



## Introduction

### The Union for the Mediterranean: an action-driven organisation with a common ambition

The Union for the Mediterranean (hereafter referred to as UfM) is the unique intergovernmental Euro-Mediterranean organisation 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 Secretariat of the UfM 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.

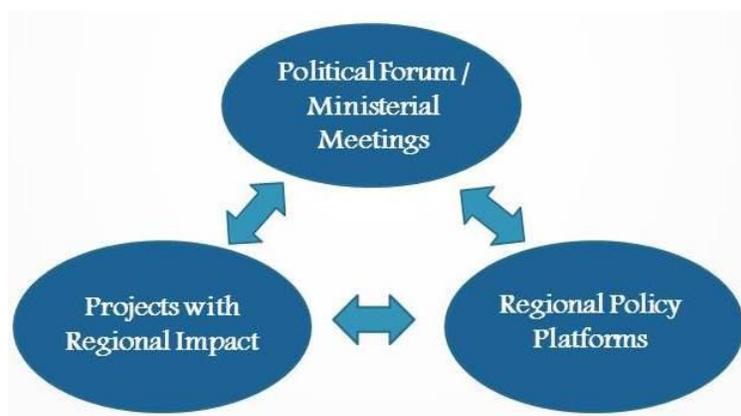
Considering the magnitude of the pressing and serious current challenges in the region but also the existence of an untapped potential of opportunities, the **time has come for a third phase from 2016 onwards**. It is to build on the progress achieved, on the UfM identity and added value, and to further consolidate Euro-Mediterranean regional cooperation, thereby generating an enhanced common regional agenda for the Mediterranean in order to effectively and collectively address the current challenges.

The recent review of the **European Neighbourhood Policy** highlighted the EU's political will to further strengthen the UfM as the 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 they explicitly expressed the need to reinforce 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, Deputy 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**

The UfM has developed a growing activity and a specific methodology which has yielded concrete positive results and given new momentum to the regional cooperation framework. 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. Ministers confirmed that the project based approach is a core mission for the UfM Secretariat.



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

**The Secretariat** is the platform to operationalize decisions taken at political level through the organisation of regional and sub-regional sectoral dialogues and follow-up activities with a view to accompanying 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. In close cooperation with all relevant players, in close alignment with the regionally agreed priorities and following the principle of "variable geometry", it identifies, processes and promotes structuring projects contributing to regional integration.

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

- Political Forum/Ministerial meetings: 10 Ministerial Conferences and several high level meetings took place these last years;
- Regional Policy Platforms: increasingly structured regional dialogues have involved a network of cooperation of over 10.000 stakeholders around the Mediterranean, including international organisations, parliamentarians, NGOs and other civil society representatives, international financial institutions, development agencies, industries and private sector representatives and entities, universities and think-tanks;
- Projects with regional impact: **47** regional cooperation projects have been labelled worth more than 5 billion Euros.

These activities have reached a first level of direct tangible impact on the ground with a potential of growing further, in particular on:

- Youth employability, inclusive growth and women empowerment: **26** projects, impact on close to **200,000** individuals;
- Sustainable development (climate action, renewable energy, transport, urban development, food security, environment, water and blue economy): **21** projects with region wide socio-economic impact.

### **Looking ahead: an agenda for the future**

The magnitude of the regional challenges implies that the results achieved by the organisation can and must be significantly increased. It is only natural that the challenges of **regional stability, human development and regional integration** be dealt within the framework of the only intergovernmental organisation 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 its mandate, to addressing the challenges through regional cooperation activities.

**Ministers of Foreign Affairs of the 43 UfM countries therefore agree to adopt this roadmap for action** aiming at strengthening the role of the UfM towards an enhanced regional cooperation and integration in the Mediterranean.

It is composed of four areas for action:

- 1- Enhancing political dialogue amongst the Member States**
- 2- Ensuring the contribution of UfM activities to regional stability and human development**

- 3- Strengthening regional integration**
- 4- Consolidating UfM capacity for action.**

**This roadmap will anytime be subject to reviews by the Member States and adjusted as they deem necessary on a regular basis, notably at the occasion of the Annual UfM Regional Forum.**

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

Intensifying the political dialogue between the Member States on key issues of the region is one of the key objectives of the UfM. The deeper and more comprehensive this dialogue will be, the more effective the operational activities of the Secretariat to address the current challenges will be.

### **1.1- Enhancing regional dialogue on political and stability related issues between the Member States**

**Ministers agree** to enhance regional dialogue through:

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;

At Senior Officials level:

- The SOM agenda under political dialogue shall contribute to the global efforts aiming at addressing the root causes of the current challenges (such as terrorism, radicalisation and irregular migration) and ensure that the discussions on thematic priorities are relevant to this overall objective;
- Inviting relevant High-level personalities to the SOM to enrich the discussions
- Further increasing the circulation of information on UfM labelled projects and activities.

In addition, enhanced UfM political visibility shall be reached through:

- In close consultation with the SOM as intergovernmental body, a communiqué issued by the Co-Presidency after major UfM events;
- Articles co-signed by UfM Co-Presidents and/or the Secretary General in international press. Other Ministers of Member States can envisage signing articles on UfM related issues;
- UfM references in official speeches and declarations by Member States.

Where appropriate, the Secretariat will support the Member States in the development of these essential aspects for the regional cooperation in the Mediterranean.

### 1.2- Further strengthening Inter-institutional work

- Strengthening the coordination and synergies with the European Neighbourhood Policy (ENP) :

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. Further strengthening the coordination and the synergies with the ENP policies and instruments is a key objective for the UfM.

- The UfM is also 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, integration and human development. Closer interactions will be further developed between all actors and partners of the UfM Ecosystem: the **Parliamentary Assembly of the UfM**, **ARLEM**, the **network of Economic, Social and Environmental Councils** as well as with the **business, academic and other Mediterranean networks**. Institutional interactions will continuously involve actors and partners such as IFIS.

Close partnership and cooperation is established with **Anna Lindh Foundation** which embodies the intercultural dimension of the Euro-Mediterranean setup. The ALF and the UfM Secretariat are already teaming up on an increasing number of activities on the basis of distinct but complementary work programmes aimed at increasing the visibility of the global objective.

### 1.3- Building thematic common agendas

Sectorial ministerial meetings usefully complement the political dialogue by addressing key strategic priorities in the region. Declarations adopted by consensus by the Ministers define the scope and objectives of a common regional agenda by sectors, allowing the Secretariat to structure accordingly platforms for regional dialogue and cooperation involving a multi-stakeholder approach, and to identify relevant emblematic activities to foster cooperation in the region.

Nine Ministerial meetings have taken place in the course of the last three years on key areas such as Strengthening the role of women in society, Transport, Energy, Industry, Environment and Climate Change, Digital Economy, Blue Economy, Cooperation, Employment and Labour. Several ministerial meetings are foreseen, on Urban Development, Energy, Industrial Cooperation and Strengthening the role of women in society.

**Ministers agree** to strongly encourage relevant Ministers to participate in these sectorial ministerial meetings.

## **Chapter 2: Ensuring the contribution of UfM activities to regional stability and human development**

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. Because of its geographical composition, institutional governance and working methodology, the UfM is the ideal organization for taking into account the priorities of both the EU, as reflected in the reviewed ENP and the Global strategy on Foreign and Security Policy, and the Southern and Eastern Mediterranean countries.

**The impact of UFM activities on regional stability through their connection with the development dimension should be considered as an important parameter (regional cooperation projects, regional policy dialogue platforms, best practices and success stories, support to sub regional initiatives, capacity building and training activities....). The focus on human development, in particular through youth and women empowerment, 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 to exert all efforts to bridge any potential cultural divide to fight against extremism and all forms of racism 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.

Ministers confirm that all UfM activities should be essential contributions to the global objective of intercultural dialogue (namely in the areas of women, youth and education).

In this regard, it is worth noting that during the 22 July 2015 meeting held at the UfM headquarters in Barcelona, at the initiative of Spain, participating institutions dealing with intercultural dialogue and interfaith dialogue agreed to strengthen their synergies and complementarities and take joint action to reach a wider and significant impact.

A ministerial Conference on Culture can be foreseen. Activities in this area could cover common cultural heritage, cultural expressions and creative industries, inter-cultural dialogue, interfaith dialogue.

## **2.2- Mobility, migration and development**

The Mediterranean has always been an area of mobility and migration. As the current refugee and irregular migration crisis clearly show, addressing their root causes is essential to regional stability. It is also of paramount importance to confirm the need for a global and balanced approach to the issue of mobility, migration and development, building on existing international instruments.

**Ministers agree** to that effect that migration is an important part of their political dialogue within the framework of the UfM.

**They also agree** that, on an operational level, all existing UfM activities, methodology and toolbox of activities will be called to contribute to these efforts.

When appropriate and after approval by the SOM, the UfM will therefore be involved in relevant migration-related initiatives in the region in order to ensure the substantial and tangible contribution of the UfM activities to addressing this challenge.

To that end and in full articulation of the governments of the Member States and close coordination with the SOM, the following parameters are underlined:

- Extending the activities of the UfM to specific regions in UfM Member States where migration related challenges are stronger;
- New drivers for mobility such as competition for talent, education and research mobility schemes should be taken into consideration;
- In line with the Valletta Summit Declaration and Action Plan, and within the framework of the Euro-Mediterranean region, the UfM will contribute, in coordination with all relevant actors, to the implementation of the Migration and Development approach, placing youth employability, job creation, education, women's socioeconomic

empowerment and the territorial dimension at the heart of the agenda, ensuring regional dialogue, coordination and cooperation;

- 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 will be beneficial and constructive.

### **2.3- Prevention of extremism and terrorism**

The security of the Euro-Mediterranean region is facing an unprecedented level of threat. The prevention of terrorism has always been present in the Euro-Mediterranean agenda, in the Barcelona declaration in 1995 and 10 years after, in 2005 through the adoption of the Euro-Mediterranean Code of Conduct on counter terrorism.

**Ministers agree to consider**, under the authority of the SOM, updating this Code of Conduct to take into account recent tragic evolutions, in line with the United Nations Global Counterterrorism strategy that was adopted in 2006 and recently reviewed in 2016.

**Ministers agree** that, through its activities, the UfM joins regional and international efforts to address socio-economic root causes of terrorism and extremism, and that it should be developing further projects and initiatives of high impact with a special focus on youth employability and women empowerment.

When appropriate and with the approval of the SOM, the UfM will therefore be involved in relevant initiatives in the region in order to ensure the substantial and tangible contribution of the UfM activities to addressing this challenge.

The Secretariat will play a facilitator role to promote best practices and enhance confidence building measures to contribute to the deconstruction/counter-narrative of radical discourses and ideologies.

### **2.4- Regional human development**

Reinforcing the human capital is the key issue for stability and security in the region. 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<sup>1</sup>. 2.8 million young

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<sup>1</sup> Source: <http://www.silatech.com/home/news-events/silatech-news/silatech-news-details/2014/11/04/mena-s-long-run-a-region-off-track-generation-unemployed>

people enter the labor market each year in the region. With an average of about 30% youth unemployment and around 50% for young women, the region has one of the highest youth unemployment rates in the world. It is estimated that the region's Gross Domestic Product could increase by US\$25 billion by 2018 if the youth unemployment rate were to be reduced by half.<sup>2</sup>

**Ministers agree** to launch a Positive agenda for the Youth in the Mediterranean through facilitating higher education, vocational education and training (VET), employability, health, youth empowerment and mobility, and mainstreaming gender equality, thus promoting social inclusiveness. The programmes already in place should be optimised and complemented by new initiatives and actions, in close cooperation with the Anna Lindh Foundation, educational institutions and civil society.

- **Inclusive growth & employability within the framework of the Med4Jobs initiative**

Youth employability is a key issue for the entire region. UfM will therefore consolidate and amplify its activities to achieve a higher impact on youth employability, education and vocational training, through exemplary projects and replication of best practices.

**Ministers agree** that the UfM Med4Jobs Initiative will be further developed 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 will continue participating actively in the UfM High Level Working Group on Employment and Labour organized by the EC – DG Employment, Social Affairs and inclusion. A UfM Ministerial on Labour and Employment has been held in September 2016 in Jordan.

In vocational education and training, there is a need to further coordinate at regional level efforts to promote and improve vocational education and training through increased networking, peer-learning and cooperation between providers including the private sector. The Secretariat is closely involved in the development of the initiative promoted by Luxembourg, *“Initiative for youth employment through vocational training and the promotion of skills in the Maghreb countries”*. 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.

- **Education and youth mobility**

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<sup>2</sup>Source ILO – see above).

Education and youth mobility constitute an essential part of the answers to the challenges faced by the Mediterranean. The UfM will develop a structured regional policy dialogue on student mobility. The Mediterranean counts with two UfM Universities (EMUNI, UEMF) regional universities, networks of universities, higher education and research institutions and centres specialised on Euro-Mediterranean issues which are fully operational. The UfM will play a greater role in maximising their interactions and synergies by becoming a focal point of collaboration for these stakeholders, thus amplifying the impact of their respective actions.

The Secretariat will enhance its role as a regional platform for Mediterranean Higher Education and youth mobility. While Erasmus has had a strong impact in Europe, youth mobility in the Southern Mediterranean should be improved, in particular given the low number of beneficiaries compared to the population concerned. The UfM will seek to increase mobility opportunities in the Mediterranean region, in complementarity with existing initiatives and instruments, drawing on the expectations expressed by the relevant stakeholders.

The Secretariat will also ensure that the youth dimension is effectively mainstreamed in the main UfM activities. Given the variety of potential actions in favor of youth, the Secretariat will facilitate exchange of best practices, leadership, and capacity building. It will contribute to the preparation of regional and international youth processes related to the Mediterranean Region.

- **Research and innovation**

The UfM shall also contribute to promoting innovation through its projects and initiatives. In particular, and on the basis of the mandate provided, the Secretariat could host the dedicated implementation structure of the PRIMA programme (Partnership in Research and Innovation in the Mediterranean Area).

- **Women empowerment**

Women equal rights and opportunities is an essential contribution to inclusive development and regional stability. In line with the UfM Ministerial meeting on Strengthening the role of women in society, the UfM will continue to put gender equality and women empowerment at the heart of its action. 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. This will be achieved through:

- Facilitating a Regional dialogue on women empowerment, launched in May 2015, which serves to enhance ownership by governments over this process, within a multi-stakeholder approach;

- Promoting concrete projects and initiatives and mainstreaming gender equality within UfM activities;
- Building regional networks, and ensuring coherence and complementarity between actors.

The Secretariat will continue organising a High-level annual conference on women empowerment, focusing on gender-related issues addressing the regional challenges.

- **Tourism**

The importance of tourism for the economies of the countries of the region as well as the potential for growth and its impact on job creation, infrastructure and cultural understanding cannot be ignored. The consolidation and development of a sustainable tourism sector and tourism capabilities with its cross linkages with other sectors of the economy can contribute to the sustainable development of the national economies. The Secretariat will use its role as regional platform to coordinate and promote initiatives and concrete projects related to tourism within UfM activities.

### **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 neighbours;
- 1% between the Southern neighbours.

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, insufficient progress has been achieved so far:

- No convergence scenario: EU GDP per capita is still on average 6 times higher than in the Southern and Eastern Mediterranean partners;
- Still a strong trade unbalance: In 2014, the EU Trade balance with its UfM Southern and Eastern partners had a surplus of around 50 billion Euros, representing the second most

important trade surplus and compensating more than a third of the EU trade deficit with China<sup>3</sup>;

- No real progress in regional integration both North/South and South/South.

An enhanced regional economic integration could only be achieved through higher levels of direct investments, facilitation of trade and wider market access geared at addressing the current unbalanced trade deficits.

#### ➤ **Cooperation on trade and investments**

Considering the UfM's connection to Government structures as well as the private sector and the financial institutions, a structured regional policy dialogue involving the private sector on a Trade and Investment Cooperation Agenda will be further developed, paving the way for a UfM trade ministerial.

A UfM private sector strategy has been launched in 2014. It promotes a stronger contribution of the private sector to regional integration efforts. Private sector representatives will be given stronger ownership of the process.

On investment, building on its partnership with relevant stakeholders, and building on its private sector strategy, the Secretariat will explore the potentials of establishing a UfM Platform to promote Foreign Direct Investments in UfM priority areas.

In this area, **Ministers encourage** further synergies with OECD activities in the region.

#### ➤ **Infrastructure connectivity**

A study by EIB has estimated the infrastructure "investment gap" for the MENA Region to be € 23 billion per year until 2020. The development of infrastructure networks has therefore a strong potential and acts as a multiplier effect on regional integration. The density and quality of infrastructure have a direct impact on economic growth and trade.

Energy grids, transport networks and digital infrastructures are the backbone of economic development and competitiveness. Regional infrastructure investment coordination aims to ensure efficient preparation of priority investment projects and subsequent support to their implementation. The UfM will continue developing structuring projects with a long-term

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<sup>3</sup> European Commission (Directorate General for Trade) from Eurostat (Comext, statistical regime 4), 16 October 2015, [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_122530.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122530.pdf)

impact, strengthening convergence between Member countries and regional scale investments in these fields should continue to be supported.

In the field of transport, in accordance with the Declaration of the UfM Ministerial Conference on Transport of 2013, the UfMS is actively engaged in developing through the UfM process an efficient, interoperable and sustainable transport infrastructure network, contributing to further improving mobility and regional trade exchanges. The UfMS will continue its close cooperation with the European Commission and the UfM member States, with the aim of taking over the organisation of the Euro-Mediterranean Transport Forum and its working groups as done in other sectors. The UfM will develop a comprehensive strategy on land and maritime transport and logistics connectivity for the Mediterranean focusing in particular on connecting the network with funding instruments and involving the private sector.

The Secretariat will also continue fostering regional cooperation in the energy sector (interconnections, interdependency, efficiency, renewable energy, energy mix) and ensuring the involvement of the local and regional authorities, the private sector and the IFIs. In this regard, the three UfM Energy Platforms (Gas, Regional Electricity Market (REM), and Renewable Energy and Energy Efficiency (REEE)) will develop regional policy dialogue towards more harmonized and integrated regional and sub regional policies and regulatory frameworks as well as investment environment priorities.

The UfMS will continue to promote regional dialogue in the field of Digital Economy through the Euro-Mediterranean Digital Economy and Internet Access Expert Working Group (DEWoG), in close coordination with the European Commission. The focus of the DEWoG will be the key areas identified in the 2014 Ministerial Declaration with the objective of removing the regional barriers in the digital sector such as: e-trust services including e-signatures, e-health, connectivity for research & education institutions, and harmonization of digital economy related legal frameworks, in particular telecommunications and open data.

#### ➤ **UFM agenda on 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, taking fully into account as well the contribution that this work can make in addressing the current global challenges facing the region. The transversality of global issues such as climate change, environment and water and urban development will continue to be addressed by the UFM, based on a cross sectoral inclusive approach.

With a view to advancing the post-2015 sustainable development agenda, and in connection with climate change challenges, the Secretariat was actively engaged in the MedCoP in Tangiers

in July 2016 as well as in the framework of the COP22 held on 7-18 November 2016. The UfM will continue to develop current regional dialogue on Climate Action (UfM Climate Change Expert Group), Water (UfM Water Expert Group), Environment (UfM Environment and Climate Change Working Group and other platforms such as the H2020 Initiative) and Blue Economy (UfM Blue Economy Working Group) in order to promote the Mediterranean Agenda in those sectors as well as concrete regional initiatives and structuring projects. In this regard, a UfM Ministerial Conference on Water will be held in Malta on 27 April 2017 for the establishment of a common regional water agenda in the Mediterranean, aiming at building consensus and defining the regional challenges, to promote coordinated policies and boost tangible solutions towards mutual actions for shared benefits.

A Ministerial Conference on Sustainable urban Development will be held in Cairo on 15-16 May 2017 with the objective to define and adopt UfM New Urban Agenda.

#### ➤ **Regional Integration Progress report**

In order to assess progress achieved in regional integration during periods of 5 years, **Ministers task the Secretariat** to launch a study with specific performance indicators which will allow for analysis of major trends and evolutions. These specific indicators will be agreed upon in the Senior Officials' Meeting on the basis of a proposal by the Secretariat.

The Secretariat will elaborate a progress report on regional integration of the region every five years.

## **Chapter 4: Strengthening UfM capacity for action**

### **4.1- Increasing articulation with the European Neighbourhood Policy and instruments**

Interactions and synergies have been steadily developed by the Secretariat with the Southern Mediterranean countries and consolidated significantly with the EU in the last few years. The ENP review in 2015 made strong references to the increasing role of the UfM in the regional dimension.

From an operational perspective, there is a need to further increase the articulation with the reviewed European Neighbourhood Policy instruments. The UfM will strive to:

- Increase synergies and coherence and avoid duplications between Euromed and UfM activities;
- Reinforce regular consultations between the EU and the UfM on regional programs and instruments in order to ensure consistency and synergy, as well as to increase access of UfM labelled projects to EU funds;
- Consolidate efforts of greater coordination of the existing financial instruments;

- Strengthen the regional dimension of the ENI (without impacting negatively the bilateral cooperation packages).

#### **4.2- Intensifying partnerships and synergies**

The multi stakeholder approach and the partnerships developed by the Secretariat are an essential tool to expand UfM activities and to give leverage to regional cooperation and develop effective interactions between cooperation actors:

##### **➤ Acting in Partnership with other stakeholders:**

- Institutions within the Euro-Mediterranean set-up. The discussions with civil society members at the 3<sup>rd</sup> Anna Lindh Foundation MED Forum, held in Malta between 23 and 25 October 2016, underlined the importance of intercultural dialogue in addressing the challenges being faced in the Mediterranean region;
- In close coordination with the governments concerned, the civil society, in particular universities and NGOs, to bring an interesting bottom-up perspective and share their regional analysis, knowledge, experience and proposals to tackle the current challenges;
- The private sector, increasing its involvement in regional policy dialogue and in sector debates and sector agenda settings, identifying the priority issues regarding regional economic integration, as well as contribution in projects development and financing;
- Active IFIs in the region, such as the EBRD and EIB;
- Euro-Mediterranean think-tanks and their networks to improve shared knowledge and vision of the region.

##### **➤ Increasingly interacting with sub-regional frameworks and building on the existing synergies and complementarities with them**

**Ministers agree** that it is important to recognize further the value and importance of sub-regional or variable geometry initiatives as milestones on the path towards wider regional integration and cooperation by leading and showcasing practical progress; and to build on the work carried out under the Agadir Agreement for an Arab-Mediterranean Free Trade Area, in particular the recent Agadir Ministerial meeting; as well as on the work taking place under the 5+5 and the Africa-EU Dialogues, while underlining that sub-regional initiatives should be comprehensive so as to support and enable wider regional 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 can also be a valuable instrument for relevant UfM activities and countries.

- The 5+5 Dialogue

The Secretariat will continue developing strong relations with the 5+5 dialogue in full respect of its identity and informal character, notably through the participation in the ministerial meetings as well as through the organisation of the Business Forum, without jeopardize its identity and informal character. 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.

- The Agadir Agreement framework

The Secretariat will strengthen its support to the Agadir Agreement, through promoting joint projects (Agadir SME project recently proposed for labelling) and the organisation of a Business forum for the Agadir countries in 2017.

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 shows the existence of a strong potential.

- Other frameworks

The Secretariat, after consultation of the SOM, will continue improving synergies with other informal geographical frameworks where Mediterranean issues are discussed such as the Medgroup and the Arab Mediterranean countries meetings.

The Secretariat will further 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.

The Secretariat will avail itself of the opportunities created through Malta's priorities for its Presidency of the Council of the EU in the first half of 2017 to increase the synergies between regional frameworks in the Mediterranean such as the League of Arab States, 5+5 and the Anna Lindh Foundation. The Secretariat will 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, the Council of the Baltic Sea States, the Black Sea Economic Cooperation Organisation.

#### **4.3- Improving the operational capacities of the Secretariat**

##### **➤ Budget of the Secretariat**

Since its establishment in 2010, the specific nature of the Secretariat is to be a lean organisation. 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. This spirit is confirmed as it has proved to be an approach that has yielded positive results.

The capacities of the Secretariat shall be further developed to engage on the different concrete activities. Avoiding inflating running costs, this scale up shall serve to increase the Secretariat's capacities to implement concrete activities according to its mandate, focusing mainly on:

- Reinforcing 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 Secretariat has seen its activities significantly increased, reaching 47 labelled projects of a total cost of above 5 billion Euros, of which 25 are already implemented. Regarding the operational annual budget (running cost and core activities as platform of regional dialogue), the current 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 and/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.

As a principle, the current balance of 50/50 between the EC and the Member States contributions will be maintained, as well as the voluntary character of the financial

contributions. If some Member States wish so, additional contributions will be earmarked to the Secretariat's budgeted core activities/projects of specific interest for them.

On the financial aspects, it is worth noting that the consumption rate is optimized, the level of the Secretariat budget implementation during the two last budgetary years being 98% of financial resources received. The financial management is sound, all last 5 external audits of UfM accounts being positive with unqualified opinions, with no findings over the last three years (2013, 2014 and 2015).

➤ **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.

Based on the experience provided through the labelling of 47 projects, **Minister agree to launch a reflection in the framework of the SOM, on a possible update of the labelling process and content, in particular the link between labelling and access to funding.**

➤ **Financial Mechanisms**

**Financing "soft" projects through grants**

Out of the current 47 labelled projects, more than two thirds do not include investment or infrastructure components but focus on activities such as training, capacity building, networking, regional exchanges of best practices, pilot projects and policy making. Those are considered as "soft" projects. Currently, 33 soft projects have been labelled in the priority thematic areas of inclusive growth, youth employability, higher education, environment and women empowerment that are shared priorities in the current regional context. They are usually financed by grants. Their amounts are generally relatively small. They may also be promoted by different partners (governments, organisations of civil society -NGOs, associations-, private sector, universities, research centres).

Funding has been secured up to two- thirds of the total cost of these soft projects. Fund raising efforts are ongoing to reach the remaining financing needed. The capacity of the Secretariat to mobilize funding needs to be significantly further supported by Member States, the European Commission and IFIs.

In order to tackle the financing needs of soft projects in a more structured way, to avoid pursuing financial efforts for each individual projects, and, more importantly, reach a greater benefit in terms of impact on the ground, **Ministers agree to reflect on the most efficient ways and means to ensure funding of the UfM soft projects through grants, including to explore the perspective of creating a specific financial mechanism allowing to pool funds from interested contributors.**

The objective is to 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 and provide technical assistance to support preparation of projects as relevant.

The access to any specific financial mechanism would be conditional to being labelled. This would strengthen the link between the labelling process and access to funding.

### **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 supported by donors. It creates a secured investment dynamic between main actors and ensures a greater link between Governments’ agreements to move forward on issues of common concern and operational responses.

The Secretariat will continue promoting 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, 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 will be presented for labelling to the Member States.

This role will be strengthened, amplified and extended to all sectors requiring enhanced infrastructure investment efforts in order to encourage the development of medium-term strategies for enhanced coordination of regional infrastructure by governments, international donors and EFI’s, to enable a more consistent delivery on regional cooperation priorities agreed in the context of the UfM. The holding of regular Review on Strategic Infrastructure will be envisaged.

The role of the Secretariat will 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.

In this context and as a follow-up from the First UfM Ministerial Conference on Regional Cooperation, a regional dialogue focused on the optimization of the regional investment strategy and the financial strategy (in particular the PPP action), will be encouraged and take the shape of an annual conference, to be held prior to the next Ministerial Conference.

➤ **Ad hoc task force on these issues**

**Ministers decide** to create an ad hoc task force composed of interested Member States and the European Commission. This Task Force will present recommendations to the SOM on the four issues of this chapter for final approval by the Ministers.

## **Chapter 5: UfM Regional Forum**

In order to regularly take stock, assess, and adjust as necessary the course of regional cooperation activities and define the way forward, Ministers decide to hold on an annual basis a **UfM Regional Forum**.

Organized every year in **November in Barcelona**, the UfM Regional Forum would include:

- 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 will offer a unique opportunity to further strengthen the work undergone within the UfM framework, to enhance regional cooperation and to assess the implementation of the present Roadmap./.