

**Annex**  
of the Commission Implementing Decision on the  
**‘LOGISMED Training Activities’**

**1. IDENTIFICATION**

Title/Number	LOGISMED Training Activities CRIS number: 2013/316-611		
Total cost	Total estimated cost: EUR 3 million  Total amount of European Union (EU) budget contribution: EUR 3 million		
Aid method / Method of implementation	Project approach – Indirect centralised management with the European Investment Bank		
DAC-code	11330	Sector	Vocational Training

**2. RATIONALE**

**2.1. Summary of the action and its objectives**

The objective of this action is to contribute to the implementation in Morocco, Algeria, Tunisia, Egypt and Jordan of the Union for the Mediterranean (UfM) labelled project ‘LOGISMED Training Activities’ and notably to the improvement of training activities in the domain of logistics in view of facilitating, through better connection between transport networks and modes, the trade of goods between Southern Mediterranean Partners Countries (MPCs) and EU as well as developing the regional economic integration.

**2.2. Sector context**

The development of logistic platforms was included as Action 17 in *the 2007-2013 Mediterranean Regional Transport Action Plan (RTAP)*<sup>1</sup>, elaborated following the Decision of the 2005 Marrakech Euro-Mediterranean Ministerial Conference on Transport.

Since this Ministerial Conference, several studies were carried out by the European Investment Bank (EIB) to identify the challenges in the logistics sector and increase its development in the (MPCs).

In this context, a study<sup>2</sup> on the Euro-Mediterranean network of logistics platforms was carried out by the EIB’s Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Trust Fund in 2009. According to this study, transport and

1 <http://www.euromedtransport.eu/En/image.php?id=77>.

2 [http://www.eib.europa.eu/attachments/country/logismed\\_en.pdf](http://www.eib.europa.eu/attachments/country/logismed_en.pdf).

logistics services are being modernized and the market is taking shape in Morocco, Tunisia and Egypt. In these countries, national or international logistics operators are present but their number is still insufficient to give real visibility to the sector and have an impact on the current organization of trade. Some links in the chain as well as some networks, however, display real weaknesses (road transport, port management, etc.), which penalize transit as a whole. This study also noted that in the MPCs there were few trained professionals and the training system was weak. The situation varies significantly from one MPC to another. There are far more university courses available (first degrees and masters) than training for the basic and intermediate technical levels, for which staff training is undertaken by companies themselves, either in a structured way by private seminars, or more informally through on-the-job training.

More recently, a *Regional Study on trade facilitation and infrastructure for the Maghreb countries*<sup>3</sup> by the World Bank in June 2012 highlighted several challenges in the logistics sector in the region namely, modest regional economic integration; relatively small, fragmented economic markets; relatively high bilateral trade costs (which includes costs related to information and logistics in general); and the lack of qualified personnel in the logistic sector (operators and managers), which further increases logistics costs.

At the national level, each of the beneficiary countries under the present action has put forward a national strategy to develop their national logistic sector. Morocco's *National strategy for logistics competitiveness development*<sup>4</sup> was initiated in 2010, resulting from a strong partnership between the government and the private sector. A framework agreement was established in this regard in April 2010. The 2012 Algerian Government Action Plan has established important investments in terms of transport infrastructure, providing the ground for better logistic services<sup>5</sup>. In Tunisia, an action plan<sup>6</sup> aims to upgrade the infrastructure, services, legal and institutional framework of logistics. In Egypt, the *Strategy for logistics competitiveness development*<sup>7</sup> matured over the years. In Jordan, the 2008 Law creating four Development Areas offers distinctive advantages for companies and boosted the logistic sector<sup>8</sup>.

While pursuing in the medium/long term the objective of developing the regional economic integration, the development of logistic platforms should be envisaged in the short/medium term in the perspective of connection between the EU and Mediterranean transport networks. Indeed taking into account results already achieved as regards the Trans-Mediterranean transport network and the associated identification of priority projects, there are already concrete prospects for the establishment, in short term, of such logistic platforms.

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3 <http://www.worldbank.org/en/news/press-release/2012/06/14/trade-offers-path-to-growth-and-integration>.

4 <http://www.mtpnet.gov.ma/nr/rdonlyres/e8ac24d5-ffc0-42dc-a1b3-9832ef3c1ccc/2351/doc1fr.pdf>.

5 <http://www.algerie.cz/images/pdfs/Plan%20action.pdf>.

6 [http://www.transport.tn/index.php?option=com\\_content&view=article&id=296&Itemid=182&lang=fr](http://www.transport.tn/index.php?option=com_content&view=article&id=296&Itemid=182&lang=fr).

7 [http://www.jica.go.jp/english/our\\_work/social\\_environmental/archive/pro\\_asia/pdf/egy01\\_01.pdf](http://www.jica.go.jp/english/our_work/social_environmental/archive/pro_asia/pdf/egy01_01.pdf).

8 <http://www.jordaninvestment.com/BusinessandInvestment/Wheretoinvest/tabid/263/language/en-US/Default.aspx>.

In addition, *the LOGISMED - Training Activities (LOGISMED-TA) project*<sup>9</sup> was labelled by the Union for the Mediterranean Senior Officials Meeting in November 2011, receiving the support of its 43 member countries.

### **2.3. Lessons learnt**

The “CORELOG” Project<sup>10</sup> (CO-ordinated REgional LOGistics – 2005-2007), financed within the framework of the EU initiative INTERREG IIIB focussed on the development of co-ordinated regional policies in transport and logistics and concludes that great margins of improvement in the logistics sector can be gained through the building up of professionals, who can better plan relevant resources, adopt innovation and better control processes, through a proactive and structured approach in management. Regarding harmonisation of logistics measures, interventions and regulations at the regional level, this study suggests moving toward common definitions of jobs in the logistics sector and needed skills, in particular promoting logistics professional certifications. It is anticipated that these lessons learnt also apply to the MPCs.

In addition to the above, it is clear that the adoption of separate country-specific strategies in the field of logistics training in the MPCs would not allow the overcoming of critical issues such as the adoption of common training standards, which would in-turn facilitate the exchange of goods between MPCs.

### **2.4. Complementary actions**

Morocco’s National strategy for logistics competitiveness development focuses on five pillars, namely setting up an integrated national network of logistical areas in covering all; implementing additional measures to optimize specific supply chains; developing integrated logistics operators; confirming national plan of training on logistics and transport activities; and establishing the Moroccan Agency for Logistics Development and setting up the Moroccan Observatory of Logistics Performance.

The Algerian government is massively investing in the development of infrastructure facilitating the transport of goods, namely modernisation and extension of ports.

In Tunisia, several measures will be undertaken under the national action plan, including the organization of an inter-ministerial council; the co-ordination of meetings with relevant departments and the profession; the adaptation of the legal framework; the reinforcement of co-ordination through the creation of a specific structure dedicated to logistics in the Ministry of Transport; the creation of an integrated national network of logistics platforms; and the enhancement of the training in transport and logistics.

In Egypt, the Strategy for logistics competitiveness development includes the following priorities: establishing the Suez Canal Corridor as a global industrial logistics zone; establishing intermodal rail, road and river logistics centres; setting up an integrated national network of logistics centres; establishing a logistics regulatory body to manage the local and international logistics activities in the country.

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9 <http://www.ufmsecretariat.org/en/ufm-labelled-project-logismeta-to-contribute-to-the-creation-of-jobs-in-the-region/>.

10 <http://www.corelog.eu/>.

In Jordan, important investments are underway in large transport infrastructure projects, creating new possible corridors and connections between the Gulf region and the Mediterranean and Europe.

In addition to the above, feasibility studies for the establishment of Logistic Platforms in each beneficiary country are being carried out with the financial support of the European Investment Bank

## **2.5. Donor co-ordination**

Co-ordination and synergies with all on-going and future initiatives including the EU funded projects “EU-EG Joint Master Programme in intelligent Transport Systems”<sup>11</sup> and “Renforcement du développement des formations de la Logistique au Maroc par le biais d’un Observatoire de Formation en Logistique et de Plateforme d’Excellence en Logistique”<sup>12</sup> will be developed, notably with complementary projects funded under the Deauville Transition Fund.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The objective of this action is to contribute to the improvement of training activities in the domain of logistics.

### **3.2. Expected results and main activities**

The expected results are the following:

- 1) Build or strengthen national logistics associations (NLAs) in order to increase their capacity to become recognised interlocutors by the private sector and public authorities, training centres and academia,
- 2) Confirm training plans with the relevant stakeholders,
- 3) Develop and promote standard curricula for undergraduates, notably ensuring that the courses are aligned with private sector needs,
- 4) Facilitate the certification of at least 300 professionals through recognised organisations, including international logistics associations,
- 5) Develop a “Train the Trainers” programme and train at least 50 professionals,
- 6) Develop an initial pool of skilled at least 500 “blue collar” workers in the region.

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<sup>11</sup>

[http://eacea.ec.europa.eu/tempus/results\\_compendia/documents/list\\_of\\_projects\\_recommended\\_for\\_funding\\_25-2011.pdf](http://eacea.ec.europa.eu/tempus/results_compendia/documents/list_of_projects_recommended_for_funding_25-2011.pdf)

<sup>12</sup>

[http://eacea.ec.europa.eu/tempus/results\\_compendia/documents/list\\_of\\_finally\\_selected\\_projects\\_4th\\_call.pdf](http://eacea.ec.europa.eu/tempus/results_compendia/documents/list_of_finally_selected_projects_4th_call.pdf)

The main activities will comprise the conduct of awareness campaigns, facilitation of the certification of professionals, training, study tours and on-the-job technical support to stakeholders.

### **3.3. Risks and assumptions**

Under the current conditions, the main risks during the implementation of the action are the following ones:

- Political instability in the region;
- Inability of the public authorities or private companies, training schools and other entities concerned to implement consistently the respective national strategy in the field of logistics;
- 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 a steering committee. 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. Cross-cutting issues**

The present action will take into account the concept Green Supply Chain Management, i.e. alignment and integration of environmental management within supply chain management, introducing environmental strategies for the logistics operations. These strategies will be based on a wide-ranging assessment of the impact of transport on the environment, in order to “green” operations of transport companies and to reduce the environmental impact of each stage of its value chain. In this regard, considering railway as a reliable part of the logistic chain represents a strategic choice in order to reduce pollution and noise of the road transport and to increase the environmental sustainability.

### **3.5. Stakeholders**

The main stakeholders of the project are the private companies carrying out activities in the field of logistics, trainings centres and the relevant public sector authorities.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of the Financial Regulation.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is 48 months, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

### **4.3. Implementation components and modules**

This action with the objective of contributing to the improvement of training activities in the domain of logistics will be implemented in indirect centralised management with the European Investment Bank. This implementation is justified because:

- EIB has developed thorough expertise in logistics in the Southern Mediterranean notably through the realisation of several studies mentioned above,
- EIB has the necessary leverage and capacity to successfully steer further activities in the domain of logistics in which it already supports several projects,
- The action to be financed has been jointly formulated between the European Commission and EIB,
- The EIB complies with the criteria provided for in the applicable Financial Regulation.

Indirect centralised management with European Investment Bank is in accordance with Article 54(2)c of Financial Regulation 1605/2002.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

### **4.4. Indicative budget**

<b>Module</b>	<b>Amount in EUR thousands</b>	<b>Third party contribution (indicative, where known)</b>
Indirect centralised management with the European Investment Bank	3000	None
Totals	3000	None

#### **4.5. Performance monitoring**

Performance monitoring of the programme will be carried out as a continuous on-going activity.

The performance indicators will include: the verification of the actual establishment of a national logistic association operating in each beneficiary country at end of project, the number of certified professionals, the number of trained trainers, the number of trained of blue collar workers.

A project steering committee with participation of observers and composed of experts from relevant European Commission Services, EU Delegations, the UfM Secretariat will provide policy orientations and guidance for a coherent implementation of the programme.

#### **4.6. Evaluation and audit**

The conditions of the delegation agreement will apply.

#### **4.7. 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 Actions. 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, in order to centralise all information regarding all components of the programme and all opportunities available to stakeholders in the Southern Mediterranean region.