

**RECOMMENDATION**  
**of the Committee on Economic and Financial Affairs, Social  
Affairs and Education**

**on:**

**the development of business and investment opportunities in the  
Mediterranean;**

**improving business mobility between the PA UfM countries;**

**the establishment of a financial instrument for the Euro-Mediterranean  
area**

The Committee on Economic and Financial Affairs, Social Affairs and Education of the Parliamentary Assembly of the Union for the Mediterranean,

1. Emphasises the need to take advantage of the emerging opportunities for the definition of a new economic model based on the equitable share of added value following the movements in favour of democratisation in the Mediterranean region, to press ahead with reforms and efforts to consolidate public finances, to improve the investment environment and promote common economic and industrial projects in the region with a view to creating new jobs and ensuring sustainable development in the southern Mediterranean area, and to contribute to the economic recovery of the EU Member States, so as to pave the way for the creation of a Euro-Mediterranean area of security, stability and prosperity and to address current economic, social, political and territorial challenges;
2. Highlights the importance of promoting the harmonious and balanced increase of trade between the UfM countries by speeding up South-South integration on the one hand and North-North integration on the other hand, as well as mutual cooperation with a view to creating a supportive and credible framework, both legal and institutional, for business based on equality, non-discrimination and mutual recognition of rights and obligations, and on bringing administrative, legislative and regulatory systems closer together across the board, as this is vital in order to create businesses and increase investment from other businesses and from banks;
3. Calls on the UfM member states and on international institutions to ensure the conditions for setting up an area of peace, democracy, stability, common dialogue and good governance among all the actors involved (governments, trade unions, public and private employers, chambers of commerce, women and youth associations, etc.) in order to develop a positive and appropriate economic and social environment via democratic economic and social reforms, and to promote more economic and social exchanges and increased human mobility among the UfM member states;
4. Encourages governments to promote the introduction of top-quality professional, technical and excellence training schemes that are able to generate the skilled jobs that go with competitive economic development;
5. Recognises that, among others, one of the pillars of the Mediterranean economy is cultural and heritage tourism; points out, therefore, that Europe should support these aspects of its economy, including urban regeneration, rehabilitation and governance;
6. Encourages the UfM member states, whilst rejecting labour competition and the brain drain, to ease the procedures for granting visas in general, and in particular as regards visas for businessmen, students, teachers, experts, tourists, researchers, artists and other citizens, as well as for holders of diplomatic and service passports, with a view to reducing the huge gaps that currently affect social, economic and cultural mobility and exchange in the Mediterranean region; emphasises, therefore, that there is a need to step up cooperation and information exchange between the relevant national authorities to smooth out the procedures for issuing visas by taking into account the security context;.

7. Welcomes the extension of the mandate of the European Bank for Reconstruction and Development (EBRD) in the southern Mediterranean region, which complements the increase that the European Investment Bank has made as regards funding for its activities in the Mediterranean, and appreciates the progress made by the EBRD in setting up operations in the region as well as in developing an off-budget project financing mechanism for the Mediterranean region, pending the necessary ratification by all member states, so that the EBRD can become fully operational in the region; stresses that there is a need to focus on activities and projects with a significant leverage effect, in clearly identified strategic and priority areas, whilst working closely with the Secretariat of the Union for the Mediterranean;

8. Encourages the numerous European banks and institutions which are investing in and around the Mediterranean basin, and particularly in the south, to develop a common strategy that is to serve as a reference for present and future investment initiatives; points out that setting common goals and uniting efforts for a more rational and efficient use of both finances and resources would have a positive social impact;

9. Calls for the establishment of a specific financial instrument for the region, in order to address the needs of the Mediterranean countries in a more coordinated and timely manner and contribute to the ongoing transformation and democratisation process; recommends that such an instrument be based on the principles of flexibility, adaptability and simplification of financing rules and procedures, as was the case with the eastern European countries in the establishment of the EBRD; advises drawing best practices and lessons from the experience of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) – as renewed by the European Investment Bank – and of the EBRD with regard to its new mandate to participate in UfM projects;

10. Welcomes the Global Business Bridges Initiative cofinanced by the EU and Turkey, which aims to promote trilateral joint investment initiatives in the southern Mediterranean countries (notably Egypt, Tunisia and Palestine); encourages all UfM members to develop and participate in such joint investment initiatives; reiterates its support for existing initiatives that have proven to be effective in establishing networks and exchanges of good practice among businesses, professional organisations and trade unions, and in identifying and securing investment;

11. Considers that in order to guarantee sustainable and inclusive economic and social growth enabling the creation of the conditions for a real economic integration between the two shores of the Mediterranean Sea, it is vital to promote social entrepreneurship and to facilitate a substantial line of finance for microcredits, to formulate common industrial strategies and to propose ambitious professional training and education schemes, including those aimed at reducing banking illiteracy in society at large, especially for young people and women; as these training schemes are essential in improving the visibility of funding opportunities, providing incentives to set up businesses (especially SMEs) and developing projects in innovative industries; draws particular attention to the opportunities provided by decentralised cooperation, which brings together local authorities on both sides of the Mediterranean and acts as an accelerator for growth, development and jobs, and encourages such initiatives.

## 2012-2013 Activity Report

Over the 2012 and 2013 working period, the Committee on Economic and Financial Affairs, Social Affairs and Education held three meetings: on 5 and 6 November 2012 in Abant (Turkey), on 25 January 2013 in Rome (Italy), and on 11 April 2013 in Brussels. It also held a joint meeting with the Culture Committee and the Working Group on EMUNI (the Euro-Mediterranean University), on 20 February 2013 in Brussels.

In this period, the Committee focused on the following issues:

- improving business and investment opportunities in the southern Mediterranean by putting the emphasis on developing existing economic instruments (such as association and trade agreements) and addressing problems in the business environment (such as inadequate infrastructure, lack of credibility and predictability, and financing), as well as highlighting business and investment cooperation projects (e.g. the Global Business Bridges Initiative, cofinanced by the EU and Turkey);
- improving business mobility and facilitating visa procedures for business people. The Committee was attentive to the problems stemming from the cumbersome visa procedures that in many cases hindered business contacts and deals, affecting various business people and NGOs;
- exploring the possibility of establishing a new financial instrument for the Mediterranean region, for instance a Euro-Mediterranean Development Bank, especially with a view to providing better-structured and enhanced funding for the southern UfM countries in transition.