



Outcome document

Fifth UfM Trade and Investment Forum

Jobs through Trade and Investment: Boosting Employment in the Southern Mediterranean

4 December 2023 - Brussels, Belgium

Trade and investment flows in the Euro-Mediterranean region have been way below their desired levels, exposing its countries to economic volatilities and geopolitical risks that often fall beyond their control. At the same time, the global supply chain disruptions of the past years have also created an opportunity to strengthen the value chains and partnerships between the Northern, Southern and Eastern shores of the Mediterranean.

Acting upon the mandate of its Member States, and building on the work done by the UfM Regional Platform on Trade and Investment, the Secretariat of the Union for the Mediterranean (UfM), with the support of the German Development Cooperation, held the 5th UfM Trade and Investment Forum in Brussels, Belgium, on 4 December 2023.

This year's edition brought together over 140 participants, comprising a broad spectrum of high-level speakers, partners and stakeholders from different sectors of the Euro-Mediterranean region. The Forum discussed the current regional economic dynamics by focusing on three themes, namely (1) leveraging the job potential of trade and investment, (2) inclusive entrepreneurship with a focus on youth and women, and (3) approaches to bridging the gap between the supply and demand of skills in the region. A recording of the forum is available [here](#).

These three themes constitute the thematic pillars of the Team Europe Initiative (TEI) “Jobs through Trade and Investment in the Southern Neighbourhood”, which was presented during a dedicated session at the Forum. The TEI which puts job creation at its core is implemented jointly by the European Commission, France, Germany, Italy, Spain and Sweden, as well as by the EBRD and EIB. The initiative is a unique endeavor to respond to regional challenges in a coordinated way, bringing together over 90 projects with a diverse set of stakeholders, technical expertise, and a budget of over 2.8 billion EUR across the various modalities of European support. The initiative has already led to several new joint projects, including on Social Enterprises and on Digital Trade. In 2024, the TEI will continue to align the programming pipelines across all its members while building on the ongoing dialogue with all partners from governments, private sector, and civil society.

During his keynote address, the European Executive Vice President for an Economy that Works for People/the European Commissioner for Trade, H.E. Valdis Dombrovskis, whilst highlighting that the EU remains fully committed to enhancing the constructive and positive relationships it enjoys with its neighbours in the South and East, touched on the common challenges and the recent disruptions in the region, stressing the need to leverage trade as a tool to alleviate poverty, to avoid protectionism, to establish resilient regional value chains, to close the skills gap, to create good jobs, to address the pressing issue of food and energy security, to provide stability for investors and businesses, as well as to invest in the green and just transition in order to reach the goals agreed in the Paris Agreement. He highlighted the regional Team



Europe Initiative as one that embraces an economy that works for all people and called for a closer economic integration in the region.

The Forum has yielded the following findings and recommendations:

- ✓ We need to unite economic development, trade and justice as prerequisites for stability and peace in the region. Job creation and inclusiveness should be the overarching goal to ensure an economy that works for people.
- ✓ There are concerns about the insufficient level of implementation and enforcement of the current trade agreements in the region due to mounting protectionism, and the subsequent economic costs.
- ✓ There is a need to harmonize trade policies and upgrade existing agreements to tune them in to services and investment in order to ensure transparency and fair treatment across the region.
- ✓ Times of crises can also be an opportunity to transition from vertical development cooperation (donor - aid receiver) to more horizontal and mutually beneficial cooperation at eye-level (as partners). We need a paradigm shift from aid to partnerships and from efficiency to resilience, while leaving no one behind.
- ✓ The TEI plays a crucial role to pool resources and expertise, to provide capacity to promote social stability and economic growth, to focus on young people and women, and to engage the Private Sector. Dialogue formats like the UfM Trade and Investment Fora help to align the joint European support under the TEI with the most pressing dynamics in the region.
- ✓ The region is facing many simultaneous challenges, including an accelerating climate emergency to which the Mediterranean region is particularly vulnerable. EU regulations, such as the Due Diligence Directive, the Carbon Border Adjustment Mechanism (CBAM), or the Deforestation Regulation help to mitigate climate risks. At the same time, they create challenges for producers and exporters in the region. There is hence a need to boost the ability of the Southern Mediterranean countries to comply with the new EU regulations with respect to decarbonization and to allow businesses to make full use of existing trade arrangements.
- ✓ There is a huge potential represented by Africa to attract FDIs that can scale up the green and digital transitions. However, there is a need for proper funding, transfer of knowledge and awareness-raising among stakeholders in the Southern Mediterranean.
- ✓ The Southern Mediterranean offers many entrepreneurial skills that include innovation, flexibility, risk-taking, digital skills and resilience. At the same time, there are persisting economic, social and cultural impediments to women's entrepreneurship in the Southern Mediterranean, even though Arab women have a high percentage of Science, Technology, Engineering, Mathematics (STEM) education. There is a specificity to the entrepreneurial landscape in the UfM region that calls for efficient mechanisms to de-risk investments and to provide access to finance.



- ✓ Importantly, there is a need for dialogue to ensure complementarities instead of competition. In parallel, inter-ministerial collaboration is required to ensure that governments are aligned in their approaches to tackling the skills gap. At the local level, there needs to be an “upskilling by design” and a “one-stop-shop” for entrepreneurs.
- ✓ Facilitating the transition from education to the labour market should be achieved through a multi-stakeholder approach that engages academia and the private sector in light of the persisting skill mismatch in the region and the alarming levels of digital, green and social skill gaps between and within both shores of the UfM region. TVET remains underutilized in the region, despite its potential for creating decent and sustainable jobs.
- ✓ Participants emphasized the importance for the UfM to serve as a regional “Think Tank”, which enables public and private stakeholders to exchange political and economic priorities, knowledge, and best practices for tackling the shared challenges in the region.



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The live scribing of the Forum yielded the following charts that provide a visual narrative of some of the main ideas brought into the discussion:

