

Action Fiche for ENP South region Annual Action Programme 2012 (part II)**1. IDENTIFICATION**

Title/Number	Private sector development in the Southern Mediterranean (ENPI/2012/024-145)		
Total cost	EU contribution : EUR 12 million		
Aid method / Method of implementation	Project approach under centralised direct management and joint management		
DAC-code	25010	Sector	Business support services and institutions

2. RATIONALE**2.1. Sector context**

Sustainable growth and employment are common concerns among the partner countries of the European Neighbourhood South region, where 5 million jobs need to be created yearly to ensure social inclusion. The largest reservoir of jobs remains the 6 million micro, small and medium enterprises (mSMEs) that account for 90% of total employment, but are not yet contributing their full share to sustainable growth. Boosting private investment and job creation will require improving the business climate, in particular through the establishment of a level playing field, a transparent and open investment regime for both domestic and foreign investors, facilitating the access to finance and strengthening market institutions.

In the light of the above, the two Joint Communications of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy "A partnership for democracy and shared prosperity with the Southern Mediterranean"¹ and "A new response to a changing Neighbourhood"² are calling the partner countries to support the adoption of policies conducive to stronger, sustainable and more inclusive growth, facilitating trade, innovation and investment partnerships; developing mSMEs and promoting industrial co-operation. To this end, the EU has been supporting since 2007 a number of initiatives at macro (i.e. targeting institutions and regulatory framework), meso (business intermediary organisations) and micro (enterprises as such) levels and contributed more than EUR 1 billion for private sector development in the region.

This programme for private sector development in the Southern Mediterranean will complement and contribute to current actions funded by the EU and other donors. It is mainly intended to foster the development of a conducive business environment, to develop quality Euro-Mediterranean networks providing adequate support and services for investing mSMEs and to demonstrate the potential of cultural and creative industries³ in promoting inclusive growth.

¹ COM(2011)200 of 8 March 2011.

² COM(2011)303 of 25 May 2011.

³ **"Cultural and creative industries"** refers to a range of economic activities, which transform cultural and creative inputs into goods and services embodying both cultural and economic values. These

The regional programme will target SMEs by intervening at macro-level (mSME business enabling environment), meso-level (reinforcing mSME support agencies); and micro-level (support to regional clusters in the cultural and creative industries).

Based on reports by the United Nations Conference on Trade And Development (UNCTAD) and the United Nations Industrial Development Organisation (UNIDO), emphasising the overall growth potential of creative industries in developing countries, both for skilled and less qualified workers, notably for the youth and women, and given the interest shown for that sector by the economic actors in the partner countries following the Arab Spring, the programme will foster the development of cultural and creative industries in the region, maximising impact by taking advantage of clusters already existing in fields such as information technology, craft, tourism, textile, fashion and cosmetics for example.

This regional programme will therefore contribute to: the creation of a conducive environment for mSMEs in particular for cultural and creative industries; the development of robust sets of intermediaries organisations supporting the development of mSMEs, notably in the cultural and creative industries; and demonstrate the benefits of the Euro-Mediterranean regional integration through fostering entrepreneurial co-operation in the cultural and creative industries.

2.2. Lessons learnt

Lessons learnt from bilateral actions contributing to private sector development point to evidence that these initiatives contributed significantly to building up the capacities of ministries and administrations in tackling private sector development issues, notably through public-private dialogue platforms assisting in the modernisation of the SME fabric, reinforcing the capacities of business representatives organisation and facilitating trade. Bilateral assistance therefore permitted to build up a fruitful base for regional activities.

Past regional programmes contributed to creating networks and politically neutral dialogue platforms. European Neighbourhood Policy (ENP) instruments therefore contributed to the progress made in the area of economic stabilisation and liberalisation and are particularly well perceived, notably in the fields of SMEs business climate improvement, support for reforms, business partner matchmaking, and dialogue between cultures and cultural heritage. However, the fragmentation of the previous private sector development regional projects limited their visibility at country level. Large multidimensional projects are less effective than focused concrete actions in exerting the demonstrative effect required for building experience and generate stakeholders' motivation around the Euro-Mediterranean goals. This highlights the need to focus on a limited number of sectors; to ensure complementarities with bilateral initiatives; to ensure better co-ordination with access to finance. There is interest in building on the experience acquired by UNIDO which is already supporting the creative Industries through six on-going projects in Egypt, Jordan, Morocco and Tunisia.

sectors are largely dominated by SMEs bringing creativity, skill and talent into production, distribution and promotion of cultural and creative contents. Cultural and creative industries include advertising, architecture, archives and libraries, artistic crafts, audiovisual (including film, radio, television, video games and multimedia), heritage, design, festivals, music, performing arts, publishing, software consultancy and visual arts.

Moreover, at *macro-level*, the Doing Business 2011 report⁴ and the assessment of the Euro-Mediterranean Charter for Enterprise⁵ confirmed that peer-to-peer comparison is effective in improving business enabling environments and that reinforcing the Euro-Mediterranean Charter for Enterprise and taking advantage of the tools developed in Europe under the Small Business Act⁶, could further catalyse reforms.

At *meso-level*, further support is needed for the delivery of efficient linkages services to the mSMEs of the region.

At *micro-level*, the cultural and creative industries are already the focus of several national initiatives that may be clustered to be more competitive on the global scene.

2.3. Complementary actions

At *macro-level*, the programme will firstly complement the bilateral activities aimed at improving business environment (e.g. "Programme d'appui à la facilitation du commerce en Algérie" (FACICO)). Secondly, it will support the Euro-Mediterranean Working Party on industrial cooperation that places business simplification high on its agenda.

At *meso-level*, the programme will be complementary to on-going programmes supporting the activities of SME development agencies (Jordan Enterprise Development Corporation (JEDCO), Agence Nationale de Développement de la Petite et Moyenne Entreprise (ANDPME) in Algeria) and will build on the results of the extensive support provided by the EU to ENP-South countries to develop these agencies (e.g. Industrial Modernisation Centre (IMC) in Egypt, Agence Nationale de la Petite et Moyenne Entreprise (ANPME) in Morocco). It will also take account of the findings of the working group of EU Member States experts on fostering the potential of cultural and creative industries for local and regional development⁷.

At *micro-level*, the programme will liaise with the European Alliance for Creative Industries cluster programme. It will also take account of several national initiatives, like the creation of two creative industries incubators in Jordan (JEDCO); the jewellery contemporary design centre in Egypt; the Palestine Information and Communication Technology Incubator (PICTI); or the programme of Gesellschaft für Internationale Zusammenarbeit (GiZ) for creative industries in Algeria. The present programme will also complement the European Neighbourhood and Partnership Instrument (ENPI) regional programmes for intercultural dialogue and cultural diversity and any relevant future programme.

The programme is consistent with the objectives of the Union for Mediterranean (UfM) of promoting socially inclusive growth through mSMEs. More specifically it addresses the UfM recommendations of reinforcing the Euro-Mediterranean Charter for Enterprise and involving partner countries in the activities of the European Alliance for Creative Industries. It will also complement the UNIDO 2009 SMEs and Job Creation project.

⁴ <http://www.doingbusiness.org/reports/global-reports/doing-business-2011>.

⁵ http://ec.europa.eu/enterprise/policies/international/files/charter_11_dimensions_en.pdf and http://ec.europa.eu/enterprise/policies/international/files/2008_report_charter_en.pdf.

⁶ Communication from the Commission to the Council; the European Parliament, the European Economic and Social Committee and the Committee of the Regions "Think Small First" A "Small Business Act" for Europe; COM(2008)394 of 25 June 2008.

⁷ <http://ec.europa.eu/culture/our-policy-development/documents/120505-cci-policy-handbook.pdf>.

2.4. Donor co-ordination

The programme will contribute to stepping up co-ordination efforts with other key international financial institutions (IFIs) by establishing and disseminating a database of existing financing, including through the EU funded Kredit für Wiederaufbau (KfW) SANAD Fund for mSME; the Middle East and North Africa (MENA) Finance Facility for SMEs of the International Finance Corporation (IFC), the European Investment Bank (EIB) and the risk capital component of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Trust Fund. The programme activities will also be in synergy with the upcoming technical assistance, funding and advisory services activities of the European Bank for Reconstruction and Development (EBRD).

3. DESCRIPTION

3.1. Objectives

The overall objective of the Programme will be to boost the private sector in order to contribute to sustainable and inclusive growth and employment generation, both regionally and sub-regionally with the following specific objectives:

- 1) Contribute to the improvement of the business enabling environment for micro, Small and Medium Enterprises in the ENP-South region;
- 2) Develop quality Euro-Mediterranean networks providing adequate support and linkage services for mSMEs, in a variety of promising sectors at regional or sub regional level in addition to the creative industries; and
- 3) Foster entrepreneurial co-operation in the cultural and creative industries, notably through the promotion of promising pilot initiatives demonstrating contribution to inclusive growth.

3.2. Expected results and main activities

Under *specific objective 1*, the expected results are as follows:

1. The role of the Working Party on Euro-Mediterranean industrial cooperation in supporting and co-ordinating SMEs related reforms is enhanced;
2. The capacity of the Euro-Mediterranean Charter coordinators to advocate for and promote mSMEs is built-up; and
3. The awareness and use of financing available for mSMEs are raised.

The activities below at regional and sub-regional level will contribute to the reinforcement of the Euro-Mediterranean Charter for Enterprise framework by building-up its capacity to mobilise public and private stakeholders around mSMEs issues; aligning the Charter with principles and methodologies of the Small Business Act for Europe and engaging into a deeper dialogue with the private sector on industry/SME specific constraints and opportunities also in the area of cultural and creative industries. The actions will also contribute to awareness raising of available finance for mSMEs welcoming the active involvement of the relevant stakeholders of the banking sector; enhanced exchange of views and networking regarding access to markets; spurring entrepreneurship including women entrepreneurship; sharing experience and best practises on business opportunities for SMEs in Mediterranean countries; gradually transforming the Charter into a Euro-Mediterranean Small Business Act and transforming Charter co-ordinators into SME Envoys; simplification and progress on other topics covered by the Charter and the Small Business Act; better co-ordination of related regional and national initiatives through

the Working Party on Industrial Co-operation. This will be achieved by making resources available for conducting and producing relevant studies and surveys if needed, delivering training; supporting networking and the organisation of events facilitating capacity-building and sharing of experience with a view of building up modern SME policies, facilitating sharing of information and dialogue with governmental authorities, the business community and civil society; developing and maintaining good practice databases and relevant associated tools.

Under specific objective 2, the expected results are as follows:

1. Based on lessons learned, identification of regional sector strategies in a limited number of promising sectors in addition to cultural and creative industries to attract new EU and intra Mediterranean trade and investment flows and to develop further EU and intra Mediterranean business partnerships;
2. Organise, in the context of the identified regional sector strategies, matchmaking meetings between specialists of the Mediterranean sector business associations, companies and their counterparts in the EU and intra-Mediterranean a sustainable process to promote inclusive growth and foster employment creation;
3. Disseminate the best practices from each Mediterranean country; which can enhance the international image of the region for investors;
4. Develop the Mediterranean business development organisations to serve the investor and to facilitate the networking of Euro-Mediterranean organisations involved in investment promotion in the private sector;
5. Building up the capacity of intermediary organisations towards financial self-sustainability.

Activities at regional and sub-regional level will encompass the organisation of workshops, annual conferences, short term technical assistance, training of Mediterranean trainers, information and results dissemination activities, design of sector strategies, studies and preparation of guidelines for sustainability aspects. The Mediterranean Creative Industries Alliance (MCIA) linking clusters will be established building upon synergies with the European Creative Industries Alliance. Efficient interfaces with the Enterprise Europe Network will be developed in order to maximise business linkages.

Under specific objective 3, the expected results are as follows:

1. Conduct of a mapping of clusters and value chains in the cultural and creative industries in the ENP South region;
2. Stimulation of promising pilot initiatives in a number of clusters demonstrating the potential of cultural and creative industries in promoting inclusive growth and employment in the ENP South region;
3. Replication of promising pilot initiatives throughout the ENP South region;
4. Results disseminated to stakeholders.

Activities at regional and sub-regional level will comprise the conduct of a mapping exercise with due regards to the European Cluster Observatory, leading to a selection of promising clusters for further interventions, presumably in sub sectors such as design and jewellery, and other sectors such as tourism, textiles/clothing and information communication technologies (ICT) through their linkages to cultural and creative industries. Technical assistance will permit to conduct training, awareness and information workshops, study tours and on-the-job technical support to

stakeholders. Through competitive procedures, the most promising pilot initiatives will be selected and co-financed. Clusters in the ENPI beneficiary countries and the European Union (enterprises, institutions, research, training, vocational and technical centres, specialised financial services hubs, etc.) that could partner together with the assistance of the use the European Cluster Collaboration Platform and the Cluster Women European Network (ClusterWene) will be identified.

3.3. Risks and assumptions

Under the current conditions, the main risks of the programme can be synthesised as follows:

- Political instability in the region;
- Inability of the public authorities and entities concerned to give priority to the areas of action within the various dimensions of the Euro-Mediterranean Charter for Enterprises, and to develop inter-sector co-operation;
- Difficult diplomatic relations in the region.

The risks linked to political instability in the region and to possible changes of government or regimes should be mitigated through continuous monitoring. The proposed results are formulated in a way that ensures that the project is flexible; takes account of each country's specific circumstances as well as the regional dimension; implementation does not depend on a participation of all the countries in all foreseen activities.

The projects will try to mitigate the prioritisation difficulties by supporting the technical and political levels and reinforcing overall co-ordination through the establishment of steering committees for each component. If difficult diplomatic relations create impediments to the smooth running of the projects, activities will be carried out at technical level only.

Assumptions encompass the willingness and commitment of the stakeholders in the Mediterranean partner countries throughout project implementation; the synergies and complementarities with other regional activities; good project management; an enabling environment in partner countries for stakeholder participation.

3.4. Crosscutting Issues

The programme will streamline administrative procedures which currently leave room for red tape, corruption and nepotism. It will also support a sector that is neutral as regards environment and climate change. The programme will factor gender issues at the level of the business environment and business support services and will support a sector that employs more women than other traditional sectors. By supporting cultural and creative industries, the programme places freedom of expression, a fundamental human right, at the heart of the strategy to generate sustainable inclusive growth.

3.5. Stakeholders

For the *Specific Objective 1*: Charter co-ordinators and Charter stakeholders, the Working Party on Euro-Mediterranean Industrial Co-operation; relevant ministries.

For the *Specific Objective 2*: Chamber of Commerce; Business Associations.

For the *Specific Objective 3*: business associations; sections of Chambers of Commerce; South ENPI creative industries clusters; North and South creative industries SMEs.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

For the specific objectives 1 and 2 respectively, the implementation method will be direct centralised management.

Specific objective 1 will be implemented via a service contract (technical assistance). It is foreseen to launch a call for tender for one service contract. A steering committee will be established with the participation of the Consultant, experts from relevant European Commission services, EU Delegations and the national co-ordinators of the Euro-Mediterranean Charter for Enterprise, who will presumably be nominated national focal points of this project by the competent authorities of the various partner countries, and other relevant stakeholders. This steering committee will ensure an effective monitoring and co-ordination of national activities as well coherence with regional activities including those discussed in the Working Party on Euro-Mediterranean Industrial Co-operation. At national level, national steering committees with participation of the national representative of the Consultant, EU Delegation, national co-ordinator of the Euro-Mediterranean Charter for Enterprise and other relevant national stakeholders will be also established.

Specific objective 2 will be implemented via a grant. It is foreseen to launch a call for proposals resulting in the award of one contract. A Steering Committee will be established with the participation of the Grantee, experts from the relevant European Commission services, EU Delegations and the national co-ordinators of the Euro-Mediterranean Charter for Enterprise, the nominated national focal points of this project and other relevant stakeholders. This steering committee will give guidance with a view of ensuring an effective monitoring and co-ordination of national activities within the regional dimension of the project. At national level, national steering committees with participation of the national representative of the Consultant, EU Delegation, national focal point of the project and other relevant national stakeholders will be also established with a similar objective.

Specific objective 3 will be implemented under joint management through the signature of a contribution agreement under the Financial and Administrative Framework Agreement (FAFA) with the United Nations Industrial Development Organisation (UNIDO) in accordance with Article 53d of the Financial Regulation.

The choice of joint management with UNIDO is based on the following considerations:

- UNIDO has an historical working relationship with the Ministries of Industry in the Mediterranean area;
- UNIDO has the necessary leverage and capacity to successfully steer further activities in the domain of creative industries in which it already supports several projects;
- The action to be financed has been jointly formulated between the European Commission and UNIDO;
- The international organisation complies with the criteria provided for in the applicable Financial Regulation.

A Joint Steering Committee with participation of observers including the respective national focal points of the projects implementing the specific objectives 1 and 2, experts from relevant European Commission services, EU Delegations and other relevant stakeholders will provide policy orientations and guidance for the

stimulation of the promising pilot initiatives and ensure coherence of implementation between the specific objectives 1, 2 and 3.

The change of management mode constitutes a substantial change except where the European Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

4.2. Procurement and grant award procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the European Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the ENPI Regulation. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in Article 21(7) of the ENPI Regulation.

2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the general budget of the EU. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90%. Full financing may only be applied in the cases provided for in Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the EU.
- Derogation to the principle of non-retroactivity (only where applicable, otherwise delete): a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with for general budget: Article 112 of the Financial Regulation applicable to the general budget of the EU.

For joint management: All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant international organisation.

4.3. Indicative budget and calendar

Indicative budget is divided between specific objectives as follows:

Specific objective	Method of Implementation / Type of contract	Amount (EUR)
Specific objective 1	Direct centralised management/ service contract	3,000,000

Specific objective 2	Direct centralised management/ grant contract	4,000,000
Specific objective 3	Joint management/Contribution agreement	5,000,000
TOTAL		12,000,000

The operational duration for the projects is foreseen to be 36 months as from the signature of the relevant contract.

The calls for tender and proposals are foreseen to be launched during the first half of 2013.

4.4. Performance monitoring

The objectively verifiable indicators (qualitative and quantitative) will be part of the methodologies included in the technical proposals. For the projects for which additional services are requested, the existing indicators will apply.

Besides the regular follow up by the EU Delegations in the region and the Headquarter, monitoring missions will ensure an external follow-up. The European Commission and the project co-ordinator will pay particular attention to the recommendations expressed by the external experts.

4.5. Evaluation and audit

Mid-term progress reports are envisaged for all the concerned projects.

Projects will have to certify expenditure incurred, as part of the obligations of the contracted parties in the framework of the implementation of this project. Mid term and final evaluations, if applicable, of the results achieved will be entrusted to independent consultants, as well as external audits (if necessary). These evaluations and audits will be funded from other sources than the project budget, since no commitment will be possible once the validity of this decision has expired ("N+1" rule will apply).

All auditing matters related to the contribution agreement with UNIDO are governed by the Verification Clause annexed to and forming an integral part of the Financial and Administrative Agreement (FAFA) concluded between the European Commission and the United Nations, signed on 29 April 2003.

4.6. Communication and visibility

The EU visibility guidelines⁸ must be followed by all projects. Each project above will work out a specific communication strategy and develop specific activities dedicated to communication and visibility. Implementation of the communication strategy in the partner countries will be also carried out in collaboration with the relevant EU Delegation, when appropriate. Constant communication should be maintained with the European Commission and with the ENPI Info Centre (www.enpi-info.eu).

⁸ "Communication and Visibility Manual for EU External Actions" http://ec.europa.eu/europeaid/work/visibility/index_en.htm.

For communication and visibility matters related to the contribution agreement with UNIDO, a communication and visibility plan will be drafted in compliance with the Joint Visibility Guidelines for European Commission - UN Actions in the Field (http://ec.europa.eu/europeaid/work/procedures/financing/international_organisations/other_documents_related_united_nations).

Action Fiche for ENP South region Annual Action Programme 2012 (part II)**1. IDENTIFICATION**

Title/Number	Media and culture for development in the Southern Mediterranean (ENPI/2012/024-146)		
Total cost	EU contribution: EUR 17 million (EUR 10 million from 2012 budget and EUR 7 million from 2013 budget)		
Aid method / Method of implementation	Project approach - Centralised direct management		
DAC-code	16061	Sector	Media Culture

2. RATIONALE**2.1. Sector context**

One year after the Arab Spring, the priority for co-operation in the Mediterranean region is to further assist in the transition to more democratic societies. In this sense, media and culture play a key role, not only in intercultural relations but also in human, social and economic development.

An independent and plural media, as well as a strengthened cultural sector, can act as a catalyst for democratic changes and provide a driving force for the transformation of a society where civil society's voice can be freely expressed and respected. This can also promote fundamental rights and values such as freedom of opinion and expression, diversity and pluralism and serve as a platform for an open debate about the needs that arise in a democratic society.

'Media and culture' no longer serve only as a source of information and exchange; they can also play a pivotal role in boosting socio-economic development and political pluralism in the Southern Mediterranean. By way of example, political unrest in the Arab world has been supported to an unprecedented degree by the media, which have enhanced freedom of expression and helped to boost some democratic reforms. The independent cultural sector was also at the forefront of these movements.

The programme "Media and culture for development in the Southern Mediterranean" is in line with the new approach to the EU Neighbourhood Policy as outlined in the two Joint Communications of the European Commission and of the High Representative of the EU for Foreign Affairs and Security Policy "A partnership for democracy and shared prosperity with the Southern Mediterranean"¹ and "A new response to a changing Neighbourhood"². These Joint Communications announced the provision of an increased support to partners engaged in building a deep and sustainable democracy and envisaged more focus on people-to-people contacts, as well as civil society development.

In the media field, both Communications emphasise the importance of freedom of association, expression and assembly and of a free press and media; reforms in these

¹ COM(2011)200 of 8 March 2011.

² COM(2011)303 of 25 May 2011.

areas not only strengthen democracy but also create the conditions for sustainable and inclusive economic growth. The consensus with regards to the contribution of culture to a sustainable human, social and economic development was reinforced by the UN resolution of November 2010 on culture and development. This new programme is also developed in line with the Regional Indicative Programme (2011-2013)³.

Regarding culture, the Communications underline the importance of building a stronger partnership with people and pledge EU support for both existing programmes and projects as well as new initiatives (seminars, exhibitions, workshops, exchanges, etc.) in the field of culture.

Culture in the Mediterranean region is a priority area as defined by the Euro Mediterranean Ministries of Culture Conference which took place in Athens in May 2008⁴. In the final declaration of this conference, the Ministers called for a more global Strategy on Culture which "*should give particular attention to strengthening the capacity of partner countries in the field of cultural expression and to promoting access to culture. Euro-Mediterranean partners should be encouraged to further develop coherent national cultural policies, taking into account the needs of the cultural sector.*"

While culture is essential for freedom of expression, the link between freedom of expression and democratisation, where media plays a key role, is equally important. The media in the countries in transition, once used as state supporting propaganda tools can now act as an instrument for democracy. Most media in the region are still State-controlled. Countries from the region are now facing a common challenge, namely, the redefinition of the role of a State run media's role, which faces growing competition from global Arab broadcasters and new media platforms with cheaper production costs.

In the context of political and social transition, the cultural and media landscape is in a constant state of flux. The traditional media outlets are no longer the gatekeepers for news. With the advent of digital technology, social media platforms are gaining an ever growing influence in our partner countries. When political unrests occurred in the Arab world, it was the citizens active on internet that not only broke the news but were also instrumental in a role of cross-checking/validating the information produced by traditional media, and thus are now playing a key role in the democratic transition that is taking place in many countries in the Southern Mediterranean. This fast-paced development in technology is blurring the dividing line between traditional and new media, producers and consumers. The convergence of traditional and new media is among the major trends emerging in the region. It creates significant changes in the media and cultural sectors in the Southern Mediterranean, and paves the way for a more participatory and open democratic society.

2.2. Lessons learnt

Previous regional programmes specifically devoted to media development with support for public service media and free independent media outlets in the Southern Mediterranean have been scarce.

Support for independent local media was developed even more after April 2011 as part of the European Neighborhood Journalists' Network in response to the political

³ C(2010)9365 of 22 December 2010.

⁴ http://eeas.europa.eu/euromed/docs/culture_concl_0508_en.pdf.

upheavals in the region. Results-oriented monitoring (ROM) reports have shown that this help was fragmented and that there was a need to adopt a more consistent approach to addressing the issue of independent journalists.

At bilateral level, monitoring of projects in the media sector has shown that media reform can be supported if it is very closely linked to the actions that the government undertakes in the same direction.

Regarding culture, a mapping of cultural actions undertaken by EU Member States and the European Commission was carried out in 2011. This showed that the EU's activities in the field of culture in the Southern Mediterranean are very fragmented and not strategically thought through.

Evaluations of previous regional programmes dedicated to the culture sector in the Southern Mediterranean region (mainly Euromed Audiovisual⁵ and Euromed Heritage⁶, here under-referred to as "Culture programmes") show that, in order to be successful, regional programmes need to be backed up by bilateral ones. Regional activities are less successful in countries where there is no clear national policy.

The result oriented monitoring of "Culture programmes" have also shown that financial support for the direct production of cultural activities is not consistent with the objectives of development and sustainability.

2.3. Complementary actions

In the field of Media

The new programme will complement existing EU activities, which include:

- The EUR 4.5 million project Media Neighbourhood, funded under the regional Information and Communication programme⁷, launched in February 2012 which will strengthen the capacity of journalists across the Southern Mediterranean, particularly in the area of media independence and online media. By the end of the project, more than 1300 journalists and senior editors will have been trained as part of a blended-learning programme;
- Programmes aimed to building up the capacities of the media as a vector for democratisation, freedom of expression and peace-building financed under the European Instrument for Democracy and Human Rights;
- Euromed audiovisual programmes to enhance the television sector as a vector for the development of the film sector and Media Mundus, programme to support the co-operation between audiovisual professionals from Europe and from third countries;
- Ongoing and future activities in the media field supported by Cross Border Co-operation projects⁸ and by Anna Lindh Foundation⁹ promoting a better understanding between the two shores of the Mediterranean and the enhancement of intercultural dialogue. The thematic programme Investing in People dedicated

⁵ C(2009)5215 of 1 July 2009.

⁶ See evaluation of Euromed Heritage I, II and III: <http://www.euromedheritage.net/intern.cfm?menuID=9&submenuID=15>.

⁷ See C(2011)2371 of 8 April 2011.

⁸ See: <http://www.enpicbmed.eu/>.

⁹ <http://www.euromedalex.org/news/master-class-debate>.

in 2012 to supporting culture as a vector of democracy and economic growth¹⁰ will also tackle the media field.

This regional programme will co-ordinate its activities with bilateral projects managed by the EU Delegations. One example is the programme under preparation in Jordan, entitled "*Support to democratisation, civil society and media*". The aims of this programme will be to strengthen and enable a regulatory and institutional environment and build the capacity for an independent, quality-based media sector serving the population as a whole.

In the field of culture

The programme "Media and culture for development in the Southern Mediterranean" will complement:

- The regional and bilateral programmes dedicated to certain specific areas of culture (e.g.: film sector with Euromed audiovisual¹¹, Heritage with Euromed Heritage¹², culture in cross border regions with cross border co-operation – CBC¹³, culture programme in Algeria, "Support to creativity and cultural diversity in Egypt" programme, thematic programme Investing in People dedicated in 2012 to supporting culture as a vector of democracy and economic growth¹⁴, local calls for proposals in the cultural sector¹⁵);
- Intercultural dialogue programmes such as the Anna Lindh Foundation III for Inter-Cultural Dialogue¹⁶;
- Cultural diplomacy activities through collaboration between the EU Delegations and the EU Member States to emphasise the diversity of European culture and to facilitate meetings between European and Mediterranean artists (such as the Jazz Festival in Rabat, meetings of writers in Algiers, festival of European films in Egypt, Morocco and Syria);
- Actions to promote cultural co-operation in a broad European neighborhood: the open approach of the Special Actions 2009-2010 under the EU Culture programme targeting ENP countries¹⁷ will be followed up by the new Creative Europe Programme. The European Commission proposal foresees the full participation of ENP countries in the programme, provided that they have a framework agreement with the EU on the general principles of their participation in the European Union programmes.

¹⁰ Under adoption, Thematic programme Investing in People, theme 4.3: other aspects of human and social development, access to local culture, protection and promotion of cultural diversity.

¹¹ C(2009)5215 of 1 July 2009, <http://www.euromedaudiovisuel.net/2012/p.aspx>.

¹² <http://www.euromedheritage.net/>.

¹³ http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index_en.htm.

¹⁴ Under adoption, THEMATIC PROGRAMME INVESTING IN PEOPLE THEME 4.3: OTHER ASPECTS OF HUMAN AND SOCIAL DEVELOPMENT, ACCESS TO LOCAL CULTURE, PROTECTION AND PROMOTION OF CULTURAL DIVERSITY.

¹⁵ For example in Lebanon: http://www.enpi-info.eu/mainmed.php?id=47&id_type=10 or the latest call for proposals in Egypt on "Revolution meets the Arts": http://www.enpi-info.eu/mainmed.php?lang_id=450&searchtype=simple&id=25071&id_type=1.

¹⁶ C(2011)5381 of 29 July 2011.

¹⁷ Projects funded can be found under http://eacea.ec.europa.eu/culture/results_compendia/results_en.php.

Synergies will be sought with the Civil Society Facility (2011-2013) aimed at strengthening the role of civil society organisations in the reforms and democratic changes taking place in EU Neighbourhood.

The proposed programme will also complement the new regional private sector development programme, which will focus on supporting cultural and creative industries in the Southern Mediterranean and in particular micro, small and medium enterprises (mSMEs) that generate new cultural contributions through creativity, skill and talent.

2.4. Donor co-ordination

A particular effort is needed in order to co-ordinate donor action in the media and cultural sector. Many organisations- both public and private - have already implemented a range of programmes to support the media and cultural initiatives in the Southern Mediterranean. The mapping conducted by the European Commission in 2011¹⁸ on organisations that fund training for journalists in the region will therefore be a useful tool.

In the culture sector, the “Media and culture for development in the Southern Mediterranean” programme will be co-ordinated mainly with those EU Member States that are funding development projects in these fields. It will also be carried out in accordance with their cultural diplomacy activities.

Other donors are very active in the heritage field in individual countries, one example being Japanese co-operation in Egypt but there is no donor activity in the cultural sector at a regional level.

Co-ordination mechanisms at regional level are to be established with international organisations such as UNESCO¹⁹, *Organisation internationale de la Francophonie* and other public and private bodies that are already very active in the region in the fields of media and culture.

Strong co-ordination shall also be established with the Arab League and in particular with the Arab League Educational, Cultural and Scientific Organisation (ALECSO) which works towards enhancing and co-ordinating educational, cultural and educational activities in the Arab world. In addition to regular meetings organised by the EU Delegations with other donors, annual meetings will be organised with all donors of the region to facilitate this co-ordination.

3. DESCRIPTION

In the media field, the programme will embrace people as well as public and private organisations that provide on-line and offline news reporting/ journalism. Among other, the programme will target the mainstream public media in the Southern Mediterranean (such as print, TV and radio, and online) as well as the independent media outlets including community media. The latter after having played a critical role in giving a voice to the oppressed in the region, are now entering a phase of fragile maturity where EU support could make a difference. Separate from the commercial and State-run media, community media are understood in this programme as the “third” pillar of media, which is being increasingly recognised at a global level as a crucial element of a vibrant and democratic media culture. EU

¹⁸ http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/journalist/index_fr.htm.

¹⁹ The United Nations Educational, Scientific and Cultural Organization.

support for new independent media is even more important during period of democratic transition because it enables a more participatory approach to the media.

The programme will focus on the role of media outlets (both mainstream and new media) to secure a smooth transition from autocracy to democratic governance in the Southern Mediterranean, thus creating the conditions for tackling the most pressing needs in terms of unemployment and job creation in the region.

In this programme, culture is understood through a broad approach and in line with the working definition provided in the study 'Economy of Culture in Europe'²⁰ and the European Commission's Green Paper entitled 'Unlocking the potential of cultural and creative industries'²¹. In this context, culture encompasses expressions, activities, goods and services in relation to:

1. Core arts areas: performing arts, visual arts, cultural and architectural heritage and literature;
2. Cultural industries: film, DVD and video, television and radio, video games, new media, music, books and press;
3. Creative industries: those industries, which use culture as an input but whose outputs are mainly functional, including architecture, advertising, design and fashion.

Cultural operators are defined as all types of organisations and individuals working in the field of culture.

Since the Communication on the "European agenda for culture in a globalising world"²² was adopted in 2007, culture has been increasingly seen as a strategic factor in political, social and economic development. The "2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions", provides the framework for greater cultural co-operation between our continent and the rest of the world. In the context of cultural co-operation with third countries, it is also important to promote cultural diversity and the development of national cultural policies, to facilitate access to culture for local populations and to build structural capacities in the Southern Mediterranean.

On 20 December 2010, the United Nations General Assembly adopted a resolution on culture and development, which emphasises the important contribution of culture for sustainable development and for the achievement of national and international development objectives, including the Millennium Development Goals (MDGs).

3.1. Objectives

The overall objective is to support the efforts of the Southern Mediterranean countries' in building deep-rooted democracy and to contribute to their sustainable economic, social and human development, through regional co-operation in the fields of media and culture.

The specific objective is to reinforce the role of media and culture as vectors for democratisation, and economic and social development for societies in the Southern Mediterranean.

²⁰ See: http://ec.europa.eu/culture/key-documents/doc873_en.htm.

²¹ COM(2010)183 of 27 April 2010.

²² COM(2007)242 of 15 May 2007.

3.2. Expected results and main activities

Objective 1: To enhance the role of media and culture as vectors for democratisation, support to freedom of expression and conflict resolution

Expected results

- The access of the wider public to both independent new media and cultural and artistic creation and heritage is improved, in line with the conclusions of the Euro Mediterranean Ministries of Culture Conference (Athens, 2008) and the 2005 UNESCO Convention;
- Freedom of expression for cultural operators and for independent media is enhanced:
 - The public media sector continues its gradual shift from being a State-controlled propaganda tool to becoming a reliable source of balanced information respecting political pluralism and freedom of opinion;
 - Shift in public perception of media operators leading to a higher level of media literacy and to the recognition of media operators as an important voice of the society, including less self-censorship by media professionals;
 - Artists are better recognised as an important voice of society, especially in the democratic process of the region;
- Enlarged audiences for independent media operators including community media;
- The 2005 UNESCO Convention is increasingly implemented in the region, thus fostering cultural policy reform and creating a more conducive environment for cultural creation and exchanges;
- Reinforced capacities for policy and decision makers in the field of culture, including improved dialogue structures and practices with the independent sector;
- Cultural operators and the independent media are becoming more effective actors in conflict mediation and reconciliation processes;
- Both traditional and new media operators are raising the level of their professionalism;
- Both traditional and new media embrace a code of ethics based on principles that are commonly accepted internationally;
- Increased co-operation
 - between mainstream, new and international media operating in the Mediterranean;
 - between public and private sectors (including telecom providers, etc...);
- Inter-cultural dialogue and cultural co-operation is reinforced sub-regionally and between the two shores of the Mediterranean.

Type of activities:

1. Launch a co-ordination process with all stakeholders involved in the media and the culture sectors in the region (public and private donors, public and private media operators, public and private cultural operators, etc...).
2. Develop capacities of the media operators as a vector for democratisation and human rights, through:

- Promoting networking between journalism schools/faculties in the region to exchange best practices especially on issues related to freedom of expression, and code of ethics;
 - Facilitating the creation of regional platforms that bring together national authorities, civil society organisations and media representatives to improve media legislation and facilitate media freedom (i.e. censorship, self-censorship, code of ethics, role of the media as a watchdog, transformation of state media into public service-oriented media, best practices in new media, media literacy);
 - Promoting regional networking activities for media associations in the region.
3. Support to improve media legislation and enhance capacities of media regulators:
 - Strengthening the capacities and reinforcing the networking of national authorities of control of the media sector (media regulators);
 - Peer-to-peer co-operation at regional or sub regional level to support the process of transformation of State media into public service-oriented media.
 4. Develop capacities of the cultural operators as a vector for democratisation and human rights, through:
 - Increasing co-operation between civil society organisations (CSOs) active in the field of culture and CSOs working in the areas of human rights, democratisation, conflict resolution and reconciliation processes;
 - Encouraging networking and South-South circulation of cultural operators and donors co-ordination, as well as South- North collaboration;
 - Support activities fostering cultural policy reform supporting cultural operators.

Objective 2: Support the development of the cultural sector as a vector for sustainable economic development of the region

Expected results

- Audience for cultural productions at local and regional levels is increased and represents a stronger market for investors;
- Cultural operators from the Southern Mediterranean countries are more professional and adapted to a globalised world;
- Potential investors have a better knowledge/understanding of the cultural sector;
- Public and private investments in the cultural sector are increased.

Type of activities

1. Support activities fostering cultural policy reform and reinforcing the capacity of cultural policy makers:
 - Peer-to-peer co-operation at regional or sub-regional level around the implementation of existing legislation in the cultural sector (such as piracy, protection of Intellectual Property Rights issues);
 - Activities at a regional or sub-regional level aiming at the mapping of the cultural policy framework and at identifying areas in need of reform;

- Capacity development of operators having an impact on rural and remote areas should be encouraged at national level.
2. Support promoting investment and the development of cultural operators' business capabilities, including capacity development but also development of master plans at local level:
 - actions leading to an increase in audiences at local and regional levels, including rural and remote areas (such as promoting media literacy, education to art, cultural journalism, marketing of cultural events);
 - activities to develop capacity in cultural leadership as well as in the administrative, marketing and management skills of the cultural operators;
 - common regional initiatives facilitating the adoption of international standards and practices in cultural and arts management ;
 - innovative actions encouraging innovation and entrepreneurship of the cultural sector; (e.g.: sustainable cultural tourism, activities fostering synergies between public and private organisations);
 - common regional initiatives and networking enhancing cultural advocacy;
 - awareness raising activities to improve the understanding of the potentiality of the sector for investors, banks, co-producers.
 3. Support to TVET and higher education studies or activities on cultural heritage, cultural tourism and cultural and creative industries.

3.3. Risks and assumptions

In the field of media the specific risks are the following:

Potential risk	Rating	Mitigation measure
Reluctance towards the project and consideration of foreign interference	Moderate to high	Awareness raising campaigns in co-ordination with EU Delegations
Volatile political circumstances	High	Recognition of risk
Access restrictions to technology and internet, technological infrastructure problems and instability of networks	Moderate to high	Recognition of risk
Safety of journalists	Moderate to high	Secure communication for the projects Co-operation with European-based international organisations involved in press freedom
The transition from state media to public service media is not a priority for governments	High	Promotion of international standards

In the field of culture, the specific risks are the following:

Potential risk	Rating	Mitigation measure
Political instability, change of government,	Moderate to High	Co-ordination with Ministries of Culture, Foreign affairs, Employment, etc
Increase in inflation affecting project costs	High	Realistic project business plans and budgets with contingency allowance
Low absorption capacity of cultural operators to use grant funds	High	Technical assistance, information campaigns and targeted training for staff in project management
Critically low level of knowledge of strengths and opportunities of the culture sector of other Southern Mediterranean neighbours	High	Careful project research and preparation with opportunities for intra-regional networking and information sharing
Greater interest from stakeholders in developing cultural co-operation projects with the support of the Gulf countries rather than with the EU	Moderate to high	Communication strategy showing that the EU funding does not impact the content of the production.
Regional activities not backed up by activities at bilateral level	Moderate to high	Strong collaboration with EU Delegations
Little experience of community participatory processes and possible resistance by central government to devolving authority	High	Variation among countries but project design to encourage local level of participatory activities

3.4. Crosscutting Issues

This programme is expected to contribute to the issues of democratisation, governance, gender and environment.

Democratisation and governance. The programme will help to strengthen civil society and co-operation in the areas of media and culture. By contributing to opening up the media and culture sector to the active engagement of civil society and the private sector, a more healthy system of checks and balances will be supported. Adopting best practice in community outreach and inclusion will be an important aspect of the programme, and will also facilitate cross-cultural contacts.

Gender. The programme will help in redressing gender imbalances in several ways, including equal opportunities for training and support for the development of livelihoods (in the tourism, media and cultural sectors).

Environment. While the programme is unlikely to have a direct impact on the environment, activities that promote tourism and regeneration of historic areas may have an indirect and positive impact. Improving site management of cultural sites should also have a beneficial impact on the environment.

3.5. Stakeholders

Stakeholders include associations and public institutions (ministries, agencies, etc) that contribute to the management and promotion of media and culture and to other

organisations linked to media and culture (youth, education, environment, religion, tourism, urban planning, rural development), museums, culture centres, and businesses that are culture or tourism-based, including SMEs and chambers of commerce.

Target groups include artists and cultural operators, non-governmental, educational and community organisations active in the area of culture, with particular attention to young people, minority groups (whether national or religious minorities). and audiences as well as media professionals.

Civil society organisations. This programme specifically promotes the participation of civil society actors in the partner countries. They will act as catalysts for regional dialogue and good governance reform not only in the area of media and culture but also in countries in transition where the freedom of expression is wider but challenged.

Media organisations: This programme specifically enhances the role of the public and private media in the partner countries who will act as catalysts for democratisation and freedom of expression.

The national and local authorities of the Southern Mediterranean countries are faced with important issues in the sectors of both media and culture and have inadequate resources to address them.

The population, with a focus on the youth, women, minority groups and audience/users of cultural services, is the ultimate target group of this programme. Public outreach, education and programming are therefore promoted as an important aspect of the programme.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Direct centralised management – the proposed programme will involve a combination of both service contracts and grants.

4.2. Procurement and grant award procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the European Commission for the implementation of external operations, that are in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the Regulation 1638/2006 of the European Parliament and of the Council of 24 October 2006, laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI). Further extensions of this participation to other natural or legal persons by the authorising officer concerned shall be subject to the conditions provided for in Article 21(7) ENPI. The beneficiaries could also be the Member States of the Arab League, taken into account eligibility of countries as set by Article 27 of the ENPI Regulation.

2) Specific rules for grants

The essential selection and award criteria for the award of grants are set out in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial

Regulation applicable to the general budget of the EU. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 253 of Commission Regulation (EC, Euratom) No2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the EU.
- Derogation from the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 112 of the Financial Regulation applicable to the general budget of the EU.

4.3. Indicative budget and calendar

The total budget of the programme is EUR 17 million, of which EUR 10 million for 2012 and EUR 7 million for 2013 subject to the adoption of the budget by the Budget Authority and the corresponding reinforcement of the ENPI budget line.

The indicative split between the different objectives is EUR 8 million for component 1 and EUR 9 million for component 2.

Following procedures are foreseen to be launched:

One service contract aiming at capacity development in public service oriented media sector	EUR 5 million
One service contract aiming at cultural policy reforms	EUR 3 million
One call for proposal at regional level supporting projects with two components: a) support to freedom of expression and democratisation for community and social media and b) reinforcement of the capacities of the cultural operators.	EUR 9 million

The estimated date for the award of two service contracts is mid-2013. A regional call for proposal is estimated to be launched in 2013. The foreseen operational duration of the project is 60 months from the financing decision.

4.4. Performance monitoring

Performance monitoring of the programme will be carried out as a continuous on-going activity. Objectives and subjective means will be used to measure progress, due to the nature of the programme which targets the public behavior.

4.5. Evaluation and audit

Mid-term and final evaluations of the programme will be carried out during of the implementation of the programme.

As part of the obligations of the contracted parties in the framework of the implementation of this programme, all expenditure incurred will have to be certified. The conducting of mid-term and final evaluations of the results achieved as well as external audits (which will be carried out if necessary) will be entrusted to

independent consultants. These evaluations and audits will be funded from sources other than the project budget, since no commitment will be possible once the validity of this decision has expired (N+1 rule will apply).

4.6. Communication and visibility

All projects must abide the EU visibility guidelines. Visibility and communication in the partner countries will be ensured with the support of the EU Delegations, in line with the Communication and Visibility Manual for EU External Actions²³. The technical assistance component of the programme will also develop a strategy dedicated to communication and visibility of the programme.

A programme website will be developed under the technical assistance component, in order to centralise all information regarding all components of the programme and all opportunities available to stakeholders in the Southern Mediterranean region, as well as enhancing the visibility of the EU's efforts in media and culture sectors.

²³

http://ec.europa.eu/europeaid/work/visibility/index_en.htm.