

II. SUSTAINABLE AND INCLUSIVE ECONOMIC AND HUMAN DEVELOPMENT

Better together: regional integration is the way forward

The Mediterranean has long been a hub for trade, cultural exchange, scientific exploration and leaps forward in human development. In modern times, many of these existing networks and connections have been codified and deepened into formal processes of regional integration – an important means of orchestrating a regional response to regional challenges. The COVID-19 pandemic has challenged our conventional approach to cooperation and forced us into changing our worldview. It has disrupted our socio-economic progress and yet, it has also given the Euro-Mediterranean countries an opportunity to advance cooperation. Regional integration can enable countries to overcome global economic crises by building meaningful complementarities and optimising regional value chains.

Moving closer to common solutions for the common good

Acting upon the mandate tasked to it by the Member States, the UfM Secretariat prepared a first edition of the UfM Progress Report on Regional Integration in the UfM Region, commissioned by the German Development Cooperation for the Organisation for Economic Co-operation and Development (OECD). The report was launched on 27 May 2021, during an online event where policy recommendations and insights on best practices of regional integration from around the world were presented.

The report takes stock of the progress and potential in five domains of economic integration, namely: **trade, finance, infrastructure, movement of people, and research and higher education**, along with specific performance indicators that can be used to monitor trends and progress over time.

The report shows that integration has progressed unevenly, across and within sub-regions of the UfM, in all policy domains. For example, in terms of trade, the EU is responsible for 94% of the region's merchandise exports. While 70% of all cargo traffic in the Mediterranean is between European ports, only 15% happens between Europe and North

Trade accounts for **35% of GDP** in the Mediterranean region & the intra-regional trade market is one of the **most important in the world**, with **+20%** of the world's trade in goods in 2018



Source: UfM & OECD

Africa, and only 5% is between MENA countries.

Particularly, the report highlights two important challenges that still stand: inadequate infrastructure for transport and energy connectivity, and a lack of a common vision on human mobility as a driver of innovation and growth in the region. The MENA region will require investments of over 7% of its annual regional GDP for maintenance and the formation of infrastructure. There are

tionalisation of the report's policy recommendations through concrete action.

Boosting investments for sustainable and inclusive growth

In 2020, the 42 UfM Member States convened for the 11th Trade Ministerial Conference and welcomed progress made in implementing the eight Euro-Mediterranean Association Agreements, and called for their modernisation: to extend their scope and deepen



This report focuses on one of the main challenges of both history and geography, which is how to make the most out of the diversity and the complementarities that exist among neighbouring regions and countries. We firmly believe that higher levels of integration will result in more opportunities and greater welfare for people if done correctly, and this report puts forward a set of policy recommendations to help countries strengthen the timing, sequencing, and impact of their reform agendas to promote a more inclusive integration and greater opportunities.

—Angel Gurría,

OECD Secretary General (2006-2021)

several sub-regional initiatives to interconnect electricity networks and allow for electricity trade.

In addition to presenting the key findings of this first edition of the UfM Progress Report and the recommendations that it offers, the launch event brought together representatives of different regional integration processes and frameworks, free trade areas, as well as think tanks to share their respective experiences in promoting regional integration. The speakers also showcased best practices and success stories to inspire the UfM region to adapt and replicate similar initiatives in the Euro-Mediterranean context.

The Progress Report was further discussed during a high-level policy conference, held in the margins of the 6th UfM Regional Forum, focused on the opera-

commitments on key rules of trade policy. In addition, the Ministers called for more collaboration in the area of WTO reform, including updating rules to ensure a level playing field, and reaffirming their commitment to promoting a mutually supportive relationship between trade and investment and sustainable development, and to raise the importance of relevant multilateral initiatives towards sustainable development.

In association with the German Development Cooperation, and with their technical and financial support, the UfM organised the 3rd edition of the UfM Trade and Investment Forum online on 11 November 2021 and conducted other technical trainings on trade.

Over 300 experts, policymakers and representatives from the private sector, the civil society and international orga-

Read more on the results of the study here:



nisations gathered during the forum to discuss the pillars of the recently adopted UfM Ministerial mandate, with a focus on: the importance of trade facilitation for the growth and integration of Mediterranean economies; boosting the opportunities of e-commerce in the Southern Mediterranean region; and sustainable investments and investment facilitation in the Mediterranean region to contribute to the creation of decent jobs.

Further to this Forum, the UfM has also convened two meetings of the UfM Regional Platform on Trade and Investment in 2021 to advance dialogue in these fields, as well as held sector-specific workshops for government and private sector stakeholders in Egypt, Lebanon and Palestine (respectively in July, October and November 2021), consisting of an introductory course on Rules of Origin (RoO), as well as information on product-specific Rules of Origin for the respective industries under the most pertinent agreements, including through training exercises. Handbooks have been issued on the New Transitional Rules of Origin applicable to the three countries, and specific coaching sessions were provided on the practical use of the handbooks.

In addition to this technical assistance, similar workshops and handbooks on

RoO have been provided to the public and private sectors in Jordan.

Bridging the gaps in infrastructure

The UfM Progress Report on Regional Integration underlines that regional infrastructure projects are important for enhancing integration in the UfM region, especially by increasing the connectivity of Southern and Eastern Mediterranean economies. However, it also indicates that despite progress, infrastructure in the region remains insufficient or incomplete in the Southern and Eastern Mediterranean.

Current levels of investment are not enough to meet the growing connectivity needs between countries. Some challenges of a lack of connectivity include not only the lack of proper infrastructure but also a lack of a harmonised regulatory framework at the national and sub-regional levels. Countries in the Southern Mediterranean region are well endowed with renewable energy sources, but power supplies remain undiversified, and energy relations with Europe are still based on oil and gas. These factors are inhibiting the ability to develop connectivity in the region.

To improve infrastructure integration, it is vital to increase investments in the development of high-quality transport and energy infrastructure, and to cooperate on the usage of international tools and instruments to ensure quality, compatibility and interoperability of networks across the region. The report recommends that the capacity and efficiency of ports be improved to boost their role as national or regional gateways, linking them with inland areas, special economic zones, and research centres and universities.

This is why cooperation on transport and logistics continues to be at the heart of the UfM mandate since its inception. In 2021, the UfM Regional Platform on

More on partners

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

In 2017, the UfM Secretariat signed a joint declaration with the German Federal Ministry for Economic Cooperation and Development (BMZ) to push forward regional integration, support the creation of a wide range of employment opportunities, in particular for young women and men, and boost trade within the Mediterranean region and beyond. To achieve these goals, the BMZ supported the UfM Secretariat, through the GIZ, with an advisory project for the years 2017-2021.

More on partners

The Group of Transport Ministers of the Western Mediterranean (GTMO 5+5)

The UfM Secretariat participated, with observer status, in the 10th GTMO 5+5 Ministerial Conference, hosted by the Ministry of Transport and Infrastructure of Malta, after having participated in the preparatory meeting of the GTMO 5+5 Experts Group.

The Conference acknowledged the close and effective collaboration between the UfM and the Western Mediterranean Forum (5+5 Dialogue), also based on the running MoU between the organisation and the GTMO 5+5, signed in 2013.

In their Statement of Conclusions, Ministers of GTMO the 5+5 invited the UfM to continue working on the creation and promotion of standards for transport functioning and to support

harmonisation of the countries' regulation; as well as to pursue the work of improving transport and logistics at regional level, in particular through the final definition, approval and implementation of the 2021-2027 Regional Transport Action Plan (RTAP) and by holding a new ministerial conference to boost transport cooperation in the Mediterranean region.

The UfM Secretariat also contributed to the closing remarks of the European Institute of the Mediterranean (IEMed) Seminar titled "The Western Mediterranean Transport and Logistics Sector in the post-COVID-19 Era: Seizing New Opportunities, Accelerating Transitions", which was held also online prior the Conference.

Transport Connectivity resumed the process of laying the groundwork at technical level for an upcoming UfM Ministerial Conference in this sector, in particular by initiating the consultative process on the new Regional Transport Action Plan for the Mediterranean region (RTAP) for the period 2021-2027. The UfM Regional Platform also prepared and endorsed the Evaluation Report of the RTAP for the period 2014-2020, with a view to endorsing the Evaluation Report and the RTAP 2021-2027 at a Transport Ministerial Conference in 2022.

The meetings brought together national transport coordinators and focal points for land, air and maritime transport and logistics from technical line ministries of UfM Member States, as well as participants from important regional and international partner organisations.

The exchange provided comprehensive comments on all the proposed actions presented under each component of this future roadmap that will ensure gradual but solid progress towards developing an integrated, multimodal, efficient, interoperable, sustainable and resilient, as well as cleaner and more inclusive,

transport system in the Euro-Mediterranean region, with the ultimate goal of achieving deeper regional integration.

Backing game-changing ideas from inception to implementation

The UfM Regional Integration Progress Report showed that integration in higher education and research has increased unevenly in line with the growing but unequal capacity in education and research in Southern and Eastern Mediterranean countries. Integration of research needs to be linked with industry, including manufacturing and services, within national economic systems, in order to ensure that regional collaboration among scientists and universities effectively contributes to economic development.

The UfM has consistently supported the need to advance efforts in the area of research and innovation (R&I) and celebrated its potential to unlock solutions capable of making previously unattainable gains in under-researched areas. The COVID-19 crisis has shown what can be achieved through R&I with multiple vaccines developed in record time

thanks to unprecedented levels of cooperation between governments, academia and the private sector. R&I cooperation has already seen great successes in the region, for example with PRIMA, which has so far funded 129 projects based around sustainable agriculture and water management, or the BLUEMED initiative, which has created a research and innovation agenda specifically for the sustainable blue economy sector in the Mediterranean.

In an effort to further increase regional cooperation and pave the way for a stronger Euro-Mediterranean strategy on Research and Innovation, the UfM Secretariat, through its Regional Platform on R&I, launched an online consultation directed towards education and research institutions, civil society, private

for R&I and capacity-building collaboration across priority areas. Building upon this progress, the Platform decided co-jointly with the EU to start the process for a UfM Ministerial meeting on Research and Innovation, to be held on 27 June 2022.

The innovation-employability nexus offers new paths for job seekers

In the Mediterranean, unemployment is higher among those with tertiary education than those without it, reaching an average of 30% across the region. This problem is socially complex, with many interdependencies and multiple causes, and has no single solution. While connectivity between academia, industry and government is critical to

power innovation and employability, higher education institutions and research centres are the main drivers of change. In this context, the UfM

has engaged in an initiative called 'Reinforcing the innovation-employability nexus in the Mediterranean', which promotes collaboration between all the stakeholders involved in addressing unemployment of highly qualified graduates. As a result, the UfM Secretariat published a new handbook for academia, industry, and policymakers, with the support of the German Development Cooperation. This new and useful tool is aimed at enhancing career development among students and researchers, at fostering entrepreneurship and start-ups, and at supporting universities in carrying out their 'third mission' towards society.

The themes of the handbook are compiled with the data analysis of qualitative and quantitative input from 35 organisations around the Mediterranean (universities, research institutions, innovation centres, ministries of education, the European Commission and the OECD), as well as the mapping of 146 programmes,

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sector entities and governmental organisations at national, regional and local levels. The survey helped UfM Member States to identify the right topics to focus on in each priority area, how to achieve the SDGs, and what barriers to effective cooperation might be encountered. Building upon the survey's results, UfM national focal points gathered under the framework of the UfM Regional Platform on R&I to approve three new roadmaps corresponding to three priorities as the basis for future cooperation: **climate change, renewable energies, and health.**

The meeting included a joint presentation on the state of play and results of PRIMA, evaluating its contribution to the joint EU-Mediterranean R&I policy agenda, and a discussion of initiatives and programmes to deliver the new UfM roadmaps, including a proposal to develop an implementation framework to increase tailored investments

Read the full handbook on Reinforcing the Innovation-Employability Nexus in the Mediterranean:



initiatives and best practices, and a literature review of 1350 publications.

Aiming at reinforcing the nexus between innovation and employability, the UfM Secretariat co-organised several online courses with the support of the German Development Cooperation courses targeting universities, research centres, policymakers, industry and intermediary institutions to collaborate in addressing the unemployment of highly qualified graduates.

The first digital training looked at strategic partnerships through the lens of the triple helix framework, examining the roles of academia, industry and governments, while two additional courses were provided in Jordan and Tunisia. Participants were invited to rethink the connection between higher education institutions and research centres to address the needs of the industry through research topics required by their national contexts. Potential approaches were presented, including collaborative doctorates, industrial placements in the framework of masters' programmes, and other hybrid degrees that connect theory to practice. Examples of best practice initiatives were given as triple helix can strengthen collaboration and move towards a community of practice in the region.

In November 2021, the lessons learned during these training sessions resulted in the organisation of a high-level Forum on innovation and employability. The gathering allowed the sharing of best practices and involved the participation of high-level government representatives in brainstorming the academia-business sector interconnections while reinforcing the importance of the topic at the regional level.

From education to employment: reinforcing the transition towards an inclusive development

Internationalisation and a new agenda for higher education

Regional cooperation efforts in the fields of higher education, research and innovation play an essential role in achieving a positive agenda for the youth in the Mediterranean because of their potential for increasing employability and promoting intercultural dialogue. With this in mind, the UfM launched a regional dialogue process on the internationalisation of higher education in the Mediterranean region, in which internationalisation is not understood as a goal by itself, but a process aimed at enhancing the quality and standards of education and research.

Mediterranean human story

ASMA KHERRATI Women's dreams should not be out of reach

The project is very helpful to women as it is an excellent opportunity to acquire skills related to product marketing, e-commerce and communication in order to best adapt to a changing market and overcome the consequences of the COVID-19 crisis.

Read the full interview of agricultural entrepreneur Asmaa Kherrati here:



Read the full report to learn more on the state of play of the internationalisation of higher education in the Mediterranean:



This dialogue intends to facilitate continuous peer-learning amongst the UfM countries on policies and practices addressing common challenges and priorities, and to foster joint projects and initiatives. In 2021, it resulted in the publication of a study launched by the UfM and conducted by the Mediterranean Universities Union (UNIMED), which aimed at being an effective tool for policymakers and other stakeholders. The study investigates the internationalisation of higher education in 10 countries – Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Mauritania, Morocco, Palestine and Tunisia – focusing especially on resources and opportunities available at the national and regional levels. Using quantitative data as well as surveys, interviews, focus groups and desk research, the study offers for each target country a SWOT analysis, along with specific recommendations and a theme-based roadmap.

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The main findings, which are common to more than one country, indicated the high fragmentation in the procedures and systems of credit recognition and assessment of qualifications, as well as the need for university leadership to consider the administrative staff as a key element to support internationalisation. International mobility was also found to be hampered by the difficulties encountered by prospective students in obtaining visas. International cooperation should increase its focus on human and social sciences, since these areas often remain neglected compared to hard sciences. Above all, the study highlighted how, in most cases, internationalisation is simply identified as mobility, whilst a more comprehensive internationalisation strategy would be highly

beneficial for institutions and staff and may increase attractiveness and participation.

Closely linked to the employability prospects of future generations, improving the quality and relevance of higher education programmes will be vital in addressing youth unemployment at the regional level. In the MENA region, the World Bank estimates that 300 million young people will join the labour market by 2050, requiring both the creation of millions of jobs and an adequately prepared and skilled younger generation. Meanwhile, youth unemployment and under-employment in the region has been amongst the highest in the world for more than two decades. In 2007, Euro-Mediterranean Ministers met in Cairo and declared an aspiration to create a Euro-Mediterranean Higher Education and Research area. Almost 15 years later, there is a clear need to rethink the needs and aims of higher education against current challenges and opportunities, paving the way for a new agenda for higher education in the Mediterranean region, especially in the aftermath of the disruption caused by COVID-19 on Mediterranean universities.

Facing the COVID-19 employment crisis head on

The economic consequences of the COVID-19 pandemic have led to unprecedented economic shockwaves that are directly felt by households worldwide.

In the Southern and Eastern Mediterranean, the economic consequences of the COVID-19 pandemic threaten to undo years of economic development. At risk of losing their employment and livelihood, Mediterranean citizens were forced to adapt to a new world of work and economic activity. People that are already more vulnerable to economic shocks and restricted mobility, such as informal workers, youth and women, are especially affected.

Learn more about the projects here:



Four projects have been awarded the UfM Grant, benefitting 18,000 individuals in seven UfM Member States.

On those grounds, the UfM Secretariat, with the financial support of the German Development Cooperation, launched the 1st UfM Grant Scheme for Employment Promotion in order to support non-profit organisations with projects aimed at promoting employment during the COVID-19-induced economic crisis in the UfM region.

Four projects have been awarded the UfM Grant, benefitting **18,000 individuals** in seven UfM Member States, namely, Greece, Italy, Jordan, Lebanon, Malta, Morocco and Tunisia. These projects are tackling the labour challenges in the fields of entrepreneurship, women's empowerment, sustainable tourism, as well as education and research **with an overall budget of 1.13 million euros.**

► RISE - Resilience and Innovation through Strengthened Entrepreneurship

Location: Morocco and Tunisia

► FLOWER - Fostering Local Market Opportunities for Women's Empowerment and Resilience

Location: Morocco and Tunisia

► SEARCHED - Strengthening Employment and entrepreneurial Activities to Recover COVID-19 Epidemic Damages

Location: Tunisia, Jordan, Lebanon

► MAST - Mediterranean Alliance for Sustainable Tourism post COVID-19

Location: Greece, Italy, Malta, Tunisia, Morocco

Vision and Actions to promote employment in the Southern Mediterranean: role and contribution of the Union for the Mediterranean

With the support of the German Development Cooperation in 2021 the UfM published a brochure showcasing its activities on the topic of employment in the Southern Mediterranean; namely in Algeria, Egypt, Mauritania, Morocco, Tunisia, as well as in Israel, Jordan, Lebanon, Palestine and Turkey.

Its main topics, in accordance with the priorities of the two UfM Ministerial Declarations on Employment and Labour of 2016 and 2019, are: women's employment, entrepreneurship, skills and employability and social dialogue. Each of the four focus chapters provide information about the state of play in the Southern Mediterranean as well as the related UfM activities and best practices of stakeholders from the region. The chapters also identify possible next steps to enhance the regional employment situation in line with the UfM's mandate.

With the COVID-19 pandemic severely impacting the employment situation in the Mediterranean, its effects are discussed in each chapter and forward-looking recommendations have been included.

Furthermore, aiming at advancing further the regional priorities on employment, two meetings were held in 2021 in the framework of the UfM Regional Platform on Employment and Labour. These gatherings allowed to advance the monitoring exercise of the last Ministerial mandates, as well as to prepare the 5th UfM Ministerial on Employment and Labour, to be held in May 2022.

Go through it here:



Harnessing the potential of the blue economy

In the aftermath of the pandemic, societies must now address several serious challenges. The blue economy has great potential for offering a resilient source of growth and jobs across the Mediterranean region. Opportunities for sustainable growth, innovation and digitalisation are here to be seized for green shipping, sustainable aquaculture, and fisheries as well as maritime and coastal tourism in the region. Historically, activities that have provided a strong source of growth, especially jobs in the past, can still play a pivotal role in the future of the region, if able to fully embrace new technologies, innovative business models and manage the shift from global to local. Emerging niches in areas such as renewable marine energy and blue biotechnologies, over time, have the capacity to develop into rich and diversified economic business ecosystems.

Nevertheless, for the sector to be able to address the current challenges and fulfil its potential, several cross-cutting areas should be tackled through the

active and coordinated support of policymakers in the region. In February 2021, ministers from the 42 UfM countries gathered after six years to firmly commit to cooperating closely and addressing joint challenges in strategically important blue economy sectors amongst the priorities agreed on, a special emphasis was given to transformative policies and tools such as maritime clusters or maritime spatial planning, as well as the overall shift towards low-emission technologies and a circular blue economy. New joint activities and projects will be set up on a wide range of issues, including “blue skills”, marine litter, marine renewable energies and nature-based tourism.

The Ministerial declaration, resulting from the meeting and from the broad consultation of stakeholders, showed the growing interest in creating sustainable growth in and around the Mediterranean, and the shared understanding that more action is urgently needed.

Fostering blue opportunities for a new generation of professionals

In line with the priorities set by the Ministerial meeting on the blue economy held in February 2021, the UfM Secretariat strived to reduce the mismatch between the skills of the labour force and the evolving needs of the industry, prioritising education, vocational training and technology transfer to anticipate transformative technological trends and promote just transitions. To that effect, a first workshop was organised specifically for graduates and young professionals from Mediterranean countries in an effort to enhance cross-cutting skills needed for blue jobs. Later that year, an additional training workshop was, this time, specifically directed towards women. One of the first of its kind, this workshop co-organised with the Euro-Mediterranean University (EMUNI) and supported by

the German Development Cooperation focused on women’s inclusion and skills development in the blue economy sector. Gathering representatives of international organisations, national agencies, professional networks and academia, the meeting explored the role of women in the Mediterranean economy, discussing opportunities and barriers women are facing, as well as sharing good practices through region-wide case studies. In parallel, an additional webinar was also organised for women in the blue economy in Lebanon.

Last but not least, a final webinar closed the year focusing on marine renewable energies to study the sectoral characteristics, challenges and opportunities of the deployment of these renewable energies in the Mediterranean, highlighting the particular potential of the sector towards contributing to employment opportunities in the region.

2nd UfM Ministerial declaration on the sustainable blue economy - 10 priority areas

1. Governance and the future of sea basin strategies in the Mediterranean region
2. Marine research and innovation, skills, careers and employment
3. Sustainable food from the sea: fisheries and aquaculture
4. Sustainable, climate-neutral and zero-pollution maritime transport and ports
5. Interactions between marine litter and the blue economy
6. Coastal and maritime tourism
7. Maritime spatial planning and integrated coastal zone management
8. Marine renewable energies
9. Maritime safety and security of blue economy activities
10. Sustainable investment in the blue economy

Read the full Ministerial declaration on sustainable blue economy here:



Zoom on UfM projects

BLUESKILLS PROJECT

Since 2017, the UfM Secretariat has supported the **BlueSkills project**. Promoted by the National Institute of Oceanography and Applied Geophysics (OGS) and operating under the patronage of the Italian Ministry of Education, University and Research (MIUR), the project aims at providing opportunities for marine and maritime careers by developing skills, exchanging knowledge and gathering research for a more sustainable Mediterranean Sea.

How?

- Promoting capacity building and knowledge transfer to stakeholders in blue economy sectors
- Boosting transferable skills and promoting employability for young professionals and researchers in the Mediterranean
- Raising awareness on ocean governance, climate change and ecosystem-based management
- Strengthening regional cooperation and networks on blue growth

Location
Algeria, Italy, Malta, Mauritania, Morocco, Libya, Portugal, Spain, France, Tunisia

Expected beneficiaries:
Up to 700 young scientists, researchers and Ph.D. students, as well as economists, engineers and policy-makers.

