

2025

FEMISE POLICY SEMINAR

## REPORT

# Shaping the Future: Outcomes of the 2025 FEMISE Policy Seminar

*Towards a Strategic Policy Road Map for a Deeper Euro-Mediterranean Integration*

16 June, 2025 // Cairo, Egypt (Hybrid)



# Acknowledgment

The financial support of the Spanish Agency for International Development Cooperation (AECID) is greatly acknowledged

## 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.

### Report

Published by FEMISE & the European Institute of the Mediterranean

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.

Readers interested in further insights can consult the full policy briefs and conference papers, which are hyperlinked throughout the report and available via the FEMISE website: [www.femise.org](http://www.femise.org)



# Introduction & Background

Held on June 16, 2025, in Cairo and online, the policy seminar titled *“Shaping the Future: Towards a Strategic Policy Roadmap for a Deeper Euro-Mediterranean Integration”* brought together key stakeholders from across the Mediterranean and Europe to address some of the region’s most pressing and interconnected challenges. These included climate vulnerability, economic instability, digital divides, youth unemployment, and migration pressures—issues that continue to shape the socio-economic landscape of the region.

In this context, FEMISE—a long-standing Euro-Mediterranean network dedicated to fostering regional cooperation and policy dialogue—organized the event in partnership with **the European Institute of the Mediterranean (IEMed)** and with financial support from **the Spanish Agency for International Development Cooperation (AECID)**. The seminar built upon the momentum generated during FEMISE’s 2023 and 2024 annual conferences, which served as important platforms for presenting policy-relevant research and for facilitating dialogue between researchers, policy experts, and civil society actors.

The 2025 seminar served as both a continuation and a consolidation of these efforts. **It offered a timely opportunity to reflect on recent research and regional dynamics, while fostering dialogue on how to collectively shape a strategic, unified vision for the future of Euro-Mediterranean integration.**

This report provides a comprehensive overview of the seminar’s proceedings. It includes summaries of key sessions and panel discussions with the aim to put forward the policy recommendations presented, and to share reflections from participants on future priorities for cooperation. The report also identifies emerging themes that can inform FEMISE’s upcoming research agenda and guide collaborative efforts in building a more inclusive, sustainable, and integrated Euro-Mediterranean region.

# Opening & Keynote Speeches



The seminar's opening session featured welcoming remarks and keynote interventions that set the tone for a day of critical policy discussions around Euro-Mediterranean integration. Speakers included:

- **Maryse Louis**, General Manager of FEMISE
- **H.E. Amb. Álvaro Iranzo**, Ambassador of Spain in Cairo
- **H.E. Amb. Senén Florensa**, Executive President of IEMed (delivered online)
- **Maria Isabel Gil**, Project Manager of Governance, AECID

The session marked both a moment of reflection and forward-looking ambition, taking place during a milestone year that commemorated *the 30th anniversary of the Barcelona Process* and *the 20th anniversary of FEMISE*.

Key messages from the session highlighted:

- **Shared challenges and opportunities:** The region faces multiple, overlapping crises—including climate change, youth unemployment, and digital inequality—but also holds enormous potential for cooperation. Mediterranean youth unemployment surpasses 30%, and the region is warming 20% faster than the global average. Yet, through deeper collaboration, these challenges can be transformed into drivers of resilience and innovation.
- **Historical and geopolitical context:** Ambassador Iranzo emphasized the enduring significance of the Barcelona Process and its institutional legacy, rooted in dialogue, cooperation, and regional solidarity. He acknowledged today's harsh geopolitical realities—from the conflict in Gaza to broader regional instability—yet underscored the importance of keeping the spirit of cooperation alive.

- **The centrality of civil society:** Speakers stressed the need for inclusive approaches that go beyond state-level diplomacy. Civil society, academia, and think tanks—such as *FEMISE* and *IEMED*—play a vital role in shaping policies that reflect the voices and needs of diverse communities across the region.
- **The role of evidence-based dialogue:** Ambassador Florensa and Maria Isabel Gil emphasized that the success of regional integration depends on grounding policymaking in data, inclusive research, and real engagement with grassroots realities. The recent FEMISE research program, supported by AECID, produced over 25 academic papers and policy briefs—positioning the network as a key knowledge partner for shaping the Euro-Mediterranean agenda.
- **Looking ahead:** The speakers collectively called for a renewed commitment to a strategic, unified policy roadmap that prioritizes green and digital transitions, youth empowerment, migration governance, and economic inclusivity. The importance of linking today's discussions with upcoming high-level events—such as the Euro-Mediterranean Economic and Business Forum in Barcelona and the International Conference on Financing for Development in Seville—was also emphasized.

The opening session concluded with a strong affirmation of the Mediterranean's shared identity and destiny. Despite current geopolitical storms, the speakers echoed a common message: ***long-term progress depends on staying engaged, grounded, and united around a vision of sustainable, inclusive, and cooperative regional development.***



# Panel 1: Greener and Inclusive Value Chains for Euro-Med Integration



This first panel was composed of **Sylvana Wafik** (*Lecturer at the University of London & the European Universities in Egypt*), **Ceyhun Elgin** (*Professor of Economics at Boğaziçi University, Turkey*), **Mohammad Makki** (*Assistant Professor of Economics at the School of Business of the Holy Spirit University of Kaslik – USEK*), and **Myriam Ramzy** (*Assistant Professor at the Department of Economics, Faculty of Economics and Political Science, Cairo University*); it was moderated by **Anna Ferragina**, (*Associate Professor at the University of Salerno and FEMISE Board and Scientific Committee Member*). Panellists examined strategies to foster greener and more inclusive value chains in the Euro-Mediterranean region, highlighting the role of education, digitalization, sustainable practices, and environmental regulation in driving an equitable green transition. The following section outlines **the key policy recommendations** put forward by the researchers during this panel, based on their research findings.

## Global Value Chains and Social Upgrading

*Presented by Sylvana Wafik (Lecturer at the University of London & the European Universities in Egypt)*

### **1. Aligning Education with GVC Demands**

To fully benefit from GVC participation, education systems in the region must focus on quality over quantity, emphasizing technical and digital skills aligned with labour market needs—particularly in manufacturing, renewable energy, and digital services. Vocational training should be inclusive of women and youth, and developed in partnership with the private sector and multinational firms to ensure relevance and employability.

### **2. Enhancing Governance and Labour Standards**

Governments should strengthen labour laws in line with international standards and implement effective monitoring mechanisms, such as whistle-blower hotlines and anti-exploitation legislation. Awareness campaigns and technical assistance from bodies like the ILO and EU are key to improving labour conditions. Promoting economic diversification will also reduce overdependence on low-value sectors.

### **3. Boosting North-South Regional Cooperation**

Greater regional collaboration is needed to bridge North-South disparities. This includes supporting labour mobility, policy harmonization, and technology transfer. The EU should direct support to build capacity in Southern countries, while fairer trade agreements and regional innovation hubs can empower local firms, enhance market access, and strengthen cross-border partnerships.

## Digital Transformation and Informality

*Presented by Ceyhun Elgin (Professor of Economics at Boğaziçi University)*

### 1. Expand Digital Infrastructure with a Focus on Mobile-First Access

One of the most impactful steps to reduce informality is investing in digital infrastructure, particularly in mobile-first connectivity. This is essential for reaching underserved areas, especially in rural and low-income communities, where informal economic activity is most prevalent. Enhancing mobile network coverage and internet access allows individuals to access digital platforms, register their businesses, and engage in formal transactions more easily.

### 2. Foster Public-Private Partnerships for Technology and Inclusion

Governments should actively collaborate with private sector actors, including tech companies and mobile operators, to expand digital access and design inclusive platforms. These partnerships can help accelerate the deployment of digital services and ensure they are adapted to local needs. Moreover, private sector engagement is vital for sustaining innovation and providing market-relevant solutions that support entrepreneurship and formalization.

### 3. Strengthen Digital Skills through Accessible, Sector-Specific Training

The success of digital adoption depends not only on infrastructure but also on digital literacy. Governments and development actors should support the creation of sector-specific digital training programs, especially for groups vulnerable to informality such as women, youth, and rural workers. These programs should be mobile-accessible, allowing users to gain skills directly from their phones, reducing access barriers and reaching broader populations.

### 4. Promote Digital Financial Inclusion and Alternative Credit Tools

Expanding digital payment systems is a critical lever to formalize economic transactions. Governments should promote mobile money platforms and facilitate their widespread adoption, especially in informal sectors such as retail, agriculture, and services. At the same time, alternative credit scoring models (e.g., based on mobile usage or transaction history) should be developed to improve access to finance for individuals and businesses lacking formal credit histories.

### 5. Implement Regulatory Certification and Business Simplification

Formalization also depends on making regulatory processes clearer, cheaper, and more accessible. Introducing simple digital business registration systems, coupled with streamlined certification processes, can lower the threshold for informal entrepreneurs to enter the formal economy. Ensuring these systems are mobile-friendly and available in multiple languages will improve inclusivity and reach.

### 6. Advance Regional Digital Cooperation and Policy Harmonization

Regional cooperation is essential to maximize the benefits of digital transformation across borders. Countries in the Euro-Mediterranean region should work toward harmonizing digital policies, sharing data and best practices, and building interoperable systems that facilitate cross-border trade and knowledge exchange. A unified approach can also strengthen negotiation positions with global tech platforms and financing institutions.

## **Building Sustainable Value Chains in Agriculture & Waste Management**

*Presented by Mohammad Makki (Assistant Professor of Economics at the School of Business of the Holy Spirit University of Kaslik – USEK, and Co-director of the Social Economy Unit at COSV, Lebanon)*

### **1. Foster Government Support and Unlock Local Resources**

Governments play a pivotal role in enabling sustainable value chains. To support community-based enterprises and social entrepreneurship models, public authorities should offer fiscal incentives—such as tax breaks—to encourage collaboration among local actors. In parallel, governments should help enterprises unlock underutilized assets, such as idle rural lands, disused facilities, and other infrastructure, to scale operations and expand reach. These resources can serve as foundational elements in sustainable agricultural or waste management ecosystems.

### **2. Scale Up Digital and Physical Marketplaces**

A major barrier to collaboration and growth among enterprises in the region is the lack of access to cross-border networks and marketplaces. It is vital to scale up digital platforms where entrepreneurs can showcase their models, share experiences, and identify opportunities for partnership across borders. Many grassroots enterprises cannot travel or connect due to limited funding or institutional support. Providing access to online collaborative spaces is an effective, low-cost way to bridge this gap and stimulate regional interaction.

### **3. Encourage Resource Pooling and Local-Regional Collaboration**

Pooling resources and sharing knowledge across initiatives is key to building resilient, inclusive value chains. Governments, NGOs, and donors should foster an enabling environment that incentivizes collaboration—not only within countries, but across the Euro-Mediterranean region. Strengthening networks among agricultural cooperatives, recycling innovators, and community-led ventures helps scale successful models, disseminate know-how, and avoid duplication of efforts.

### **4. Strengthen Regional Platforms and Exchange Mechanisms**

Initiatives like Lebanon's Peer Exchange Program demonstrate the value of structured, ongoing dialogue between actors in different countries. Regional and international stakeholders—especially NGOs and civil society platforms—should institutionalize such exchanges through funded forums, web-based learning networks, and technical collaborations. Platforms like the Social Enterprise World Forum and People Plus Planet First can be used as vehicles to internationalize grassroots innovation and open doors to new partnerships.

### **5. Engage International Donors in Cross-Border Pilots**

Donor agencies must shift toward designing programs that explicitly foster cross-border collaboration. Funding should support the testing of pilot models that connect enterprises from different countries around shared value chains—particularly in agriculture, waste management, and green innovation. These pilots can serve as proof-of-concept for regional value chain integration and inform broader cooperation strategies in the Euro-Mediterranean space.

## **6. Promote the Role of International NGOs as Connectors**

International NGOs are well-positioned to act as brokers of collaboration and knowledge exchange. Beyond delivering services, they should focus on building institutional bridges between actors in different contexts—supporting matchmaking, joint ventures, and innovation exchanges. Their convening power and access to funding networks make them essential facilitators of regional ecosystem-building.

## **Environmental Regulations & Green Practices in GVCs**

*Presented by Myriam Ramzy (Assistant Professor at the Department of Economics, Faculty of Economics and Political Science, Cairo University)*

### **1. Enforce Market-Based Environmental Regulations**

To boost GVC participation while addressing environmental challenges, governments—especially in the Southern and Eastern Mediterranean region—should implement well-enforced regulatory frameworks. These should rely on market-based instruments, such as environmental or energy taxation, which incentivize firms to reduce emissions and improve their environmental performance. For firms in energy-intensive sectors, regulation plays a critical role in enabling GVC integration.

### **2. Complement Regulation with Public Policy Incentives**

Regulatory frameworks should be supported by public policy tools such as tax credits, exemptions, and green subsidies that make it more viable for firms—particularly SMEs—to adopt eco-friendly practices. These measures can help bridge the gap for firms that might otherwise prioritize short-term productivity over long-term sustainability investments.

### **3. Increase Firm Awareness and Support Energy Service Providers**

Many firms in the region lack awareness of the long-term benefits of green practices, often favouring increased production capacity instead. Governments should invest in awareness campaigns, while also supporting the emergence of competent energy efficiency service providers who can offer firms technical advice, audits, and tailored solutions to reduce their environmental footprint.

### **4. Reform the Energy Sector and Attract Green Investment**

A meaningful green transition requires energy sector reform. This includes the gradual phase-out of fossil fuel subsidies, liberalization of energy markets, and the attraction of foreign investment into clean energy infrastructure. These changes would encourage firms to adopt energy-efficient practices and lower carbon-intensive operations across the region.

### **5. Encourage Voluntary Environmental Action by Firms**

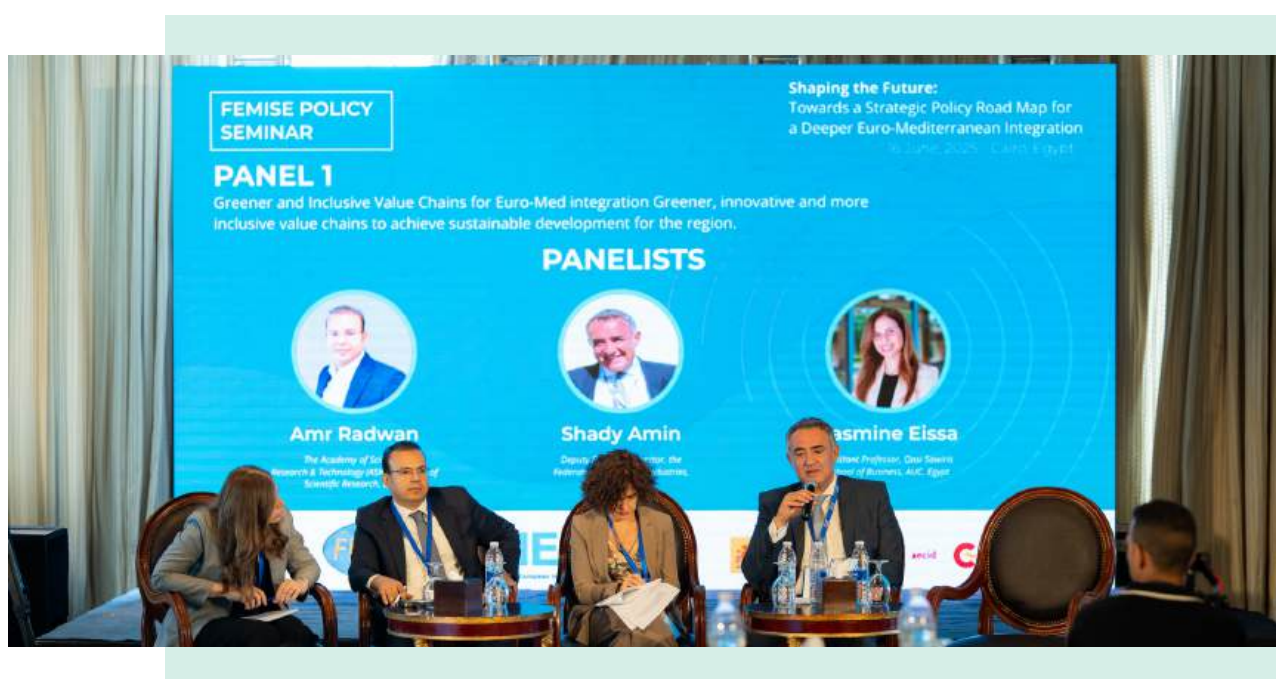
Beyond regulation, firms should be encouraged to adopt proactive, voluntary energy management systems. Governments can facilitate this by providing accessible financing, technical assistance, and support for monitoring, reporting, and verification (MRV) systems. Such support enables firms to track and improve their environmental performance independently.

## 6. Use Digital Platforms to Promote and Track Green Measures

Digital tools can amplify the reach of green initiatives. Digital platforms should be used to share knowledge, track compliance, and connect firms with green service providers, financing tools, and regional peers. These platforms are also critical for improving transparency and accountability in environmental reporting.

## 7. Deepen Regional Integration into Higher-Value Green Activities

To strengthen regional GVC participation, Southern and Eastern Mediterranean governments should help firms move up the value chain by integrating into higher-value, low-carbon production segments. This requires removing barriers to foreign direct investment (FDI) and improving the business environment, while aligning with industrial policies that encourage complex, innovation-driven activities with green potential.



The discussion that followed the researchers' presentations brought together distinguished professionals working directly in policy, industry, and innovation. This panel was composed of **Shadi Amin** (*Deputy Executive Director at the Federation of Egyptian Industries*), **Dr. Amr Radwan** (*Head of Research and Innovation at the Academy of Scientific Research and Technology, Ministry of Scientific Research, Egypt*), and **Dr. Yasmine Eissa** (*Assistant Professor at the Onsi Sawiris School of Business, The American University in Cairo*). The following section presents **the key insights and practical policy considerations** shared by the panellists providing practical dimension to the recommendations driven from presented research and reflecting their field-level experience.

### 1. Promote Private Sector-Led Innovation and R&D Investment

While increased public spending on research and development is important, it is insufficient on its own to drive innovation. A major challenge in the region, especially in Egypt, is the over-reliance on government funding for R&D. Stakeholders called for:

- **Greater private sector involvement** in funding science and technology, particularly for deep tech and green innovation.

- **Stronger incentives and support mechanisms** for private investment in innovation (e.g., tax benefits, access to seed funding).
- **Simplifying and publicizing access to existing incentives**, such as Egypt's R&D tax exemptions and innovation law (Law 23 of 2018), which are underutilized due to poor implementation.

## **2. Bridge the Skills Gap Through Targeted, Tech-Led Training**

Panellists highlighted the urgent need to align education and training systems with industrial and green economy demands. While vocational training is essential, it must be complemented by:

- Science and technology-led training programs, tailored for advanced manufacturing, renewable energy, and digital services.
- Integration of green economy principles and digital literacy into curricula, especially for SMEs and informal businesses.
- Leveraging digital platforms to deliver accessible, low-cost training and peer learning across regions.

## **3. Expand Access to Finance—Especially for SMEs and Green Investments**

Despite the availability of some green finance schemes (e.g., Egypt's revolving fund for energy efficiency), access remains highly limited for smaller suppliers and informal enterprises. To address this:

- Alternative financing instruments (zero-interest loans, guarantees, blended finance) should be scaled up.
- Financial tools must be tailored to the risk profiles and capacity constraints of SMEs and early-stage entrepreneurs.
- Policymakers must move beyond rhetoric and ensure finance schemes are simple to access and equitably distributed.

## **4. Strengthen Regulatory Enforcement and Simplify Implementation**

Having regulatory frameworks or incentive schemes “on paper” is not enough—what matters is execution. Experts emphasized:

- The need for clear, enforceable implementation pathways for environmental, energy, and innovation policies.
- Better coordination across government agencies, with a focus on usability for small firms.
- Enhancing monitoring mechanisms for environmental and labor compliance deep in the supply chain (scope 3), to prevent abuse and increase corporate accountability.

## **5. Upgrade Value Chain Participation Through Branding and Local Value Creation**

To move up the value chain, countries in the South Mediterranean must focus not just on participation but on value capture. Recommendations included:

- Developing national branding strategies (e.g., for textiles, food products, essential oils) to gain recognition and premium market access—similar to Australia with wine or India with handicrafts.
- Creating local certification systems and traceability tools to meet international standards and appeal to global clients.
- Fostering local innovation ecosystems that support design, marketing, and product development—not just raw production.

## **6. Improve Trade Agreement Enforcement for Sustainable Development**

Trade agreements between Southern Mediterranean and EU countries already contain provisions on labour rights, environmental standards, and innovation, but these are often non-binding. Experts proposed:

- Strengthening the enforceability of sustainability provisions in trade deals (e.g., linking incentives to green practices).
- Using trade instruments as leverage to incentivize reforms in environmental regulation and industrial upgrading.

## **7. Advance Digital Transformation with Institutional Alignment**

Digital transformation has advanced in government services and is gaining traction in industry, but bottlenecks remain. The private sector called for:

- Streamlining business processes and digitizing industrial licenses, permitting, and trade documentation.
- Ensuring cross-ministerial coordination so that digitization improves not just access, but the ease of doing business.
- Creating platforms for women entrepreneurs and SMEs, and enhancing dialogue between industry and regulators to build trust and relevance.

# **Where Policy and Practice Converge—or Diverge**

The seminar highlighted a striking balance between visionary policy frameworks and the realities of on-the-ground implementation. Across panels, a common language emerged around green transition, digital transformation, inclusivity, and regional cooperation. However, the dialogue also exposed gaps where theory and practice diverge.

### **Convergence: Shared Priorities and Aspirations**

Researchers and policymakers alike emphasized the urgency of integrating sustainability, digitalization, and inclusivity into economic development strategies. There is strong consensus on the need to empower youth, support SMEs, formalize labor markets, and ensure that value chains are environmentally responsible and regionally integrated. In this sense, theory and practice align: governments are drafting strategies, industries recognize their necessity, and academics provide evidence to support them.

### **Divergence: From Policy Frameworks to Implementation**

Where divergence appears most prominently is in execution. While regulatory frameworks, incentive schemes, and finance mechanisms exist on paper, they are often inaccessible or ineffective in practice. SMEs, women entrepreneurs, and informal workers continue to face barriers to finance, weak enforcement of labor and environmental standards, and limited access to digital infrastructure. Similarly, vocational and reskilling programs are frequently fragmented and underfunded, leaving gaps between the skills demanded by green and digital transitions and those supplied by education systems.

## Bridging the Gap

The discussions made clear that achieving convergence requires more than aligned visions. It demands:

- Effective enforcement and monitoring of labor, environmental, and innovation policies.
- Simplified and transparent access to existing financial and regulatory incentives.
- Targeted investment in skills development that directly addresses industry needs, particularly in underserved regions.
- Stronger regional cooperation mechanisms, not only in dialogue but in the design of interoperable systems, joint pilots, and shared platforms.

In essence, while theory sets the direction and practice brings lived realities, the task ahead is to ensure that the two move closer together—so that the Euro-Mediterranean region can move from aspirations to tangible, inclusive, and sustainable outcomes.



## Panel 2: A Just Green Transition & Climate Resilience



This second panel featured insightful contributions from **Chrysoula Chitou** (*PhD Candidate, University of Ioannina, Greece*), **Anna Maria Ferragina** (*Associate Professor, University of Salerno*), **Vladimir Hlasny** (*Economic Affairs Officer, UN ESCWA*), as well as **Imen Khanchel** (*Full Professor, Higher School of Business, Manouba University, Tunisia*). The session was moderated by **Dr. Majd Al-Naber** (*Director of the Science for Society Centre at the Royal Scientific Society in Jordan and FEMISE Board Member*). Panellists discussed strategies for promoting sustainable growth and climate adaptation in the Euro-Mediterranean region, highlighting the gendered impact of energy policies, the role of ICT in driving the green transition, and the need for socially just climate responses. The following section outlines **the key policy recommendations** proposed by the researchers during this panel.

### Energy Policy and Women's Employment in the Euro-Mediterranean Region

*Presented by Chrysoula Chitou (PhD Candidate, University of Ioannina, Greece)*

#### **1. Gradually Reduce and Reallocate Fossil Fuel Subsidies**

The first step toward inclusive energy reform is to phase out fossil fuel subsidies. These subsidies disproportionately benefit male-dominated, energy-intensive sectors and divert public resources away from gender-equity priorities. Governments should adopt a gradual and strategic approach to subsidy removal while ensuring that the freed-up funds are reinvested into gender-responsive initiatives, such as childcare services, entrepreneurship support for women, and green job pathways.

#### **2. Invest in Targeted Skills Development for Women**

To prepare women for meaningful roles in the green economy, governments and institutions must develop targeted skills training programs. These should go beyond basic inclusion and aim to position women as leaders in the renewable energy sector, environmental technology, and sustainability-related industries. Programs must be accessible, tailored, and sector-specific, addressing both technical competencies and leadership capacity.

### **3. Promote Women's Political Participation**

The data show a positive correlation between women's political empowerment and labour force participation. Ensuring that more women hold decision-making roles in public policy is essential for shaping inclusive energy and economic reforms. Governments should implement measures to promote women's representation in energy ministries, climate bodies, and national parliaments, ensuring that women's perspectives and needs inform the policy agenda.

## **Harnessing ICT for a Green and Sustainable Transition**

*Presented by Anna Maria Ferragina (Associate Professor, University of Salerno)*

### **1. Invest in ICT Infrastructure—Especially Fixed Broadband**

While mobile and internet penetration have shown promising growth across MENA countries, there remains a critical lag in fixed broadband infrastructure—a foundational component of digital transformation. Closing this infrastructure gap is essential to support energy-efficient innovation, smart systems, and real-time environmental monitoring. National and regional governments must prioritize investment in broadband expansion, especially in underserved and peripheral areas.

### **2. Address Digital Inequality and Build Green Digital Skills**

Digital literacy and skills are a prerequisite for a successful green transition. The MENA region suffers from brain drain and skill-biased technological change, making it essential to:

- Foster digital upskilling programs, especially for youth and women;
- Create inclusive digital education pathways in green tech sectors;
- Reduce educational and regional inequalities that limit access to ICT-related opportunities.

Digital transformation must be socially inclusive to unlock its full environmental and economic potential.

### **3. Support High-Quality, Low-Impact ICT Industry Development**

Governments should attract and develop high-quality ICT industries that are aligned with environmental goals. This includes:

- Promoting green ICT clusters while managing the rebound effects of agglomeration (e.g., congestion and increased emissions);
- Establishing technical standards and norms for sustainable ICT growth;
- Facilitating cooperation zones and resource-sharing platforms across the region to reduce duplication and foster synergies.

### **4. Incentivize Green Innovation Through Capital and Regulation**

To accelerate green transformation, public policy should ensure:

- Capital allocation for environmental protection, prioritizing investment in clean tech and low-carbon innovation;
- The phasing out of high-polluting, high-input industries through regulatory pressure;
- Subsidies, tax incentives, and green financing schemes for firms that invest in ICT-driven sustainability solutions;
- Stronger penalties for excessive carbon emissions, to internalize environmental costs and shift behaviour.

## 5. Bridge the Technology Gap Through Openness and Institutional Innovation

Bridging the technology gap requires a two-pronged approach:

- Encourage foreign capital and open markets to accelerate access to advanced ICT tools and know-how;
- Equip public institutions with the capacity to develop, regulate, and deploy ICT-based tools that facilitate green finance, digital commerce, and sustainability services.

The integration of conventional ICT industries with green technology sectors must be promoted to create cross-sectoral synergies and unlock new value chains.

## 6. Use ICT to Monitor, Optimize, and Scale Emission Reduction

Empirical analysis confirms that ICT adoption—particularly fixed broadband—significantly improves energy efficiency and reduces pollutant emissions. Governments should:

- Leverage ICT tools for monitoring and optimizing energy consumption;
- Encourage adoption of smart grids, IoT solutions, and cloud platforms for energy management;
- Promote open data platforms and collaborative tools to support both policy monitoring and private sector innovation in environmental performance.

## Making the Green Transition Inclusive and Equitable

*Presented by Vladimir Hlasny (Economic Affairs Officer, UN ESCWA)*

### 1. Accelerate the Greening of Economic Sectors

Governments should work to speed up the decarbonization process by identifying and promoting green sectors across the economy. In both Egypt and Jordan, sectors such as professional and technical services, construction, ICT, transportation, and public administration already show a higher concentration of green jobs. Strategic investments in these areas can drive growth and create new, sustainable employment opportunities.

### 2. Target Vulnerable Groups with Active Labour Market Policies

The data reveal low overall shares of green employment—between 8% and 15%—and highlight that women, youth, and informal workers face uneven access to green jobs. To address this, governments must implement targeted labour market policies, including:

- Reskilling and upskilling programs tailored to green job requirements;
- Job matching services that connect workers to emerging green roles;
- Mobility support to help workers transition between sectors or regions.

These interventions are essential to prevent structural exclusion from the benefits of the green economy.

### 3. Support Green Entrepreneurship and Informal Sector Integration

Green transformation should also be driven from the bottom up. Supporting entrepreneurs and MSMEs, particularly in the informal sector, can stimulate localized innovation and resilience. Policies should focus on:

- Facilitating access to finance and green technologies for small businesses;
- Integrating informal workers into formal green value chains through training, incentives, and simplified regulation;
- Providing institutional support for grassroots green solutions.

This approach ensures that green growth is broad-based and community-rooted.

#### **4. Promote Investment in Green Infrastructure and Innovation**

A long-term green transition will require significant public and private investment in:

- Green infrastructure such as sustainable transport, renewable energy systems, and energy-efficient buildings;
- R&D for clean technologies and low-emission practices;
- Institutional capacity to foster innovation and green industrial policy.

Importantly, these investments must go hand-in-hand with human capital development—ensuring that workers are equipped to thrive in evolving green sectors.

### **Understanding the Impact of Climate Risk on Firm Performance**

*Presented by Imen Khanchel (Full Professor, Higher School of Business, Manouba University, Tunisia)*

#### **1. Immediate-Term Priorities: Risk Transparency and Emergency Response**

##### **a. Mandate Climate Risk Disclosure**

Introduce a mandatory climate risk disclosure framework to combat greenwashing and improve transparency. Firms should be required to disclose their exposure to climate risks and the actions taken to mitigate them.

##### **b. Conduct Climate Stress Testing for Financial Institutions**

Implement climate-related financial stress tests for banks and other financial actors to gauge systemic vulnerability and guide regulatory interventions.

##### **c. Establish Regional Emergency Protocols**

Develop Mediterranean-specific emergency protocols that account for the region's unique geography, climate patterns, and institutional structures to respond swiftly to climate-induced disruptions.

#### **2. Medium-Term Actions: Tailored Tools and Regional Coordination**

##### **a. Develop Sector-Specific Adaptation Instruments**

Given the sectoral variation in climate impact, design customized adaptation tools for industries, especially for high-emission sectors such as manufacturing and energy-intensive industries.

##### **b. Launch a Cross-Sector Climate Risk Task Force**

Create a regional task force to coordinate climate risk responses across industries and countries, ensuring shared strategies and policy coherence.

##### **c. Expand Climate Adaptation Financing Instruments**

Develop specialized financing solutions that consider the Mediterranean's fiscal and institutional context, helping firms—especially SMEs—access green financing.

#### **3. Long-Term Measures: Infrastructure, Institutions, and Innovation**

##### **a. Ensure Sustained Investment in Adaptation Infrastructure**

Governments must secure long-term funding for resilient infrastructure, clean energy transitions, and ecosystem-based adaptation strategies.

##### **b. Establish a Regional Research Center**

Create a Mediterranean Climate Adaptation Research Center to lead innovation, develop region-specific solutions, and support policymaking with cutting-edge evidence.

##### **c. Clarify Stakeholder Responsibilities**

Define the roles of national governments, regional bodies, financial institutions, and firms in adaptation planning and implementation, ensuring accountability at all levels.

## 4. Clarifying Roles Across Governance Levels

### National Governments

- Lead climate policy and regulatory development.
- Provide incentives and financing mechanisms.
- Monitor and enforce compliance with climate adaptation standards.

### Regional Bodies

- Facilitate cross-border cooperation and knowledge exchange.
- Develop and manage regional data platforms.
- Coordinate emergency response systems and regional monitoring frameworks.

### Financial Institutions

- Create climate-specific financial products.
- Integrate climate risk assessments into lending practices.
- Support firm transition through financing and participate in regional risk monitoring.

### Firms and Industry Associations

- Form sectoral alliances to coordinate responses.
- Offer training and capacity-building to member firms.
- Actively represent industry needs in climate policy discussions.

## 5. Monitoring, Evaluation, and Accountability

Establish a Mediterranean Climate Risk Observatory

This observatory would be tasked with:

- Measuring firm-level climate risk exposure
- Assessing financial performance impacts
- Tracking effectiveness of adaptation measures
- Monitoring policy implementation progress
- Ensuring regional coordination and data sharing

It would produce annual assessment reports, identify policy gaps, and support evidence-based planning. To ensure credibility, the observatory's assessments should include independent third-party verification, reinforcing trust, transparency, and stakeholder confidence.





The discussion that followed the researchers' presentations brought together experienced professionals engaged in advancing sustainable energy policy, investment, and regional cooperation. This panel was composed of **Ghada Darwish** (*Expert in Sustainable Investment, Renewable Energy, and Green Hydrogen; Certified ESG Specialist, Egypt*), and **Abdallah AlShamali** (*Senior Advisor at the Global Solar Council, Jordan*). The following section presents the key insights and policy recommendations shared by the panellists, grounded in their extensive experience across the renewable energy and sustainability sectors in the Euro-Mediterranean region.

### 1. Improve Access to Finance for SMEs and Women Entrepreneurs

- Large investors receive disproportionate support, while SMEs—especially women-led businesses—face major hurdles accessing sustainable finance.
- Local banks and financial institutions often have limited capacity to assess the value and impact of small-scale renewable energy projects (e.g., ESCOs, distributed solar).
- Financial inclusion strategies must prioritize SMEs by:
  - Incentivizing local banks to finance small green projects;
  - Providing capacity-building and tools to improve ESG disclosures and financial reporting;
  - Ensuring international funds (e.g., EU climate financing) are more effectively distributed at the local level.

### 2. Make Fossil Fuel Subsidy Reform Socially Just and Context-Specific

- Subsidy reform cannot be uniform across the region: net energy importers (like Jordan) face very different constraints than energy exporters.
- Phasing out fuel subsidies without mitigation measures disproportionately impacts women, especially low-income workers dependent on transport.
- Reforms must be:
  - Gradual, with social safety nets;
  - Accompanied by re-skilling programs for workers transitioning out of fossil-fuel industries;
  - Sensitive to local labour market dynamics, especially in sectors like agriculture and informal employment.

### **3. Expand and Subsidize Digital Infrastructure and Services**

Digital solutions are often unaffordable for rural communities and SMEs—limiting uptake of green technologies in agriculture and energy.

Recommendations include:

- Subsidizing access to digital tools (e.g., for smart irrigation);
- Making digital subscriptions and platforms more affordable for small businesses;
- Extending connectivity infrastructure in underserved regions to avoid deepening inequalities.

### **4. Enforce ESG Standards and Incentivize Local Compliance**

ESG standards are mainly driven by external markets (e.g., EU's Carbon Border Adjustment Mechanism) and DFIs—not by local regulations.

To broaden impact:

- ESG frameworks must be localized, clear, and enforceable across all sectors—not just large industries;
- SMEs should be supported to meet ESG disclosure requirements;
- ESG compliance should be tied to market access and financing eligibility.

### **5. Address Data Gaps and Build Local Reporting Capacity**

Lack of climate and financial performance data in Southern Mediterranean countries limits policy analysis and fund access.

Key steps include:

- Improving self-reporting mechanisms and local capacity for data collection;
- Encouraging international research support to fill gaps and inform policy;
- Creating differentiated financial criteria for credit assessment that reflect local realities, not only global standards.

### **6. Promote Labour Mobility and Regional Standards in the Green Economy**

Labour shortages and surpluses coexist across the Euro-Med region. Facilitating mobility is key to addressing mismatches.

Suggested actions:

- Develop regional labour standards and certifications for green jobs to enable cross-border employment;
- Enhance vocational mobility support across countries;
- Monitor market saturation and maintain continuity of employment within green sectors to avoid sector abandonment.

### **7. Ensure the Sustainability of Green Jobs**

Green jobs must be economically viable and stable—not just environmentally aligned.

To retain talent:

- Policies must ensure industry continuity and job security in the green sector;
- Support entrepreneurship and upskilling programs to maintain career pathways and livelihood stability.

## **8. Harness ICT for Climate Adaptation and Resilience**

ICT is critical not only for mitigation but also for climate adaptation, especially in agriculture (e.g., smart irrigation) and disaster risk detection.

Recommendations:

- Invest in ICT-enabled climate risk assessment tools;
- Include ICT development in adaptation strategies;
- Regulate and mitigate ICT environmental side effects, including e-waste and energy-intensive digital operations.

## **9. Support South–North Mediterranean Power Interconnection Projects**

Strategic interconnection projects—such as Egypt-Greece and Tunisia-Italy—offer:

- Green energy exports to Europe;
- Job creation in North Africa;
- Reduction in migration pressures by expanding local opportunities.
- European platforms and actors (e.g., FEMISE, EU Commission) should actively support and promote these initiatives for shared regional benefit.

## **10. Tailor Policy Recommendations to Regional Realities**

The North–South divide in the Mediterranean must be addressed in climate and energy planning:

- Different paces of transition should be acknowledged;
- Solutions must be co-designed with Southern stakeholders;
- Cross-regional cooperation should build on complementary strengths (e.g., labour in the South, capital/technology in the North).

# **Where Policy and Practice Converge—or Diverge**

## **Shared Recognition of the Challenges and Goals**

Across both research and practice, there was consensus on the urgency of the green transition and the importance of social equity in its design. Both groups emphasized the need for:

- Phasing out fossil fuel subsidies in favour of investment in social infrastructure (e.g., child care, green skills, women's employment);
- Investing in digital and green infrastructure, particularly broadband connectivity and clean energy systems;
- Targeting vulnerable populations, including women, youth, informal workers, and rural communities, in both policy design and implementation;
- Building institutional capacity at the local, national, and regional levels to ensure effective adaptation and climate risk governance.

This convergence around core themes signals strong alignment on policy direction—but diverges in the emphasis on how to make these policies feasible and inclusive.

## **Divergence in Implementation Feasibility and Focus**

Where divergence arises is in the implementation realities:

**Financing Access and Equity:** While researchers highlighted the importance of climate adaptation financing, practitioners stressed that existing green finance schemes rarely reach SMEs or women-led enterprises, especially in the Global South. Practical barriers such as lack of ESG literacy, banking constraints, and uneven subsidy reform were identified as obstacles to equitable transition.

**Regulatory and Institutional Gaps:** Researchers advocated for stronger regulation, disclosure, and enforcement mechanisms. Practitioners, however, noted the disconnect between laws on paper and real institutional capacity, with under-resourced agencies, limited coordination, and poor data availability impeding action.

**Skill Development vs. Labour Market Absorption:** While reskilling and green job strategies were emphasized by researchers, practitioners raised concerns about the continuity and stability of green jobs, noting the risk of sector abandonment due to inconsistent investment and market saturation.

## **Bridging Research and Practice for Co-Designed Solutions**

The discussion illuminated the value of co-designing policy responses, bringing together research-based evidence with field-level insight. This means:

- **Tailoring recommendations to regional realities**, acknowledging the varying pace of transition between Northern and Southern Mediterranean countries;
- **Creating financial and institutional mechanisms** that are designed with, and not just for, local actors;
- Ensuring that **monitoring frameworks**, such as the proposed Mediterranean Climate Risk Observatory, are both scientifically rigorous and practically relevant.



## Panel 3: Youth Employment, Migration, and Social Cohesion



This third panel featured impactful contributions from **Siham Matallah** (*Associate Professor, Department of Economics, University of Oran 2, Algeria*), **Adel Ben Youssef** (*Professor of Economics, University of Côte d'Azur, France*), **Simon Neaime** (*Professor of Economics and Finance, American University of Beirut*), and **Hussein Suleiman** (*Senior Researcher, Al-Ahram Center for Political and Strategic Studies Cairo, Egypt*). The session was moderated by **Moundir Lassassi** (*Research Director at the Research Centre in Applied Economics for Development – CREAD, Algeria, and FEMISE Board and Scientific Committee Member*). Panellists explored strategies to promote youth employment, reduce regional disparities, and harness digital and AI tools for entrepreneurship, tourism, and inclusive growth. The following section outlines the key policy recommendations proposed by the researchers during this panel.

### Digital Financial Inclusion for Entrepreneurial Growth in the Southern Mediterranean

*Presented by Siham Matallah (Associate Professor, Department of Economics, University of Oran 2, Algeria)*

#### **1. Invest in Digital Financial Infrastructure**

To unlock the full potential of digital financial inclusion, governments must:

- Improve internet coverage and service quality, particularly in rural and underserved regions;
- Ensure affordable and reliable mobile and internet access, especially for low-income populations;
- Prioritize infrastructure development in regions where traditional financial services are limited or absent.

## **2. Promote Digital Financial Literacy and Skills**

Bridging the digital divide requires more than infrastructure—it requires targeted education. Policy recommendations include:

- Launching national digital financial literacy campaigns, especially tailored to low-income, rural, and remote populations;
- Organizing training programs on entrepreneurship and digital finance, supported by qualified practitioners;
- Leveraging social media platforms, brochures, and community outreach to ensure inclusive, accessible dissemination of knowledge.

## **3. Build Trust Through Stakeholder Collaboration and Innovation**

Trust in digital financial services is essential to promote widespread adoption. Governments should:

- Collaborate with financial institutions, telecom providers, fintech companies, and regulators to ensure transparent and secure digital financial ecosystems;
- Support research and development within financial institutions to develop innovative, context-relevant digital products;
- Encourage the creation of digital financial solutions aligned with the lifecycle of entrepreneurial development, especially those tailored to rural entrepreneurs.

## **4. Create a Supportive Business Environment for Start-ups**

To amplify the benefits of digital financial inclusion, governments must address the broader business environment. This involves:

- Simplifying company registration procedures;
- Reducing start-up costs and minimizing red tape;
- Fighting corruption, improving governance, and promoting economic freedom;
- Enacting reforms to foster a more dynamic, inclusive, and entrepreneur-friendly climate.

## **Artificial Intelligence for Sustainable and Inclusive Tourism in the Mediterranean**

*Presented by Adel Ben Youssef (Professor of Economics, University of Côte d'Azur, France)*

### **1. Invest in AI-Enabled Digital Infrastructure for Tourism Management**

To optimize the impact of AI on sustainable tourism, governments must:

- Build digital infrastructure capable of supporting real-time dashboards, predictive analytics, and crowd management tools;
- Ensure that tourism hubs, especially in the South Mediterranean, are equipped to monitor visitor flows and environmental indicators effectively;
- Use AI systems to redirect tourism traffic toward under-visited suburban or rural areas, easing pressure on city centres and promoting balanced regional development.

## **2. Support Local SMEs and Start-ups in Adopting AI Solutions**

Rather than allowing AI to reinforce the dominance of large tech firms, policy should:

- Enable local start-ups and SMEs to access and develop AI-based services such as personalized itineraries, virtual assistants, and smart booking systems;
- Promote AI-driven cultural events, festivals, and exhibitions as a way to integrate local actors into the tourism economy;
- Provide targeted incentives and support mechanisms for digital innovation in small tourism businesses.

## **3. Expand Digital and AI Literacy for Tourism Workers**

To address growing skill shortages in AI-related tourism roles (e.g., data scientists, digital marketers, virtual tour developers), governments and educational institutions should:

- Introduce training programs focused on AI applications in tourism;
- Promote digital reskilling and upskilling among workers in hospitality, cultural heritage, and tourism administration;
- Ensure that women, youth, and disadvantaged groups are included in AI workforce development initiatives.

## **4. Establish Ethical AI Governance and Privacy Standards**

Given the sensitive nature of tourism data and the risks of exclusion, it is essential to:

- Develop ethical frameworks that ensure AI is used responsibly in tourism;
- Choose tools that comply with privacy regulations (e.g., GDPR-compliant platforms like Mistral);
- Ensure AI systems uphold non-discrimination, fairness, and transparency, particularly when used in visitor management and personalization algorithms.

## **5. Promote Regional and International Collaboration**

Collaboration across the Mediterranean is crucial to maximize AI's potential while ensuring equity and mutual learning. Key actions include:

- Facilitating knowledge exchange and policy transfer from successful AI-tourism models (e.g., Côte d'Azur) to Southern Mediterranean cities;
- Building regional AI tourism alliances to pool resources, align standards, and co-develop digital platforms;
- Encouraging joint investments and pilot programs to test scalable, cross-border AI solutions for sustainable tourism.

## **From Disparities to Opportunities: Policy Actions for Regional Equity in Egypt**

*Presented by Hussein Suleiman (Senior Researcher, Al-Ahram Center for Political and Strategic Studies Cairo, Egypt).*

### **1. Scale Up Public Investments in Infrastructure and Human Capital**

To reduce persistent disparities between provinces, policymakers should:

- Expand investments in transportation, energy, and digital infrastructure to connect lagging regions to national and global markets.
- Increase funding for education in poor provinces, extend tuition exemptions for basic education, and provide extra resources to rural and low-performing schools;
- Ensure equitable access to healthcare, social services, and digital connectivity in disadvantaged areas.

### **2. Adopt Regional Sectoral Policies to Encourage Private Investment**

To stimulate inclusive growth and job creation in underdeveloped regions, policy should:

- Establish place-based incentives such as tax breaks, subsidies, and targeted grants for businesses operating in lagging provinces.
- Promote the development of special economic zones (SEZs) tailored to regional strengths and opportunities.
- Encourage industrial diversification to reduce dependence on a narrow range of activities and increase resilience.

### **3. Strengthen Local Governance and Administrative Capacity**

Effective governance is essential to ensure investments and policies achieve impact. Key measures include:

- Decentralize decision-making powers to empower local authorities with resources and accountability.
- Build administrative and technical capacity at the regional level to manage development programs efficiently.
- Improve transparency and citizen participation in local planning to increase trust and responsiveness.

## Unlocking the Potential of Youth for Knowledge-Driven Growth in the Euro-Mediterranean Region

*Presented by Simon Neaime (Professor of Economics and Finance, American University of Beirut)*

### **1. Expand and Modernize Skills Training for the Green and Digital Economy**

To address persistent youth unemployment, especially in technical sectors, governments should:

- Scale up training in STEM, green technologies, and digital skills, aligned with emerging labor market needs;
- Establish green apprenticeships and digital internships, particularly for youth in marginalized or rural areas;
- Prioritize vocational and practical training, with a focus on sustainability and technology.

### **2. Foster Inclusive Youth Entrepreneurship**

The region's youth have the potential to lead innovation, but they lack structural support. Policy recommendations include:

- Support youth-led start-ups through dedicated innovation hubs, co-working spaces, and accelerator programs;
- Improve access to finance for young entrepreneurs, particularly in underserved communities;
- Encourage public-private partnerships that offer mentorship, incubation, and networking opportunities for youth-led enterprises.

### **3. Reform Education Governance and Close the Rural Divide**

The brief highlights misalignment between education systems and labour market demands, particularly in rural regions. Reforms should:

- Invest in rural school infrastructure, especially for technical and digital education;
- Improve education governance to ensure curricula evolve with labour market dynamics;
- Promote youth participation in policymaking through bodies like Euro-Med youth advisory councils to ensure that education and employment policy reflect their lived realities.

### **4. Strengthen Institutions and Fight Corruption**

Weak institutions and governance failures undermine employment policy. Key reforms should:

- Combat corruption in trade and investment processes;
- Ensure transparency and accountability in how FDI is managed and distributed;
- Align trade and FDI strategies with industrial policies that prioritize youth employment and sustainable development.

## 5. Align FDI and Trade Policies with Strategic Sectors

The empirical evidence shows that FDI and trade openness alone do not improve youth employment unless supported by targeted policy alignment. Governments should:

- Direct FDI toward sectors with youth employment potential, such as green industries, ICT, and manufacturing;
- Develop sector-specific incentives and conditionalities to ensure job creation;
- Reform trade policy to mitigate the distortive effects of corruption and ensure benefits are equitably distributed.



The discussion that followed the researchers' presentations featured experienced professionals in entrepreneurship, innovation, and SME development. This panel included **Mohamed Abbas** (*Head of Management of Technology, Innovation and Entrepreneurship at the Ministry of Industry, Egypt*), **Douja Gharbi** (*CEO of REDSTART Tunisia*), **Hany Ayaad** (*President of the Youth Entrepreneurship Association, Egypt*), **Mohamed Elbiesi** (*Economist and Entrepreneurship Expert*), and **Sameh Hammad** (*Head of Component at the Job Partnerships and SME Promotion Project, GIZ*). The following section highlights the key insights and policy recommendations shared by the panellists, drawing from their practical experience in supporting youth entrepreneurship and private sector growth in the region.

### 1.From Vision to Action: Define Clear Starting Points

Many panelists emphasized the need for operational clarity in policy recommendations. While the proposals were considered relevant, they often lacked sectoral or geographical specificity:

- Policies should identify “quick wins” — tangible, small-scale interventions that demonstrate early success.
- Rather than broad calls for AI in tourism or digital inclusion, recommendations should outline target sectors (e.g. domestic tourism, retail fintech) and pilot regions (e.g. specific governorates in Upper Egypt).
- Proposals should clearly state who leads, who funds, and who benefits.

## **2. Strengthen Government-Private Sector Collaboration**

Implementation must go beyond public institutions:

- Private sector actors should be involved in the co-design and delivery of training and employment programs.
- Government should procure from start-ups and SMEs, ensuring better inclusion and innovation in public services.
- New mechanisms (e.g. local content requirements or SME procurement quotas) can incentivize such collaboration.

## **3. Support Start-ups and Close the Ecosystem Gap**

Several speakers highlighted the disconnect between high-potential start-ups and weak local ecosystems:

- Youth-led start-ups are often more innovative than the policy or support structures around them.
- Governments must invest in tech incubators, accelerators, and R&D contracts, especially in strategic sectors (green, digital, culture, circular economy).
- Efforts should be made to bridge gaps between start-ups and traditional SMEs, particularly through “private-private” partnerships.

## **4. Reform Education and Bridge the Skills Gap**

To tackle youth unemployment, policies must address:

- Mismatch between education and market needs by involving employers in curriculum design.
- Increase vocational and short-term demand-driven training based on real-time private sector feedback.
- Expand support (mentoring, coaching, market access) for young graduates and early-stage entrepreneurs.

## **5. Invest in Lagging Regions and Digital Infrastructure**

Equity and inclusion require spatial targeting:

- Scale up public investments in infrastructure and education, particularly in lagging regions like Southern Egypt.
- Expand digital connectivity, especially in rural areas, as a means to bridge opportunity gaps.
- Promote decentralized models (e.g. digital jobs and remote work) to counter capital-centric development.

## **6. Advance Digital Financial Inclusion with Regulation**

Financial inclusion strategies must address:

- Regulatory frameworks (digital ID, banking laws, fintech sandboxes) that enable inclusion while protecting users.
- Support for alternative financing models like crowdfunding, peer-to-peer lending, and non-collateral-based lending.
- Strategies to bridge the informal sector into the digital economy.

## 7. Address Cultural Barriers to Digital Adoption

Panelists emphasized that lack of trust and familiarity with digital tools can hinder adoption:

- Awareness campaigns and digital literacy programs are essential.
- Recommendations must consider cultural readiness, not just technical feasibility.
- Promote behavioural change through community-driven approaches and local champions.

## 8. Reorient FDI and Policy Incentives

- Foreign Direct Investment (FDI) strategies should prioritize green, digital, and youth-relevant sectors.
- Encourage FDI projects that generate local employment and contribute to skills transfer.
- Tackle governance bottlenecks, including corruption and lack of coordination, to build trust and attract investment.

# Where Policy and Practice Converge—or Diverge

### Shared Ground on Priorities

Both researchers and practitioners agreed on the urgency of advancing digital transformation, youth employment, and regional integration as central pillars for the Euro-Mediterranean agenda. Areas of convergence included:

- **Digital and Green Transitions as Drivers of Growth** – recognition that ICT, AI, and renewable energy can create new opportunities while reducing costs and improving efficiency.
- **Youth-Centered Strategies** – shared emphasis on empowering youth through digital finance, entrepreneurship, mobility schemes, and co-designed policy processes.
- **Equity and Inclusion** – consensus on the need to target women, rural communities, and informal workers to prevent widening socio-economic divides.
- **Governance and Institutional Strengthening** – agreement that reforms are necessary to improve policy consistency, regulatory clarity, and transparency.

### Divergence in Feasibility and Emphasis

While aligned on overarching priorities, there were divergence when it comes to implementations:

- **Financing and Accessibility** – researchers stressed the importance of long-term investment in innovation and infrastructure, while practitioners pointed to immediate barriers, such as limited access to credit for SMEs, youth-led start-ups, and women-led enterprises.
- **Regulation vs. Capacity** – researchers highlighted the need for robust regulatory frameworks and harmonized standards; practitioners cautioned that institutional capacity, fragmented coordination, and under-resourced agencies make enforcement difficult.
- **Skills vs. Job Absorption** – researchers focused on reskilling and preparing youth for green and digital economies; practitioners questioned whether labor markets could absorb these skills, given inconsistent investment, limited private sector demand, and risks of job instability.

## **Bridging the Divide**

The discussion underscored the value of co-designing solutions that integrate evidence-based research with on-the-ground realities. This requires:

- Tailoring policy recommendations to national and local contexts, recognizing the diverse pace of transition across Mediterranean countries.
- Designing financing and institutional mechanisms with local actors, ensuring accessibility for SMEs, women, and youth.
- Developing monitoring and evaluation systems that are both scientifically rigorous and practically implementable, enabling accountability and adaptive policymaking.



# Roundtable: From Dialogue to Policies – The Road Ahead for Euro Mediterranean Integration



The roundtable was moderated by **Maryse Louis** (General Manager, FEMISE) and featured closing reflections from **Dr. Anna Ferragina** (Associate Professor, University of Salerno and FEMISE Board and Scientific Committee Member), **Dr. Mona Said** (Professor of Economics, The American University in Cairo and FEMISE Board Member), **Dr. Monder El-Assassi** (Research Director, CREAD, Algeria and FEMISE Board and Scientific Committee Member), and **Dr. Roger Albinyana** (Managing Director, IEMed, Spain). Building on the day's discussions, the speakers synthesized insights across panels, emphasizing the dual opportunities and risks of digital transformation, the urgent need to address youth employment through demand-side policies, the importance of tackling territorial inequalities, and the strategic imperative of moving from fragmented dialogue to coherent Euro-Mediterranean integration.

## Digital Transformation with Caution: Opportunities, Risks, and Governance Gaps

*Presented by Dr. Anna Ferragina (Associate Professor, University of Salerno and FEMISE Board and Scientific Committee Member)*

### Main Messages

- Urged avoiding “black and white” conclusions, calling instead for a nuanced perspective on digital transformation.
- Emphasized ICT and digitalization as major drivers of growth in the South Mediterranean, while underscoring that regulatory and governance gaps remain significant obstacles.
- Highlighted that, despite persistent digital divides (e.g., weak broadband penetration), there is real progress in innovation hubs, start-ups, fintech, and AI adoption.

- Advocated for cautious optimism: digitalization can reduce costs, improve governance, attract investment, and expand opportunities—but it also carries risks of exclusion, digital illiteracy, and rising inequalities.

## Actionable Next Steps

### Short term:

- Map infrastructure gaps (broadband, cloud, 5G).
- Roll out “connectivity + digital literacy” packages, targeting lagging regions.

### Medium term:

- Advance regulatory reforms to reduce bureaucracy and create consistent ICT policy frameworks (e.g., data governance, competition rules, incentives for cloud/AI adoption).

### Policy design principles:

- Integrate inclusion safeguards such as targeted subsidies, digital skills programs, and protections for informal workers moving into the digital economy.

## Bridging Research and Policy: Rethinking Youth Employment and Beyond-Growth Strategies

*Presented by Dr. Mona Said (Professor of Economics, The American University in Cairo and FEMISE Board Member)*

## Main Messages

- Reflected on the purpose of the policy dialogue: bridging the gap between research and policymaking, while building on previous FEMISE/ERF work.
- Stressed the need for better data collection and stronger collaboration between research institutions and governments.
- On youth, migration, and labor markets: Youth demographics offer both opportunities and challenges, with persistent barriers such as limited access to quality education, gender inequalities, and political instability.
- The greatest policy blind spot lies on the demand side of labor markets: jobs are not being created due to weak growth and high levels of public debt.
- Emphasized the need for matched employer–employee data collection to better understand firm behavior.
- Called for exploring “post-growth” strategies that move beyond GDP as the sole measure of progress, focusing instead on sustainability and social welfare.

## Actionable Next Steps

### Immediate:

- Design and fund matched employer–employee data collection pilots in 2–3 countries.
- Add firm expectation modules to existing surveys to capture demand-side insights.

### Medium term:

- Launch policy experiments to test firm-level incentives, such as tax/credit support linked to hiring outcomes and procurement set-asides for start-ups.

## Youth at the Center: Digital Finance, Green Jobs, and Tackling Inequalities

*Presented by Dr. Monder El-Assassi (Research Director, CREAD, Algeria and FEMISE Board and Scientific Committee Member)*

### Main Messages

- Summarized four critical insights from the panel on youth employment, migration, and social cohesion:
  - Digital financial inclusion is essential to foster youth entrepreneurship and reduce informality.
  - AI-driven sustainable tourism offers potential to create new clean, inclusive jobs if supported by proper governance.
  - Knowledge-driven youth employment requires stronger links between education, innovation, and policy.
  - Regional inequalities (e.g., territorial disparities in Egypt) remain a structural barrier to social cohesion and youth integration.

### Key Recommendations

- Develop integrated youth strategies that combine employment, mobility, and social protection.
- Increase investment in digital and green skills, particularly targeting rural youth.
- Elevate youth participation in policymaking from consultation to genuine co-design roles.
- Expand panel data collection to better capture informality and youth labor transitions.

### Actionable Next Steps

#### Short term:

- Pilot digital finance platforms with financial literacy components, targeting youth entrepreneurs in rural and peri-urban areas.

#### Medium term:

- Build regional AI-driven tourism pilots linking universities, private sector, and local authorities to test job creation and environmental safeguards.

#### Data priority:

- Invest in longitudinal panel data to measure the impact of informality on youth transitions and labor market trajectories.

## From Fragmented Dialogue to Strategic Integration: A Roadmap for the Euro-Med Future

*Presented by Roger Albinyana (Managing Director, IEMed, Spain)*

### Main Messages

- Provided the closing statement with a strategic outlook on Euro-Mediterranean integration.
- Emphasized that the challenge is not whether integration is needed, but how to achieve it in a coherent and results-oriented way.

### Key Priorities

- Align green and digital agendas — advance projects such as green hydrogen corridors, smart grids, and harmonized regulatory standards.
- Rebuild trade through productive integration — foster regional clusters in value-added sectors rather than relying solely on tariff reduction.
- Focus on people and inclusivity — prioritize youth, mobility partnerships, and human capital development as central to integration.
- Strengthen governance frameworks — ensure robust monitoring and follow-up to close implementation gaps in Euro-Mediterranean cooperation.

### Research & Governance Priorities

- Conduct impact evaluations of integration policies, especially in the post-COVID context.
- Expand foresight and scenario planning to anticipate challenges from AI, climate change, and shifting geopolitics.
- Build regional data ecosystems to enable evidence-based policymaking and effective monitoring of integration progress.

### Actionable Next Steps

#### Institutional:

- Develop a monitoring mechanism for regional integration by linking the Union for the Mediterranean (UFM) and OECD progress reports to practical implementation units.

#### Programmatic:

- Select a small set of pilot regional projects (e.g., green hydrogen corridor feasibility study, agro-processing industrial cluster) with joint co-funding and a built-in monitoring and evaluation (M&E) plan.

2025

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