



## Renewed partnership with the Southern Neighbourhood

### A new Agenda for the Mediterranean (2021-2027)

On February 9, 2021, the High Representative of the Union for Foreign Affairs and Security Policy presented the Renewed partnership with the Southern Neighbourhood – **A new Agenda for the Mediterranean for the period 2021 – 2027**.

Twenty-five years after the Barcelona Declaration, the new Agenda aims at strengthening the Mediterranean partnership, a strategic imperative for the European Union, and at providing a common **response to challenges** the region continues to face.

This new 2021-2027 Agenda provides also a resourced frame drawing on the full EU toolbox and the **ground-breaking opportunities of the twin green and digital transitions**, in order to realise the untapped potential of the EuroMed region.

Support to the private sector, and **SMEs in particular, will have a fundamental role to play** in the rolling-out of the agenda. The MED MSMEs Programme Knowledge Center is therefore sharing the key highlights of this important document with stakeholders and provides the links to the source documents.

### The Agenda in a nutshell

The new Agenda aims to increase the quality of life for people in the region and the economic recovery, including following the COVID-19 pandemic, leaves no one behind.

*“The Communication sends a crucial message about the importance the EU attach to its Southern Neighbourhood” and proposes to address challenges by renewing mutual efforts and acting closely as partners” (High Representative / Vice-President Josep Borrell).*

It draws on the full EU toolbox and proposes to promote peace and security in the region, fight against climate change and build up the green and digital transition, by focusing on five policy areas:

- Human development, good governance and rule of law
- Resilience, prosperity and digital transition
- Peace and security
- Migration and mobility
- Green transition.

### A Dedicated Economic and Investment Plan

The new agenda includes a dedicated **Economic and Investment Plan** to drive the long-term socio-economic recovery in the Southern Neighbourhood.

It is planned to allocate up to **€7 billion** for the period 2021-2027 under the new EU's Neighbourhood, Development and International



Cooperation Instrument (NDICI), expected to trigger up to €30 billion in private and public investment in the region.

The plan<sup>1</sup> includes preliminary flagship initiatives to **strengthen resilience, bring stability and increase trade and investment opportunities to support competitiveness and inclusive growth.**

## Policy dialogue

To build such a unified effort, the Agenda proposes to strengthen significantly the political and policy dialogue across the Mediterranean.

Efforts will continue to enhance regional cooperation, with the Union for the Mediterranean (UfM) as a focal point, and support sub-regional and interregional cooperation, notably with African partners.

The EU will also be ready to explore further regional, sub-regional or trilateral cooperation and joint initiatives between partner countries across the board.

## Resilience, inclusiveness and sustainability

The Agenda focuses on strengthening socio-economic resilience, building prosperity and seizing opportunities stemming from digital transition, green economy - alongside the blue and the social economies - and highlights the need for inclusive, resilient, sustainable, and connected economies, in line with the objectives set by the UfM sectoral dialogues.

Market integration, regulatory convergence and financial inclusion will be among the operating principles, calling for a renewed commitment to **improving the business climate** to build the trust of local and international private sector operators, attract investors and increase trade.

## Of importance for MSMEs

Support to the private sector, especially SMEs, will also have a fundamental role to play.

The focus on open strategic autonomy and the **restructuring of global value chains** in the wake of the pandemic has the potential to create new opportunities for further **integrating industrial supply chains** between the EU and its Southern Neighbours.

Also, **industrial clusters** within the Southern Neighbourhood, strengthening of ecosystems, including social and cooperative entrepreneurship, and start-ups could help economic development by connecting businesses to global and regional value chains, **reducing the isolation of SMEs**, promoting innovation, and generating more trade and investment.

The **funding gap for SMEs**, the Agenda foresees to work with IFIs to develop a comprehensive approach to financial inclusion, including micro- and impact finance, in synergy with complementary instruments such as blending and investments.

## Useful resources

Access the full Communication on the New Agenda for the Mediterranean [HERE](#).

Access the New EU Industrial Strategy [HERE](#).

Access the New EU SME Strategy [HERE](#).

Take a look at the interesting panel discussion on **Nearshoring and Value Chain Integration: the EU and the Neighbourhood Countries** at the March 2021 EU Industry Days [HERE](#).

1) The Economic and Investment Plan is indicative and non-exhaustive and may evolve depending on progress on policy and political issues and in bilateral relations between partner countries. This support includes provisioning for EFSD+ guarantees and blending under the Neighbourhood Investment Platform.

A Programme implemented by

**GOPA**  
WORLDWIDE CONSULTANTS

