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EU ENGAGEMENT IN THE SOUTHERN NEIGHBOURHOOD

**SEIZING OPPORTUNITIES
FOR ECONOMIC GROWTH
AND JOB CREATION**



EU NEIGHBOURS
south

EU ENGAGEMENT IN THE SOUTHERN NEIGHBOURHOOD SEIZING OPPORTUNITIES FOR ECONOMIC GROWTH AND JOB CREATION

European Commission
Directorate-General for Neighbourhood Policy and Enlargement Negotiations
Rue de la Loi, 15
1000 Brussels, Belgium

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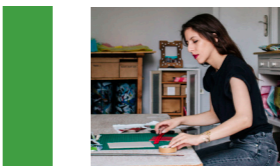
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INTRODUCTION

The Southern Mediterranean is a bustling and resourceful region, home to some of the youngest populations in the world. However, youth unemployment, poor regional integration and unattractive business climates are among the main obstacles slowing down these countries' drive towards prosperity.

In this context, the European Union's Southern Neighbourhood partnership aims at contributing to the development of a stronger, more supportive business environment, essential for socio-economic growth. Safe, attractive and well-regulated eco-systems yield higher numbers of decent, stable jobs, diverse and competitive enterprises and thriving businesspeople. In a sound economy, entrepreneurs feel free to innovate, companies dare to invest and partners are willing to trade. And a vibrant private sector is key to any country's stability and the resilience of society.

The EU socio-economic cooperation in the Mediterranean is multi-faceted, as illustrated by this brochure. Actions are focused on:

- supporting legislative and administrative reforms and infrastructure building to lift barriers to investment and to create a more enabling business environment;
- fostering quality and relevant vocational education and training (VET) to provide people with the competencies needed to meet the specific needs of the job market;
- creating adequate and accessible lending channels to allow Micro, Small, and Medium Enterprises (MSME) a better access to finance;
- boosting innovation and providing capacity building, training and education for authorities and entrepreneurs, including on digitalisation;
- stimulating alternative business models to promote greener, more sustainable and more social ways of doing business.

The main instrument to implement these actions is the European Neighbourhood Instrument (ENI). Nearly €4.2 billion has been dedicated to socio-economic cooperation in the Southern Neighbourhood between 2014 and 2019. This is complemented by financing made available under the EU External Investment Plan (EIP) and the Neighbourhood Investment Platform (NIP) e.g. to facilitate access to finance and modernise crucial infrastructure in transport and energy. On top of this, €356 million is being channelled through the ENI to the Erasmus+ Programme in the Southern Neighbourhood (2014-2020).

EU EXTERNAL INVESTMENT PLAN (EIP)

A stepping stone to investment

A new EU initiative launched in 2017, the EIP is designed to attract more investment into EU Neighbourhood countries and Africa, in particular from businesses and private investors.

It is expected to leverage €44 billion of investment by 2020 through €4.5 billion of EU support, which follows the successful model of the 'Juncker Plan' in the EU.

The Plan will do so by using public money to lower the risk of investing in key sectors like sustainable energy, digitalisation, urban development, agriculture and agribusiness or lending to small businesses. It combines two forms of financing:

- **Blending:** a mix of loans and grants at a value of €3 billion which will help leverage a total of around €26.5 billion in investment.
- **Guarantee:** a dedicated financial guarantee for 28 programmes worth €1.54 billion. It is expected to leverage a total of around €17.5 billion of public and private investment.

Some of the main goals of the EIP include:

- Creating jobs, green and inclusive growth and reaching the UN Sustainable Development Goals
- Supporting entrepreneurs and enabling economies to grow
- Helping tackle some of the reasons behind emigration from Africa and EU Neighbourhood countries





1. CREATING OPPORTUNITIES FOR BUSINESSES

Micro, Small and Medium Enterprises (MSMEs) are an essential contributor to the Southern Mediterranean's economy and play a key role in terms of growth, innovation and job creation. They represent over 70% of employment in the Southern Neighbourhood region and account for 60% of the regional GDP. For them to be able to flourish, create jobs, and provide the goods and services that many depend on them for, it is important that they operate in a favourable business environment with limited obstacles and hurdles.

The EU works with national authorities and local stakeholders in the Southern Neighbourhood to address policy challenges that may be dampening an otherwise vibrant business climate. Complex business registration requirements, trade barriers, and limited market and information access are a few examples of burdens being faced by MSMEs.

To address this, funds and technical assistance have been provided to promote a more business-friendly legislative and administrative environment. Through sectoral budget support the EU incentivises economic reforms, by conditioning the disbursement of its support to the fulfilment by the partner country of a range of agreed reforms. Under the Twinning instrument, the EU and Member States aim at reinforcing the capacities of partner countries administrations or entities in relevant economic fields by connecting them with expertise from EU Member States administrations. The EU is also working to improve dialogue mechanisms between public and private business actors.

Furthermore, the EU provides education on legal, technical and financial topics. This can also facilitate networking and exchange of expertise, to open new markets and allow enterprises to become more competitive.

Each of these are steps being made towards the ultimate aim of creating a 'level-playing field' where businesses can fairly compete with one another and fulfil their roles of being a job provider and backbone for the region's economy.

HELPING SMALL BUSINESSES TO GROW

 Agence Maroc PME

 Morocco

 2016 - 2022

 €105 million

The programme Agence Maroc PME enables self-employed entrepreneurs, to grow into SME's, with a special focus on green growth and job creation.

To make them more confident and efficient, the programme provides legal, technical and financial advice to small businesses, mostly managed by students, unemployed and other workers from the informal sector.

Through support from the national agency for SME development, Agence Maroc PME, auto-entrepreneurs can fine-tune their income-generating ideas in a professional manner and develop new services for their customers. Technical assistance helps even the most advanced entrepreneurs to access European markets more easily.

The move from the informal to the formal sector is in many ways beneficial to the economy at large: it helps young entrepreneurs to receive social protection and retirement benefits. At the same time, society can benefit from their tax contributions.

With more than 85,000 auto-entrepreneurs registered so far, Agence Maroc PME aims to register 100,000 auto-entrepreneurs by 2020.



Wheels of success: a young entrepreneur's journey



MOROCCO

A 22-year-old law student, Mohamed Kilouli could have spent his free time sitting at the local coffee shop in Oujda, in northeast Morocco, like most of his friends.

Instead, he chose to put his past experience as a trainee in food industry quality in France to come up with an innovative business idea: the Malyncoff, or “the first mobile coffee shop in Morocco”.

“I always had the idea of starting my own business, most likely a food truck. Then I read about people in Denmark having their own small trucks where they would sell high quality coffee in the street,” Mohamed remembers.



After months of research, a €2,000 investment, and the support of ‘Agence Maroc PME’, he earned the status of auto-entrepreneur, which allowed him to sell his first drinks. Now he is even planning to switch to 100% electric bicycles charging with solar energy.

Mohamed’s business has since transformed into a cooperative, through which he hired a young school dropout who helps him on his daily work. He trained him and is now supporting him in pursuing his studies.

“This really makes me think that an idea like mine is not only a very good business (commercially and economically) but can also bring a lot on the social aspect. I think this can motivate and inspire people to go ahead with their small business ideas,” he explains.

SUPPORTING BUSINESSES BY CONNECTING PEOPLE



EBSO Med
(Enhancing Business Support Organisations)



Algeria, Egypt, Israel, Jordan, Lebanon, Libya,
Morocco, Palestine, Syria and Tunisia



2018-2022



€6.25 million

EBSO Med (Enhancing Business Support Organisations) aims to boost the capacities of Southern Mediterranean business support organisations - such as chambers of commerce and industry, employers' confederations and SME agencies - in providing quality services to local SMEs. They benefit from training activities and peer learning to similar business organisations from Europe and the region.

In addition, EBSO Med brings together a number of key private sector institutions during business matchmaking forums, workshops and exchange programmes. This helps to create business linkages and networks across both sides of the Mediterranean and to establish sustainable business partnerships across sectors and countries.

In its first year, EBSO Med reached 1,129 beneficiaries among BSOs' executives and SMEs.



Networking to scale up socio-economic change



PALESTINE

For Palestinian Waseem Aref, learning new skills is *“always needed, both to build your business and to expand your network and chances for new business opportunities.”*

This CEO of Business Alliance, a business support services provider operating in Palestine, started taking part in the EBSO Med networking activities a few years ago to *“improve the skills of his staff”*.

Little did he know that it would lead to his establishing of 'FinBloom', a financial management solutions provider that provides financial, management and market access services to MSME's, entrepreneurs and investors.

“Participating in the EBSO Med Academy on Strategic Planning gave us the opportunity to establish new business relationships and build a strong network of regional experts through which we exchanged experiences and explored new opportunities for business,” Wasseem recalls. *“This inspired me to make the needed changes in my business.”*

“Thanks to this academy, I was motivated by the large potential to serve people from the entire region in cooperation with other well-established companies and organizations”, Wasseem explains, noting that he is now *“more confident”* that he can help more young women and men achieve their full potential inside the Palestinian society.

Praising the impact EBSO Med capacity building activities had on his business – he expanded his services locally and signed several Memoranda of Understanding and agreements to new business opportunities- Wasseem voices hopes to expand his firm's services to the entire region.



2. FACILITATING ACCESS TO FINANCE

Despite their high contribution, many Micro, Small and Medium enterprises (MSMEs) are not provided with opportunities to reach their full potential due to the fact that only 20% have access to financing. The EU is working to tackle this challenge by supporting adequate and accessible lending channels and by providing direct business advice to MSMEs. This enables easier access to financial resources, which will in turn help these businesses to grow.

A range of financial instruments have been developed in order to improve the business environment. Stimulating the provision of loans, setting up equity funds and venture capital which, in turn, invest into MSMEs, and providing guarantees to reduce the risks for lending to young and female entrepreneurs are some of the many initiatives being undertaken. These are being actioned in close cooperation with European financial institutions, which provide their expertise and financial tools to support successful implementation.

And the EU plays a role to keep the Southern Neighbourhood region on pace with the rapid developments in financial technology (FinTech), an integral component to MSME investments, to ensure safety, resilience and stability in the banking and financial sector.

PROVIDING OXYGEN TO FINANCING INSTITUTIONS



SANAD Fund



Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia



2011-2026



€30 million

The SANAD (“Support” in Arabic) Fund for MSME’s is a joint initiative by Kreditanstalt fuer Wiederaufbau (KfW) and the EU, and part of the External Investment Plan (EIP).

With a straightforward and transparent structure, SANAD channels donors and investors’ funds to local commercial banks, microfinance institutions and leasing companies, which then provide funding to MSME’s.

In addition, SANAD’s Technical Assistance Facility provides hands-on support to organisations that provide other services, such as capacity building trainings, research studies and workshops, among others.



“After so many years running the business, I realised something had to change. I wanted to attract a wider clientele, but I didn’t have the money to diversify my stock.”

Fatima

The Smell of success



LEBANON

“My first loan from Al Majmoua is the reason behind my success. Its support – and my belief that anything is possible – is allowing me to expand my business with a second store and a completely different product line,” says Fatima Ahmad Al Bandar, a gifts and perfume shop owner who benefited from the support of the SANAD Fund in Southern Lebanon.

Beaming with pride at the counter of her shop, Fatima recounts the difficulties she has encountered since starting her own business almost 20 years ago, after her husband’s sudden death.

In 2013, she approached Al Majmoua, the Lebanese Association for Development, which placed its trust in her project, lending her three consecutive loans. This capital helped her increase her business, expand her product lines and even open a second store where she hired an employee to help her out.

“The financial support from Al Majmoua helped me overcome many obstacles and it really stoked my confidence,” Fatima explains. “This also gave me the right kind of attitude to welcome my customers.”

“This financing association is truly one of the keys to my success. We’re like family now,” the shop owner rejoices, adding that Al Majmoua nominated her for the Citi Microentrepreneurship Awards, which helped her to win USD 1,500, more capital for her business.




MAKING FINANCING ACCESSIBLE

 Promoting Financial Inclusion Programme

 Jordan

 2014-2019

 €35 million

The “Promoting financial inclusion” programme aims to expand the access to microfinance services across Jordan and allows financially underserved individuals to benefit from various financial services.

By developing easier, safer and wider access to microfinance through micro-loans and technical assistance provided by GIZ (‘Deutsche Gesellschaft für Internationale Zusammenarbeit’, the German development agency), the programme seeks to stimulate inclusive economic growth, boost employment and enhance social stability through increased business opportunities.

“When I take a loan, the first thing I do is investing all the money in products I will sell in the supermarket. I don’t keep the cash on me because then I will spend it! That way, I can profit from selling the products and that’s how I ensure my family’s income.”

Nisreen



From refugee to shop owner: a journey into microcredit



JORDAN

Born and raised in Baqaa Camp, the largest Palestinian refugee camp in Jordan, Nisreen Kaabneh had limited economic prospects to look forward to.

She started working in her family’s supermarket at 8 years old, after her father passed away. “As the eldest daughter, my mother depended on my help to run it,” the 37-year-old remembers.

Settling in Deir Alla, in northern Jordan, newlyweds Nisreen and Nayef decided to take over the shop of an uncle, as the first gender mixed business partners in the area.

“It was a little store; we bought merchandise for 600 JDs (€750),” Nisreen says, recounting how one of her clients, who was also a credit officer in a large microfinance institution, encouraged her to take up a 1,200JD (€1,500) loan.

“At first, I did not want to, because I thought it was not enough money, but he explained to me that, by starting with this amount and paying it back on time, I would be able to increase the amount the following year,” the shop owner explains.

This is when her journey into microcredit began: over the years, Nisreen gradually increased the amount of her loans, allowing her and her husband to build a home and move their supermarket as an extension to their house.

“We were able to buy more merchandise and double our income. We bought new appliances for our house and put our children in better schools”, says Nisreen.

In 2018, Nisreen was up for a 35,000 JD (€44,000) loan, with which she plans to expand the supermarket even further. “My father used to tell me and my sisters that following our dreams is more important than adhering to the limiting social rules for women. If he were alive today, he would be proud of me,” the woman entrepreneur concludes with a smile.



3. BOOSTING VOCATIONAL TRAINING AND MARKETABLE SKILLS

At a time of heightened competition and challenging economic conditions, having the right skills that match the requirements of the labour market has become crucial.

Quality and relevant vocational education and training (VET) are therefore key to providing people, especially youth, with the knowledge, skills and competencies needed to meet the specific needs of a job.

To this end, the EU supports programmes aimed at developing practical skills through vocational training as a means of empowering individuals to seize high-quality and sustainable employment opportunities. This includes training of both hard skills – teachable abilities or skill sets that are easy to quantify – and soft “interpersonal” skills – such as ‘leadership’ and ‘team work’, related to the way you interact with other people.

The EU is also working in close collaboration with local institutions and partners to better understand and fulfil the needs of entrepreneurs, who are always on the lookout for talent to join them and make their businesses more competitive and efficient.

GUIDING YOUNG PEOPLE TO JOBS



Youth Employment Support Programme (PAJE)



Algeria



2012-ongoing



€23.5 million

The Youth Employment Support Programme (PAJE) was established to support the Algerian government's national youth policies, with a focus on boosting employment and training opportunities.

The programme involves young people residing in the four pilot provinces (Annaba, Bechar, Khenchela and Oran) in civil society initiatives and collective activities that boost their employability.

Since 2015, PAJE has created 130 companies which have recruited more than 500 young people.



Heritage at the service of employment and social integration



ALGERIA



"I came to Santé Sidi El Houari (SDH) Association by chance when I was barely 14. At first, I wanted to be a stone cutter, but I was soon drawn to the woodworking machines and the atmosphere in that workshop," says 21-year-old woodworking trainer Abderahmane Taleb Abdelaziz.

While showing his students a series of tools, Abderahmane recalls how the local association helped him overcome his personal difficulties.

"I was failing at school then. But I started learning about stone cutting, woodworking, plastering, frame and parquet renovation... and I earned my diploma there."

Established over twenty years ago with the aim of training and reintegrating troubled youngsters into society, SDH helps preserve Oran's heritage and buildings. It is also known for giving some apprentices like Abderahmane the opportunity to become trainers themselves.

In addition to renovating local landmarks and beautifying the local community, Abderahmane says he feels extremely rewarded to help youth who are experiencing difficulties similar to his.

As of today, the young man has trained over 100 fellow apprentices, and does not plan to stop there...

CREATING JOB OPPORTUNITIES IN UNDERPRIVILEGED AREAS



Emergency Employment Investment Project (EEIP)



Egypt



2014-2017



€67.6 million

Concluded in 2017, the Emergency Employment Investment Project (EEIP) sought to create short-term employment opportunities for youth from underprivileged areas of the country, while improving community infrastructure and services.

The programme supported over 500 NGOs in implementing skill building and technical training activities and counselling sessions, as well as providing access to financial and non-financial services to start businesses. It aimed at helping unemployed youth secure longer term employment.

Overall, the EEIP supported some 47,000 beneficiaries in the poorest districts of the country and created over 17 million man days of work opportunities.

“ We learn about the importance of clean potable water and the cycle of solid waste management, most specifically how to get rid of our daily wastes in a better way, that is more respectful of the environment.”

Walaa



Cleanliness: a life empowering skill



EGYPT

Crippled by debts and economic hardships due to her husband's numerous health issues, Walaa Sabry initially enrolled into the EEIP in Assiut, in Upper Egypt, *“only to make ends meet”*.

“When I joined the programme, I did not know much about this topic and, like many of my peers, I had no experience in the field,” the young woman explains, noting that she underwent a wide range of trainings tackling subjects such as hygiene, the different types of pollution and garbage accumulation and their negative impact on the individual and the community's health as a whole.

This EEIP-funded youth employment programme, focusing on raising environmental awareness and cleaning local villages, targets areas suffering from garbage accumulation by training local youth and women to conduct cleanliness, recycling and environmental awareness campaigns locally.

With a majority of women beneficiaries, this training programme seeks to empower women like Walaa to assume their role as community leaders in the reducing of environmental risks within their communities.

A few months into the programme, Walaa started leading awareness sessions herself, as an environmental field promoter.

“I made home visits to families in my village. Because I was from the same village, it was easier for me to enter the houses and spread the environmental and health messages to the local families,” the mother of three recalls.

The programme grants the trainees – or ‘environmental field promoters’ – with a wide range of skills related to their tasks, such as communication, public speaking, self-confidence and basic environmental knowledge.

“By helping clean the community and spread the word, I am not only a community worker, but also a direct beneficiary of the project. Now, I use this information all the time in my daily life and I tell my family and friends about it,” stresses Walaa, who personally coached over 100 families in her village.

A recent study showed that Walaa and her co-workers have succeeded in cleaning up to 70% of the village of Biblaw. *“We have brought the topic of cleanliness to the table in almost every home in the village!”* Walaa rejoices, adding that this programme also greatly contributed to her personal wellbeing as it allowed her to pay off her debts.



4. STIMULATING INNOVATION

In an ever-changing global economy, innovation and creativity are key to open the door to significant opportunities for Mediterranean countries. Whether in the form of new businesses or as a boost of traditionally run sectors through new technologies and digitalisation, innovation is a major driver of socio-economic development.

Keeping pace with technological advancements has become vital to an economy's sustainable growth. For this reason, the EU focuses its partnership on promoting innovation ecosystems at various levels.

At policy level, the EU enhances cooperation between all stakeholders – including governments, start-ups, innovative enterprises and research centres – to build partnerships and boost joint strategies in support of innovation. It also helps tackle bureaucratic hurdles that innovative projects face when creating new business structures.

And to support the development process further, the EU brings together accelerators, innovators, technology transfer offices and universities to foster scientific and technological collaboration and joint research and innovation initiatives. The Partnership for Research and Innovation in the Mediterranean Area and neighbours' association to Horizon 2020 are examples of these collaborations.

At business level, a number of programmes aim at fostering the exchange of best practices and know-how between the European and regional business community, cultivating the spirit of innovation across the region.

BUILDING BRIDGES TO STIMULATE INNOVATION



The Next Society Programme



Algeria, Egypt, Israel, Jordan, Libya, Morocco, Palestine and Tunisia



2017-2020



€7.8 million

The Next Society is building an open community that brings together entrepreneurs, investors, public and private innovation hubs from the two shores of the Mediterranean.

It establishes interactions within its network of over 300 businesses in the area of innovation, research and investment and 2,500 SMEs and entrepreneurs from 30 countries.

The Next Society fosters connections between experts from the EU and businesspeople from the Southern Neighbourhood using meet-ups, academies and bootcamps. It also creates bridges between tech buyers and suppliers. Support is also provided to policymakers in improving the coordination mechanisms and policies related to innovation, so as to develop a business environment conducive to innovation.



Using digitalisation for closer business interactions



PALESTINE

Hafeth Zughayer is co-founder and CEO of UBConnect, an innovative digital platform that allows users to digitalise their paper business cards. He came up with the idea of the so-called 'UBCard', to align the habit of exchanging business cards with the rapid digitalisation pace in our societies.

"Being part of The Next Society was an excellent experience, from which I can already see clear benefits," the CEO explains, citing his participation to conferences in Milan and Lisbon.

"Receiving the opinions -sometimes quite critical- of qualified experts coming from outside your culture and your country is very enriching for small endeavours like ours, and they are specifically tailored for each of us," Hafeth adds. *"Because they have been wearing many different hats and have experienced business from an investor, a start-up or an entrepreneur's point of view, they bring several pieces of a puzzle to us, helping us to get a better picture for our business."*

One of the advices provided during one of the mentorship events entailed scaling up the platform to a Business to Business strategy, notably through conventions and business conferences.

"We were also connected with businesses in Spain and are now looking for more funds to launch our initiative and hopefully expand outside Palestine," Hafeth concludes.

MAKING SERVICE PROVIDERS MORE PRODUCTIVE



PACS (Service Competitiveness Support Program)



Tunisia



2016



€20 million

A technical assistance programme focused on the sectors of health, ICT, transport, tourism, crafts and logistics, PACS (Service Competitiveness Support Program) aims to support local enterprises in upholding their services and better collaborating with other sectors.

Through advisory services, entrepreneurial training and capacity building coaching sessions provided to national institutions, SMEs and health providers, the programme empowers service providers to increase their productivity through reduced turnover and higher quality work environments, create jobs and increase their exports.

International advisers work hand in hand with local authorities and intermediary organisations to develop national strategies and policy mechanisms that support the delivery of quality services, while boosting local providers' opportunities to access wider markets.



“This programme gives us tools to reorganise ourselves in order to guarantee and ensure the satisfaction of our patients, our visitors but also our staff.”

Souad

Taking healthcare services to the next level



TUNISIA

“PACS is an unprecedented opportunity offered to us, as it helps us ameliorate and secure the health services we provide to our patients,” explains Souad Sadraoui, director general of the Charles Nicolle hospital in Tunis.

“As a public health institution, we voluntarily joined this programme to valorise our caregiving services and ensure the competitiveness of the public health sector, especially at this very challenging time for our field.”

One of the 30 public and private health establishments enrolled in the programme, the Charles Nicolle hospital is seeking to consolidate its service delivery organisation, while adapting to the fast-paced changes in the sector's regulations and safety norms.

“Nowadays, we are facing new challenges, which force us to be better equipped to overcome them. These include the fact that healthcare systems are now obliged to provide patient-centred services, as patients become more and more demanding and knowledgeable of their rights,” Souad continues.

She says being part of PACS enables her establishment to be equipped with a quality management system that will directly contribute to reinforcing the capacities of the hospital staff.

“Ultimately, PACS supports us in providing quality, safe, efficient and high performing services,” the general director concludes.



@SwitchMed

5. SUPPORTING ALTERNATIVE BUSINESS MODELS

What is the most efficient way to create enough proper and sustainable jobs for young people? How can the entrepreneurial potential of women best be given the space to develop? What can be done to ensure that also people in rural areas benefit from inclusive growth? These are just a few of the challenges faced by governments in the Southern Mediterranean.

Improved business environments also mean sustainable ways of doing business, more respectful of the region's natural and human resources. The implementation of new business models which promote a green, sustainable and circular use of resources, has a beneficial rippling effect on societies and their peoples.

To this end, the EU works hand in hand with local authorities to provide the right economic incentives and financial assistance to producers and consumers. As part of its support to work towards a “green” and “circular” economy, the EU funds programmes that focus on sustainable consumption of goods and services and that foster resource management that is more respectful of the environment.

And the EU's partnership has been promoting social entrepreneurship approaches as key drivers for inclusive growth in the region. As creators of – mostly local – sustainable jobs, social enterprises are important pillars of social innovation and have the power to respond to societal needs. They help tackle social, cultural and environmental issues while providing sustainable and proper work opportunities to economically vulnerable groups, such as women and youth.

FOSTERING SUSTAINABILITY IN BUSINESS



SwitchMed Programme



Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia



2012-2022



€37.4 million

SwitchMed is leading the way to a circular economy in Southern Mediterranean countries by directly supporting the private sector and working with policy makers to create a regulatory framework at national and regional level.

Amongst other things, the project enhances the creation and development of circular and green businesses. In that context, it provides training to green business entrepreneurs, supports green start-ups in accessing markets and financing facilities, and provides capacity building for sustainable industry providers.

Furthermore, this regional programme aims to expand the presence of green entrepreneurs in the Mediterranean by connecting stakeholders to scale-up social and eco innovations.

So far, SwitchMed has trained 2,100 green entrepreneurs on eco-design and circular business models, leading to the creation of 200 green companies and 1,000 new green jobs.



Upcycling plastic into durable fashion



LEBANON

It is back in her university days when Nour Kays started paying attention to the huge amount of plastic bags that were piling under her bedroom's sink.

"I realised that plastic bags take centuries to decompose, and the petrochemicals they are derived from pollute and degrade the environment. Some countries, like Lebanon, still haven't taken action to tax or ban them, and only a marginal number of them are recycled," says Nour, who created her own company to develop an alternative solution to that issue.

"Since they are not yet fully recyclable, one alternative is to repurpose the plastic bags into new usable materials, giving them a new life and diverting them from nature for as long as possible," she explains.

In 2015, Nour received the support of the SwitchMed's green entrepreneurs programme, which gave her the opportunity to meet fashion designers and exchange with green entrepreneurs from the region.

She teamed up with a team of like-minded professionals, who started working on collecting and repurposing used plastic bags into a new material used to create handmade, fashionable and eco-friendly bags, pouches and accessories.

"Our brand – NK – is giving plastic bags a second life. So far, NK has diverted almost 4,000 discarded plastic bags from ending up in landfills and nature," Nour rejoices, acknowledging that it is still nothing compared to the estimated five trillion plastic bags consumed yearly worldwide.

She insists that NK is not only about the end product though. *"We also want to raise awareness about waste by involving the community in our process, inspiring people to upcycle, promoting pollution reduction as an eco-friendly, conscious-lifestyle brand, and educating people about the environmental consequences of plastic."*



TRADE: TIGHTENING THE EURO-MEDITERRANEAN PARTNERSHIP

External trade and investment play a dynamic role in boosting economic growth. It brings people together by developing economic ties between countries. Also new ideas and innovation spread through trade, strengthening competitiveness of producers, providing a greater variety of goods to customers, and ultimately creating jobs.

Trade is therefore a key aspect of the Euro-Mediterranean Partnership. Through the creation of a Free Trade Area, its aim is to remove barriers to trade and investment between the EU and Southern Mediterranean countries. Trade agreements are in place with eight countries of the region.

But the EU also fosters intra-regional trade between the countries in the Southern Neighbourhood. The Agadir Agreement, in force since 2007 between Tunisia, Morocco, Jordan, and Egypt, soon to be extended to Lebanon and Palestine, is an encouraging step to foster regional economic integration.

EU support is wide-ranging in the field of trade, from providing trade-related technical assistance to strengthening capacities in trade departments, in terms of standards, customs and trade policy. The EU also promotes networks with chambers and federations, supporting the development of value chains, to working with the Agadir Agreement Secretariat.





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