



# ANNUAL CONFERENCE 2024 REPORT <sup>(1)</sup>

10-12 December 2024 - Moataz Alalfi Hall (Onsi  
Sawaris School of Business - AUC)

## Key Messages & Policy Recommendations

(1) The views, analyses, and conclusions expressed in this report are solely those of the speakers and do not necessarily reflect the official positions of FEMISE, IEMed, the AECID, or any affiliated institutions.



# INTRODUCTION & OVERVIEW

The 2024 FEMISE Annual Conference, titled "*The EuroMed Partnership as a Catalyst for SDGs: Advancing Value Chains, Climate Action, Digital Transformation, and Youth Empowerment*," was held from December 10-12 at the Onsi Sawaris School of Business, The American University in Cairo (AUC). The conference was co-organized by the European Institute of the Mediterranean (IEMed) and supported by the Spanish Agency for International Development Cooperation (AECID). Bringing together policymakers, researchers, private sector representatives, international organizations, development agencies, and civil society actors, the event aimed to foster dialogue on leveraging the Euro-Mediterranean partnership to drive sustainable development and progress toward the Sustainable Development Goals (SDGs).

## Context and Objectives

The Euro-Mediterranean region possesses significant potential for sustainable development, leveraging its natural resources, strategic trade position, and youthful population. However, persistent challenges such as economic disparities, climate change, geopolitical instability, and digital divides continue to hinder progress toward the SDGs. While South and Eastern Mediterranean Countries (SEMCs) have made steady advancements, the region's 2024 SDG performance averages 65%, with notable gaps in economic growth, gender equality, social inclusion, and climate action. Addressing these challenges requires enhanced regional cooperation, and the Euro-Mediterranean partnership presents a key opportunity to accelerate progress by promoting sustainable value chains, climate resilience, digital transformation, and youth empowerment.

## The conference focused on several key objectives:

- Engaging stakeholders in a dialogue on how the Euro-Med partnership can advance SDG progress.
- Promoting strategies for resilient value chains, climate action, digital innovation, investment in human capital, and inclusive growth.
- Formulating actionable recommendations for achieving a sustainable and equitable EU-Med partnership with a strong focus on youth empowerment.

# OPENING SESSION



**The burden of climate action should not disproportionately fall on developing countries. Instead, we must build collective and national capacities to mitigate the long-term impacts of climate change.**

**This requires large-scale investment in climate-resilient infrastructure, innovative financing mechanisms and technology transfer.**

**H.E. Dr. Rania Al-Mashat**, Minister of Planning, Economic Development and International Cooperation of Egypt



H.E. Dr. Rania Al-Mashat, Minister of Planning, Economic Development and International Cooperation of Egypt

In her opening statement, Minister Rania Al-Mashaat emphasized the urgent need for global cooperation in tackling interconnected challenges, from economic vulnerabilities exposed by the pandemic to the pressing demands of climate action. She stressed that climate responsibility should be equitably distributed, with developing nations receiving the necessary support through investment in climate-resilient infrastructure, technology transfer, and innovative financing mechanisms.

Access to diverse financial instruments—such as grants, concessional loans, and guarantees—is essential to ensuring that ambitious climate strategies do not create financial burdens for future generations. National governments play a pivotal role in leading the green transition by implementing strategic policies and investing in sustainable infrastructure.

She highlighted Egypt's Nexus of Water, Food and Energy (NWFE) Program as a model for translating climate commitments into action by mobilizing climate finance and private investments to support the country's National Climate Change Strategy 2050.



### H.E. Amb. Nasser Kamel, Secretary General, Union for the Mediterranean (UfM)

Ambassador Nasser Kamel emphasized the importance of advancing value chains as a cornerstone of the region's economic future. He highlighted the vast green energy potential of the South-Med and East-Med regions, which possess significant solar and wind resources, unlike Europe, where land scarcity limits large-scale renewable energy production.

However, he stressed that strong interconnections and infrastructure development are necessary to fully integrate these energy value chains. Workforce development was another key focus, as the widening green skills gap threatens the region's ability to achieve a successful green transition. He called for greater investment in research and innovation, particularly in biotechnology, ICT, and renewable energy, noting that the UFM is preparing a major Innovation Forum to strengthen ties between research, business, and societal needs.

Additionally, he underscored the transformative power of digitalization, urging the Mediterranean to embrace digital transformation as a catalyst for growth, efficiency, and competitiveness. Ambassador Kamel concluded by inviting continued dialogue on turning these insights into actionable strategies for the region.



**Workforce development is equally critical, as we cannot build greener value chains or achieve a successful green transition without cultivating the green talent needed between now and 2050. The reality is that the green skills gap is widening in our region.**

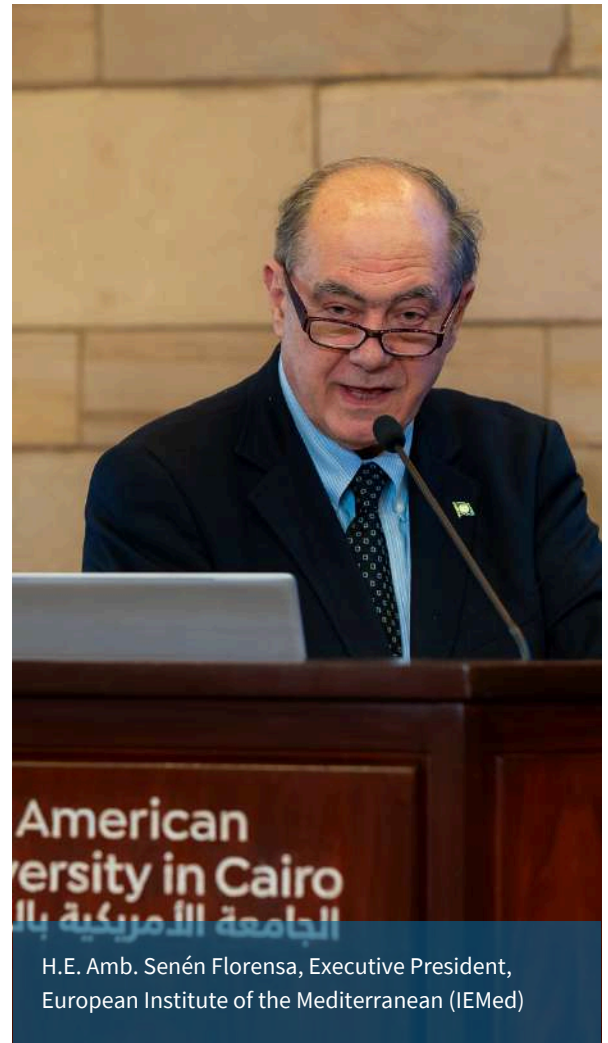
**H.E. Amb. Nasser Kamel, Secretary General, Union for the Mediterranean (UfM)**



### **H.E. Amb. Senén Florensa, Executive President, European Institute of the Mediterranean (IEMed), Spain**

H.E. Ambassador Senén Florensa emphasized the pivotal role of FEMISE in fostering economic and social research that informs evidence-based policymaking in the Euro-Mediterranean region. He highlighted the strong collaboration between FEMISE and the European Institute of the Mediterranean (IEMed), which has contributed to advancing regional dialogue and cooperation. Given the complex global and regional challenges—including economic instability, climate change, and geopolitical uncertainties—he underscored the need for deeper engagement between policymakers, researchers, and stakeholders to build resilient economies and inclusive societies.

Amb. Florensa reaffirmed the importance of the Euro-Mediterranean partnership as a vehicle for sustainable development, aligning with the Team Europe initiative on jobs through trade and investment. He mentioned that sustainable value chains through digital transformation, climate action, reducing socio-economic inequalities, and youth empowerment are each critical for fostering innovation, regional integration, and inclusive economic growth.



### **Sherif Kamel, Dean, Onsi Sawiris School of Business, The American University in Cairo (AUC), Egypt**

Dr. Sherif Kamel highlighted the conference's focus on value chains, sustainability, innovation, digital transformation, climate action, and youth empowerment, aligning with AUC's academic mission.

Dr. Kamel underscored the Euro-Mediterranean partnership as a vital driver of Sustainable Development Goals (SDGs), bringing together policymakers, experts, and practitioners to tackle regional challenges. He recognized Egypt's leadership in the partnership, particularly in research, policy dialogue, and economic development, and noted the country's commitment to climate action, showcased by hosting COP27.

He emphasized digital transformation as a key enabler of economic growth, job creation, and regional competitiveness, especially for micro, small, and medium enterprises (SMEs). However, he cautioned that digital inclusion, governance, and infrastructure gaps must be addressed to ensure equitable progress. He called for multi-sector collaboration to transform challenges into opportunities for a sustainable and inclusive Euro-Med future.





Luisa M. García, Head of Department for Cooperation with Arab World and Asia, (AECID)

### **Luisa M. García, Head of Department for Cooperation with Arab World and Asia, Spanish Agency for International Development Cooperation (AECID)**

Luisa M. García outlined Spain's development cooperation strategy for the Arab world and the Mediterranean, emphasizing its alignment with the 2030 Agenda and the 2024-2027 Spanish Cooperation Master Plan. She highlighted the shared challenges between Europe and the Mediterranean, including youth unemployment, climate change, and migration, and detailed Spain's bilateral and regional approaches to tackling these issues. She outlined Spain's bilateral and regional strategies, including the MASAR program, which evolved to focus on youth and women's empowerment, employment, and sustainability.

She emphasized Spain's collaboration with European institutions through Team Europe Initiatives (TEIs) and partnerships with UFM, IEMed, and international organizations to strengthen governance, economic inclusion, and environmental policies. García concluded by stressing that alliances and partnerships are key to addressing regional challenges and ensuring sustainable development.

### **Noha El-Mikawy, Dean of the School of Global Affairs and Public Policy, The American University in Cairo (AUC), Egypt**

Dr. Noha El-Mikawy highlighted the challenges and opportunities in the Euro-Mediterranean partnership, emphasizing the slow progress on the SDGs and the shared crises affecting both regions. She noted that Europe is facing geopolitical instability, rising military expenditures, and the increasing influence of far-right politics, leading to stricter migration policies and internal divisions. Meanwhile, the Arab region is dealing with conflicts, displacement, economic vulnerabilities, and governance challenges, with Israel's far-right policies further destabilizing the region.

Despite these challenges, she stressed that both regions remain committed to cooperation, particularly in climate action and energy transition. To scale these efforts, she called for sustainable financing, stronger local community involvement, and inclusive industrial policies to enhance economic resilience. She also pointed to digital transformation as a potential driver of progress but warned of its risks, advocating for better regulation to protect freedoms and prevent monopolization, an area where Europe has set a strong example.



Noha El-Mikawy, Dean of the School of Global Affairs and Public Policy, The American University in Cairo (AUC)

# SUMMARY OF DISCUSSIONS

The event was structured into **four plenary sessions** and **four thematic sessions**, each addressing critical regional challenges. This report provides a summary of the four plenary sessions, capturing key insights, policy recommendations, and discussions that emerged throughout the conference.



## PLENARY SESSION 1 - ACCELERATING SUSTAINABLE VALUE CHAIN IN THE EUROMED REGION THROUGH DIGITAL TRANSFORMATION

Session moderated by: Maryse Louis- General Manager, FEMISE

**Nora Aboushady, Senior Researcher, German Institute of Development and Sustainability (IDOS), Germany**

The discussion highlighted key structural and policy barriers preventing deeper EU-Mediterranean supply chain integration. South Mediterranean countries largely serve as raw material exporters while relying on imported final goods due to weak industrial policies, fragmented trade agreements, and a lack of harmonized standards. The EU-Mediterranean association agreements have failed to foster regional value chains by neglecting critical sectors such as logistics, telecommunications, and digital services. Political instability further exacerbates economic fragmentation, discouraging investment and cross-border cooperation.

To address these challenges, a paradigm shift in EU-Mediterranean trade agreements is necessary, focusing on service liberalization, industrial policy alignment, and digital transformation. National policies should prioritize coherent industrial strategies, infrastructure investment, and financial access, particularly for SMEs, to enhance competitiveness.

Regarding the green transition, Nora Aboushady emphasized that hydrogen development presents a major opportunity for South Mediterranean economies, given their renewable energy potential. She outlined three cooperation models: **(1) exporting hydrogen to Europe**, **(2) producing hydrogen-based chemicals for export**, or **(3) using green hydrogen** to decarbonize domestic industries and improve global competitiveness.

## **Sherif Kamel, Dean, Onsi Sawiris School of Business, The American University in Cairo (AUC), Egypt**

Dr. Sherif Kamel emphasized that the South Mediterranean region faces significant digital transformation challenges due to weak infrastructure, fragmented governance, and workforce misalignment. While countries like Egypt have invested in ICT, the region still struggles with outdated regulatory frameworks, limited data accessibility, and insufficient human capital development. The digital divide between the North and South Mediterranean remains stark, with Northern countries benefiting from structured governance and integrated digital ecosystems, while Southern nations contend with policy fragmentation and weak digital value chain integration. Additionally, the lack of reliable data hampers innovation and policy-making, preventing the region from adopting effective data-driven digital strategies.

Human capital development remains a critical challenge, as education systems fail to align with market needs, leaving graduates without the practical skills required for high-tech industries. To prepare youth for the future workforce, education must prioritize digital literacy, AI, automation, and complex problem-solving rather than low-skill jobs at risk of automation. Weak governance and misaligned industrial and trade policies further hinder digital transformation, with Morocco being a rare success in integrating these sectors to strengthen its global competitiveness. Additionally, geopolitical instability in several countries disrupts investment and policy continuity, necessitating resilient and adaptable digital strategies to withstand external shocks.

To bridge the digital divide and drive economic growth, South Mediterranean countries must prioritize investment in human capital alongside technology.

### **Key recommendations include:**

- Enhancing digital education and reskilling initiatives to align with industry needs.
- Strengthening collaboration between universities and industries to foster innovation.
- Developing policies that support digital entrepreneurship and integration into global value chains.
- Improving data accessibility and governance frameworks to enable research-driven decision-making.
- Aligning industrial and trade policies to facilitate digital economy growth.

Without addressing these fundamental barriers, the South Mediterranean risks falling further behind in global digital integration, limiting its economic potential and competitiveness in the digital era.





## Ahmed Ghoneim, Professor of Economics, Faculty of Economics and Political Sciences, Cairo University, Egypt

Dr. Ahmed Ghoneim questioned the feasibility of trade as a primary growth driver for the South Mediterranean region, citing global protectionism, instability, and shifting economic trends. Instead, he advocated for value chain integration but stressed that each country must adopt a tailored approach, improving customs procedures, trade efficiency, and regulatory frameworks. He also criticized the lack of concrete digital transformation strategies, calling for targeted investments in digital infrastructure, government digitalization, data accessibility, and regulatory reforms. Regarding Egypt's industrial policy, he highlighted the absence of a structured strategy, arguing that current efforts rely on political slogans rather than economic planning. While reducing imports while aiming to boost exports is contradictory for an import-dependent economy, he acknowledged that recent IMF-backed reforms have created macroeconomic stability, which could provide a foundation for a well-defined industrial policy.



### Key recommendations include:

- Develop country-specific strategies for value chain integration, avoiding generic approaches.
- Align industrial, trade, and investment policies to create a more cohesive economic strategy.
- Streamline bureaucratic processes and reduce government intervention in industry to attract private sector investment.
- Prioritize digital transformation through targeted infrastructure investments and regulatory reforms to enable industrial competitiveness.
- Ensure macroeconomic stability through coordinated fiscal and monetary policies to support long-term industrial growth.



Mondher Khanfir, President, Transformons l'Afrique par le Numérique & l'Innovation Technologique

### **Mondher Khanfir, President, Transformons l'Afrique par le Numérique & l'Innovation Technologique**

Dr. Mondher Khanfir emphasized the importance of circularity and digital transformation in enhancing value chains in the EuroMed region, particularly through cooperation over competition. Using the olive oil sector as an example, he highlighted inefficiencies in water management, byproduct reuse, and digital integration, advocating for circular economy principles such as repurposing waste (e.g., olive pomace for biofertilizers) and leveraging IoT and AI for data-driven decision-making.

#### **Regulatory Barriers to Digital Transformation**

- Existing frameworks prioritize competition over cooperation, making cross-border collaboration difficult.
- Market dominance by key players restricts new entrants, especially startups.

**Solution:** Support digital startups and regulatory reforms to foster open, inclusive value chains.

#### **Integrating Digital Startups into Value Chains**

- Startups can introduce AI, IoT, and automation to enhance efficiency and sustainability.
- Challenge: Without support, they struggle to compete with established corporations.

**Solution:** Facilitate public-private partnerships to integrate startups into traditional industries.

#### **Expanding EU-MED Integration to Africa**

- Traditional export-oriented trade models have hindered African regional development.
- The African Continental Free Trade Agreement (AfCFTA) aims to strengthen internal African trade corridors.

**Solution:** The EU-MED region should co-invest in African trade corridors, fostering circular economy models and digital innovation to create new, sustainable markets.

### **Heba Gaber, Research and Innovation Officer, European Commission**

Heba Gaber outlined the EU's cooperation strategy for the Mediterranean region, which prioritizes human development, peace and security, migration management, green transition, and digital transformation. To achieve measurable impact, the EU combines bilateral agreements tailored to national needs with regional programs addressing shared challenges. A key focus is on research, innovation, and education, supported by major funding instruments such as Horizon Europe (for research and technology-driven projects), Erasmus+ (for academic collaboration and capacity building), and PRIMA (for sustainable water and food security solutions). These programs offer significant opportunities for universities, businesses, and policymakers to drive economic growth and regional stability.

Gabr emphasized that to maximize benefits, Mediterranean countries should align their industrial, trade, and digital policies with EU funding priorities, fostering deeper economic integration, sustainable development, and enhanced regional cooperation.



Heba Gaber, Research and Innovation Officer, European Commission

## **PLENARY SESSION 2 - ACCELERATING CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY IN THE EUROMED REGION**

Session moderated by: Hala Abou-Ali- Professor of Economics and Chair of the Economics Department at Cairo University

### **Mahmoud Mohieldin, United Nations Climate Change High-Level Champion for Egypt**

Professor Mohideen highlighted the inequities and inefficiencies in global climate finance, particularly in the Euro-Mediterranean region, stressing the urgent need for equitable financial mechanisms that support both northern and southern Mediterranean countries. He pointed out that 80% of global climate finance is concentrated in major economies like the USA, China, and Europe, leaving developing nations underfunded. Additionally, multilateral development banks (MDBs) allocate 80% of their financing to mitigation projects, neglecting adaptation needs such as water management, agriculture, and desertification, which are critical for the MENA region. Compounding the issue, 80% of climate finance for developing countries comes in the form of debt, increasing financial burdens rather than providing sustainable solutions.



### To address these challenges, Mohieldin proposed three key policy recommendations:

- Minimizing the negative spillover effects of EU policies, such as the Carbon Border Adjustment Mechanism (CBAM), by ensuring technical and financial support for decarbonization efforts in the South Mediterranean rather than imposing punitive trade barriers.
- Advocating for inclusive financial policies, urging EU policymakers to consider the unintended consequences of green industrial policies on developing economies and to facilitate technology transfers.
- Expanding debt-for-climate swaps, using models like Italy's debt swap initiatives, to reduce financial strain while supporting climate adaptation and sustainability projects.

He emphasized that while climate finance initiatives exist, they lack the scale and impact needed for meaningful economic transformation in the South Mediterranean. To bridge this gap, he called for stronger trade, investment, debt relief, and technology-sharing mechanisms, positioning the Euro-Med partnership as a vital opportunity for regional collaboration in climate adaptation, energy security, and sustainable development.

### [Constantin Tsakas, Chief Economist, Plan Blue, France](#)

Dr. Constantin underscored the detrimental impact of environmentally harmful subsidies in the Mediterranean region, highlighting findings from a Plan Bleu report on their economic, social, and environmental consequences. Fossil fuel subsidies remain the most significant, exceeding \$1.5 trillion globally and rising to \$7 trillion when indirect support is considered. These subsidies drive greenhouse gas emissions, with data showing that a 1% increase in fossil fuel support leads to a 0.04% rise in emissions. Additionally, fisheries subsidies, such as fuel tax breaks and incentives for larger boats, contribute to marine degradation, while subsidies in tourism and other industries create long-term environmental and economic risks.

### To address these challenges, Tsakas recommended a dual strategy:

1. Phasing out harmful subsidies while ensuring governments adopt robust monitoring frameworks to track their economic and environmental impact. Morocco's fossil fuel subsidy reform (2012-2015) serves as a model, as it reallocated funds toward social protection programs like Tayssir.
2. Introducing sustainable economic incentives to drive green investments. These include:
  - Feed-in tariffs to promote renewable energy adoption by providing fixed pricing for producers.
  - Green bonds to finance sustainable projects, ensuring that reforms consider social equity to prevent energy cost increases that could harm vulnerable populations.



Constantin Tsakas, Chief Economist,  
Plan Blue

### **Radia Sedaoui, Chief of Section in the Climate Change and Natural Resource Sustainability Cluster, UN Economic Social Commission of West Asia, (ESCWA)**

Ms. Radia Sedaoui emphasized the urgent need for a cross-sectoral approach to sustainable development in the Euro-Mediterranean region, addressing the interconnected challenges of water, energy, and food security. She criticized the lack of regional cooperation, despite shared environmental and geopolitical challenges such as water scarcity, desertification, and energy insecurity.

She highlighted misaligned policies that hinder investment in desalination and renewable energy, citing subsidized water prices as a major barrier. She also stressed the need for decentralized renewable energy solutions to empower rural communities and small enterprises and called for regional projects integrating energy, water, and agriculture with gender-sensitive policies. Ms. Sedaoui also criticized the resource extraction model, where South Mediterranean countries export raw materials but miss out on industrial benefits. She advocated for localizing supply chains, improving technical skills, and preventing brain drain through targeted education and workforce development.

She further called attention to unfair carbon taxation, where producing countries bear emission costs while Europe benefits from clean energy imports. She urged for regional dialogue on carbon taxation fairness and increased investment in carbon capture technologies (CCS). On energy trade, she identified market transparency, investment risks, and policy misalignment as barriers preventing cross-border electricity exchanges. To address this, she recommended clear investment frameworks, risk-sharing mechanisms, and governance reforms.

### Afef Ajengui, Regional Programme Manager - Green Forward, Spark, Tunisia

Ms. Afef Ajengui emphasized the vital role of youth and women entrepreneurs in driving the green transition across the Euro-Mediterranean region, outlining three immediate actions to enhance their engagement:

- **Strengthening Training and Capacity Building** – She stressed the need to equip business support organizations (BSOs)—including banks, investors, incubators, and policymakers—with the expertise and resources needed to support green business models.
- **Facilitating Access to Green Finance** – She called for investors to take more risks in financing green businesses, advocating for blended finance models that combine grants with private investment. She cited the Green Works program in Egypt as a successful example, where local investors played a key role in funding sustainable enterprises.
- **Establishing Networks for Mentorship and Market Access** – She underscored the importance of mentorship programs, green labels, and regulatory frameworks to provide market recognition and incentives for sustainable startups. She noted that regional stakeholders have consistently pushed for standardized green certifications to strengthen the sector.



Afef Ajengui, Regional Programme Manager - Green Forward, Spark

Ajengui also shared Tunisia's green transition experience, highlighting two key areas:

- **Climate-Aligned National Policies** – Tunisia has embedded climate objectives into national strategies, including Plan Climate 2050 and its Nationally Determined Contributions (NDCs). The Tunisia Solar Plan aims for 30% renewable energy in electricity production by 2030.
- **Innovative Green Financing** – Tunisia has leveraged local and international partnerships, securing over €50 million through programs like the Green for Growth Fund, which supports sustainable agriculture and renewable energy.

Her insights stress that empowering youth and women-led green businesses requires an integrated approach—combining capacity building, financing, mentorship, regulatory incentives, and public-private collaboration—to create a thriving green economy in the region.

## Filomena Annunziata, Policy Advisor MED Programme ECCO – The Italian Climate Change Think Tank, Italy

Ms. Filomena Annunziata emphasized that the new political cycle of the European Commission presents an opportunity to shift Euro-Mediterranean relations from short-term crisis management to long-term cooperation on energy transition and climate action. While the 2022 energy crisis pushed the EU to prioritize energy security, the next phase must focus on renewable energy deployment, grid interconnection, storage, and energy efficiency.

She called for a rethink of EU partnerships, advocating for mutually beneficial strategies rather than treating Southern Mediterranean countries solely as energy suppliers. She criticized the lack of communication on key EU policies—CBAM, the Net Zero Industry Act, and the Critical Raw Materials Act—which could harm partner economies without proper consultation. She urged EU delegations to play a stronger role in explaining these measures and ensuring that compensatory mechanisms, such as domestic carbon pricing, allow revenues to be reinvested in local green projects.

Annunziata warned that European fossil fuel demand is set to decline significantly, yet Southern Mediterranean producers may overestimate future EU gas demand. She called for transparent, long-term planning to help these countries diversify their economies rather than remain dependent on fossil fuel exports. She also stressed the need for multilateral rather than bilateral cooperation, particularly for grid integration and industrial policies, arguing that energy grids and supply chains require regional investment frameworks rather than fragmented agreements.

Finally, she highlighted the potential of nearshoring and reshoring industrial supply chains within the Southern Mediterranean, which could spur industrialization and economic growth. However, clear investment strategies and financial mechanisms, including reforms to EU funding instruments (NDICI), are essential.

In conclusion, she urged the EU to adopt a coherent, well-communicated strategy that moves beyond security-driven partnerships to a more equitable and integrated Euro-Mediterranean energy and climate transition.



## PLENARY SESSION 3: FOSTERING SOCIAL AND TERRITORIAL EQUALITIES AND SUSTAINABLE DEVELOPMENT IN AND ACROSS THE EUROMED REGION

Session moderated by: Raed Safadi - Chief Economist, Dubai Department of Economy and Tourism



Ibrahim Awad, Professor of Practice of Global Affairs, School of Global Affairs and Public Policy, AUC



Ragui Assaad, Professor at the Humphrey School of Public Affairs at the University of Minnesota



### Ragui Assaad, Professor at the Humphrey School of Public Affairs at the University of Minnesota, USA

Professor Ragui Assaad provided a comprehensive analysis of the labor market challenges in the Arab region, particularly the disconnect between educational attainment and employment opportunities, with a sharp gendered impact. While educational enrolment and graduation rates have increased significantly, especially for women, these achievements have not translated into economic gains due to weak formal private sector growth. Historically, public sector jobs provided stability and social mobility, but as governments reduced hiring, the private sector failed to absorb the rising number of graduates, resulting in limited formal job creation.



In many Arab countries, formal private sector employment remains low, ranging from 9% in Algeria to 30% in Tunisia, with Egypt at 11% and Jordan at 22%. This shortage of formal jobs has led to "waithood," where youth delay entering the workforce before eventually settling for low-paid, informal jobs without stability or protections.

Women face even greater barriers, despite surpassing men in university graduation rates. Female labor force participation remains among the lowest globally, and in some cases, it is declining due to deeply entrenched social norms. The male breadwinner, female homemaker model still dominates, making public sector jobs the preferred choice for women, as they offer better work-life balance, job security, and benefits. However, with the public sector shrinking and the private sector failing to adapt, women are disproportionately excluded from employment. While men eventually enter the informal economy out of necessity, women often withdraw from the labor market entirely when they cannot find jobs that meet their aspirations or societal expectations. This results in a cycle of low female workforce participation, even among highly educated women.

**To address these challenges, Dr. Assaad categorized labor market policies into three areas:**

- **Labor Supply-Side Policies:** Investing in education, training, and human capital development from childhood to university, ensuring skills align with market needs. While important, this is not the main bottleneck at present.
- **Labor Demand-Side Policies (Most Urgent Constraint):** The region's economic model favors low-quality, male-dominated jobs in construction, real estate, and infrastructure, driven by oil wealth and remittances rather than high-value, tradable industries. This excludes women and educated youth from employment and limits overall job creation.
- **Labor Market Intermediation Policies:** These include job search assistance, skills training, and entrepreneurship programs, helping workers adapt to market needs and transition into employment.

**The core issue lies in labor demand, requiring a paradigm shift in economic development strategies. Dr. Assaad proposed four key reforms to boost job creation:**

- **Expand Export-Oriented Manufacturing** – Prioritizing high-value manufacturing to integrate into global supply chains and generate formal, stable jobs.
- **Invest in Renewable Energy & the Green Economy** – Creating jobs in solar, wind, and energy-efficient infrastructure, aligning with climate action goals, reducing energy dependency, and opening opportunities for women and youth.
- **Grow High-End Tradable Services** – Developing sectors like ICT, digital economy, and sustainable tourism, which offer educated jobs, remote work flexibility, and inclusivity.

- **Boost Social Infrastructure Investment (Triple Dividend Strategy) – Investing in healthcare, education, and social services, which:**

1. Develops human capital, improving long-term workforce quality.
2. Reduces unpaid care work for women, increasing female workforce participation.
3. Creates stable, well-paying jobs, particularly for women in the care sector.
4. Reframe Social Infrastructure as Economic Investment – Challenging outdated economic models that classify education and care work as “government consumption” while physical infrastructure (e.g., bridges) is considered investment. Recognizing human capital development as a key driver of economic growth is essential.

**Ibrahim Awad, Professor of Practice of Global Affairs and Director, Center for Migration and Refugee Studies, School of Global Affairs and Public Policy, The American University in Cairo (AUC), Egypt.**

Professor Ibrahim Awad emphasized the need for a coordinated migration framework in the Euro-Mediterranean region, as fragmented policies fail to address shared challenges like youth unemployment and labor market imbalances. He highlighted contrasting demographic trends, with high fertility rates in the South expanding the labor force, while Northern countries face workforce shortages due to low birth rates. Despite natural labor market complementarities, migration policies remain misaligned. He stressed that while youth unemployment is a major issue, European labor shortages—especially in healthcare and skilled sectors—create demand for migrant workers. Additionally, brain drain now affects both North and South, impacting economic competitiveness. Awad called for policies that align education and training with labor market needs, facilitate legal migration pathways, and invest in job creation in the South to reduce irregular migration, ensuring migration benefits both sending and receiving countries.

To address these challenges, Awad proposed several policy recommendations for a coordinated migration strategy:

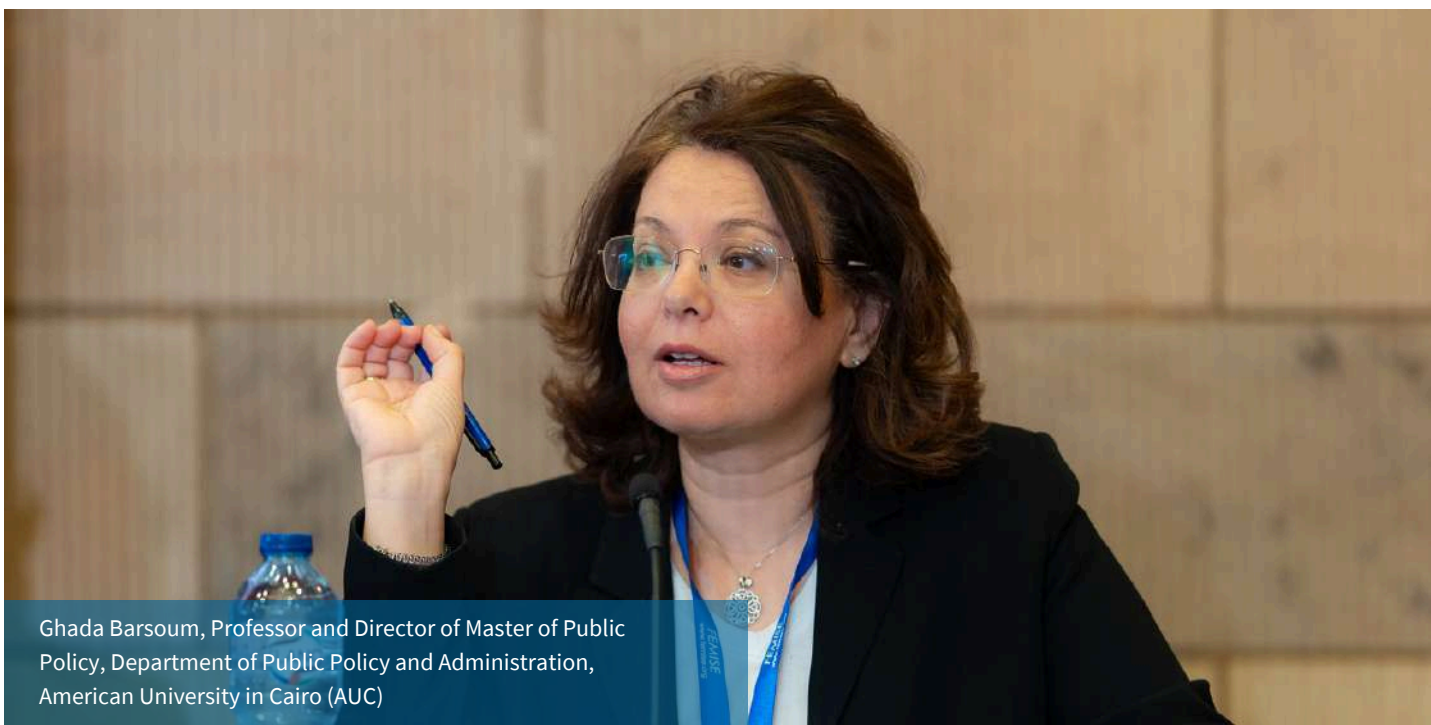
- **Jointly Formulated Education, Training & Employment Policies** – North and South Mediterranean countries should collaborate on education and skills development to ensure that training programs align with labor market needs. Migration policies should emphasize legal migration channels, ensuring mutual benefits for both sending and receiving countries.
- **Recognizing Labor Market Demand in the North** – European policymakers must acknowledge the need for migrant labor, particularly in healthcare, skilled trades, and essential services, and design policies that facilitate the legal migration of skilled workers, rather than focusing solely on border control.
- **Creating Decent Jobs in the South to Reduce Irregular Migration** – Migration is often driven not just by unemployment, but by poor working conditions. Investments in job creation, labor rights, and economic reforms in the South will help reduce push factors driving irregular migration.
- **Addressing Informal Economies on Both Shores** – The large informal sectors in both Europe and the MENA region create demand for irregular migration and exploit migrant workers. Policymakers must focus on formalizing labor markets, ensuring legal employment pathways, and reducing labor exploitation.

## Ghada Barsoum, Professor and Director of Master of Public Policy, Department of Public Policy and Administration, American University in Cairo (AUC), Egypt

Professor Ghada Barsoum provided an in-depth analysis of the structural, economic, and cultural barriers limiting female labor force participation in the South Mediterranean region, emphasizing that increasing women's employment is not just a gender issue but an economic and policy imperative. She argued that labor market challenges for women stem from economic structures, social norms, and policy failures, requiring comprehensive interventions to enable women's workforce inclusion.

### Key Challenges in Women's Employment:

- **Economic Structure Defines Women's Employment:** The region follows a U-shaped relationship between economic development and female labor force participation, where women's employment initially declines before increasing at higher income levels. The oil boom of the 1970s reinforced male-dominated, capital-intensive industries and the male breadwinner model, limiting job opportunities for women.
- **Work and Family Are Inseparable:** Women's employment choices are shaped by household structures, caregiving responsibilities, and cultural norms. Many women work informally from home but do not perceive themselves as employed, referring to their work as just a "pastime".
- **Cultural Norms Are Dynamic, Not Fixed:** Social norms restricting women's employment are not static and can change with policy reforms and economic shifts. For instance, Saudi Arabia's labor market reform, including lifting restrictions on women driving, led to a 15% increase in female labor force participation within one year.
- **Not All Work is Empowering:** Job quality matters—many women face precarious working conditions, long hours, and low wages, leading to time poverty that limits economic empowerment. Policies must focus on fair wages, social protections, and work-life balance to ensure meaningful employment for women.



Ghada Barsoum, Professor and Director of Master of Public Policy, Department of Public Policy and Administration, American University in Cairo (AUC)

## Policy Solutions for Women's Labor Market Inclusion:

Professor Barsoum outlined **four key policy interventions** that can help bridge the gender gap:

- **Social Protection & Active Labor Market Policies (ALMPs):** Current ALMPs mainly target young men, despite higher female unemployment rates. Expanding social protection programs and designing gender-sensitive ALMPs (e.g., entrepreneurship training, job placement programs) can enhance women's workforce participation.
- **Addressing the Unpaid Care Burden:** Women bear the majority of childcare and household responsibilities, leading to higher reservation wages (the minimum wage at which they are willing to work). Policies should include cash benefits for working mothers, affordable childcare centers, and paid parental leave (for both mothers and fathers).
- **Investing in Infrastructure (Transportation & Workplace Accessibility):** Lack of safe and accessible transportation is a major barrier to women's employment. Improving public transport safety, reducing harassment risks, and investing in women-friendly commuting options can increase female workforce participation.
- **Addressing Workplace Discrimination & Gender Job Segregation:** Employers often reject women outright, believing that certain jobs are not suitable for them. Women remain confined to lower-paying, traditionally "feminine" sectors (e.g., education, healthcare). Enforcing anti-discrimination labor laws, promoting diversity incentives for companies, and changing corporate culture can break gender job segregation.

### [Leila Belkhiria Jaber, President, National Chamber of Women Entrepreneurs \(CNFCE\), Tunisian Union of Industry, Trade and Handicrafts \(UTICA\), Tunisia](#)

Leila Belkhiria Jaber, President of the Chambre Nationale des Femmes Chefs d'Entreprise under Tunisia's Union of Industry, Trade, and Handicrafts, emphasized that gender equality should be treated as an economic priority rather than a social cause. She argued that women's economic participation must be integrated into national economic policies, focusing on high-value industries rather than subsistence-level entrepreneurship. Structural barriers in financing and market access continue to exclude women entrepreneurs from scalable business opportunities, restricting them to agriculture, rural projects, or micro-enterprises. Financing mechanisms must evolve to provide venture capital, equity funding, and export facilitation for women-led businesses.

Jaber emphasized the need for a holistic policy approach to women's economic empowerment, calling for high-level government engagement to implement gender-sensitive laws, work-life balance policies, and education reforms that promote female leadership in business and technology. She advocated for shifting the focus from gender inclusion to economic growth strategies that integrate women-led businesses into regional and global value chains. While Tunisia has made progress by mapping the entrepreneurial ecosystem, strengthening leadership programs, and introducing targeted financial mechanisms, she stressed that these efforts must be complemented by broader structural reforms to align women's education and skills with real economic opportunities.

Her policy recommendations include shifting the focus from "gender equality" to "economic growth through gender inclusion," integrating gender-sensitive policies into national economic strategies, and fostering regional cooperation to enable large-scale economic transformation. By treating women's economic empowerment as a key pillar of regional development, governments can unlock new sources of economic growth, increase competitiveness, and build a more inclusive, sustainable economy across the Euro-Mediterranean region.

### Leonardo Menchini, Chief Social Policy and Social Protection, UNICEF

Leonardo Menchini, Chief of Social Policy and Social Protection at UNICEF, emphasized the crucial role of child well-being in shaping the future of the Euro-Mediterranean region. He highlighted multidimensional poverty, rural-urban inequalities, and socioeconomic disparities, calling for stronger social policies and infrastructure investments to ensure equitable access to basic services. Children make up over one-third of the population in the South Mediterranean, with Egypt alone housing 43 million children, nearly half of the region's child population. Demographic shifts are underway, with declining fertility rates in Tunisia, Jordan, Morocco, and Egypt, making investments in child well-being even more critical for sustainable development.

Menchini underscored that 20% of children in the South Mediterranean suffer from multidimensional poverty, lacking adequate healthcare, nutrition, education, housing, water, sanitation, and communication access. The problem is especially severe in rural areas, where children are twice as likely to be poor compared to their urban counterparts. Rural poverty rates range from 20% in Egypt to 44% in Algeria and Morocco, while urban poverty remains around 10% regionally. The wealth gap further deepens child inequality, as 70% of the poorest children face multidimensional poverty, while the richest 20% experience less than 5%.

Despite Morocco's success in reducing rural poverty through infrastructure and social service expansion, the rural-urban divide persists across the region. Menchini called for policy solutions that go beyond cash transfers, advocating for expanded social services in rural areas, targeted public investments in schools, hospitals, and infrastructure, and stronger policy coordination between social protection programs and economic strategies.

A child-centered development model is essential for long-term economic growth, labor market participation, and regional stability. Investing in education, healthcare, and social protection today will determine the future workforce and prosperity of the Mediterranean.



**Ilyes Boumahdi, Chef de service des activités tertiaires et de l'économie du savoir DEPF,  
Minsitry of Economy and Finance, Morocco**

Ilyes Boumahdi, Chief of Service for Tertiary Activities and Knowledge Economy at Morocco's Ministry of Economy and Finance, examined territorial inequalities in Morocco and the broader Mediterranean region, focusing on multidimensional poverty, regional disparities, and policy interventions for economic convergence. He emphasized that inequality is a shared challenge across the Mediterranean, affecting both North and South, with disparities not only between countries but also within them—particularly between urban and rural areas and central and peripheral regions such as the High Atlas in Morocco, Southern Italy, Eastern Turkey, and the mountains of Greece.



Ilyes Boumahdi, Chef de service des activités tertiaires et de l'économie du savoir DEPF, Minsitry of Economy and Finance

While regional economic convergence is occurring, it remains too slow—only 1% annual growth in marginalized regions, meaning it could take two generations for underdeveloped areas to catch up. To accelerate this, Morocco has implemented a regionalization policy, launched in 2011, giving regions more economic autonomy. By 2015, elected regional councils were executing development plans, supported by fiscal decentralization—allocating 30% of VAT revenues and 5% of corporate and income taxes to local governments.

Morocco also expanded public and private investment to shift economic activity beyond the Tangier-Casablanca coastal axis, using solidarity funds to empower underdeveloped regions. Investment incentives provide 5-10% bonuses for businesses in lagging areas, with additional 30% incentives for projects supporting women's economic inclusion, youth employment, and sustainability. Infrastructure investments, including new ports and road networks, connect remote areas to national and international markets, reinforcing economic inclusion. Morocco's Atlantic Initiative for the Sahel further integrates Southern Morocco with West African economies, broadening regional economic cooperation.

Boumahdi underscored that tackling inequality requires both national and regional cooperation. Morocco's regionalization model—combining governance reforms, fiscal decentralization, investment incentives, and infrastructure development—can serve as a blueprint for the Mediterranean. However, achieving faster convergence necessitates stronger international partnerships, greater investment in human capital, and sustainable industrialization beyond coastal hubs. Expanding such policies across the Mediterranean could reduce inequality, drive economic growth, and enhance long-term regional stability.

## PLENARY SESSION 4: EMPOWERING MEDITERRANEAN YOUTH: THE CATALYST FOR AN INTEGRATED EUROMED REGION ACHIEVING SDGS

Session moderated by: Roger Albinyana, Managing Director, European Institute of the Mediterranean (IEMed)

### Pietro Gagliardi, Policy Analyst, OECD

Pietro Gagliardi, Policy Analyst at the OECD, emphasized the need for governments in the Euro-Mediterranean region to prioritize youth-centered policymaking, ensuring long-term economic stability and sustainable development. He highlighted the youth trust deficit, noting that only 49% of young people in the Arab Youth Survey (2021) believed their governments had the right policies for them. Despite their critical role in achieving the SDGs, youth policies remain fragmented, poorly coordinated, and lack direct youth participation. Governments often follow an "adult by default" approach, failing to incorporate youth perspectives across education, employment, governance, and climate policies.

### To address these gaps, Gagliardi outlined three key approaches:

- **National Youth Strategies:** Many MENA countries have youth strategies, but poor implementation and weak monitoring limit their effectiveness. Governments must fully fund, evaluate, and coordinate these strategies across ministries to ensure impact.
- **Institutional Coordination:** Youth policies are often scattered across different agencies, leading to inefficiencies. Examples from Slovenia, France, and Austria show that youth focal points in ministries and inter-ministerial coordination groups help integrate youth perspectives into national policies.
- **Youth Impact Assessments:** Germany, Austria, and France conduct "Youth Checks" to assess how new policies affect young people. No MENA country currently uses this tool, making data-driven decision-making a priority for ensuring youth-sensitive policies.



Pietro Gagliardi, Policy Analyst,  
OECD

## Giulia Dimonopoli, Project Analyst – Youth, Union for the Mediterranean

Giulia Dimonopoli, Project Analyst at the Union for the Mediterranean (UFM), outlined the organization's commitment to youth engagement in the Euro-Mediterranean region, emphasizing the need for regional coordination rather than isolated national efforts. While youth has always been a priority, the 2022 UFM Youth Strategy marked a turning point, establishing a structured regional framework for meaningful youth participation.

The UFM Youth Agenda focuses on three core areas: **(1) Climate Action & Environment**, where young people are empowered to lead in climate discussions; **(2) Education & Employment**, which addresses the skills mismatch and the gap between education systems and labor market demands; and **(3) Social Inclusion & Participation**, aiming to increase youth representation in decision-making and strengthen youth-led civil society organizations. The agenda highlights the interconnected nature of youth issues, emphasizing that youth policies must extend beyond employment to include climate, education, migration, and governance.

The UFM employs a two-pronged approach to youth engagement: **(1) Multistakeholder Dialogue**, ensuring that policy decisions reflect youth needs through direct collaboration with youth-led organizations, and **(2) Capacity Building**, equipping young people with leadership, advocacy, digital, and entrepreneurship skills to drive economic and social change. Despite these efforts, barriers remain, including limited youth inclusion in policymaking, a disconnect between youth priorities and government agendas, and inadequate financial and institutional support. In response, the UFM has reformed its internal processes to embed youth perspectives in decision-making structures, engaged young people early in policy formulation, and published a Youth Engagement Outcome Document outlining the challenges and solutions.

Youth issues are deeply interwoven with broader policy areas. Concerns about climate change, migration, and mental health must be addressed alongside employment and education to create holistic youth policies. Additionally, the "brain drain" phenomenon is not only driven by job shortages but also by a lack of social mobility, security, and quality of life.

- Youth participation must go beyond symbolic representation—young people should hold real decision-making roles.
- Governments must reform governance processes to institutionalize youth inclusion.
- Regional cooperation via the UFM, OECD, and other institutions is essential to scaling best practices.



### Laura Schmid, North & East Africa Skills and Employability Specialist, International Labour Organization (ILO)

Laura Schmid, North and East Africa Skills and Employability Specialist at the International Labour Organization (ILO), underscored the critical need for skills development to enhance youth employability in the Maghreb, Egypt, and the broader Mediterranean region. She highlighted the dual importance of technical skills and core (soft) skills, emphasizing that while digital literacy, environmental awareness, teamwork, and critical thinking are widely recognized as essential, the challenge lies in measuring, certifying, and integrating these competencies into education and training systems. On the technical skills front, Schmid noted that skills anticipation is difficult due to limited labor market data, making it crucial for governments to adopt sectoral approaches based on industry priorities and technological shifts. Using Ethiopia's ban on fossil fuel cars as an example, she demonstrated how policy shifts create sudden skill demands, requiring rapid adaptation of education systems to equip workers with relevant expertise.

From the ILO's perspective, Schmid emphasized the importance of tripartite collaboration between governments, employers, and workers to ensure that education and training curricula align with labor market needs. She noted that despite widespread recognition of skills mismatches, employers are often excluded from discussions on curriculum design and vocational training, limiting the effectiveness of education policies. Additionally, she highlighted the role of trade unions in just transitions, ensuring that workers displaced by economic shifts, automation, and climate policies have access to reskilling and lifelong learning opportunities. Lastly, Schmid emphasized the importance of policy frameworks, citing the ILO's recently adopted Recommendation on Quality Apprenticeships, which has been signed by all Mediterranean governments, labor ministries, unions, and employer federations. She urged stronger collaborations with partners to translate these commitments into tangible action, ensuring that youth employment strategies, vocational training programs, and just transition policies are effectively implemented.



Giulia Dimonopoli, Project Analyst – Youth, Union for the Mediterranean



Roger Albinyana, Managing Director, European Institute of the Mediterranean (IEMed)

## **Simona Rinaldi, Senior Human Capital Development Expert - Country Liaison for Lebanon, European Training Foundation (ETF)**

Simona Rinaldi, Senior Human Capital Development Expert at the European Training Foundation (ETF), underscored the urgent need to modernize vocational education and training (VET) in the Levant and North Africa to tackle youth unemployment and the skills mismatch. Despite its potential, VET remains undervalued, with low enrollment rates due to negative perceptions from students and parents. She emphasized the need for policy reforms to enhance the attractiveness and effectiveness of VET programs, ensuring they align with labor market demands.

### **Key Insights & Policy Recommendations**

#### **Enhancing VET Attractiveness & Localized Training**

- Governments should integrate localized training programs tailored to regional economies, ensuring that vocational curricula align with real labor market needs.
- Stronger public-private partnerships are crucial for co-designing training programs and improving the relevance of VET education.
- Career guidance programs should be expanded to help students make informed career choices and shift perceptions of VET as a viable career path.

#### **Building Soft Skills & Workforce Readiness**

- Soft skills—such as decision-making, risk-taking, and networking—must be integrated into education policies, as many young people lack exposure to real-world professional interactions.
- Career networking opportunities should be created to bridge the gap between education and employment.

#### **Expanding Short-Term Vocational Training for Crisis Contexts**

- In fragile economies like Lebanon, accelerated vocational training (3-9 months) should be promoted as a rapid response to labor market needs.
- However, short-term training should not replace formal education, as it may weaken long-term employment prospects.

#### **Strengthening Public-Private Collaboration**

- Sector Skills Councils (SSCs) should be scaled up to bring governments, employers, and trade unions together in co-designing curricula and training programs.
- Governments must provide incentives for private sector engagement, ensuring businesses invest in long-term workforce development rather than prioritizing short-term returns.

#### **Global Best Practice: Vietnam's Coffee Sector Reform**

- Rinaldi cited Vietnam's successful multi-stakeholder model, where government, businesses, farmers, and academia collaborated on skills development in sustainable farming.
- The initiative increased farmer profits, improved product quality, and reduced greenhouse gas emissions, proving that coordinated skills policies can drive economic growth and sustainability.

### **Reem El-Saady, Regional Manager, SME F&D, Egypt, Jordan and West Bank, European Bank for Reconstruction and Development (EBRD)**

Reem El-Saady, Regional Manager for SMEs at the European Bank for Reconstruction and Development (EBRD), outlined innovative financing and non-financial support mechanisms aimed at fostering youth-led SMEs in Egypt, Jordan, and the West Bank. She emphasized that youth entrepreneurs are not a homogeneous group, requiring tailored financial and advisory solutions depending on their business type—whether startups, traditional small businesses, or second-generation family enterprises.

#### **Targeted SME Financing for Youth-Led Businesses**

- Customized financing models cater to different SME segments:
- Startups benefit from post-acceleration support through the Star Ventures program, providing mentorship, coaching, and business advisory services.
- Traditional young entrepreneurs receive subsidized loans with cash-back grants (10-15%) upon meeting specific business milestones.
- Family business successors receive governance training and succession planning support to facilitate intergenerational business transitions.
- Blending finance with capacity-building ensures SMEs use capital effectively, preventing financial mismanagement and failure.



Reem El-Saady, Regional Manager, SME F&D, Egypt, Jordan and West Bank, European Bank for Reconstruction and Development (EBRD)

#### **Bridging the "Know-How Gap" for SMEs**

- Many SMEs lack financial literacy, business planning, and market research skills, limiting their ability to absorb available funding.
- Subsidized business advisory services help SMEs develop market studies, digital transformation strategies, and financial models, making them more bankable.
- Encouraging private-sector consultancy uptake through initially subsidized services, which SMEs later fund independently, fosters long-term investment in business expertise.

## Strengthening SME Financial Inclusion

- Despite high banking liquidity, SME financial inclusion remains low, primarily due to business unpreparedness rather than lack of funding.
- The 2017 Central Bank of Egypt strategy mandated non-financial service units in banks, yet implementation remains limited, requiring scalable models for success.
- Expanding business diagnostics, mentorship, and access to financial advisory services can bridge the gap between entrepreneurs and the banking sector.

El-Saady highlighted that funding alone is not enough—without business expertise, SMEs risk financial mismanagement. The EBRD model integrates finance with advisory services, ensuring youth-led businesses grow sustainably. Scaling up public-private partnerships and embedding mentorship programs into financial strategies is crucial for fostering a resilient, high-impact SME ecosystem in the Euro-Mediterranean region.

## **Graziano Tullio, Consultant on Youth and Civil Dialogue, European Economic and Social Committee**

Graziano Tullio, Consultant in Youth and Civil Dialogue at the European Economic and Social Committee (EESC), emphasized the need for inclusive and structured youth participation in policymaking, stressing that effective civil dialogue requires both representation and process. He critiqued the common practice of selecting "youth representatives" without ensuring they genuinely reflect diverse youth perspectives, noting that young people are not a homogeneous group, and those from rural areas, marginalized communities, and non-traditional backgrounds are often excluded from policy discussions.

## Key Insights & Policy Recommendations

### Beyond Token Representation: Ensuring Legitimate Youth Voices

- Many youth leaders in policy dialogues are self-selected, not democratically chosen, leading to a closed cycle of elite participation that excludes the most affected youth.
- Policymakers must engage a broader range of youth voices, particularly from underrepresented groups, by partnering with independent organizations like the Anna Lindh Foundation to reach young people at the grassroots level.
- Youth engagement must be issue-based, not just age-based, ensuring those most impacted by policies are at the table.

### A Process-Oriented Approach: Creating Spaces for Genuine Participation

- Moving beyond "youth inclusion" towards "youth co-creation", where young people help shape the agenda rather than simply responding to predefined issues.
- Establishing long-term participatory mechanisms, not just one-off consultations, to continuously engage youth in policymaking processes.
- Using interactive policy methods, such as fishbowl discussions where young participants can directly challenge and replace decision-makers in discussions, breaking hierarchical barriers.

## Strengthening Social Dialogue Structures for Youth Inclusion

- Governments and institutions already have youth councils, advisory boards, and participatory mechanisms, but these are underutilized or lack decision-making power.
- Instead of focusing on metrics-based outreach (e.g., surveying 20,000 youth), emphasis should be placed on who is being reached and how.
- Expanding alternative outreach methods (e.g., radio, digital platforms, and community-based networks) to engage non-traditional youth audiences.

Tullio called for a shift in youth participation from symbolic consultation to meaningful decision-making power. By diversifying representation, embedding participatory processes, and reforming social dialogue structures, youth engagement can move beyond elite-driven conversations to genuinely inclusive, transformative policymaking across the Euro-Mediterranean region.



Laura Schmid, North & East Africa Skills and Employability Specialist, International Labour Organization (ILO)



Simona Rinaldi, Senior Human Capital Development Expert - Country Liaison for Lebanon, European Training Foundation (ETF)



# KEY TAKEAWAYS

## Highlights Presented During the Closing Session

### 1- Economic Integration & Value Chains

- The EU-Mediterranean partnership has yet to foster strong regional value chains due to weak industrial policies, fragmented trade agreements, and lack of regulatory alignment.
- The region must shift from raw material exports to integrated, high-value manufacturing and digital service industries.
- The green transition, particularly hydrogen development, presents an opportunity for economic transformation in the South Mediterranean.
- The region is still lacking some basic building blocks such as skills, data, infrastructure and the ecosystem that links all these together.
- Integrating start-ups in the value chains is crucial to their development.
- VC has to be tailor-made to the need of each country.

### 2- Digital Transformation & Human Capital

- Infrastructure investments alone are insufficient—human capital development must be prioritized.
- Education systems in the South Mediterranean are misaligned with labor market demands, leading to skills mismatches.
- Digital governance, policy integration, and investment in AI and automation skills are essential to closing the digital divide.

### 3- Climate Action & Sustainable Finance

- The region suffers from inequitable climate finance distribution, with most funding concentrated in mitigation rather than adaptation.
- Debt-for-climate swaps and regional carbon taxation fairness are needed to align EU and South Mediterranean sustainability goals.
- Financing climate adaptation is essential for South-Med countries. The role of financial subsidies is critical, especially given the significant challenge posed by rising debt levels. There is an urgent need to accelerate the implementation and scaling-up of adaptation projects. Additionally, more efforts are required to engage policymakers—both in the EU and the South-Med region—to ensure stronger support and alignment.
- Removing environmentally harmful subsidies (e.g., fossil fuel and fisheries subsidies) is necessary to promote green investments.



#### 4- Labor Markets & Gender Inclusion

- Despite increased female education rates, women's labor participation remains low due to social norms and still existent discriminatory barriers.
- The importance of transferability skills, employability, education and technology as tools that will enhance the inclusion of youth.
- Public and private sector policies must improve childcare access, work-life balance, and workplace anti-discrimination measures.
- Economic policies must integrate gender-sensitive financial mechanisms to support women entrepreneurs.

#### 5- Youth Employment & Migration Policies

- Youth unemployment remains high due to a lack of quality jobs, skills mismatches, and inadequate labor market policies.
- Vocational education must be modernized and made more attractive through localized, employer-driven curricula.
- Migration policies should be coordinated across the Euro-Mediterranean region to align labor supply with demand while protecting workers' rights.

#### 6- SME Development & Entrepreneurship

- SMEs require more than just financial support—business advisory services, governance training, and capacity-building programs are equally critical.
- Blended financing (mixing grants and loans) and non-financial services (mentorship, business diagnostics) enhance youth-led SME success rates.

#### 7- Youth Engagement in Policymaking

- Young people must be active participants in shaping policies rather than being passive recipients.
- Structural barriers in youth dialogue processes lead to elite-driven discussions that exclude underrepresented groups.
- Governments must institutionalize participatory mechanisms to ensure continuous and meaningful youth engagement.



Mona Said, Professor of Economics, The American University in Cairo (AUC) and FEMISE Board member.

# COLLECTIVE POLICY RECOMMENDATIONS



## Strengthening EU-MED Economic Integration & Value Chains

- **Policy Alignment:** Harmonize industrial, trade, and digital policies across the Mediterranean to enhance competitiveness.
- **Service Liberalization:** Expand agreements to include logistics, telecommunications, and digital services.
- **Green Transition Strategy:** Invest in hydrogen production and circular economy practices to create sustainable value chains.

## Bridging the Digital Divide & Human Capital Development

- **Education Reform:** Align education systems with labor market demands, integrating AI, automation, and digital skills into curricula.
- **Public-Private Collaboration:** Strengthen partnerships between universities and industries to improve research commercialization and digital adoption.
- **Regulatory Updates:** Implement clear digital governance frameworks to enhance data accessibility and security.

## Advancing Climate Action & Sustainable Finance

- **Equitable Climate Finance:** Shift climate financing from debt-based models to equity and grants, particularly for adaptation projects.
- **Subsidy Reform:** Gradually phase out fossil fuel and environmentally harmful subsidies while ensuring social safety nets.
- **Regional Carbon Frameworks:** Establish fair carbon taxation and compensation mechanisms to prevent economic disadvantages for the South Mediterranean.

## Enhancing Labor Market Inclusion & Gender Equity

- **Social Infrastructure Investment:** Expand childcare, parental leave, and eldercare services to ease women's re-entry into the workforce.
- **Labor Market Intermediation:** Develop job search assistance programs, retraining initiatives, and entrepreneurship support for young women.
- **Workplace Regulations:** Enforce anti-discrimination laws and promote gender diversity incentives in corporate policies.



## Reforming Youth Employment & Migration Policies

- **Vocational Training Enhancement:** Modernize VET systems with employer-driven curricula, career guidance, and short-term training options.
- **Decent Job Creation:** Shift economic models toward high-value sectors such as green energy, technology, and digital trade.
- **Coordinated Migration Policies:** Develop joint North-South migration frameworks that facilitate legal migration while preventing exploitation.

## Supporting SME Growth & Entrepreneurship

- **Blended Finance Approaches:** Expand funding mechanisms that combine grants, loans, and equity investments for startups.
- **Business Advisory Programs:** Provide subsidized mentorship, governance training, and financial literacy support for SMEs.
- **Market Access & Networking:** Facilitate regional trade and digital economy integration for young entrepreneurs.

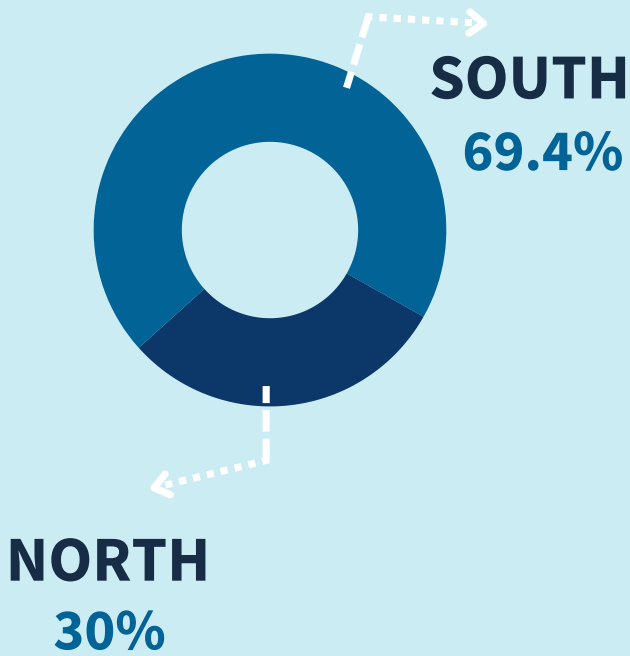
## Institutionalizing Youth Engagement in Policymaking

- **Long-Term Youth Participation Mechanisms:** Establish structured youth councils and advisory boards with decision-making power.
- **Policy Impact Assessments:** Introduce "Youth Checks" to ensure new policies consider young people's perspectives.
- **Equitable Representation:** Expand outreach to underrepresented youth through grassroots networks and digital engagement strategies.

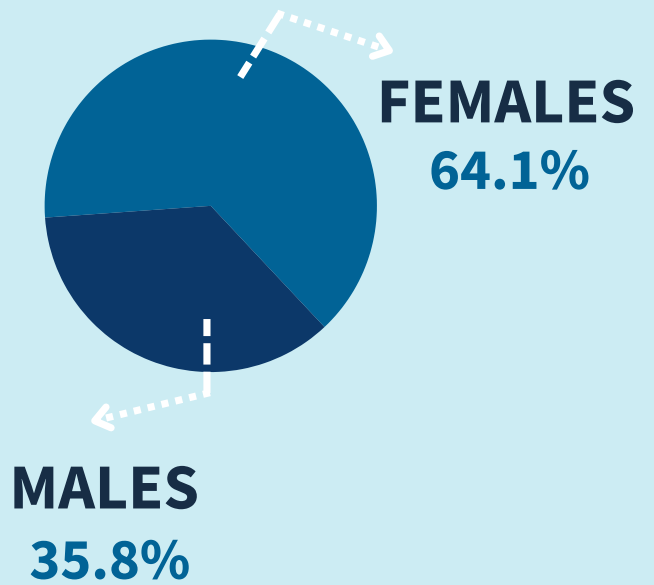
# CONFERENCE HIGHLIGHTS IN FIGURES

## PARTICIPANTS

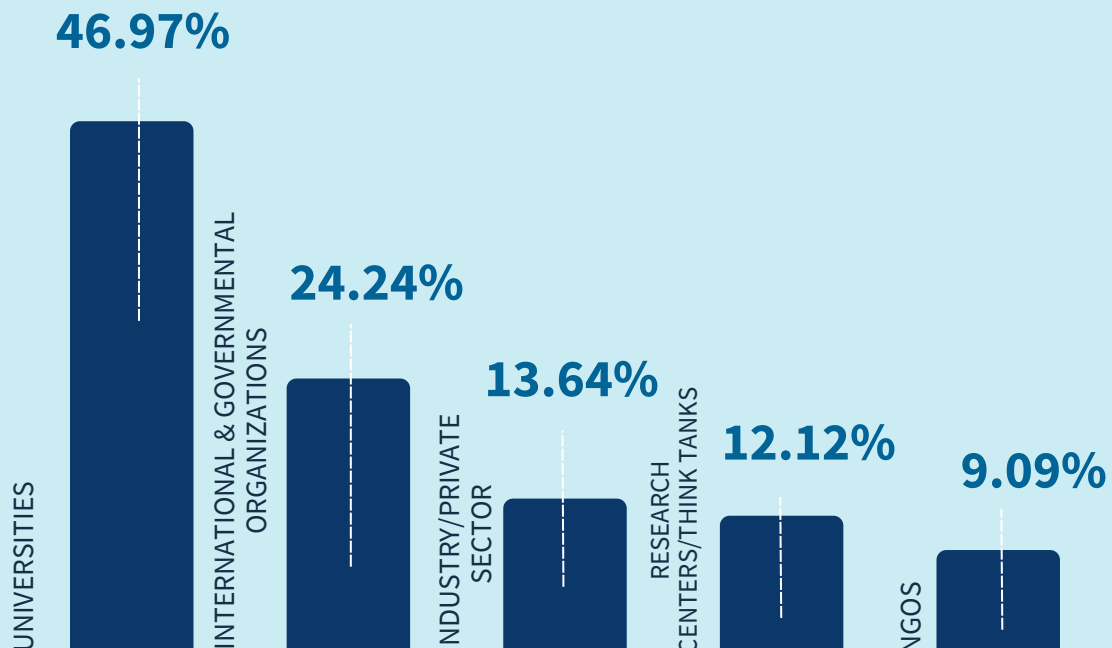
### REGION



### GENDER



## TYPE OF INSTITUTIONS





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## About FEMISE

FEMISE, the Forum Euroméditerranéen des Instituts de Sciences Économiques, is a Euro-Mediterranean network of over 100 economic and social research institutes from both shores of the Mediterranean. Established in Marseille, France, in 2005 as an NGO, FEMISE promotes dialogue on economic and social policies to foster cooperation and mutual benefit between Europe and its Mediterranean partners. Coordinated by the Economic Research Forum (ERF) in Egypt, FEMISE focuses on strengthening research capacity, fostering public-private dialogue, disseminating research findings, and building partnerships to support regional collaboration and sustainable development.

## About IEMed

The European Institute of the Mediterranean (IEMed), founded in 1989, is a think-and-do tank focused on Euro-Mediterranean relations. Guided by the Euro-Mediterranean Partnership (EMP), European Neighbourhood Policy (ENP), and Union for the Mediterranean (UfM), it promotes cooperation, mutual understanding, and intercultural dialogue to build a shared space of peace, stability, and prosperity. IEMed is a consortium of the Catalan Government, the Spanish Ministry of Foreign Affairs, the EU, and the Barcelona City Council, with contributions from civil society through its Board of Trustees and Advisory Council.

## Contact Information

**Address:** 2 Rue Henri Barbusse, 13001  
Marseille, France

**Phone:** ++33(0) 9 71 53 89 15

 <https://www.femise.org>

