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The Hashemite
Kingdom of
Jordan

Report of the meeting of the UfM Regional Platform on Industrial Cooperation (RPIC)

13 June 2023 (online format)

The Member States of the Union for the Mediterranean (UfM) met in the framework of the UfM Regional Platform on Industrial Cooperation on 13/06/2023 online. The meeting was co-chaired by Ms Barbara Bonvissuto, Head of Unit responsible for International Value Chains in DG GROW, at the European Commission (EC) and Eng Tamara Jumana, Director responsible for the Directorate of Industrial Development of the Hashemite Kingdom of Jordan (Jordan). The meeting was hosted by the UfM Secretariat represented by Mr Abdelkader El Khissassi, Deputy Secretary-General in charge of Economic Development and Employment of the Union for the Mediterranean Secretariat.

The meeting was structured in two parts: Part 1 looked into the potential for fostering resilient and sustainable value chain integration to support jobs and growth in the UfM region. Part 2 zoomed into existing support for MSME internationalisation in Jordan, the EU and at regional level.

Opening remarks: In their opening remarks, co-chairs highlighted the changing geopolitical context and the joint commitment to a more strategic cooperation between the two shores of the Mediterranean to harness the opportunities of the green and digital transformation. Co-chairs stressed the role played by SMEs and value chain integration to foster growth in the region, as well as the need to tackle existing barriers, including around access to finance and barriers which limit trade and investment in the region.

In part 1, the EC presented its recent [due diligence / corporate sustainability proposal](#), highlighting that it would create a horizontal due diligence duty (across all sectors), with special consideration paid to SMEs. The EC explained the EU's strong commitment to support sustainable value chain integration in the region, in line with the EU's new agenda to the Mediterranean, and to create opportunities for industrial cooperation. The EC further outlined key programmes it is supporting in this regard, including with the financial sector under EFSD+. The [EIB](#) and the [EBRD](#) presented two EU-supported **trade and competitiveness programmes** in the region (targeting Egypt, Jordan, Tunisia and Morocco) which primarily focus on improving SMEs' access to finance as part of a value chain, by enabling banks to take on more risk and reach out to SMEs operating in targeted sectors. They also highlighted how they incorporate due diligence elements and incorporate new tools, such as green value chain financing. During the interactive discussion, it was highlighted that these regional programmes (which were designed in 2015/2016 and are therefore adjusting to the new post-COVID-19 reality) are conceptualised as pilots where novel schemes and methodologies can be trialled before being further integrated in bilateral programming. In terms of sectors that are targeted, the focus has been to find sub-sectors where SMEs are well represented, as well as export-oriented sectors.



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In part 2, Jordan presented its policy frameworks to support SME internationalisation, focusing on: access to finance; business environment; market access and trade and trade related policies. The EC presented the EU's existing networks that support European SMEs with international ambitions. The [Europe Enterprise Network](#) (EEN) is the world's largest support network for innovative SMEs which is present across the EU. Five rounds of applications for International Network Partners from non-EU countries (INPs) have taken place, with membership growing all the time. Successful INPs are granted access to its networks and advisory services, including matchmaking and a recent survey among INPs finds that they are specifically targeting health, renewable energy, digital and agrifood. Clusters (and the [ECCP platform](#)) have a key role to play as facilitators for SME internationalisation, and can act as intermediaries to help SMEs identify new cooperation partners, as well as provide information and training. EC informed of recent EU-South Med matchmaking event in Morocco on 30/05 and 01/06/2023 which was the 1st edition of the largest, all-inclusive tech event in Africa with 25,000 participants. ANIMA Network presented the [Euromed Clusters Forward programme](#) supported by the EU explaining the role clusters collaboration can foster further integration of value chains across the Southern Mediterranean region (by facilitating more innovation and uptake of new technologies and processes, as well as providing zones for experimental regulations). The project specifically plays a key role in strengthening clusters capacity and regional cooperation by providing capacity building and the sharing of peer-to-peer expertise amongst clusters from the South Med region and European clusters. It has also generated important insight into the competitive advantages of clusters in the South Med region that make them attractive partners for European Clusters. In particular, it has identified key industrial ecosystems where South Med supplies to EU companies could substitute Asian supplies (essential oils, perfumery; soap, waxes, dental waxes; machinery and mechanical appliances; electrical machinery and equipment; vehicles, other than railway rolling stock; aircraft; furniture, stuffed furnishings, lamps and lighting fittings). The next steps of this project (notably the in-depth technical assistance for seven clusters that will kick-off in 2024) will target these clusters in these sectors specifically, with the aim of enhancing SME integration in these value chains in both Europe and the South Med.

Finally, as information points, the EC updated members of the UfM RPIC on the state of play of the preparations for the 12th UfM Trade Ministerial (which will take place on 18-19/10/2023 in Valencia) and on the main deliverables expected to be included in the accompanying declaration). The UfM Secretariat (Economic Development and Employment section) provided information on its main upcoming activities in 2023 (High-Level Conference on food industry for food security; technical workshops on digital transition; UfM Grant Scheme for the promotion of inclusive digital trade; and a study trip to the Swedish entrepreneurial ecosystem). It further shared draft ideas for its work programme in 2024, which will include activities on sustainable investment; technical assistance on food supply chains and digitalisation; meetings of Central Bank Representatives; trainings on green entrepreneurship and activities on the creative economy.