important that Member States ensure the Secretariat’s association to different initiatives undertaken. There are many examples of initiatives taken by UfM Member States for which the Secretariat could play a positive role, had it been informed.

Chapter 3: Strengthening regional integration

The low level of regional economic integration in the Euro-Mediterranean region is well known. A recent study conducted by the Secretariat indicates the following trade flow distribution in the region:
- 90% within the EU;
- 9% between the EU and its Southern neighbors;
- 1% between the Southern neighbors.

The potential for an increased integration is huge and would bring significant benefits for the region. Association agreements and other free trade instruments have provided a positive framework for the development of economic relations in the region. The on-going negotiations with some countries on Deep and Comprehensive Free Trade agreements also offer new perspectives for more effective convergence. However, it is a fact that insufficient progress has been achieved so far. EU GDP per capita is still on average 6 times higher than in the South Mediterranean partners. In 2014, the EU Trade balance with its UfM southern partners had a surplus of 49 billion Euros, representing the second most important trade surplus and compensating more than a third of the EU trade deficit with China\(^2\).

**A more effective regional integration is essential to ensure a better socio-economic future for the region.** Broader connectivity, trade and investment, as well as a steadier path towards sustainable development in the region could greatly increase the competitiveness of the whole Euro-Mediterranean region in the global economy.

### 3.1- Infrastructure connectivity of the region

Energy grids, transport networks and digital infrastructures are the backbone of economic development and competitiveness. Regional scale investments in these fields should continue to be supported. The Secretariat will continue developing its activities to this end, in particular in the fields of transport and energy. Work will be conducted:

**-Proposed actions:**

- In Transport, within the framework of the UfM platforms (Panel for Transport Experts and Transport Finance Committee) and as observer (in the Euro-Med Transport Forum and its working groups, and SNAP-T Programme);
- In Energy, within the framework of the three UfM platform launched in 2015 (Gas, Electricity and renewable energy) and in the perspective of a ministerial conference in 2016.

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3.2- Cooperation on trade and investments

Trade and investment are important components of a true economic regional integration as it involves both public and private structures. Trade and investment flows have witnessed significant growth during the last decades but still remain low with regards to the potential in the region.

Considering the UFM connection to both government structures as well as with the private sector and the financial institutions, a global strategy can be put in place for the coming years within the framework of the UFM to increase regional cooperation in trade and investment thereby integrating the different interrelated actions in areas such as industrial cooperation, SME development, digital economy and developing it through a multi-stakeholder approach.

-Proposal actions-

- Institutionalize a structured regional policy dialogue within the framework of UfM methodology and paving the way for a UfM trade ministerial.
- Encourage a dialogue on harmonization of legislation on trade and investment frameworks.
- Place the private sector at the heart of this strategy. An UfM private sector strategy has already been launched in 2014. It promotes a stronger contribution of the private sector to regional integration efforts. Private sector representatives should be given stronger ownership of the process.
- On investment, the Secretariat shall continue to hold regular coordination meetings with the other partner institutions (like Anima, Businessmed, Ascame,...).
- The Secretariat intends to strengthen its support for sub-regional frameworks, such as the Agadir Agreements. (see section 5.3). The agreement between the 4 business confederations of the Signatory States signed in January 2015 as well as the one signed in February 2014 by the 5 business confederation of the Union du Maghreb Arab countries, offer a stimulating framework of action for the promotion of private sector’s involvement in the regional economic integration efforts. The Business Fora organized by the Secretariat within the framework of the 5+5 dialogue show the existence of a strong potential.

3.3- UFM agenda on inclusive sustainable development

The UfM framework shall be used to better highlight the Euro-Mediterranean region’s contributions to the global agenda and interlink Mediterranean regional action with the Global Sustainable Development Goals.
The transversality of global issues such as climate change, environment, food security, water and energy, in connection to urban development goals and planning, is actively addressed by the UFM, and shall gain priority based on a cross sectoral inclusive approach. To that end, the Secretariat will proactively engage in the foreseen MedCoP in Tangiers in May 2016 as well as in view of the COP22 to be held at the end of this year (7-18 November 2016).

3.4- The UFM as a vector for innovation

The UfM shall also contribute to promoting innovation, a powerful vector of socio-economic development, modernisation of private and public life as well as a lever of growth and job creation in the region. Through its projects and initiatives, the UfM can encourage governments of the region adopting innovation policies and strategies, supporting the development of new technologies, and moving towards knowledge economy or indirectly by creating a favourable innovation climate through incentives and laws.

-Proposed actions-

- The UFM Secretariat is ready to host the dedicated implementation structure of the PRIMA (Partnership in Research and Innovation in the Mediterranean Area) programme, an integrated long-term research programme on food systems and water resources.

3.5- Performance indicators

There is a need to increase the knowledge base to assess the evolution of the region. The need for progress indicators on Euro-Mediterranean flows and exchanges and levels of regional integration is obvious.

In order to assess progress achieved in regional integration during periods of 5 years, the Secretariat envisages launching a survey with specific performance indicators, which would allow for analysis of major trends and evolutions.

-Proposed actions-

- These data and analysis would be the basis for the preparation of a UFM Report which could be biennial, on the state of cooperation, economic flows and exchanges in the Euro-Mediterranean region. The objective is to have an institutional reference for the state of play and progress of regional integration in the region, thereby allowing UfM Member States to assess, adjust and give direction.
Chapter 4: Fostering regional human development

Reinforcing the human capital of the region is the key to a fair sustainable development and inclusive growth. This is a key issue for stability and security in the region.

This is why human development is a priority transversally reflected in all UfM regional activities including through facilitating higher education, vocational education and training (VET), youth empowerment and mainstreaming gender equality, thus promoting social inclusiveness.

4.1- Inclusive growth & employability

Mediterranean countries are experiencing rapid growth in their working age populations. Almost 60% of the regional population is today under the age of 30 and the number of young people under the age of 15 is forecasted to increase by over 18% by 2020\(^3\). 2.8 million young people enter the labor market each year in the MENA region. With an average of about 30% youth unemployment, the Middle East and North Africa region has one of the highest youth unemployment rates in the world. It is estimated that the region’s Gross Development Product could increase by US$25 billion by 2018 if the youth unemployment rate were to be reduced by half.\(^4\)

Youth employability is a key issue for both the Southern Mediterranean countries and the EU. There are therefore good grounds for regional cooperation.

UfM activities should be consolidated and amplified to achieve a higher impact on youth employability, higher education and vocational training, through exemplary projects and replication of best practices.

-Proposed actions-

- The UfM Med4Jobs Initiative, as a project-based and cross-sector initiative, which promotes and replicates successful job creation practices in the areas of employability, job intermediation services and business coaching, as well as fostering regional dialogue on Active Labor Market Policies (ALMPs). The Secretariat participates actively in the UfM High Level Working Group on Employment and Labour organized by the EC

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\(^4\) Source ILO – see above).
DG Employment, Social Affairs. A UfM Ministerial on Labour and Employment is expected to be held in the second semester 2016 in Amman.

A regional vocational training programme:
- The Secretariat is already actively involved in exploring the initiative promoted by Luxembourg on “Initiative pour l’emploi des jeunes par la formation professionnelle et la promotion des compétences dans les pays du Maghreb”. It is considered as a first phase of a programme aiming to include the whole region.

A new regional initiative on social entrepreneurship will be developed (current discussions are being held with the EBRD, ILO and EC in particular).

4.2- Education and Youth mobility

The Secretariat will continue to consider the “youth dimension” as one of the central axes of its activity to strengthen inclusiveness and achieve more efficiency on the ground. Building on the estimated 200 000 (mostly) young people targeted by the 15 already labelled projects with a budget of over 130 M Euros, the action of the Secretariat will be strongly related to youth empowerment, initiatives on education and vocational training, mobility, women empowerment and employability (Med4Jobs) as well as specific youth related projects. The Secretariat will also ensure that the youth dimension is effectively mainstreamed in the main UfM activities. More specifically, the Secretariat will focus on areas such as the exchange of best practices, leadership, capacity building, vocational training, and education.

- Proposed actions-
  - Foster the role of the Euro-Mediterranean universities’ initiatives as vectors for mutual understanding and shared knowledge.
  - Set-up a programme for students and researchers Mobility across the Mediterranean. There is a need to increase the Mediterranean dimension of Erasmus and / or to create a specific programme tailored to the region’s specific needs, drawing on the expectations expressed by the Mediterranean university networks.
  - Hold regular Euro-Mediterranean Youth Parliament meetings in connection with the European Parliament of Youth and the Parliamentary Assembly of the UfM.

4.3- Women empowerment
Women equal rights and opportunities is an essential contribution to regional stability and socio-economic development.

In line with the UfM Ministerial meeting on Strengthening the role of women in society, the UfM will continue to put Women empowerment at the heart of its action, building on the 7 labelled projects in this field, who aim to benefit around 50,000 young women in the region upon successful completion. This will be achieved through promoting concrete projects and initiatives, mainstreaming gender equality within all UFM activities, building regional networks, establishing a regional dialogue between governments and other stakeholders to advance the gender equality agenda in the region, and ensuring coherence and complementarity between actors. Main fields of action include education and vocational training, health, access to labor market and entrepreneurship and equal access to leadership and decision-making positions.

-Proposed actions-

- The Secretariat will collaborate with the Co-Presidency and UfM Member States for the preparation of the next Ministerial meeting on Women Empowerment, which is foreseen to take place late 2016 and to all the work related to its preparation;
- The meetings of the Regional dialogue on women empowerment, launched in May 2015, will serve to enhance ownership by governments over this process, within a multi-stakeholder approach;
- The Secretariat will continue promoting regional projects.

The Secretariat is currently developing a realistic pipeline of a 20 projects for the 3 thematics related to youth employability, inclusive growth and women empowerment.

**Chapter 5: Increasing articulation with the Reviewed European Neighbourhood Policy**

As the co-presidency of the UfM, the EU is more than a partner. It is a central stakeholder in the activities of the UfM. Interactions and synergies with the EU have been consolidating significantly in the last few years.

The ENP review in 2015 made strong references to the increasing role of the UfM in the regional dimension.

-Proposed actions-
o Increase synergies and coherence between Euromed activities and UfM activities;
o Reinforce regular consultations between the EU and the UfM on regional programs and instruments in order to ensure consistency and synergy, as well as privileged access of UfM labelled projects to EU funds;
o Invite the EU to present AMICI to the relevant UfM forum and engage a dialogue on this EU initiative;
o Consolidate efforts of greater coordination in the financial instruments (Luxembourg Group, new possible initiatives,...);
o Optimize the regional dimension of some bilateral actions;
o Strengthen the regional dimension (while maintaining the bilateral cooperation packages).

### Chapter 6: Intensifying partnerships and synergies

The strengthening of partnerships, including institutional ones, is a good way of expanding activities, optimizing synergies and increasing impact.

#### 6.1- Acting in Partnership with other Institutions

- **Proposed actions**-

  o Further interact and cooperate with the United Nations and the United Nations System, following the UN General Assembly resolution to invite the Union for the Mediterranean to participate in the sessions and the work of the General Assembly in the capacity of observer.

  o Further develop solid partnerships and joint actions

  Developing strong partnerships with the following stakeholders is key:

  - Institutions within the Euro-Mediterranean institutional set-up as well as institutions active in the region (UN system, in particular UN agencies such as UNESCO, UNIDO, ILO, or UN Women; Council of Europe) are instrumental to amplify action and impact through the strengthening of complementarities, synergies and coordination to serve shared goals, without creating double tracks of action;

  - In close coordination with the governments concerned, civil society, in particular universities, academics, think-tanks, NGOs, that are already structured and can bring an interesting bottom-up perspective and share their regional analysis, knowledge, experience and proposals to tackle the current challenges;
- Private sector, increasing its involvement in regional policy dialogue and in sector debates and sector agenda settings (energy, transport, etc), identifying the priority issues regarding regional economic integration, as well as contribution in projects development and financing;

- IFIs, increasing its involvement and coordination with active IFI in the region, such as the EBRD and EIB would be key.

  - Call upon Euro-Mediterranean think-tanks and their networks to improve shared knowledge and vision of the region.

6.2- Increasingly interacting with sub-regional frameworks and building on the existing synergies and complementarities with them

- The 5+5 Dialogue
  The Secretariat has developed in the last 3 years strong relations with the 5+5 dialogue, through the participation in the ministerial meetings as well as through the organization of the Business Forum. The 5+5 dialogue provides many opportunities to work on regional integration, regional human development and regional stability from a sub-regional perspective and continues developing areas of useful interaction with the work of the Secretariat.

- Proposed actions-
  - Participation to the MFA annual meeting (next one should be held in France in 2016);
  - Participation in the sectorial activities;
  - Organization of the Business Forum.

- The Agadir Agreement framework
  The Agadir agreement is aimed at establishing a free trade area between 4 Arab Mediterranean countries (Egypt, Jordan, Morocco and Tunisia). It is open for the membership of 5 other Arab Mediterranean countries who were present during the signing of the agreement in 2001 (Mauritania, Algeria, Libya, Palestine and Lebanon).

- Proposed actions-
  - The Secretariat intends to work closely with the Agadir Technical Unit (ATU), based in Amman in order to:
- Promote joint projects for SMEs.
- Promote private sector relations (see page 13).

### Bridging with Africa

Considering both the economic potential and the importance of regional stability, the Europe-Mediterranean-Africa junction is essential. The concept of “neighbors’ neighbors” in the reviewed European Neighbourhood Policy opens new perspectives for UfM in its relations with sub-Saharan Africa. Initiatives can also be built on existing and potential South-South cooperation.

The “EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa” launched at the Malta Summit in November 2015 is not only designed to support development projects in the countries of origin of migrants but also projects in the transit countries or projects of regional dimension, regional projects of common interest could be developed in both UfM member countries and third-countries.

The perspective of organising a 5+5+5 meeting would be an important contribution to addressing common regional challenges collectively (see page 10).

### Proposed actions

- It is proposed that the Secretariat establishes dialogue and joint activities with regional partners such as ECOWAS. A first meeting would take place in 2016 involving the Secretariat, the EU institutions and ECOWAS with a view to discussing ways to capitalise on the existing synergies and complementarities.

- Supporting sub-regional initiatives such as holding a 5+5+5 high level meeting on migration (following the recent Ndjamena G5 Summit) and building on the recommendations of the Malta Summit (November 2015) and the creation of the EU-Africa Trust Fund.

### The Gulf partners

Consolidating synergies, where appropriate, between the UfM and the Gulf countries who are important players in the region, in an important dimension.

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5 5+5+5 – The Western Mediterranean Forum, commonly known as the 5+5 Dialogue (Algeria, France, Italy, Libya, Malta, Mauritania, Morocco, Portugal, Spain and Tunisia) + G5 Sahel (Burkina Faso, Chad, Mali, Mauritania and Niger).
Many initiatives have been taken in 2015. They will continue and intensify in 2016. The concrete and active on-going partnership in such initiatives as the UfM labelled project ‘Desalination Facility for the Gaza Strip’ is a good illustration of these dynamics.

-Proposed actions-

  o Consolidate existing partnerships (for example Abu Dhabi Fund for Development, Islamic Development Bank).
  o Extend these partnerships to areas in particular such as youth employability as it is a vital issue for stability and development in the region.
  o Explore with our partners the possibility of participating to an innovative funding mechanism (see page 21-22).

- G7 Deauville Partnership

The Deauville Partnership with Arab countries in transition, since its inauguration in 2011, has been a platform for coordination and policy exchange among its partners including relevant financial institutions, as well as a channel for financial support in the 6 countries involved, providing grants for technical cooperation to foster economic inclusive growth and governance.

The Secretariat will explore synergies with the Deauville Partnership in areas of common interest, either through activities of platform or through the promotion of priority projects according to respective mandates.

- Other frameworks

The Secretariat will also continue participating, when invited, to other informal geographical frameworks where Mediterranean issues are discussed such as the Medgroup (next meeting February 26 in Nicosia) and the Arab Mediterranean countries meetings.

The Secretariat will also continue strengthening its institutional partnerships with the LAS, the OIC and the UMA. It is developing regular contacts with other regional and sub regional organisations such as the Visegrad Group, CBSS, the Black Sea Economic cooperation organisation.

Chapter 7: Improving operational instruments
7.1- **Budget of the Secretariat**

Since its establishment in 2010, the specific nature of the Secretariat was to be a lean organization. It is designed to develop efficient synergies with other stakeholders in order to broker solutions and pro-active initiatives for the benefit of enhanced regional cooperation. We believe that this spirit must be confirmed as it has proved to be an approach that has yielded positive results.

In line with the ambitions expressed by the Member States at the 26 November 2015 Conference, as well as the objectives set by the reviewed European Neighbourhood Policy related to consolidation, acceleration and amplification of the work of the Secretariat in the current regional challenging period, the capacities of the Secretariat should be further developed to engage on the different concrete activities.

Avoiding inflating running costs, this scale up would serve to increase the Secretariat’s capacities to implement concrete activities according to its mandate, focusing mainly on:

- Reinarcing the promotion of concrete initiatives through targeted expertise and technical assistance for analytical studies at regional level, prospective work, formulation and assessment of innovative regional projects ideas at initial stages, analysing projects results for replication and extension, mapping exercises of regional best practices, improved coordination between various stakeholders on regional cooperation;

- Consolidating the UfM role of a multi-stakeholder regional platform for policy dialogue through tailored support to regional policy platforms, dialogue and network activities, preparation of Ministerial conferences and respective follow up work in new areas, expansion of regional multi-stakeholders platforms work on issues of interest for the region.

The current annual budget approved by the Member States amounts to 8.4 M€ and follows the principle according to which half of its resources are financed by the European Commission, half by contributions from Member States (in cash or through secondments). However, in the last years, while recognizing the efforts made by the European Commission, contributions by Member States have not reached the amount forecasted and approved by the SOM, and the EC
contribution had to decrease accordingly, therefore strongly penalizing the Secretariat\textsuperscript{6}. As a matter of fact, real effective budget amounted to 4.5 M€ in 2014 and 4.3 in 2013 (without seconded staff).

The consumption rate is optimized, the level of UfM Secretariat budget implementation during the two last budgetary years 2013 and 2014 being 98% out of financial resources received. The financial management is sound, all last 5 external audits of UfMS accounts being positive with unqualified opinions (with no findings for 2 semesters 2013, 2 semesters 2014 and 1\textsuperscript{st} semester 2015).

As a principle, the Secretariat would like to continue with the current balance of 50/50 between the EC and the Member States contributions. We also are keen to continue with the voluntary character of the financial contributions. However, Member States could consider a “minimum threshold” that could be differentiated for the North and South countries (amounts to be discussed during SoM). If some Member States would wish so, their contribution could be earmarked to the Secretariat’s budgeted core activities/projects of specific interest for them.

Member States contributions are the expression of the political will to further strengthen the UfM.

7.2- Financial Mechanisms

7.2.1. Financing “soft” projects through grants

Out of the current 41 labelled projects, about two thirds do not include investment or infrastructure components but focus on activities like training, capacity building, networking, regional exchanges of best practices, pilot projects and policy making. Those are considered as “soft” projects. Currently, 24 soft projects have been labelled in the priority thematic areas of inclusive growth, youth employability, higher education and women empowerment, that are shared priorities in the current regional context. They are usually financed by grants. Their amounts are generally relatively small. And they may be promoted by different partners (governments, organizations of civil society –NGOS, associations -, private sector, universities, research centers).

Funding of these projects has so far reached an average of 50%. One third of those 24 projects are fully financed. Fund raising efforts are ongoing to reach the 100% financing needed to allow a full implementation.

\textsuperscript{6}The table of contributions is available upon request
-Proposed actions-

- In order to tackle the financing needs of soft projects in a more structured way, avoid pursuing financial efforts for each individual projects, and, more importantly, reach a greater impact in terms of impact on the ground, the Secretariat proposes to explore the creation of a dedicated financial mechanism allowing to pool funds from interested contributors.

Such a financial instrument would:

- Provide a push to already identified and labelled projects, allow to deepen and extend some of them by increasing the number of beneficiaries in the countries;
- Allow for new projects to emerge with a potential financial coverage,
- Provide technical assistance to support preparation of projects as relevant.

Conditions could be as follows:
- The access to this fund would be conditional to being labelled.
- This fund would be a multi-partner/donor Trust Fund with expected contributions from UfM MS, European Commission, and beyond (Gulf countries, bilateral cooperation of non-UfM countries such as Norway).
- While the Secretariat would keep the operational management regarding activities to be financed, the fund in itself would not be managed by the Secretariat, but placed outside and its fiduciary aspects would be taken care of by an experienced financial institution to be selected (by competition or consensus).

Such a financial dedicated instrument in the field of human, social and economic development would strengthen the Secretariat’s role as a catalyzer for promoting and financing strategic and priority initiatives and projects for the region and further strengthen complementarities of actions in those fields at regional level. It would constitute the instrument for the Secretariat to fully play its role of platform for multi-sources funding as foreseen in its statutes.

The Secretariat is proposing to launch a reflection, through a dedicated task force including the European Commission and interested Member States, to discuss the various issues around this proposal, including the governance of such a Fund. This reflection would lead to a proposal to
be discussed with Member States before reaching a decision on the opportunity and feasibility of such as Fund in the course of 2016.

This proposal could be discussed at the occasion of the UfM Ministerial Conference on Cooperation to be held in April 2016 in Jordan.

**7.2.2. Financing regional infrastructure projects**

In the area of infrastructure, the Secretariat ensures a role of “trusted third party” by actively participating in the development of large Euro-Mediterranean Investment initiatives (H2020, UPFI, MSPPI) supported by donors. It creates a secured investment dynamic between main actors (political authorities, donors and stakeholders) and ensures a greater link between Ministers agreements to move forward on issues of common concern (in the areas of transport, energy, environment/climate change, and urban development through UfM Ministerial meetings) and operational responses.

The Secretariat promotes strategic identification of priority projects, specific support to project preparation, a dedicated coordination mechanism, by sector, strengthening coordination and synergies amongst the existing financial instruments with the aim of serving common goals, especially through the European Neighbourhood Instrument (and its multiple components, in particular the blending element of the Neighbourhood Investment Facility), the European Investment Bank and the European Bank for Reconstruction and Development, the International Financial Institutions, as well as other development agencies.

Priority projects identified in those regional frameworks and with a reasonable perspective of financing through existing financial instruments can in parallel be presented for labelling to the Member States (as it has already been the case for some flagship projects in environment or urban development).

-**Proposed actions**-

  o This role could be strengthened, amplified and extended to all sectors requiring enhanced infrastructure investment efforts in order to enable a more consistent delivery on regional cooperation priorities agreed in the context of the UfM.
  o The role of the Secretariat should be central in coordinating efforts aiming at increasing the synergies between various financial instruments, at a regional level, to promote joint responses, in respect of countries priorities, for enhanced financing of infrastructure investment related to the regional agendas, promoting coordinated
support targeted to investments concretely promoting regional integration and interconnections.

7.3- Launch a reflection on the UfM label and its added value

The concept of labelling, or conferring UfM support to a project through the consensual endorsement of the 43 Member States, is at the heart of the Secretariat’s activities. Therefore, the real nature of the label, and in particular its added value, is a matter of central significance. Currently, the label and the applicable criteria are based on the official guidelines adopted by Member States in 2011.

-Proposed action-

- The Secretariat proposes to launch, with inputs from all interested Member States, a reflection on the label in close interaction with the co-presidency. This reflection could be initiated in an ad-hoc meeting in the 2nd quarter 2016, open to all, and would lead to the elaboration of a proposal to improve the current way of using the label. The proposal would be discussed openly in a SOM format preceding formal approval by Member States. Based on the experience gained through the labelling of 41 projects, the Secretariat considers that a number of questions are worth exploring with regard to the label and its credibility and to avoid this concept limiting itself to a sort of “political non-objection” as it is most frequently:
  - Reflect on establishing a closer link between the labelling process and funding of labelled projects by Member States and the co-presidency,
  - The appropriate timing of the labelling,
  - The political or strategic versus technical meaning of the label,
  - A possible evolution towards different types of label, as well as
  - The sustainability or potential withdrawal of a label.
Conclusion

In order for the Member States to regularly take stock, assess, and adjust as necessary the course of regional cooperation activities and define the way forward, the Secretariat proposes to hold under the chairmanship of the UfM co-presidency, and on an annual basis, a UfM Regional Forum.

Conveyed every year in November in Barcelona, the UfM Regional Forum would consist of:

- A meeting of Ministers of Foreign Affairs of UfM member States, to give political guidance on a common Euro-Mediterranean agenda and build on achievements and opportunities to better address the challenges in the region;
- An inter-institutions meeting, to assess the level of interactions and synergies needed between institutions, share experiences and success stories to enhance and amplify an action oriented agenda for the Mediterranean;
- A multi-stakeholder meeting of Euro-Mediterranean cooperation actors, bringing together project promoters and beneficiaries and institutions to examine the impact of UfM initiatives on the ground, build on the opportunities, best practices and success stories, and implement a pragmatic, impact-oriented and multi-partner approach for a deeper and concerted regional cooperation agenda.

The UfM Regional Forum would offer a unique opportunity to further strengthen on an annual basis the work undergone within the UfM framework.

**It is proposed to hold the next UfM Regional Forum next 23-25 November 2016.**

As a member driven organization, the UfM is what the Member States want it to be.

It is therefore essential to ensure three major objectives:

- Maintain the political momentum at the highest appropriate level and increase political ownership of the process;
- Strengthen the link between political orientation and tangible results on the ground;
- Open dialogue and cooperation with all interested and concerned stakeholders.
And to stay united for the Mediterranean!