

Barcelona Declaration of the Mediterranean Private Sector

Accelerating economic integration

25 initiatives for the 25th Anniversary of
the Barcelona Process



Association des Chambres de Commerce et d'Industrie de la Méditerranée
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جمعية غرف التجارة والصناعة للبحر الأبيض المتوسط

A vision from the Barcelona Process

Proposals and instruments to move forward

The twenty-five years since the Barcelona Process was launched in 1995 have also allowed to develop a vision of what are the main problems of the Mediterranean and what types of proposals and instruments could be implemented in the search for answers, enabling the development of the Mediterranean region and the construction of a common future between the two shores.

From this perspective, we propose 25 key initiatives:

1. *Shaping a new vision for economic integration*

In the post COVID-19 context, a new economic development model is needed for the recovery of the Mediterranean region, focusing on a real economic integration, the promotion of economic efficiency, social inclusion and convergence between both shores.

2. *Building the economy of tomorrow*

The post COVID-19 pandemic recovery raises the need to transform the Mediterranean economies. The region should promote the diversification of its economy with the aim of generating growth and sustainable long-term employment.

3. *Promoting active participation and stimulating competitiveness of the private sector*

We must recognize the crucial and effective role the private sector plays in favour of the economic and social development. Therefore, the Mediterranean private sector should be actively involved in the elaboration and implementation of the development policies as an essential complement to the public sector. In this sense, it is also essential to implement structural reforms to stimulate the region's competitiveness.

4. *Involving the Mediterranean private sector in achieving the Sustainable Development Goals (SDGs) 2030*

It is essential to commit the Mediterranean Private Sector to the 2030 Sustainable Agenda and the Sustainable Development Goals of the United Nations, accelerating initiatives that foster efficient use of natural resources, fight against the climate change, good governance and corporate social responsibility, renewable energies, protection of the Mediterranean heritage etc.

5. *Supporting SMEs as a key factor of economic development*

SMES are the engine of economic growth and the backbone of the global economy. They are an inseparable part of the Mediterranean economy and of the most affected sectors by the COVID-19 pandemic. In this context, there is an urgent need to launch and develop policies, programs, instruments and initiatives to support and rescue them, helping them access funding, new technologies, training and good practices.



6. Investing in human Capital

The Mediterranean is characterised by its enormous human capital potential. Therefore, investments in human capital, especially in young people and women, are necessary to promote the development of the region. Societies and economies must become more inclusive.

7. Prioritizing the role of Mediterranean women in the region's economy

It is impossible to make a progress in the region without building a society based on equality of opportunities, and without ensuring the participation of women in economic and business development. For this reason, it is mandatory to support programs that promote businesswomen in the economic life of the Mediterranean countries.

8. Tackling young unemployment and boosting the entrepreneurial and innovative spirit

Unemployment, especially for the young people, represents the main threat of our region. We must answer urgently to this challenge, through training and professional insertion to allow the economy to take benefit of the potential that can offer the human capital. The promotion of young entrepreneurship is also a key strategy to fight young unemployment and at the same time to foster innovation in the region.

9. Promoting a Mediterranean Erasmus

Taking into account the challenge of youth unemployment and the inequality of opportunities in the region, the creation of a Mediterranean Erasmus could lay the foundations for a new horizon. The programme should be aimed at encouraging the professional insertion of young graduates in the region, bridging the gap existing between the skills of the available workforce and the concrete needs of the companies at a Mediterranean scale.

10. Fostering the promotion of arbitration and mediation in the Mediterranean

Arbitration is necessary for the cooperation spirit and integration among the Mediterranean countries. In view of the evolution of trade, investment projects and international trade contracts, the creation of a Regional Arbitration Centre would be very positive. Arbitration is a supporting factor for the private sector in building a common Mediterranean economic space.

11. Fostering public-private collaboration in the region

Public-private partnerships must be encouraged to facilitate the economic integration, the creation of jobs and to stimulate growth and development. Gathering local governments, private sector and civil society, the public-private partnership represents today an essential mean to mobilize new resources and to build a true Mediterranean of projects.

12. Encouraging the contribution of diasporas

Diasporas contribute to the social and economic development of their countries. The Mediterranean region has an important diaspora living in Europe and in other parts of the world, which could transfer competencies, know-how and technologies. It is important to re-attract these people in order to create businesses and invest in their region of origin.



13. Promoting a Mediterranean Financial Instrument for Development

It is necessary and urgent to promote a strong Mediterranean financial instrument for Development. This financial instrument could become a key element of the regional economic integration by contributing to the sustainable economic development and the social progress of the countries in the region, especially by mobilizing the resources to promote investment, improving financing and standardising monetary and trading policies

The proposal is to strengthen the role of the European Bank for Reconstruction and Development (EBRD) in the Mediterranean, increasing its operations in the region, adding donations, investments or grants from other multilateral banks and creating a Mediterranean Subsidiary to help overcome the impact of the pandemic and thus complement the European and international funds.

14. Improving the access to finance

The Mediterranean region needs to improve its access to finance, its channels and possibilities. For many Mediterranean SMEs the access to finance is their main problem. The funding gap for SMEs in the region is significant at around \$280 billion and constitutes a real brake on their development and, therefore, on the economic development of countries in the region. The access to finance is also challenging for individuals and other actors.

15. Attracting private investment and incorporating environmental, social, and corporate governance (ESG) factors into investing

Private investments should dominate economic growth in the Mediterranean region and not inhibit its development. In this sense, it is essential to work to attract investment in the region. However, in our times it is essential to promote sustainable investment and the consideration of environmental, social and corporate governance (ESG) factors in investing.

16. Building sustainable and interconnected health systems in the Mediterranean

The severe health crisis caused by the COVID-19 pandemic has shown the need for Mediterranean health systems to become more efficient and interconnected, developing further cooperation mechanisms as well as exploring new public-private partnerships. All stakeholders should recognize the importance of an efficient healthcare system for the competitiveness of the Euro-Mediterranean economies. Investing in the development of healthcare will ensure the development of a healthier and more competitive workforce.

17. Embracing the Mediterranean digital and innovation era

In the continuous digital revolution in which we are immersed, it is essential to take advantage of opportunities to modernise the region and its economy, creating new jobs and skills. The Mediterranean must take advantage of the opportunities of the fourth industrial revolution to increase its innovative ecosystem and to be a competitor in the global digital economy. Reinventing and looking for new opportunities in digitalisation seems to be one of the clearest solutions for the current situation, given its unlimited potential.



18. Accelerating green economy

Climate change is one of the greatest challenges in human history. Moreover, recent studies by the Mediterranean Experts on Climate and Environmental Change Network and the Union for the Mediterranean have shown that the Mediterranean is one of the hot spots of climate change, and will suffer climate change 20% more than the rest of the World.

Against this backdrop, it is clear that a comprehensive strategy is needed to combat this situation. In this regard, green economy is an essential source of wealth for the Mediterranean and provides a great opportunity to foster global development with sustainable growth in line with the 2030 Agenda. It is present in clean technologies, renewable energies, water services, green transport, circular economy, green building, sustainable agriculture and environmental conservation among others.

Another key issue here is energy. Thanks to its position and its natural resources, the Mediterranean has a unique capacity to develop renewable energy and cover its own needs. Renewable energies can be the catalyst to stimulate the sustainable growth in the Mediterranean.

19. Consolidating blue economy

The development of blue economy is also crucial for the region. Seas have an essential role to play in terms of health, medicine, food, services, energy security, scientific discovery and adaptation to climate change. In the unprecedented, alarming context of threatened natural resources and climate change, promoting the blue economy represents a wise strategic choice, as a tremendous potential for job creation, technological progress, sustainable development and competitiveness of the Mediterranean economies. We need to harness the potential of 70% of the planet that water represents, to provide the blue boost to our economies, and build a more resilient and sustainable world.

20. Promoting the Mediterranean industrial ecosystems

The industrial alliances between the Euro-Mediterranean countries should consolidate regional economic interdependence and allow for real economic development. These alliances are, on the one hand, the means of acquiring and consolidating the competitiveness of companies in the region and, on the other hand, represent an opportunity for the Mediterranean partners to improve their know-how and adapt to the European business system.

Moreover, in the post COVID-19 scenario this new industrial ecosystem would entail the advantage of moving part of the European production from Asia much closer to Europe, establishing the manufacturing plants in the neighbouring southern Mediterranean countries.

21. Supporting the social and solidarity economy enterprises in the Mediterranean

Social economy can constitute a vital link in order to promote employment and social cohesion. It contributes to the generation of fairer labour markets, promotes inclusive growth and responds to the needs of the territories, ensuring a more equitable distribution of wealth.



Social economy must be part of a new model of economic development, which also encompasses a green, blue and digital revolution, to achieve an equal and inclusive system that meets social expectations and reduces the injustice gap.

22. Refloating the traditional Mediterranean economic sectors: textile, agrifood, automotive, tourism;

The COVID-19 pandemic has affected the Mediterranean economy particularly hard in the region's traditional sectors, such as textile, agrifood, automotive, tourism, logistics etc. The pillars of the Mediterranean economy have proved to be fragile so they must be strengthened. The public and private sectors must work closer than ever to reactivate every affected sector in the region and to encourage their evolution towards more resilient forms.

23. Promoting the integrated transport and multimodal network in the Mediterranean

The transports and logistics sector is essential to the economic development of the region and to the Euro-Mediterranean integration. That is why, today more than ever, it is necessary to facilitate a global and unique strategy to the system and transportation networks that, with an integrating impact, will benefit the economy and competitiveness of the region.

The COVID-19 pandemic has shown that logistics needs to evolve to build stronger supply chains. Greater integration of infrastructures is necessary in the Mediterranean region, as well as more interconnection of the south.

24. Moving towards sustainable tourism

The Mediterranean is the main tourism area in the world. The COVID-19 pandemic has affected this sector harshly, severely damaging one of the pillars of the Mediterranean economies.

The current situation is an unprecedented opportunity to reconfigure the Mediterranean tourism sector to ensure not only its growth but also its long-term sustainability, with inclusion and responsibility as key factors. Therefore, it is the ideal moment to bet on a sustainable, diversified, smart, responsible and inclusive tourism. This is not just a recommendation, but the only possible way to ensure the future of tourism in the region.

In the past, the tourism sector has demonstrated its ability to overcome crisis periods. Tourism is a locomotive for growth and it can also be for economic recovery.

25. Developing the Euro-Mediterranean energy market

Energy security is a major concern for the Euro-Mediterranean region as well as for the rest of the world. Taking into account the multiple political and economic risks, the region should have solid alternatives to diversify its sources and limit its dependence on third parties, which represent the majority of its supply. In this regard, it is essential to develop sustainable energy cooperation between the two sides of the Mediterranean and to promote the construction of an Euro-Med energy market.

