

**Conclusions of the Conference of the
Ministers for Industry of the Union for the Mediterranean
(Malta, 11-12 May 2011)**

The Ministers for Industry met in Malta on 11 and 12 May 2011. This meeting took place in the context of profound changes occurring on the southern shore of the Mediterranean. The meeting followed those held under the Union for the Mediterranean in Nice (2008) and under the Barcelona Process in Rhodes (2006), Caserta (2004), Malaga ((2002), Limassol (2000), Klagenfurt (1998) and Brussels (1996).

Participants in the conference:

- affirming their commitment to strengthening the partnership between the EU and its Mediterranean neighbours and to combining political and economic reforms for the benefit of democracy, rule of law, human rights and shared prosperity in the entire Euro-Mediterranean region;
- acknowledging that the promotion of entrepreneurship, as well as of small and medium-sized enterprises, innovation, new technologies, investment and trade is conducive to the creation of wealth and its distribution through job creation, in particular for young people; to balanced territorial development; and hence to prosperity and stability in the Euro-Mediterranean region;
- recognising that a stable and attractive business climate and regulatory framework are necessary conditions for enterprise creation and growth, for the development of domestic and foreign investment and for the establishment of technological and commercial partnerships with maximum efficiency and legal certainty;
- reaffirming their commitment to continue dialogue and cooperation to jointly address common challenges facing the Euro-Mediterranean region with a view to ensuring sustainable and inclusive growth and economic development, paying special attention to promoting small and medium-sized businesses, improving skills and employability of human capital, and developing the poorest regions;
- emphasising the need to coordinate policies and measures for economic development, with policies and measures for employment and education and vocational training, in full respect of the distribution of competences in EU Member States;

- recalling in this respect the new policy framework on employment, defined by the Ministers for Employment of the Union for the Mediterranean countries at their second meeting in Brussels on 21 and 22 November 2010 in order to ensure that economic recovery goes hand in hand with the creation of decent jobs and the fight against poverty;
- reaffirming, in line with the 9th conference of the Union for the Mediterranean Trade Ministers, which was held in Brussels on 11 November 2010, the importance of economic integration, trade and investment, building on a Euro-Mediterranean free trade area, to help the Euro-Mediterranean region cope with the multiple challenges posed by globalisation, as well as the current economic difficulties,
- underlining the need to ensure full consistency of the Euro-Mediterranean trade and investment facilitation mechanism announced on that occasion with the structures already in place to facilitate investment, in particular with the Working Party on Euro-Mediterranean Industrial Cooperation and the regional "Invest in Med" project;
- emphasising that all countries of the Union for the Mediterranean should further coordinate their laws, regulations and standards applicable to the business community, as well as policies and programmes for enterprises and economic governance;
- stressing that the financial and economic crisis and the recent upheavals on the southern shore of the Mediterranean render Euro-Mediterranean industrial cooperation even more necessary;
- emphasising the merits of industrial cooperation on both a horizontal and a sectoral level, in such areas as textiles/clothing, space, raw materials and tourism, the latter being a major provider of international investment, employment and foreign exchange and a vector for reconciling peoples and human beings as reiterated at the Euro-Mediterranean Ministerial Conference on Tourism in Fez (April 2008) and Barcelona (May 2010);
- expressing their willingness to explore the scope for developing the innovative dimension of industrial cooperation in areas such as biotechnology, value-added manufacturing and advanced services;
- highlighting the usefulness of sharing experience, including among professional associations and enterprises, in order to accelerate reforms, boost progress and best mobilise for this purpose instruments, projects and programmes of EU institutions and Member States and of other donors;

- welcoming the quality of the work performed by the Working Party on Euro-Mediterranean Industrial Cooperation and by the 'Invest in Med' project, and stressing the need to continue this excellent work;
- recalling the conclusions reached at the seventh Euro-Mediterranean conference of Ministers for Industry, held in Nice (France) in November 2008, including the resolution to continue the implementation of the Euro-Mediterranean Charter for Enterprise, whose principles are guiding enterprise policy across the region;
- bearing in mind the progress achieved in implementing the Union for the Mediterranean projects;
- and considering that the ceiling for the EIB operations for Mediterranean countries undertaking political reform should be increased by EUR 1 billion, without reducing operations in the EU's Eastern neighbours.

REAFFIRMED the need to intensify efforts in the whole region with a view to:

- 1) encouraging entrepreneurship and promoting growth and employment, paying special attention to the needs of micro, small and medium-sized enterprises and to upgrade the skills, competitiveness and employability of human capital;
- 2) stimulating investment and improving the business environment, including facilitating access to finance for enterprises;
- 3) facilitating the free movement of industrial goods and services;
- 4) promoting research, innovation and technology transfer and commercialisation;
- 5) protecting the environment and improving energy efficiency ;
- 6) exchanging knowledge and experience in a number of areas of common interest, including textiles and clothing, tourism, space, and raw materials, bio-technology, value-added manufacturing and advanced services;

DECIDED to:

1. Continue the implementation of the Euro-Mediterranean Charter for Enterprise, evaluate progress and adapt the Charter.
 - a) At **national level**, the Ministers asserted their commitment to:
 - accelerate the implementation of the guidelines in each of the ten areas identified by the charter. They will ensure that guidelines are taken into consideration in the development, implementation and evaluation of policies, measures and programmes in support of companies, especially small and medium-sized enterprises;
 - make the best use of on-line assistance and technical assistance programmes;
 - intensify mobilisation around the charter through continued inter-ministerial collaboration; consultation with the private sector and other stakeholders on priority actions;
 - consider the strengthening of the position of the national Charter coordinator; the appointment of focal points specialising in the dimensions of the Charter, who will closely collaborate with the national Charter coordinator; external communication and the creation of a webpage for the Charter in the language(s) of the country;
 - coordinate the actions of existing structures, networks and centres of expertise;
 - work for consistency between donors' aid and optimise the use of available instruments, programmes and resources with a view to supporting the implementation of the Charter at national level;

- b) With respect to the actions taken at a **regional level**, Ministers will endeavour that their respective country:
- selects the best candidates for the regional seminars to exchange knowledge and experience in the areas identified during the 2007-2008 evaluation of the implementation of the Charter. Seminars will address topics such as administrative simplification, access to finance, public-private dialogue to define policies and skills development;
 - updates existing databases and websites with useful information and good practice, thus boosting exchanges of knowledge and expertise;
 - organises twinnings and expert missions to collect information on experience accumulated in priority areas;
 - ensures efficient dissemination and exploitation of those exchanges;
 - ensures that regional and national actions complement each other in the best way, the latter being tailored to the specific needs and circumstances of each country;
 - participates, with other Mediterranean partners, in a possible new assessment of progress in the implementation of the Charter, with particular regard to the effects of policies and programmes on enterprises and in less developed regions;
 - optimises the use of available instruments, programmes and resources with a view to implementing, monitoring and evaluating the Charter at national, regional and Euro-Mediterranean levels; and encourages the private sector, the European Bank for Investment and national donors to do the same;
 - coordinates the monitoring of the implementation of the Charter with the monitoring of the Union for the Mediterranean and the European Neighbourhood policy. It will be important to ensure consistency and complementarity with the Mediterranean Business Development Initiative and other actions supporting business;

- continues preparing amendments to adapt the Charter in the light of the experience gained since its adoption in 2004, changes in legislation (e.g., Small Business Act of the European Union); new needs and priorities (e.g. small and medium-sized enterprises, development potential of cooperatives and sustainable enterprise development); consultations and work done in 2009-2010 with a view to the possible adaptation of the Charter. Ministers asked that Charter amendment proposals resulting from work under the 2011-2012 work programme should be submitted for their approval at the ninth Euro-Mediterranean ministerial conference on industry.

In addition, Ministers emphasised the need to mobilize the private sector, to consider financing, to step up collective efforts and to strengthen public-private partnerships to carry out the Union for the Mediterranean projects. They also insisted that the monitoring of projects of the Union for the Mediterranean - in terms of both their implementation and financing – should be a permanent element on the agenda of future ministerial conferences on industry.

2. Encourage investment in the Mediterranean.

- a) The Ministers discussed the current level of investment in southern Mediterranean countries. They recognised that the promotion of European investments and those of the diaspora in southern Mediterranean countries was a key element for countries both in the North and in the South. They stressed the importance of a business climate combining legal certainty and simple procedures to promote foreign direct investment. They took note of the convincing testimonials published by the European Investment Bank (EIB), the European Commission, the "Invest in Med" project and the ANIMA network, and delivered by entrepreneurs who were satisfied that they had invested on the other side of the Mediterranean;

- b) The Ministers welcomed the efforts made to date by the regional "Invest in Med" project, by the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) and by the Neighbourhood Investment Facility (NIF). They stressed the absolute necessity for the EIB to fully mobilise its lending capacity and for all these instruments to intensify their efforts in the times of crisis and change that we are experiencing and to ensure that the regional facilities and the project are coordinated. They recognised the necessity of making good use of the results achieved by the enterprise networks involved in the regional "Invest in Med" project and looks forward to further implementation of this programme in line with the financial regulation;
- c) Ministers encouraged investors to be socially responsible and underlined that sustainable investment can contribute to local socio-economic development, including in regions lagging behind.

3. Prepare and conclude Agreements on Conformity Assessment and Acceptance of industrial products (ACAA) and thereby facilitate trade in industrial products.

- a) Within the field of technical legislation, standards and conformity assessment, the Ministers decided to continue the alignment of the Mediterranean countries with the system of the European Union, thus eliminating regulatory and technical obstacles and facilitating the free movement of industrial goods between the EU and the Mediterranean region. These efforts are important steps leading to the establishment of a free trade area;
- b) The conclusion of ACAAs with the EU as instruments of economic integration would help the Mediterranean partner countries strengthen their institutional and regulatory links with the EU within the single market framework;

- c) In areas that are harmonised across the EU, the Ministers requested that the Palermo Action Plan should be further implemented and that it should lead to the conclusion of agreements on conformity assessment, i.e. "Agreements on Conformity Assessment and Acceptance of industrial products" (ACAA), in priority sectors between the EU and each Mediterranean partner country;
- d) the Ministers recommended granting priority to a swift adoption of the “acquis communautaire”, on both a horizontal and a sectoral level, of harmonised European standards in priority sectors, as well as to the development or strengthening of infrastructure required for quality to meet the requirements of the ACAA. In order to do this, they require the mobilisation of stakeholders in each partner country with a view to completing the preparation of the Agreement and commencing negotiations in 2011 and 2012.

The quality infrastructure should include:

- An authority for market surveillance, which should comply with the EU system;
- Duly accredited conformity assessment bodies in priority areas;
- An impartial and independent accreditation body assessing their competence and which has signed multilateral agreements with the European accreditation body;
- A standardisation body and an institute of metrology complying with the EU system.

In order to sustain progress in partner countries, the European Commission is funding several technical assistance projects in each partner country. The expertise of external sector experts will also be mobilised, for instance through the Twinning instrument. The Commission services carry out regular missions in partner countries to guide them towards the end of the preparation of the Agreement. Partner countries should strive to join and participate in the work of European standardisation, accreditation, conformity assessment and metrology bodies.

The Ministers also asked about the feasibility of creating (with voluntary funding) a centre of excellence, for example in Malta, to promote the convergence of standards and the conclusion of ACAAs with Mediterranean partner countries in a growing number of industrial sectors.

4. Build capacity for technological and non-technological innovation and for the transfer and commercialisation of technology.

Given the key role of innovation and technology transfer to promote a knowledge-based economy, to create jobs and to meet the challenges of globalisation, the Ministers committed themselves to undertaking measures at both national and regional level.

At **national level**, the Ministers will consider:

- the setting of objectives based on the findings of the 2007-2008 evaluation of the Charter in the field of innovation, on progress made since this evaluation, particularly focusing on the adaptation of the legislative framework, on facilitating access to venture capital and on skills development among others;
- the implementation of effective programmes, in priority areas, in support of technological and non-technological innovation, transfer and commercialisation of technology, synergies between initiatives and the full exploitation of their results. In particular, with reference to the already existing RDI programmes, the Ministers indicated their willingness to implement institutional twinning in the area of policy innovation in order to strengthen national innovation systems.

At **regional level**, the Ministers welcomed the progress that had been achieved in the development of the Euro-Mediterranean repository of e-skills proposed in Nice and will ensure the smooth completion of the project and the implementation of its results. Ministers invited the Mediterranean partner countries to consider the appropriateness of creating funds dedicated to the financing of innovative SMEs. They encouraged the EIB and the Secretariat of the UfM to participate actively in such considerations and come up with concrete proposals, with a view, inter alia, to setting convergent financing criteria and definitions of innovation, in order to bolster SME's partnership in the Mediterranean.

In addition, the Ministers called for:

- a review of the "innovation" dimension of the Charter in order to take greater account of issues such as eco-innovation, non-technological innovation, open innovation and innovation in SMEs and a better integration of demand and supply side innovation policies;
- the exploitation of the results achieved within regional cooperation programmes which have either been concluded or are about to be completed: Euromed Innovation and Technology "Medibitkar", EuroMed Market (Intellectual Property), ANIMA and "Invest in Med";
- the exploitation of the opportunities offered by the Enterprise Europe Network to expand technology partnerships across borders;
- the furthering of the exchange of information and good practice regarding the promotion of innovation and technology transfer including by electronic means, through seminars and by involving Mediterranean partner countries in various activities of the Future European Alliance for Creative Industries and the European Platform for collaboration between clusters. It is also important to draw attention to the Seventh Framework Programme for Research and Technological Development (FP7) and opportunities (through INCO-NET MIRA, ERA-NETs, the National Contact Points and Delegations of Member States) to promote research partnerships that are beneficial to SMEs and research organisations in the Euro-Mediterranean region;
- the continuation of the Eumedconnect initiative for network connectivity for research and education between the Mediterranean partners and with those of the European Union.

Ministers also noted with interest the recent statement by the High Level IEMED CEPS Working Group on the financing of micro, small and medium-sized enterprises in the Mediterranean and stressed the crucial importance of financing and the need to achieve progress on this issue.

In addition, they asked about studying the feasibility of creating a Euro-Mediterranean label for innovation projects that would complement the EuroMedtech initiative and that would encourage technology transfer through research and development projects within the Euro-Mediterranean region.

Moreover, the Ministers invited Mediterranean partner countries to consider the opportunity of participating in the Competitiveness and Innovation Programme (CIP) and to cooperate with EUREKA.

Finally, they stressed the need to mobilise the European Neighbourhood Policy programmes and instruments and the activities of the European Investment Bank as fully as possible in support of innovation and technology transfer and commercialisation. They considered it particularly important to use the European Neighbourhood and Partnership Instrument (ENPI) with a view to strengthening skills and competences in the field of research.

They considered it essential to exploit and develop synergies between the programmes and instruments to support innovation and technology transfer consistent with the Mediterranean Business Development Initiative.

5. Promote sustainable enterprise development and energy efficiency.

In line with the decisions taken in Nice, the Ministers agreed to maintain issues of sustainable enterprise development at the heart of the Euro-Mediterranean industrial cooperation.

They renewed their call on all parties concerned, particularly the private sector, to mobilise their resources and know-how in support of the Mediterranean Solar Plan, the strategy for water in the Mediterranean (when adopted) and the fight against pollution in the Mediterranean.

They approved the addition to the Euro-Mediterranean Charter for Enterprise of a dimension on sustainable enterprise development and welcomed the text proposed by Egypt in consultation with the Working Group on Euro- Mediterranean Industrial Cooperation.

They pledged that their countries would:

- contribute to the development of indicators for the monitoring of sustainable enterprise development, fine-tuning the indicators proposed by Egypt in consultation with the Working Group on Euro-Mediterranean industrial cooperation;
- participate in 2011-2012, in a common analysis of ways for encouraging sustainable enterprise development;
- exchange good practice regarding the production of environmentally friendly, energy efficient processes;
- ensure the coordination of the multiple actions undertaken in this area.

They were asked to study the feasibility of creating a prize for eco-innovation to promote business initiatives against pollution.

6. Continue the dialogue on the future of the textiles and clothing.

Acknowledging the results of the actions undertaken within the Euro-Mediterranean Dialogue on textiles and clothing, the Ministers expressed their support for joint efforts by participating countries and the European Commission with a view to enhancing the competitiveness of the textile and clothing sectors in the Euro-Mediterranean region.

They encouraged the further exchange of experience and good practice among national authorities, professional associations, businesses, research centres and the social partners, notably as regards funding opportunities for the textile industry in the Euro -Mediterranean region, e.g. as regards social dialogue, the modernisation of industry, research and innovation.

7. Take action in other sectors.

The Ministers stressed the importance of exchanging information, experience and good practice on policies, actions and projects of the EU and Mediterranean partner countries in the fields of tourism, space and extraction of raw materials and advanced services sectors.

They also expressed support for Euro-Mediterranean networking in these areas, of national authorities, professional associations, businesses, research centres and social partners.

The Ministers believed that successful experience, networks and initiatives conducted by the European Commission in the field of sustainable and cultural tourism with interested EU partners in recent years could benefit the partners in the Southern Mediterranean and they noted that Euro-Mediterranean Ministers for Tourism may consider the possibility of extending these activities to all Euro-Mediterranean countries.

The Ministers also suggested that consideration might be given to promoting business around the extension of the European Geostationary Navigation Overlay System (EGNOS) to Mediterranean partner countries.

8. Closing Statements

The Ministers took note of the work programme (2011-2012) prepared by the European Commission in close consultation with the Working Party on Euro-Mediterranean industrial cooperation entrusted with the preparation of the ministerial conference. They urged all the parties concerned, and in particular the private sector, to contribute to the implementation of the work programme.

The Ministers asked the Working Party to ensure a thorough coordinating and monitoring role for the implementation of the 2011-2012 work programme, to remain attentive to the needs of industry and advanced services, to verify the financial and operational feasibility of additional proposals advanced by some partners, and to fine-tune and update the work programme if necessary.