







Outcome Document

Sixth UfM Regional Forum 2021 Event on Regional Integration: From Policy Recommendation to Implementation Barcelona, 29 November 2021

Context

Building on the findings of the first edition of the <u>UfM Progress Report on Regional Integration</u> (launched on 27 May 2021) and anchored to the UfM's mission of promoting regional cooperation and integration, the UfM Secretariat organised an event dedicated to "Regional Integration: From Policy Recommendation to Implementation" on 29 November 2021 in Barcelona, within the framework of the Sixth UfM Regional Forum 2021. The event tackled policy recommendations presented by the Report in the five domains of regional integration, bringing together prominent high-level panelists to share their insights and help identify possible pathways for implementing some of the policy recommendations mentioned in the Report.

This event is part of a structured program of UfM activities that will be dedicated to consolidating regional integration in its different modalities over the coming years in collaboration with pertinent partners and with the participation of a full spectrum of stakeholders.

Keynote Speakers and Panelists (in order of interventions):

H.E. Ángeles Moreno Bau State Secretary for Foreign and Global Affairs Kingdom of Spain

Dr. Khalida Bouzar Assistant Secretary-General and Director of the Regional Bureau for Arab States United Nations Development Programme (UNDP)

Mr. Dimitris Dimitriadis
President of the External Relations Section
European Economic and Social Committee (EESC)

H.E. Amb. Lazăr Comănescu Secretary General









Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS)

Ms. Isabelle Durant Deputy Secretary-General United Nations Conference on Trade and Development (UNCTAD)

H.E. Amb. Saïd Moussi Ambassador of Algeria in Madrid People's Democratic Republic of Algeria

Mrs. Anna Terrón Director La Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas (FIIAPP)

Ms. Ingrid-Gabriela Hoven Member of the Board of Management Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

And from the UfM Secretariat:

H.E. Nasser Kamel Secretary General

Dr. Abdelkader El Khissassi Deputy Secretary General for Economic Development and Employment









Key takeaways:

Panel I: Investing in Connectivity and Mobility for a Sustainable Integration

- The UfM Progress Report on Regional Integration is a very useful tool and a point of departure for further consolidating economic integration in the UfM region.
- South-south integration remains to be very low, hindering a greater integration at the UfM aggregate level. Financial reforms can improve the MENA region's economic integration into the greater UfM region by improving the investment climate; reducing trade barriers; improving market access and market standards; guaranteeing transparency and efficient conflict-resolution; capacity building; investing in research, innovation, and digitalisation; diversifying the industrial base; among other measures.
- ➤ Digital transformation and digital connectivity can boost regional integration by reducing administrative burdens, reducing transaction costs, opening new markets, accelerating innovation, facilitating the exchange of knowledge, improving financial inclusion, among other tangible benefits that empower entire communities.
- Digitalisation can help create jobs and employ people in a region where youth unemployment and informality are among the highest in the world and are among the major root causes of illegal migration.
- There is an alarming, growing digital divide between and within the north and the south. The digital divide is further aggravated when we consider gender disparity, urban-to-rural distribution, and the hurdles facing people with visual or hearing impairment. There is a need to promote access to digital technology on more egalitarian terms. To fully unleash its potential, there must be a proper investment in developing digital skills.
- There is a considerable infrastructure gap in and across the UfM region that affects trade flow and movement of individuals and goods. Public-Private Partnerships (PPP) is of paramount importance to address this challenge in the region.
- The Private Sector is crucial for realizing the UN Sustainable Development Goals. To engage the Private Sector in the development efforts, there needs to be less bureaucracy, more transparency and better access to finance. Employers' associations and Business Support Organizations should be given proper advocacy.
- Limitations on the movement of people curbs economic integration. Scholarships, mobility programs and migration pacts are very important in this regard.









Panel II: Accelerating Growth through Reinforced Economic Integration

- ➤ Countries must implement trade facilitation measures to improve their trade competitiveness and the efficiency of their border agencies. Facilitating trade must be thought through and implemented at the regional level which is why trade facilitation must be included in regional integration programs.
- The ongoing reconfiguration of regional and global supply chains could unlock a huge winwin potential for both shores of the Mediterranean in terms of FDI flows, industrial diversification, job creation and sustainable growth.
- Regional competitiveness policies are necessary to ensure that the benefits of trade liberalization are not undermined by anti-competitive practices. There is a need to set up regional bodies and to strengthen the capacities of officials responsible for the application of its rules and consumer protection.
- The focus on extractive industries in the MENA region, together with the lack of industrial diversification and the focus on competition rather than cooperation, are all translated into fewer possibilities of integrating into the global value chains.
- Increased trade and investment do not always translate into higher employment. It is very important to mainstream employment into all our activities, and to consider regional integration not as an end in itself, but rather as a means to job creation, decent employment and sustainable development. Regional organizations like the Union for the Mediterranean play a paramount role in this regard.
- Reforming the investment laws can stimulate growth, if supported by proper legislation and a conducive environment where development policies have a regional dimension. In parallel, the terms of the existing association agreements should be revised with the idea of making them beneficial to all parties on equal footings.
- There are best practices to be learnt and meaningful synergies to be sought with subregional and regional frameworks (like the Black Sea Economic Cooperation).
- ➤ Size matters, given the need for bigger and more integrated economic blocks, like the EU and its neighbours, that can counterbalance the gravity of China and the USCMA. One lesson learned from the crisis is that the UfM Region could have fared much better if a deeper integration was in place.