

SETTING THE NEW AGENDA FOR THE MEDITERRANEAN IN MOTION.

Shaping Post-COVID-19 Euromed Relations

15 April 2021

The following report offers an insight into the discussions and outcomes of the 2021 EuroMeSCo Annual Conference. The online event was attended by about 400 participants.

Report



Welcome Remarks

Senén Florensa

President of the Executive Committee of the
European Institute of the Mediterranean (IEMed),
President of the General Assembly of EuroMeSCo

Mr. Florensa introduced the EuroMeSCo 2021 Annual Conference and welcomed the speakers and the participants. Referring to the specific circumstances of the pandemic, which did not enable to hold such an event in person, he stressed that this situation has been turned into an opportunity as the online format made it possible to involve a broader audience with more than 400 registered participants. In line with the objective of the EuroMeSCo network to contribute to evidence-based policy-making, this Annual Conference was organised with the idea to provide an inclusive and operational contribution to the debate on the implementation of the New Agenda for the Mediterranean, a couple of months after the release of the EU Joint Communication on a renewed partnership with the southern neighbourhood. He also highlighted the symbolic momentum, as the 25th anniversary of the Barcelona declaration had been celebrated at the end of last year, and conveyed a sense of urgency, as the pandemic had added a new series of challenges, urging to rethink some parameters of the Euro-Mediterranean cooperation.



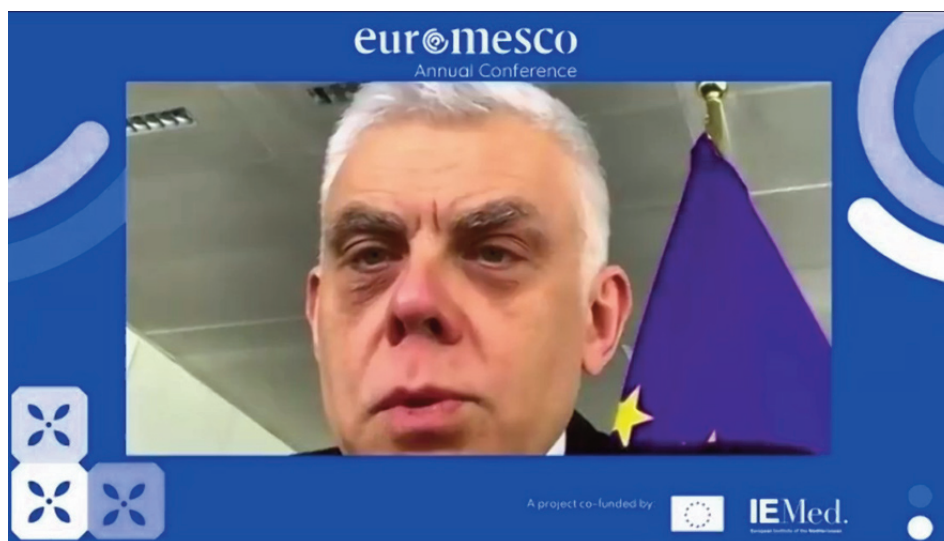
Senén Florensa (IEMed).

Keynote Speech

Maciej Popowski

Acting Director-General, Directorate General
Neighbourhood and Enlargement Negotiations (DG NEAR),
European Commission

Mr. Popowski welcomed the significant contribution of EuroMeSCo to the reflections leading to the new agenda for the Mediterranean. He started by recalling the strategic importance of the Southern Neighbourhood for the European Union (EU), with shared resources and challenges across both shores. The Joint Communication was released about five years after the latest review of the European Neighbourhood Policy (ENP) and 10 years after the Arab uprisings. The outbreak of the pandemic in 2020, although tremendously challenging, taught some important lessons such as the manifest interdependence between both shores, the subsequent need for joint responses, and the possibility to turn common challenges into opportunities. Based on this, he explained the rationale of the new Agenda, with the youth at its heart and a budget of up to €7 billion for its implementation for the period 2021-2027 under the new Neighbourhood, Development and International Cooperation Instrument (NDICI), aiming to leverage public and private investment of up to €30 billion for the southern neighbourhood.



Maciej Popowski (DG NEAR).

The EU aimed to reshape its approach, making it more people-centred and focused on the most vulnerable fringes of the population. On this matter, he made direct reference to the results of the 11th Euromed Survey which recalls the EU's added value in the region, compared to other international actors, for its contribution to sustainable and inclusive economy.

Mr. Popowski then moved on to expose the five pillars of the new Agenda:

- The commitment to good governance, human rights, the rule of law and equal access to basic social services – with COVAX deliveries having already reached Jordan and Palestine and the digital transitions aimed to foster user-oriented institutions;

- A holistic strategy for economic development, dedicated to foster resilient, inclusive, sustainable and connected economies with:
 - an emphasis on reforms to conduce to a positive business and investment environment, job creation (especially in the green and blue economies), the inclusion of women in the labour markets, as well as new financing pathways for Small and Medium Enterprises (SMEs);
 - a modernisation of trade and investment relations, based on the lessons learnt from the risks of overdependence and long value chains highlighted by the pandemic and the previous 2008 financial crisis, and relying on increased connectivity between both shores;
 - a strong digitalisation strategy, with appropriate infrastructures and skills to support it, with protection of users' rights and facilitation of business online;
- Comprehensive, tailor-made and balanced migration partnerships, taking into account EU and partners' particular needs and concerns, through the New Pact on Migration and Asylum;
- A strong effort towards the green transition proposed by the European Green Deal, with a commitment to make the Paris Agreement work, through investment in low-carbon infrastructure and energy solutions while creating new jobs;
- Peace and security should also be the basis for the strengthening of the region's resilience, as peace is conceived as an essential pre-condition to prosperity. In this area, the EU reaffirms its commitment to rules-based multilateralism with the United Nations at its core. As current threats affect both sides of the Mediterranean, the EU envisions to address these jointly with southern Mediterranean partner countries.

Mr. Popowski also stressed that the EU should further communicate on its commitment and efforts. In this regard, he made direct reference to the Euromed Survey results which highlighted a need for more awareness-raising and communication from the part of the EU when cooperating with southern Mediterranean partners.

The panels were moderated by Koert Debeuf, Editor in Chief of EU Observer.

PANEL 1

Green Transition: Climate Change Resilience, Energy and Environment

Marc Antoine Eyl-Mazzega

Director, Center for Energy, IFRI – French Institute of International Relations

Tayeb Amegroud

Senior Fellow, PCNS – Policy Center for the New South

Majd Al-Naber

Team Leader and Senior Researcher, WANA – West Asia-North Africa Institute

This panel tackled issues such as climate warming and CO₂ emissions in the Mediterranean, the role of private sector in supporting financially green transition initiatives, as well as economic and social costs of climate change for societies at large and local communities in particular.

Given the climate situation in the Mediterranean region, there is a need to pool forces to protect the common space and to avoid establishing a carbon wall between the EU and its southern neighbours. The situation in the Mediterranean regarding warming and its impact is worsening. For instance the average of temperature increase is up to 1.5 degrees around the Mediterranean, much superior to the world average and thus worsening the issue of water scarcity in the region. The 300 million people around the Mediterranean emit 1.2 Gt of CO₂ per year and these emissions can be reduced at a rather low cost in many places around the Mediterranean.

The remaining fossil fuel subsidies in the southern Mediterranean must be further addressed (although progress has already been made in Egypt and Morocco in particular) in order to redirect these subsidies to renewable energy sources. The energy policies in the region are overly supply-side driven and should be more demand-side driven. In this regard, energy consumption should be reduced and governments should promote energy sobriety. The electricity emergency can be addressed through solar and wind energy production rather than through coal. In this sense, the recommendation is to prioritise solar and wind energy production over coal-based projects in the region as these are more competitive and largely available. The deployment of such

technology needs the integration of the electricity markets with the southern Mediterranean neighbours to avoid silos and subsequent waste of opportunities. Advancing the model of sustainable cities requires more efforts and political will, through reforms in public transports, cooling systems and construction, twinning the digital transition with the green transition around the Mediterranean. A special mention to the European Bank for Reconstruction and Development (EBRD) was made which has expertise and knowledge on how to support the deployment of such low-carbon technologies and bring solutions.

In this context, supporting sustainable investments is particularly important. However, public investments cannot finance on their own the adaptation of energy systems. The role of the private sector is key. A recent study on investment in Morocco found that over the last ten years, over 70% of investments in climate-tagged initiatives or projects have been conducted by the government and the contribution of the local private finance sector has been less than 20%.

Enabling conditions for an increase of the participation of the private sector in green transition initiatives, especially through blended finance, guarantee mechanisms, is key for the climate adaptation. This adaptation is not getting enough attention, especially with regards to financing. The EU should therefore encourage innovative financial solutions in order to attract financial resources in the southern Mediterranean countries. The ramifications of climate change are many for the EU and its neighbours, including climate-related natural disasters, drought, and as a consequence migration.

As for the economic and social impact of climate change-related events, societies at large and local communities are the most vulnerable due to their low adaptative capacities. Some have lost their houses, jobs and sources of income, some have had to migrate (internally or externally) to less affected areas. Improving the resilience of local communities facing climate change requires further efforts. As the EU's southern partner countries are lesser carbon emitters compared to industrial countries, more focus should be put on boosting their adaptation capacity rather than on their capacities to mitigate climate change.

There is an urgent need to put climate change at the top of national governmental priorities. Such priorities should be defined at all levels, including particularly the subnational level, and based on local needs and communities inclusion (through surveys, round-table meetings and policy dialogues). Lack

of knowledge and awareness on themes related to climate change in these communities should also be addressed. As a start, climate change should be mainstreamed in school curricula.

The EU could also help mainstreaming the importance of the green transition by supporting local stakeholders through financial support, field training in alignment to local priorities and national ones. Also these efforts can be supported by civil society organisations which have gained influence and capacities as agents of change, along with the involvement of the private sector.

A question on the concrete obstacles in the development of a structure to produce and distribute hydrogen was put on the table by a participant. Southern Mediterranean countries but also European Mediterranean countries such as Spain and Portugal have cheap electricity from solar and from wind and can offer a good load



Koert Debeuf (EU Observer), Marc Antoine Eyl-Mazzega (IFRI), Tayeb Amegroud (PCNS), Majd Al-Naber (WANA).

factor for electrolyzers. Thus, in principle, the conjunction of these two factors reduces the production cost of green hydrogen. However, a number of challenges were mentioned. One is the need for purified water in large volumes, which is not so easy to obtain in a sustainable manner. Another obstacle is the instability, governance and rule of law situation in some countries that make investments more

risky and costly. Finally, the last obstacle identified relates to the transportation of produced hydrogen to Europe and other markets given that LNG facilities come with huge financial and technical costs. Hence, hydrogen can be produced in the Mediterranean although it may not be most competitive on the export markets and should first be reserved to consumption at home.

PANEL 2

Strengthening Resilience, Building Prosperity and Seizing the Digital Transition

Katarzyna Sidlo

Director of the Middle East and North Africa
Department, CASE – Center for Social and
Economic Research

Amel Saidane

President, TunisianStartups, Co-founder, BetaCube

Farah Al Shami

Research Fellow, ARI – Arab Reform Initiative

The pillar of the Joint Communication on strengthening resilience, building prosperity and seizing the digital transition addresses important issues linked to sustainable development. Despite its dramatic consequences, the ongoing COVID-19 pandemic also revealed a number of opportunities, including the speeding up of digitisation processes in both the public and private sectors in the region. The Joint Communication's emphasis on digital transition aims at exploiting this momentum. Improving the business climate will be pivotal in this regard. Overall, the goals listed under the second pillar of the Joint Communication are ambitious, but not completely unrealistic as long as both sides really commit to achieve them as part of their partnership.

The discussion touched upon the Tunisian case. The pandemic has made it more urgent to digitalize economic and governance models in Tunisia. Obsolete legal frameworks have complicated this transition and incremental change has not been sufficient. In general terms, small and medium-sized enterprises (SMEs) which play a major role in the economies of many Southern Mediterranean countries, lack leadership and capabilities to implement the digital transformation. Thus, the EU should join forces in building proper policies and approaches which would speed up digital transition in the Southern Neighbourhood.

Turning to trade, two main ideas were highlighted. First, global value chains need to be restructured – especially as a result of COVID-19 – and this objective should not be connected with Deep and Comprehensive Free Trade Agreements (DCFTAs) and their conditionality packages, since these

packages are making countries from the Global South lose their competitive advantage in front of their counterparts. Second, investments where equality of opportunities and outcomes prevail is one of the key solutions for preventing brain drain and other drop out phenomena among youth and women who should be seen as important economic capital. Developing a more balanced trade relationship is vital for the overall strength of the relationship between the EU and its Southern Mediterranean partner countries.

The role of women and youth in economic and digital transition was another transversal theme that came up during the discussion. Data shows that a new approach is direly needed for women's economic empowerment, as female economic participation rates in the MENA region are still among the lowest in the world, and it is mostly women who were forced out of the work force as a spillover effect of the pandemic. Furthermore, in many countries women are under-represented or not associated at all in the policy task-forces working on Post-COVID-19 economic and digital transitions.

It was argued that while the mainstreaming of youth in national policies remains insufficient, mechanisms for youth participation and engagement in decision-making processes related to the new agenda for the Mediterranean had not been established. While mainstreaming youth policies, the youth should not be perceived as actors of the future or as agents of change, but as economic agents of today. This begins by trying to understand their own definition of a legitimate space of success and reforms, to be able to respond to their



Emmanuel Cohen-Hadria (IEMed), Katarzyna Sidlo (CASE), Amel Saidane (TunisianStartups and BetaCube), Farah Al Shami (ARI).

needs and to make socially sensitive policies that are adapted for youth and women equally.

The last section of the discussion focused on the importance of promoting socio-economic resilience, around which digital transition efforts are structured in the Joint Communication. Addressing the informality of the labour market is key. Youth and women are not only two of the most vulnerable and marginalised social groups in the region, but also two of the most exposed groups to informal employment. According to the ILO, the percentage of informally employed workers can be as high as 70% and 80 % for women and youth respectively. Thus, these social segments are in dire need of full access to social services and to economic opportunities. While flexible labour markets in the informal sector can generate more jobs for youth and women – which means less barriers to entry and less tax liabilities – the EU should further advocate for the importance of providing them with

decent work conditions, which include minimum wage, social insurance coverage, and other basic benefits, through the development of a legal framework that is specific to informal labour. More particularly, digital economy is a key entry point for job creation for youth and women in the informal sector, especially as the global pandemic disrupts economies. However, there are important challenges that arise from this work modality in particular and the level of informality that it entails. Hence, the legal framework should include digital work and components that organise e-taxation and e-commerce, among other features, in a way that simultaneously ensures justice for all and prevents any macro-economic repercussions. To this end, while attempting to promote economic diversity, integration and inclusiveness, more focus should be given to matching macro-economic policies oriented towards job creation, with the conditions imposed by the labour demand side of the labour market.

PANEL 3

Migration and Mobility

Paolo Magri

Executive Vice President, Italian Institute for
International Political Studies – ISPI

Sara Benjelloun

Migrations Research Associate, PACTE Social
Science Research Center, Université Grenoble
Alpes, Sciences Po Grenoble and the French
National Centre for Scientific Research

Jan Schneider

Head of Research Unit, Expert Council on
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To some extent, the economic consequences of the pandemic have diverted the attention of the policy community away from migration issues. Domestic challenges resulting from this crisis have indeed led towards inward looking policies. More generally, and independently from the crisis, European governments have repeatedly failed to develop common ground policies not exclusively focused on deterrence. Although all 27 EU member states agree that irregular migration and smuggling is important, they have not yet managed to organise internal solidarity mechanisms to deal with irregular migrants who continue to arrive. The failure of relocation programmes illustrates this point. More structurally, there appears to be a lack of consensus on the importance of migration. This has been illustrated by countries arguing that irregular arrivals are now low and therefore receiving countries do not need much support. This is based on the fact that from 2015 to 2020 the number of irregular arrivals dropped by 90%. However there are still situations to be tackled. Turkey continues to threaten to flood the EU with thousands of migrants, and the case of Italy, closing the ports to NGO rescue ships, shows that this drop in the numbers has made some governments have complacent attitudes. Complacency is a mindset that should be avoided. In this sense, it was argued that solutions are urgently needed and migration has to go back to the Euro-Mediterranean cooperation and diplomatic agenda.

The fact that Mediterranean migrations are here to stay can be seen in the increase of irregular arrivals last year both through Italy and Spain, even at times when borders were closed. The short-term impact of

the pandemic might have forced some potential migrants to stay home, but the economic impact of the pandemic has made things worse and will probably incentivise future migrations.

With regard to regional cooperation, irregular migration is politically destabilising as it tenses public opinions and hardens the focus on other urgent matters of cooperation. Ultimately, EU governments are tempted to resort to migration conditionality and threaten to cut aid and cooperation if migration is not curved.

The concepts of South-South cooperation and triangular cooperation on migration were discussed. The former refers to development cooperation and exchange of knowledge and skills between developing countries of the global south, while the latter refers to a type of international partnership that involves three parties corresponding to the North and South-South scheme. The two types of cooperation involve an exchange that can take the form of a transfer of skills, technology or technical assistance and is financed in part by donors from the North, which might be a country, a group of countries or a multilateral organisation. The adoption of South-South cooperation and triangular cooperation is recommended in the New Agenda for the Mediterranean to further explore cooperation in the field of migration and mobility in order to ensure a safe and regular migration.

It was stated that there are good practices in migration management in several Southern neighbourhood countries and that these countries often share common interests and approaches. The argument was made that global South actors have

generally a more comprehensive approach to challenges that Europe might not necessarily share. In this sense, the EU is recommended to further encourage, finance and support this form of cooperation in partnership with international, regional and sub-regional organisations and frameworks, such as the African Union and the processes of Rabat and Khartoum.

As for sustainable migrations and development outcomes, long-term approaches are necessary to promote legal and safe channels for migration and mobility and to address together the challenges of forced displacement and irregular migration. The aim is to address the root causes of irregular migration while creating the conditions for legal migration and well-managed mobility. To this purpose, the New Agenda for the Mediterranean suggests the adoption of an approach centered around comprehensive, tailor-made, balanced and mutually beneficial partnerships in order to make them really effective.

The New Agenda for the Mediterranean also mentions the principle of co-ownership, which must be translated into action by moving away from a Eurocentric and security logic. It was stressed that the interests and concerns of Southern Mediterranean countries should be taken into account at the same level as European concerns in order to achieve truly mutually beneficial partnerships and to transform migration issues from challenges to opportunities.

The discussion then turned to the issue of legal pathways. Even though it might be easy to think that conceptualising new legal pathways for migration to EU countries could be anachronistic in the current context of hampered mobility and economic hardship, it is also true that that irregular migration to Europe is expected to surge due to the economic turmoil that many countries will slide into because of the pandemic and the economic crises. Europe's main concern will continue to focus on confronting migrant boat arrivals and



Koert Debeuf (EU Observer), Paolo Magri (ISPI), Sara Benjelloun (PACTE), Jan Schneider (SVR).

on cracking down the phenomenon of smuggling. In this scenario, it was argued that conceptualising and investing in new legal pathways for migration to Europe in this historical moment is necessary to benefit from it in the medium and long run and achieve a triple win in three to five years from now. Two main options to follow from an EU and Member States' perspective were proposed:

- Make an inventory and make steps to better seize the potential of the already existing legal migration pathways within national policies, and make them accessible and attractive for Southern neighbourhood countries. This is true for Germany, where there is a lack of accessibility either because of the lack of pre-departure means for language learning or because German SMEs have no means to recruit abroad and match their vacancies to potential candidates in Southern neighbourhood countries. This could be amended introducing some facilitating measures.
- Establishing brand new schemes by partnering up between selected countries. In this regard, ideas, moderation, facilitation and budgeting are expected from the European Commission, as outlined in the New Agenda for the Mediterranean, where the Migration and Mobility pillar is very much congruent with the content of the Commission's new Pact on migration and asylum. However, it was argued that the Agenda still presents a deficiency with regard to concrete suggestions and concepts. The European Commission is planning to launch concepts for Talent Partnerships very soon. At the same time, EU member states should conceptualise legal migration at dif-

ferent skill levels including medium skilled mobility and migration for vocational education and training (VET).

Three factors can make these upcoming initiatives sustainable and promising:

- Make the partnership projects a business case from the very beginning, get employers and enterprises into the game, secure a sustainable support of those employers, but also from civil society and trade unions. The EU should take the current and projected labour and skills needs of the European economy as a point of departure and as the first criteria for engaging with third countries. At the same time, it is necessary to look at the interests of Southern neighbourhood countries. The EU should also adopt a sector-specific approach, focusing on resilient and sustainable sectors such as green energy, digital services, health and nursing, construction, engineering and tourism. It is also fundamental to take due account of demographics, labour market structures and educational training systems of countries of origin, in order to mitigate brain drain and eventually find and enable skills transfers back to those countries.
- Expand the focus on recruiting skilled workers for the European economies to training young talent to work in the EU and for skills and talent transfers back to the countries of origin. This perspective is still underexplored and will probably require the involvement of education and training systems and associate public and private stakeholders in developing those Talent Partnerships both in European states and abroad. This could result, for instance, in recruiting young

people not yet skilled or even out of the school, within range of 18-25 years old, who could receive vocational training and on the job training and making them either home-grown skilled workers in the European economies with the perspective of full integration, or returning experts.

- Scale up and Europeanise promising schemes and practices, which means going beyond the pilot phase, including more than just one or two countries and identifying sectors beyond the ICT, which is now the main focus of partnerships and pilot projects, such as agriculture, horticulture, construction, hospitality and tourism services. Finally, developing talent pool approaches across borders could be another option to get them in line with Southern neighbourhood countries

It was recalled that the idea of simply replacing irregular migration by regular migration is still very prominent although some progress in moving away from it has been made. Functioning legal migration channels need to be conceptualised as an end in itself, primarily for demographic and labour market reasons but also for enhancing sustainable development, as the New Agenda for the Mediterranean recommends.

During the debate, it was asked if the cooperation with authoritarian regimes is a sustainable and long-term solution to solve migration challenges as it could empower authoritarian governments, and eventually increase irregular migration. It was answered that embarking with these regimes is not a sustainable solution, yet there is no alternative. Another question was raised on how to ensure that Talent Partnerships do not further foster brain drain in the Southern neighbourhood countries. It was answered that this has happened in the past, with programmes taking away qualified skilled personnel that could have been very useful in the countries of origin. To avoid this, the EU should really apply the UN principles on the issue. On the other hand, EU member states should identify partner countries where there is an overflow of young people without a proper skills education in any certain sector or area already, and try to recruit for training for the needed professions within Europe and then see if these professions could also meet demands in the Southern neighbourhood countries. As the New Agenda for the Mediterranean highlights, this requires a tailor-made approach and taking really into account the interests of partner countries.

PANEL 4

Human Development, Good Governance and the Rule of Law

Gamal Soltan

Senior Research Fellow, ACPSS – Al-Ahram Center for Political and Strategic Studies

Arkan El-Seblani

Head of the Regional Team on Anti-corruption and Integrity in the Arab countries, UNDP

Markus Loewe

Senior Researcher in the Transformation of Economic and Social Systems Programme, DIE – German Development Institute



Koert Debeuf (EU Observer), Gamal Soltan (ACPSS), Arkan El-Seblani (UNDP), Markus Loewe (DIE).

The pillar of the Joint Communication on Human Development, Good Governance and the Rule of Law covers issues such as human rights, the rule of law, governance and accountability, which have always been enduring and difficult to tackle. As the range of issues covered is very broad, it is important to prioritise and focus on concrete policies and programmes of action rather than on declaratory positions. The argument was made that prioritising and allocating more resources to education would have spill-over effects and ultimately help achieve other aspects mentioned in this part of the Joint Communication. Education is indeed key in order to make progress in terms of human development, good governance and the rule of law.

The debate first turned to the issue of corruption in the Southern neighbourhood. Anti-corruption has long been a tabu issue both in the Mediterranean region and at the global level. The New Agenda for the

Mediterranean should consider the fight against corruption as a priority. Approaches and programmes to tackle corruption have always been generic by promoting effectiveness and efficiency in governance and they always end up facing clientelist networks which prevent them from achieving the needed results. Recently, the international community and the United Nations have increasingly recognised the need to emphasize anti-corruption programming and support, as stated in the UN Convention against Corruption (2005) and the Agenda 2030 (2015). Comparative experience can help understand the important areas to be considered for intervention. In the Southern neighbourhood, the 2011 uprisings and the advent of the UN convention allowed countries to acknowledge the problem of corruption and to start creating frameworks to address it through anti-corruption agencies and ad-hoc laws. At first, the effort ended up being of declaratory nature, but

the momentum created allowed to open spaces to introduce concrete responses. International indicators and public opinion agree on the fact that the level of corruption in the Southern neighbourhood continues to be relatively high compared to other regions in the world. In some countries, the problem is systemic and is linked to the political system, economic model and weaknesses of formal and informal institutions, therefore it needs systemic responses.

Corruption has not only financial costs, but also indirect costs, such as the erosion of trust in public institutions and the erosion of the capacity of the institutions to implement the law equitably and effectively. Corruption should never be considered as an abstract phenomenon and can be tackled by breaking it down into concrete problems to be addressed through specific and achievable measures and by seizing specific opportunities when they arise, such as political change, economic pressure or social movements.

In relation with a question on whether the anti-corruption and good governance approach was an alternative to the democratic reforms approach and if this meant that there was a shift in ENP approach in the Mediterranean and Southern neighbourhood countries, the point was made that these two approaches were not at all mutually exclusive. Corruption and democracy are indeed undoubtedly linked, but unfortunately democratic reforms have always been undermined by clientelistic networks. The idea of promoting democracy by simply investing in elections has not shown to be necessarily a recipe for success. This intervention concluded by suggesting to promote a

complementary approach looking at how the two types of approaches can complement each other.

The second issue raised in the panel was the issue of social protection systems that also features prominently in the Joint Communication. The case for supporting the upgrade of social protection systems in the Southern Neighbourhood was made, as proposed in a flagship initiative accompanying the Joint Communication. Whilst MENA countries spend a high share of their GDP in social protection, the spending is mainly on subsidies and social insurance rather than public health and social transfers, which are the most important instruments to target low-income groups. This means that the spending is socially unfair as it benefits better-off much more than the poor.

Social protection schemes in the Southern neighbourhood, therefore, are not effective: the effects on reduction of poverty and inequality, indeed, are marginal. This came as a consequence of the changes in social policy which occurred after the 1960s: while in 1950s and 1960s MENA government built up big social protection systems providing to all population groups, later on spending became more strategical and targeted mainly those population groups who were more important for regime survival (the army, bureaucrats, bourgeoisie) than the poor. Although MENA countries increased their social assistance spending during the pandemic, it has not been enough as many people have lost their jobs and a big share of their income, especially those working in the informal economy. Social protection should target much more low-income workers

in the informal economy rather than strategical social groups for regime survival. In the long run, proper reforms in social policy are crucial for social cohesion and political stability, and this is in the interest of all the actors involved, such as MENA governments. MENA governments should be provided with all kinds of support and incentives that they might need for reform implementation, including public finance reforms, which would allow them to reallocate budgets allocations.

Closing Words

Henrike Trautmann

Acting Director in Neighbourhood South at the
Directorate-General for Neighbourhood and
Enlargement Negotiations, (DG NEAR B2), European
Commission

Josep Ferré

Director-General of the European Institute of the
Mediterranean – IEMed

Henrike Trautmann gave further insights into the main aspects of the Joint Communication, and related to some of the points made by the speakers. On **Green Transition: Climate Change Resilience, Energy and Environment**, Ms. Trautmann underlined that the EU will make use of the new financial instruments to get the funding for the ideas that are coming out of the region. Among them, Ms. Trautmann mentioned a recently-launched initiative bringing together several municipalities in the Southern neighbourhood with some of the major climate financing available on a global level. The initiative aims at making the municipalities able to work not only at the national level but also at a regional level to implement their projects, as well as at strengthening the connection between cities, banks and climate funds. Ms. Trautmann also mentioned the importance to strengthen the inclusion of civil society and local communities in the green transition.

Regarding the pillar on **Strengthen Resilience, Build Prosperity and Seize the Digital Transition**, Ms. Trautmann recognised that the Digital transformation has become a new priority for the EU and its cooperation with the Southern neighbourhood, especially in the context of the pandemic. The EU approach will be to support digital transformation at country level and mainstream it across different areas, for instance by supporting digitalisation as part of the SMEs support or more generally when working with the private sector. Ms. Trautmann also recognised that inclusiveness, job creation and empowerment of women and youth are key aspects to be strengthened in the future.



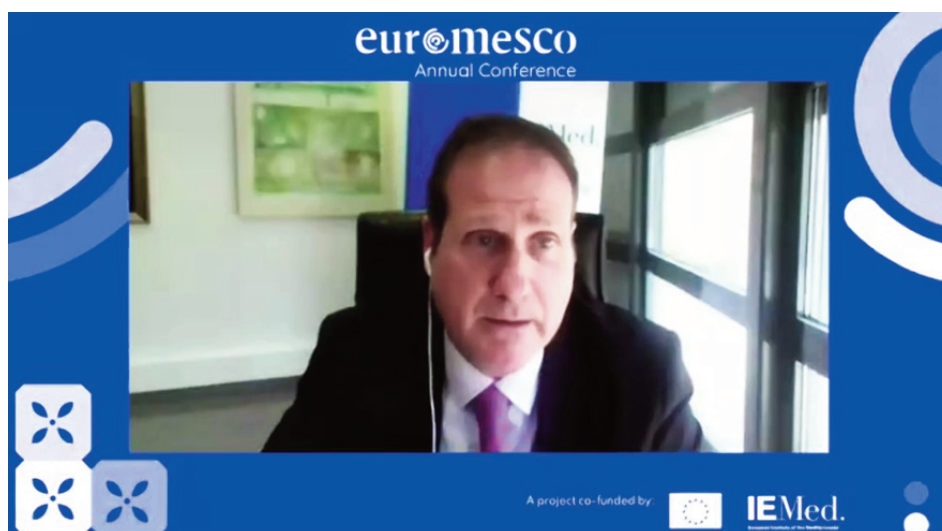
Henrike Trautmann (DG NEAR).

Concerning the pillar on **Migration and Mobility**, Ms. Trautmann argued that the economic situation and migration are undoubtedly interrelated in the Southern neighbourhood. Therefore, the Economic and Investment plan has a specific focus on addressing the root causes of irregular migration and on boosting inclusive growth and job creation. The EU will also enhance border monitoring capacity and improve the efficiency of return and reintegration operations to make sure that return is accompanied by a reintegration package.

The European Commission is in the process of designing a new regional multi-country program on migration for the Southern neighbourhood to continue the work done under the North African window of the Trust Fund for Africa which is coming to an end at the end of the year. Even though there are different perspectives on the issue, the overall EU view is that the region needs young well-educated people, who should not be pushed to leave the region but be able to start a life in their own countries.

Concerning the pillar on **Human Development, Good Governance and Rule of Law**, Ms. Trautmann recognised that anti-corruption is becoming more and more important to bring into EU policy dialogue alongside the more classical elements of human rights, rule of law and EU values. In the Economic Investment Plan, there is a dedicated flagship related to human rights and rule of law, but also focused on the need of a more effective administration and accountability mechanisms. It foresees actions to support public administration reform, to fight corruption and to make administration more responsive to the needs of citizens and economic development.

Ms. Trautmann concluded her intervention by informing the audience the European Commission is now in its programming phase and will go through a process involving Member States, the Parliament, the Commission and other stakeholders, including civil society. However, some of the debates around the main issues are still ongoing, also based on the outcome of the stakeholders consultation that IEMed organised in parallel to the development of the Joint Communication. Lastly, Ms. Trautmann expressed her conviction that there is a good basis to really make sure that these policy aspects are being reflected in the programming documents, that the EU is not doing business as usual, that it is listening to what stakeholders are thinking and what the needs of the region are. All of this constitutes a good ground to bring the Mediterranean out of the pandemic and forward into a positive future.



Josep Ferré (IEMed).

Josep Ferré provided some concluding remarks by thanking the audience for the participation. He added that the fact that the Annual Conference saw the participation of about 400 participants meant that EuroMeSCo succeeded in reaching out way beyond the think tank community to engage different communities and stakeholders, including Arabic speaking audiences. This also shows that there is a very keen interest in a renewed partnership between the EU and the Southern neighbourhood. Mr. Ferré stressed the IEMed's and EuroMeSCo's commitment to contribute to the debate on how to enhance the dialogue in the region with the aim to generate a truly and operational debate and mobilise expertise from both the shores of the Mediterranean, including youth and women, to craft new ideas and visions. Last, he mentioned two follow-up activities, namely a call for paper launched on issues touched upon through the Annual Conference, and the organisation of events in some Southern neighbourhood countries to explore more in-depth bilateral dynamics of the New Agenda for the Mediterranean.

