

## ENI CBC MEDITERRANEAN SEA BASIN PROGRAMME

2014-2020

# Call for strategic projects

Terms of Reference (ToRs) for the selected  
Priorities

## INDEX

Scope of the document .....	3
1. Key trends in the cooperation area.....	4
1.1 Socio-economic challenges .....	4
1.2 Environmental challenges .....	6
2. Selected Thematic Objectives and Priorities for the call .....	7
2.1 Thematic Objective 1 “SMEs and business development” .....	7
2.2. Thematic Objective 2 “Support to education, research, technological development and innovation” .....	10
2.3. Thematic Objective 3 “Promotion of social inclusion and the fight against poverty” .....	11
2.4 Potential sector focus for projects under Thematic Objectives 1, 2 and 3.....	12
2.5 Thematic Objective 4 “Environmental protection, climate change adaptation and mitigation”	13
2.6 Potential sectoral focus for projects under all priorities .....	18

## SCOPE OF THE DOCUMENT

This document aims to support the preparation of proposals under the call for strategic projects, coherently with the expectations of the participating countries detailed below in terms of:

- most relevant socio-economic and environmental challenges in the cooperation area to which the ENI CBC Med Programme could give a positive contribution;
- potential thematic sectors within the selected 7 Priorities that could further reinforce the impact of projects by focusing on areas in which an actual need for cross-border cooperation and actions has been detected;
- potential profile of Applicants/partners that could offer the most adequate expertise and competencies to implement impactful projects under the selected Priorities.
- indication of relevant initiatives with which project proposals should seek to develop synergies, building upon their results to increase the magnitude and impact of funded operations.

The present ToRs shall be read together with chapter 2.4 “PROGRAMME PRIORITIES, EXPECTED RESULTS AND RELEVANT INDICATORS” of the Joint Operational Programme which contains the logical framework to be addressed by applicants under each Priority in terms of expected results and result/output indicators.

Finally, applicants shall pay attention to Annex II of the Joint Operational Operational, namely the “Indicative evaluation and monitoring plan”, which contains the full set of result and output indicators and their target values to be considered when writing a project proposal.

Based on the decision of the Joint Monitoring Committee, the 4 Programme Thematic Objectives (Business and SMEs development; Innovation and technological transfer; Social inclusion and fight against poverty; Environmental protection, adaption to mitigation of climate change) and the following 7 Priorities are covered by this call for proposals:

- A.1.1 Support innovative start-up and recently established enterprises, with a particular focus on young and women entrepreneurs
- A.1.2 Strengthen and support euro-Mediterranean networks, clusters, consortia and value-chains
- A.2.1 Support technological transfer and commercialisation of research results
- A.3.1: Provide young people, especially those belonging to the NEETS, and women, with marketable skills
- B.4.1: Support sustainable initiatives targeting innovative and technological solutions to increase water efficiency and encourage use of non-conventional water supply
- B.4.2: Reduce municipal waste generation, promote source-separated collection and its optimal exploitation, in particular its organic component
- B.4.3: Renewable energy and energy efficiency - Support cost-effective and innovative energy rehabilitations relevant to building types and climatic zones, with a focus on public buildings

## 1. KEY TRENDS IN THE COOPERATION AREA

### 1.1 Socio-economic challenges

- **Demographic trends**

The Programme cooperation area continues to demonstrate varying **demographic trends** on the two shores of the Mediterranean.<sup>1</sup> In the EUMCs (EU Mediterranean Countries) on the one hand, natural population change has a diminishing role and demographic drivers reflect migratory tendencies. Consistently low birth rates, below the replacement level e.g. 1.34 in Spain and Italy and 1.92 in France, and higher life expectancy have transformed age pyramids which have high median ages e.g. 45.9 years in Italy. Population growth rates of the MPCs (Mediterranean Partner Countries) eligible areas tend to have been much higher in the last few years, reaching rates as high as 46% in Jordan and 28% in the Lebanon. Here, the key driver of population change tends to be the birth rate - fertility rates are as high as 4.1 in Palestine and 3.5 in Egypt. The MPCs are for the most part characterised by youth bulges, with median ages as low as 22.5 and 23.9 years in Jordan and Egypt respectively, meaning that the population and share of working age population will continue to grow in coming decades. In the majority of countries on both sides of the Mediterranean, the urban population is growing at a faster rate than the total population, although there are significant internal variations in population densities.

- **Economic trends**

The European recovery is strengthening and broadening and generally contributing to wider global growth, although the sustainability of the rebound is uncertain. Convergence has slowed since the crisis and regional inequalities have increased in many places. Growth rates in the EUMCs range from 5.5% for Malta and 3.3% for Spain to 0.9% for Italy and -0.2% for Greece, whilst trends in the MPCs show mostly positive GDP growth which is expected to continue on the back of fiscal expansion, public investment, stabilization policies and reform. GDP growth in the ENP-South countries in recent years has seen rates close to 4.0 % or a little higher in Egypt, Palestine and Israel. The current growth trajectory is generally not considered sufficient however to absorb the high numbers of young people who will enter the labour market in coming decades, with 70% of the working age population in MPCs under 30 years of age and 2.8 million young people due to enter the labour market each year.<sup>2</sup>

- **Unemployment**

The youth **unemployment rate** is 3 time higher in Mediterranean countries than the adult unemployment rate, and 21% of the population is classified as NEET (not engaged in education, employment or training)

<sup>1</sup> <https://ec.europa.eu/eurostat/web/products-datasets/-/TPS00199>; <https://www.cia.gov/library/publications/the-world-factbook/fields/2177.html>; [https://ec.europa.eu/eurostat/statistics-explained/index.php/European\\_Neighbourhood\\_Policy\\_-\\_South\\_-\\_population\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/European_Neighbourhood_Policy_-_South_-_population_statistics); Eurostat 2018 Basic Figures on the European Neighbourhood Policy - South countries; [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo\\_r\\_gind3&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_r_gind3&lang=en); UNDESA, *World Population Prospects The 2018 Revision; World Urbanisation Prospects, 2018*; European Commission, Seventh Cohesion Report

<sup>2</sup> IMF, *World Economic Outlook Database, April 2018*; IMF West Bank and Gaza Report March 2018; World Bank Economic Outlook, 2018, World Bank MENA Economic Monitor April 2018

with the highest rates in Palestine (33%) and the lowest (under 10%) in Portugal and Malta. Female participation in the economy averages 37,5% in Mediterranean countries but tends to be lower on the southern shore despite high growth rates. Young people and women face similar challenges including decent work deficits, low labour force participation, a difficult transition from the education system to the world of work and inefficiencies and segmentation in the labour market. The creation of employment opportunities and inclusive growth that leads to the reduction of youth and female unemployment is needed especially to ensure new entrants to the labour market can be absorbed.<sup>3</sup>

- **Business development and innovation**

The Programme cooperation area needs more entrepreneurial human capital to respond to these challenges, and to ensure that MSMEs have the potential to act as key drivers in a more sustainable and inclusive model of economic growth and employment.<sup>4</sup> Whilst MSMEs represent more than 90% of enterprises, and create more than 80% of jobs, the programme area needs to develop a more vibrant private sector and more **supportive business environment** with adequate development services. Key factors affecting innovation and entrepreneurship are levels of education and training and skill mismatches between qualifications and labour market requirements. Exporting is a precursor to strong business growth and innovation yet operating internationally is a challenge for many traditional family-owned businesses. Somehow Poor management and vocational training are barriers to international operation and SME engagement in global value chains.

Expenditure on research and development in terms of GDP percentage and levels of innovation are generally low across the Mediterranean countries requiring policies that foster **innovation-driven growth** to be prioritised. Limited private sector involvement in research and technological development requires further efforts to develop systemic linkages between the various innovation players - science and education, the public and private and not-for-profit (NFP) sectors. The interaction of public and private actors should be reshaped through a Quadruple or Quintuple Helix approach involving the widest possible range of stakeholders that boosts knowledge creation and diffusion and responds to societal challenges through evidence-based policy making.<sup>5</sup>

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<sup>3</sup> International Monetary Fund, World Economic Outlook Database, April 2018; ILOstat database; UNDP Regional Bureau for Arab States, 2013

<sup>4</sup> European Commission, Annual Report on SMEs 2016/2017; EU project for ENP South Countries, Enhancement of the Business Environment in the South Mediterranean, Arab Women Entrepreneurs, Report 2017; World Bank MENA Development Report, Opening Doors, Gender Equality and Development in Middle East and North Africa; Eurofound NEETs - Young people not in employment, education or training: Characteristics, costs and policy responses in Europe; ILO Conference on Youth Employment in North Africa (YENA), Geneva, 26-27 September 2017 Reconfirming commitment to youth employment promotion in North Africa – the YENA Roadmap (2017-2022)

<sup>5</sup> MENA-OECD Competitiveness Programme, Programme of Work 2018; Union for the Mediterranean, Declaration on Euro-Mediterranean industrial cooperation 2014; Union for the Mediterranean, Valletta Declaration on Strengthening Euro-Mediterranean Cooperation through Research and Innovation, 2017; INSEAD, Global Innovation Index 2018; World Economic Forum, 2017, The Future of Jobs and Skills in the Middle East and North Africa Preparing the Region for the Fourth Industrial Revolution; PRIMA Joint Programme and Annual Work Programme; World Bank Group, 2018, MENA Economic Outlook, A new Economy for MENA

## 1.2 Environmental challenges

- **Geomorphological features**

The **Mediterranean Sea** is one of the largest of the semi-enclosed seas and is home to approximately 480 million people across Africa, Asia and Europe (150 million in the direct coastal regions). The area has a diverse landscape, a semi-closed marine environment with very long circulation pattern ranging between 80 and 100 years and an uneven distribution of resources across the northern and the southern coasts. It has been a centre of **human activity for millennia** and the dense **human settlement structures, transport routes** and **riverine system formed the natural environment**. Hence the Mediterranean Sea is constantly exposed to **multiple pressures**, acting **simultaneously, cumulatively** and in most cases over long periods of time.<sup>6</sup>

- **Demographic trends and environmental pressures**

The area is characterised by **population growth<sup>7</sup>** on the southern coast and stability or slight decline in the northern coast. On both coasts there is an **increasing demand for resources** for maintaining or acquiring a desired lifestyle. Increasingly common are urban expansion and sprawl, extension of activities in the marine ecosystem like transport, fishing, leisure, renewable energy sources (RES) exploitation, increase in solid waste production, energy demand, water consumption and waste water discharges<sup>8</sup>. Many of these human activities are not rigidly controlled, especially in the MPCs. As a consequence, the environment is subject to both diffuse and point source pollution and contamination, alterations in hydrography, sea-floor integrity, marine litter, marine noise, invasive non-indigenous species, overexploitation of fish stocks, nutrient releases and eutrophication, land/sea take and habitat fragmentation and degradation etc.

- **Water**

**Water resources** are unevenly distributed, increasingly polluted, aquifers threatened with depletion while water distribution systems are inefficient. Trends indicate that water demand will increase due to population growth while climate change will have a negative impact on water availability.

- **Waste**

In many of the MPCs, economic growth is coupled with **resource consumption and inevitable waste generation**; this holds also for the EUMCs but to a lesser extent. The type of economic activity, with a possible shift of hazardous activities from stronger regulated EUMCs to the MPCs, increases industrial waste. Even where waste management is implemented, rebound effects still apply. Landfill disposal remains a mainstay in the region. (Household) waste separation and handling is inefficient and fragmented.

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<sup>6</sup> See inter alia UNEP/MAP (2016), Integrated monitoring and assessment programme of the Mediterranean sea and coast and related assessment criteria (IMAP), Athens , UNEP/MAP (2017), Mediterranean Quality Status Report (QSR2017), UNEP/MAP (2017), Monitoring the implementation of the Mediterranean Strategy for Sustainable Development 2016-2025, Athens

<sup>7</sup> For all environmental indicators see World Bank development indicators (available at <https://data.worldbank.org/products/wdi>)

<sup>8</sup> See Karydis M., Kitsiou D., 2012, Eutrophication and environmental policy in the Mediterranean Sea: a review, Environ Monit Assess (2012) 184:4931–4984, DOI 10.1007/s10661-011-2313-2 or Sánchez-Morales, M., Sabater, F., Muñoz, I., (2018), Effects of urban wastewater on hyporheic habitat and invertebrates in Mediterranean streams, Science of the total environment Vol. 642, (Nov 15, 2018): p. 937-945. DOI:10.1016/j.scitotenv.2018.06.132

Organic waste remains a large fraction in Mediterranean countries (especially in urban areas in poorer countries) and it is not systematically collected/disposed separately.

- **Energy demand**

**Energy demand** is rising in the area due to the population growth, lifestyles (e.g. vacation homes), urban sprawl and climate change. The latter makes cooling more important. The building stock is old and has poor passive and active energy efficiency characteristics. The potential for RES and energy efficiency is not fully used.

- **Coastal zones**

Finally, the Mediterranean region and in particular its **coastal zones** are severely affected by **extreme climatic events** (e.g. storm surges)<sup>9</sup>, coupled with human-induced pressures (e.g. uncontrolled building on coasts), resulting in growing vulnerability. However, there is currently little knowledge on how coastal zones in the Mediterranean region could evolve under the effects of **climate change** (and thus develop methodologies that can assess the resultant vulnerabilities and risks).

- **Environmental policy framework and obligations**

Last but not least the framework and the obligations deriving from the Mediterranean Action Plan (MAP), the adoption of the Barcelona Convention and the Action Plan for the Implementation of the ICZM Protocol for the Mediterranean (2011) are fairly clear. The EU has also adopted the ICZM principles in its legal system and has strongly promoted marine governance through the Directive on a framework for maritime spatial planning and the Marine Strategy Framework Directive<sup>10</sup>.

## 2. SELECTED THEMATIC OBJECTIVES AND PRIORITIES FOR THE CALL

Following the decision of the Joint Monitoring Committee, this call for strategic projects addresses the 4 Programme Thematic Objectives and 7 related Priorities. A proposal shall refer to **one Thematic Objective and one Priority only**.

Project proposals should be drafted on the basis of the objectives and potential cooperation sectors described below. As far as possible, project proposals should indicate how and to what extent they intend to build synergies with and complement the initiatives identified for each selected Priority.

### 2.1 Thematic Objective 1 “SMEs and business development”

#### 2.1.1 Priority A.1.1: Support innovative start-up and recently established enterprises

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<sup>9</sup> See also UNEP/MAP (2017), Regional Climate Change Adaptation Framework for the Mediterranean Marine and Coastal Areas, Athens, Greece

See Satta, A., Puddu, M., Venturini, S., Giupponi, C., (2017), Assessment of coastal risks to climate change related impacts at the regional scale: The case of the Mediterranean region, International Journal of Disaster Risk Reduction, Volume 24, September 2017, Pages 284-296

<sup>10</sup> See also European Environment Agency, (2014), Horizon 2020 Mediterranean report, Toward shared environmental information systems, EEA-UNEP/MAP joint report, Copenhagen

A vibrant private sector with high levels of innovative and entrepreneurial human capital is required across the Programme area in order to create a level of employment opportunities and economic growth that aids the absorption of the high numbers of new entrants to the labour market. A supportive business environment with adequate development services can encourage MSME's establishment and growth through improving education and skills and their relevance to labour market requirements, encouraging international operation i.e. exporting and engagement in global value chains and improving access to finance. A more systemic approach to promoting youth and female economic participation through the creation and growth of innovative start-ups should contribute to a more sustainable and inclusive model of economic growth.

Activities funded under this call should aim to:

- increase the share of new innovative start-ups managed by young people and women and their growth and development,
- support MSME entrepreneurship and innovative ideas that lead to the production of new products and services, accessing of new markets, increased exports or the creation of transnational business connections/partnerships,
- increase cross-border / international operation and sales of start-ups and MSMEs,
- increase vocational / management training opportunities and skill levels amongst start-ups and MSMEs with youth / women in managerial positions,
- improve access to finance and develop dedicated programmes or actions to strengthen the MSME sector and entrepreneurs or provide specialised support services,
- improve and facilitate the access of young and women entrepreneurs to Intellectual Property Rights and commercialisation schemes.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme<sup>11</sup>. EU funding instruments such as Horizon 2020 and COSME have a focus upon supporting entrepreneurs and innovation networks and clusters. Similarly, the Union for the Mediterranean (UfM) cross-sectorial flagship initiative MED4Jobs fosters job creation and supports SME development in an integrated regional approach in the MPCs. Women's economic empowerment, SMEs, entrepreneurship, private sector mobilisation and social dialogue are also focus areas of the MENA-OECD Competitiveness Programme which supports private sector development and entrepreneurship as driving forces for inclusive growth and employment in MENA. Activities should build on or be informed by the work of OECD-MENA mapping good practices around private sector representation and public-private dialogue, as well as projects such as the UfM and UNIDO 'Promoting women empowerment for inclusive and sustainable industrial development in the MENA region'. Other relevant initiatives including EUROMED INVEST, and other INTERREG-funded projects such as EMBRACE<sup>12</sup> FinMED<sup>13</sup>, Proyecto EFES<sup>14</sup>, as well as programmes funded by the Newton Fund, USAID, the World Bank

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<sup>11</sup> As far as the information is available since the process of the signing of grant contracts is on-going.

<sup>12</sup> European Med-clusters Boosting Remunerative Agro-Wine Circular Economy (funded under Interreg Med)

<sup>13</sup> Boosting the financing of innovation for green growth sectors through innovative clusters services in the MED (Interreg Med)

and the Agence Française de Développement. National provisions and policies, including those co-financed by the EU such as RESTART 2016-2020 and IRADA, should also be considered.

Potential applicants and partners include: Business hubs/business support or development services; Chambers of commerce/industry organisations; public administrations and their staff; Technological Transfer Offices (TTO) / accelerators / incubators; universities/research institutions / science parks, territorial development / investment agencies.

### **2.1.2 Priority A.1.2: Strengthen and support Euro-Mediterranean networks, clusters, consortia and value-chains**

The full potential of MSMEs as drivers for economic growth in the Mediterranean can be strengthened through increased coordination and technical collaboration across economic and institutional actors and even sectors in cross-border enterprise partnerships, particularly euro-Mediterranean clusters, consortia, networks and value-chains. The challenge of globalisation and operating and competing in international markets can be addressed through the creation of strategic synergistic partnerships amongst MSMEs that include, where possible, other innovation actors. These partnerships should build on complementary strengths and specialisms and lead to the development of an entrepreneurial culture and a favourable business ecosystem for innovation supporting the development of new commercial value chains.

Activities funded under this call should aim to:

- establish and strengthen MSME-based associations,
- increase MSME participation in cross-border/transnational networks, partnerships, clusters, and value chains,
- increase opportunities for business growth, export, creation and investment through the provision of business support to enhance competitiveness and innovation potential, open up new markets and introduce new products and services to the market.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme.

Instruments such as Horizon 2020, COSME, EU EBSO Med,<sup>14</sup> USAID SEED,<sup>15</sup> and BlueMed<sup>17</sup> also have a focus upon supporting entrepreneurs and innovation networks and clusters. Other relevant initiatives include the Mediterranean Innovation Partnership Network for youth entrepreneurship and technology transfer in the agri-food sector,<sup>18</sup> the Partnership for Research and Innovation in the Mediterranean Area (PRIMA),

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<sup>14</sup> Cross-border Ecosystem for the promotion of entrepreneurship and social economy in Europe, funded under the INTERREG Programme ESPANA-PORTUGAL (POCTEP).

<sup>15</sup><https://www.euneighbours.eu/en/south/stay-informed/projects/ebsomed-enhancing-business-support-organizations-and-business-networks>

<sup>16</sup><https://www.usaid.gov/egypt/fact-sheets/strengthening-entrepreneurship-and-enterprise-development-seed>

<sup>17</sup><http://www.bluemed-initiative.eu/>

<sup>18</sup><http://mip.iamb.it/>

ARIMNET<sup>19</sup>, the Blue Bioeconomy Co-Fund,<sup>20</sup> MarTERA<sup>21</sup>, INTERREG-funded projects such as FOODING,<sup>22</sup> FILA, INCUBA<sup>23</sup> EMBRACE, FinMED, and CREATIVE CAMPS - Cross-over HUBS.<sup>24</sup> National provisions and policies should also be considered.

Potential applicants and partners include: Business actors/hubs, industry associations, business support organisations; cross-border enterprise partnerships, clusters, consortia, networks and value-chains; public administrations and Public Private Partnerships; Not for Profit organisations.

## **2.2. Thematic Objective 2 “Support to education, research, technological development and innovation”**

### **2.2.1 Priority A.2.1 Support technological transfer and commercialisation of research results**

Innovation-driven growth must be prioritised in the Programme area to ensure more competitive and more inclusive economic growth. Approaches should be integrated and comprehensive, involving the widest possible range of stakeholders (science and education, the public and private and NFP sectors) in a collaborative innovative “learning society”, or Quadruple or Quintuple Helix, that boosts knowledge creation and diffusion and responds to societal challenges through evidence-based policy making. Improved transnational research capacity and cooperation and mobility of young innovators and researchers will contribute to the establishment of favourable and stable conditions for innovation by pooling financial and intellectual resources. Knowledge-based development should build on innovations and technologies suitable to the Mediterranean context, with its varying strengths and industrial profiles.

Activities funded under this call should aim to:

- facilitate and promote cross-border technology transfer amongst research institutions, industry and SMEs in the field of clean / green technologies and Key Enabling Technologies,
- create cross-border living labs for R&D and technology transfer and the identification of innovative technological solutions between research, industry and SMEs,
- encourage and facilitate the creation of spin-offs especially those able to operate on a cross-border basis,
- increase and strengthen industry-academia collaboration through the establishment of research agreements, the incorporation of additional actors and stakeholder groups, the establishment of new areas of joint activity and training as well as increased co-publication,

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<sup>19</sup> Coordination of Agricultural Research in the Mediterranean Area, an ERA-NET Action financed by the European Union under the Seventh Framework Programme for research, technological development and demonstration.

<sup>20</sup> A co-ordinated R&D funding scheme to strengthen Europe’s position in the blue bioeconomy: <https://bluebioeconomy.eu/>

<sup>21</sup> Maritime and Marine Technologies for a new era - MarTERA is an ERA-NET Cofund scheme of Horizon 2020 of the European Commission. The overall goal of the ERA-NET Cofund MarTERA is to strengthen the European Research Area (ERA) in maritime and marine technologies as well as Blue Growth.

<sup>22</sup> <http://www.foodingproject.org/>

<sup>23</sup> Cross-border Agri-food Incubators funded under INTERREG Greece Italy.

<sup>24</sup> Developing cross-innovation between agro-food and creative enterprises, funded under the Greece Italy programme.

- develop new products and services for commercialisation, and increase commercialisation opportunities for research products,
- support the digitalisation of industry and development of ICT areas such as Blockchain, Internet of Things, Cyber Security, Artificial Intelligence, Machine Learning, Autonomous Database, Big Data.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme. In addition, the Union for the Mediterranean (UfM) research policy agenda, Partnership for Research and Innovation in the Mediterranean Area (PRIMA), the European Research Area for the Neighbourhood and the 5+5 Dialogue, as well as with initiatives such as the Blue Bio-economy Co-Fund, ERANETMED,<sup>25</sup> H2020 and INTERREG funded initiatives such as MED Public Procurement of Innovation (Interreg MED), PROteus<sup>26</sup> and MarTERA should also be considered together with national provisions and policies, including EU co-financed initiatives such as RESTART 2016-2020.

Potential applicants and partners include: Universities / research institutes / science parks / technopoles; innovation agencies, chambers of commerce; public administrations; Not for Profit organisations; innovative enterprises; national research councils.

### **2.3. Thematic Objective 3 “Promotion of social inclusion and the fight against poverty”**

#### **2.3.1 Priority A.3.1 Provide young people, especially those belonging to the NEETS, and women, with marketable skills**

An emphasis on inclusive economic growth, the expansion of suitable employment opportunities and reduction in the decent work deficit is needed to ensure that future generations will be empowered to participate fully in society. There is a need to develop individualised and flexible approaches to engage hard-to-reach, more vulnerable sections of the population at risk of poverty, such as unemployed or under-employed youth or NEETS (young people Not in Employment, Education and Training) and women. These groups may lack education, suffer unequal education and employment opportunities, demonstrate skill mismatches with the labour market or suffer a difficult transition from school to work. Integration between the education sector, Technical Vocational and Educational Training (TVET) and career guidance should lead to the development of combined approaches that include counselling, mentoring, specialised employment advisory support, entrepreneurship promotion, tailor-made training and job placements.

Activities funded under this call are sector-neutral and should aim to:

- increase the employability of women and youth and contribute towards women and youth having a positive outcome such as gaining a qualification and entering the labour market,
- improve and enhance employment services for women and children through the introduction of innovative tools, targeted training, coaching and mentoring, as well as the involvement of public institutions,

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<sup>25</sup> <https://www.era-learn.eu/network-information/networks/eranetmed>

<sup>26</sup> Promoting security and safety by creating a MED cluster on maritime surveillance (Interreg MED)

- introduce initiatives and formal agreements between TVET and the private sector that align skills and training opportunities with labour market requirements and sector policies and improve school-to-work transitions,
- increase the number of social inclusion actions, networks and participants related to or created by women and youth.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme. In addition, initiatives such as Yenesis<sup>27</sup>, EEA and Norway Grants, ERASMUS +, Skills for Employment and Social Inclusion, the Youth Employment Initiative and Youth Guarantee, COSME, Horizon 2020 and the MENA-OECD Competitiveness Programme should also be considered.

Potential applicants and partners include: career/employment services, TVET and educational actors and organisations, public institutions, business/industry/sector associations, social inclusion actors and networks / civil society organisations.

## 2.4 Potential sector focus for projects under Thematic Objectives 1, 2 and 3

### **Under all Priorities:**

The focus upon **renewable energy** and **clean technologies** responds to the recognition that inequalities are increasingly accentuated by energy needs, and that the Mediterranean countries should develop clean technologies to face the increasing domestic energy demand. The cooperation area has some of the largest potential in the world to develop long-term renewable energy solutions. Action should lead to the creation of jobs, businesses and value chains in the **green and blue economy** based upon innovations and technologies that have the potential to play a role in improving global competitiveness, economic empowerment, diversification and security of supply even at small-scale grassroots level. Collaboration in relation to clean technologies more widely will focus on opportunities to enhance innovation and environmental sustainability through new processes, products, or services that reduce negative environmental impacts through energy efficiency improvements or the sustainable use of resources.

Enhancing access to, and the use and quality of **ICT** should increase innovation and productivity as well as improve business and country competitiveness. Action should lead to ICT diffusion, development and innovation including the development of online platforms with new services, stimulate the innovation potential of SMEs and encourage the use of innovative technological solutions. The development of digital services, ICT tools and solutions should support cross-border collaboration and working, and the development of an integrated digital economy and interconnected Euro-Mediterranean area.

### **Under Priorities A.1.1 and A.1.2 only:**

**Creative industries** can act as a driver of economic growth, innovation, entrepreneurship and job creation. Collaboration should promote start-ups and their internationalisation, youth and female economic

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<sup>27</sup> Youth Employment Network for Energy Sustainability in Islands

participation, enable transnational working, skills and know-how development and lead to commercial impact in the creation of new products, services, experiences or solutions.

The call also covers projects that identify, develop and test **Innovative Solutions for Urban development** in recognition of the significant role of urban areas across the Mediterranean given urban population growth rates, their role in driving economic growth and within their surrounding territory, as well as impact on the environment and climate. Collaboration should develop technological solutions in relation to the design, construction and functioning of cities (e.g. around mobility, construction, public spaces) to reduce pollution, improve resource-efficiency, contribute to improving the quality of life and meeting the needs not only of urban dwellers but also the rural hinterland. They should be based on bottom-up participatory approaches that demonstrate high levels of innovation, MSME, youth and female participation.

The **tourism** sector in the Mediterranean demonstrates considerable diversity and is characterised by a predominance of SMEs. Priorities include improving the business environment and business development services, enhancing skills and competences, promoting the creation of innovative start-ups, as well as promoting new transnational tourism products or services and cross sector synergies that enable the internationalisation of tourism SMEs. Projects should have a strong focus on cultural heritage, environmental protection and sustainability, as well as the promotion of youth and female employability and economic participation.

The manufacture and export of **textiles** is a priority sector in the region, with the value of trade reaching EUR 35 billion a year. However, there is a need to develop the sector into a more competitive, value-added, innovative and knowledge-based industry with better jobs, and hence to focus on the innovative and creative aspects of textile and clothing industries. Cooperation should focus upon technological aspects, R&D, training and entrepreneurship and the promotion of youth and female employability and economic participation.

**Agri-food** is a key strategic sector in the Mediterranean, with rapid population growth and changes in consumption patterns leading to rising food imports and reduced food security. The sector plays an important role in territorial development and rural employment, whilst its sustainability in the context of sometimes scarce natural resources must be safeguarded.

## **2.5 Thematic Objective 4 “Environmental protection, climate change adaptation and mitigation”**

### **2.5.1 Priority B.4.1 Support sustainable initiatives aimed at finding innovative and technological solutions to increase water efficiency and encourage use of non-conventional water supply**

Water remains one of the central environmental issues in the Programme area in terms of quality and quantity, regional availability, transport, efficient use and reuse. Demand for quality water suitable for human and agricultural use will increase on the one hand while climate change will strain available resources on the other. Possible developments affect public authorities, businesses and citizens alike.

Water as a natural resource follows a certain path, the so called water cycle, from the location where the resource can be tapped to the final use and eventually its reuse. The steps of this path generally are related to the following actions:

- **Protection of existing water resources:** water resources are scarce in the area; existing resources need to be protected from over-exploitation and salinization. Where damage already occurred restoration actions are necessary.
- **Tapping non-conventional sources:** water supply usually relies on tapping, and often depleting, aquifers. Alternative sources such as rain or dew harvesting, desalination and others can be used in order to introduce alternative streams in the water supply system and thus alleviate the pressure on the aquifers. An additional aspect is the supply of water to communities cut-off from the main supply system due to remoteness or other reasons, where connection is too costly or non-feasible.
- **Ensuring efficient water transport:** one of the biggest deficiencies in water management in the programme area is the state of the water transportation system from the source to the end user; derelict infrastructure, obsolete design or simply evaporation lead to huge leaks in the network.
- **Ensuring efficient water management:** water management encompasses a large number of actions, starting from forecasting demand (for example through the integration of meteorological information systems) and supply (for example managing seasonal peaks in tourist areas), water treatment and storage, formulating a customer and pricing policy up to awareness of the end users. Water management approaches are also sector-dependent; agriculture, tourist areas, industries, residential areas have different needs in terms of quantity, quality and delivery time of water and need to be addressed individually
- **Ensuring efficient water use at the end of the pipeline:** any efforts for efficient water use in the previous steps can be reversed at the hands of the end user without proper provisions for efficient use at that level. Such provisions include technical aspects such as proper metering, technical innovations such as drip irrigation, precision farming or devices reducing domestic wastage, behaviour-relevant aspects such pricing and rewards/penalties and also awareness and information actions.
- **Ensuring water recycling and reuse:** in this final step waste water, currently discharged in adjacent water bodies and the sea, needs to be collected, treated and re-introduced in the water supply system usually for other uses (for example residential grey water for agricultural or arboreal uses). This step requires technical actions, organisational innovations especially concerning the intrasectoral definition of standards and agreements but also awareness initiatives to increase acceptance.

Activities to be funded under this call can be related to one or more steps along this path and may address:

- **technical issues** (mainly adaptation or up-scaling of existing methods to local needs and capacities but also innovative actions),
- **organisational issues** (related to the management, financing and cost-recovery of the infrastructure and the behaviour of the water users),
- **institutional issues** (related to the efficient multi-level and cross-border governance for example at the catchment area level across administrative borders or across sectors but also to water pricing and climate change adaptation),

- last but not least **awareness and training** issues (related to the need to use water efficiently, the promotion of a culture of need management rather than demand response and finally the introduction of water from non-conventional sources and recycling).

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme. In addition, international actions from bodies such as the Global Water Partnership (<https://www.gwp.org/>), the International Water Association (<http://www.iwa-network.org/>), the Union for the Mediterranean and others should be considered. The Euro-Mediterranean Information System on know-how in the Water sector (EMWIS/SEMIDE - <http://www.emwis.org/>) offers a comprehensive collection of relevant actions to be consulted. These international bodies are complemented by national authorities river basin management plans related to the EU Water Framework Directive and other national or regional programmes and strategies such as the structural funds (ESIF) programmes, the smart specialisation strategies, structural funds (ESIF) programmes, Horizon 2020, European territorial cooperation (transnational and cross-border cooperation Interreg programmes) and other initiatives from bilateral and international donors (e.g. UNDP, USAID, GIZ etc.).

Potential applicants and partners include: providers of water related services and public utilities; institutions dealing with development and installation of water-related 'hardware' and 'software', research institutes, scientific chambers, regulatory regional and national authorities, providers of training and education and civil society organisations (for example environmental NGOs).

## **2.5.2 Priority B.4.2 Reduce municipal waste generation and promote source-separated collection and the optimal exploitation of its organic component**

Intensifying human activity, namely urban expansion and sprawl, economic and population growth in the programme area (especially on the southern coast) and prevalent lifestyles, all lead to increased relative and absolute waste production.

Simultaneously, a shift in waste generation patterns is taking place from the EU Member States to the Mediterranean Partner Countries. In the latter economic growth is (still) coupled with resource consumption and inevitable waste generation; this also applies to the EUMS but to a lesser extent. Simultaneously hazardous activities from stronger regulated EUMS move to the MPC, increasing industrial or hazardous waste, which is often included in municipal waste. Landfills and poor fractions' separation (at the source, collection or processing level) are still predominant in the area.

Organic waste remains a large, not separated, fraction in Mediterranean countries. Due to its high water share it is heavy and cumbersome to transport. Its landfill disposal is also problematic especially when mixed with hazardous municipal waste (run-offs and vermin attraction).

Waste generation and handling follows certain cycle steps (consumption, collection, transportation, processing, recovery, recycling and final disposal). The main objective is to reduce the mass of final disposal through various stages of reduction, reuse and recycling. The steps of this cycle are generally related to the following actions:

- **Reduction** of consumption and waste generation at household and enterprise level through adoption of environmentally friendly lifestyles, elimination of one-way packaging, introduction of reusable containers and parts etc.
- **Separation of fractions and recycling** either at source or at the processing level; source-separation is preferable yet more difficult to implement, especially in dense urban areas that do not have the necessary infrastructure to impose strict standards of compliance for citizens and public utilities companies.
- **Disposal** in an environmentally friendly manner minimising load and concentration of hazardous materials.

Activities to be funded under this call can be related to one or more steps along this path and may address:

- **Technical** issues: Waste collection and separation technologies are mature and well tested. The challenge for the area lies in the adaptation of existing methods to local needs and capacities generation, the transfer of knowledge and the development of skills especially in the context of the economic constraints of many municipal authorities. Organic waste sets a particular challenge due to its large fraction and to the climatic conditions.
- **Organisational** issues related to the management, financing and cost-recovery of the infrastructure and the monitoring of the clients' waste patterns. An additional element is the need to move from a purely collection and disposal service to a life cycle management system which requires new planning, managerial and operational capacities. Such management systems usually require institutionalised cooperation forms across municipalities.
- **Institutional** issues related to the efficient multi-level and cross-border governance since effective waste management surpasses the administrative boundaries of municipal authorities and requires regional waste management plans. A waste management aspect that requires special attention is the selection of larger disposal and incineration sites and the agreement of compensation schemes among municipalities.
- Finally, **awareness and training** issues related to the reduction of consumption, reuse of materials, the source separation and possibly use of the organic waste at the household level.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme. In addition, the Waste Framework Directive<sup>28</sup>, the EU plastic strategy<sup>29</sup>, structural funds (ESIF) programmes, Horizon 2020, European territorial cooperation (transnational and cross-border cooperation Interreg programmes) and other initiatives from bilateral and international donors (e.g. UNDP, USAID, GIZ etc.) should be considered.

Potential applicants and partners include: providers of waste management related services and public utilities; institutions dealing with development and installation of waste-related ‘hardware’ and ‘software’,

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<sup>28</sup> [https://eur-lex.europa.eu/resource.html?uri=cellar:9a09e84c-9005-4bed-ae42-8d1638b55d9f.0007.02/DOC\\_79&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9a09e84c-9005-4bed-ae42-8d1638b55d9f.0007.02/DOC_79&format=PDF)

<sup>29</sup> <http://ec.europa.eu/environment/circular-economy/pdf/plastics-strategy.pdf>

representatives from “upstream” and “downstream” industries related to the reduction of waste and the use of waste management products respectively, research institutes, scientific chambers, regulatory regional and national authorities, providers of training and education and civil society organisations (for example environmental NGOs).

### **2.5.3 Priority B.4.3 Support cost-effective and innovative energy rehabilitations relevant to building types and climatic zones, with a focus on public buildings**

Energy demand is rising in the Programme area due to the population growth, lifestyles (e.g. vacation homes), urban sprawl and climate change (transforming cooling from a luxury into a necessity). Buildings are a major energy consumer. The building stock in the area is old and has poor passive and active energy efficiency characteristics.

Technologies of energy rehabilitation and energy efficiency are well developed. Yet, the emphasis is on active measures (related to air-conditioning methods, heat pumps etc.), which while more energy efficient than conventional methods, still require an increasing absolute energy amount.

The programme area also has a long tradition in passive measures (related to sun shading, insulation, atria, natural ventilation) for reducing thermal load in indoor environments. These passive measures are more energy-efficient technologies for application in buildings and are often neglected.

Cost-effective and innovative energy rehabilitations embrace both passive (i.e. reducing the need for energy for maintaining a pleasing climate in the buildings) and active measures (i.e. increasing the efficiency of energy use when needed or enabling the generation of energy from renewable energy sources for immediate consumption).

Activities to be funded under this call can be related to passive or active measures or both and may address:

- **Technical** issues: active technologies are quite mature; the challenge is in the adaptation of existing solutions to the infrastructure, power supply patterns and budgets of the users. Passive technologies require a much higher degree of adaptation on micro-factors like existing building stock, urban density, orientation and exposure, vegetation etc. and rely more on locally available know-how and constructors that active measures (e.g. RES) that depend more on technology transfer. They are however cheaper to maintain if properly installed. The roll-out of both technologies benefits substantially from a common, national or municipal, reference and standards’ framework and related metrics.
- **Organisational** issues differ substantially between active and passive technologies and detached and interconnected systems (e.g. in case of RES). The focus on public buildings allow for synergies however. Organisational issues include the definition of local standards, the certification of existing buildings, the financing of the applied systems, the introduction of new management tools (e.g. energy contracting, public-private partnerships), the billing and feed-in tariffs arrangements for active measures and the monitoring and maintenance of the installations and possible connection to the grids.

- **Institutional** issues relate to the provision of a long-term stable regulatory framework that allows for cost-recovery of long term investments.
- Finally, **awareness and training issues** relate to the promotion of possible solutions, the networking among stakeholders and service providers and the briefing of potential users on benefits and costs, and the moderation of unrealistic expectations.

Projects should describe how they build on and complement recent and existing initiatives, in particular the relevant projects funded by the 2007-2013 ENPI CBC Med Programme and the projects approved under the first call of the 2014-2020 ENI CBC Med Programme. In addition the EU directive on energy performance of buildings<sup>30</sup>, the smart specialisation strategies, structural funds (ESIF) programmes, Horizon, Connecting Europe Facility<sup>31</sup>, European territorial cooperation (transnational and cross-border cooperation Interreg programmes) and other initiatives from bilateral and international donors and private stakeholders.

Potential applicants and partners include: public bodies which are owners and facility managers, institutions dealing with development and installation of energy related ‘hardware’ and ‘software’(both passive and active), technical chambers, research institutes, regulatory regional and national authorities, providers of training and education and civil society organisations (for example environmental NGOs or citizens’ initiatives).

## 2.6 Potential sector focus for projects under all priorities

The focus on environmental aspects, energy and public utilities underlines the need to develop or adapt efficient and clean technologies, improve and modernise infrastructure and finally improve monitoring and accountability.

Actions can lead to the development of technical, process' and organisational innovations and the creation of jobs in the green economy and in the provision of public utility services and the management of infrastructure networks managed both by the public sector but also by public-private partnerships.

Important complementary sectors include ICT, consulting, engineering and construction, market research, public relations, information and communication activities and training etc. These sectors are supporting the institutional, technical and organisational change to be achieved by the JOP through innovation, supply of materials and expertise and awareness and capacity building.

Last but not least the public sector in the narrower sense plays also an important role as law maker, promoter, incentives provider and regulator.

Specific sectors related to the Priority B.4.1 on water include research and development on water supply, transport and sewerage as well as the exploration and utilisation of alternative exploitation and disposal technologies. Such technological solutions require also specific support from computer programming,

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<sup>30</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010L0031&from=IT>

<sup>31</sup> <https://ec.europa.eu/inea/en/connecting-europe-facility>

consultancy and related ICT activities for monitoring and decision making applications for both at centralised and decentralised entities and consumers' level.

Specific sectors related to the Priority B.4.2 on waste include research and development on as well as providers of waste collection, treatment, disposal activities and materials recovery equipment and management services. In specific cases constructors of waste management facilities may play an auxiliary role. In addition management consultancy and engineering and related technical consultancy are crucial sectors related to the necessary re-organisation of the waste collection and disposal bodies to integrated waste management service providers.

Specific sectors related to the Priority B.4.3 on energy include architectural and engineering and related technical consultancy with emphasis on energy design (especially passive energy), providers and fitters of energy saving and energy generating applications, computer programming, consultancy and related ICT activities for smart metering and billing and last but not least facilities and property management.