

Action Fiche for ENP South region European Parliament Preparatory Action**1. IDENTIFICATION**

Title/Number	Preparatory action: New Euro-Mediterranean initiative for youth employment promotion (ENPI/2012/024-332)		
Total cost	EU contribution: EUR 1.5 million		
Aid method / Method of implementation	Project approach – <i>centralised direct management</i>		
DAC-code	11330 32130	Sector	Vocational training SME Development

2. RATIONALE**2.1. Sector context**

2011 was a year of change in the EU's southern Neighbourhood. Although the first signs are encouraging, sustained efforts are needed to consolidate this progress.

After years of relative stagnation, democracy is increasingly taking root in the southern Neighbourhood spurred by last year's democratic revolutions in North Africa. The general trend points towards more democracy, a more accountable form of governance and increased respect for human rights and fundamental freedoms.

The Arab Spring offers new opportunities for regional co-operation in the southern Neighbourhood. Many of the challenges facing partner countries can only be taken up effectively at regional or sub-regional level.

Unemployment, social exclusion, inequality and poverty are at the heart of people's concerns for the future. They are among the root causes of instability and unrest and need to be addressed to make democratisation sustainable. They require partner countries to reform and adopt an integrated approach with a mix of economic, fiscal, employment, social and education policies. The EU is ready to support such reforms through targeted measures aimed at promoting social cohesion and **employment** (in particular of **young people**).

A third of the southern Neighbourhood's population being under 15 years of age, up to 60 million young people will join the workforce by the middle of the next decade. The economies in the region will need to create between 2.5 and 5 million jobs a year if they are to absorb new entrants to the labour market and to reduce unemployment.

The European Parliament has thus proposed a preparatory action with a regional scope "New Euro-Mediterranean strategy for youth employment promotion" through

an amendment to the 2012 budget and asked the Commission to implement it. An amount of EUR 1.5 million is therefore earmarked to enhance the mutual exchange of young professionals between both sides of the Mediterranean, covering also vocational traineeships. In the framework of the emerging democratisation in the southern Neighbourhood, the two-way flow of young professionals from both sides of the Mediterranean at professional level as proposed by the preparatory action would be a useful contribution to the consolidation of democracy and the inclusion of young professionals in the job market.

Training and mobility are key factors in the transfer of knowledge and good practice, and thus enhance the effectiveness of the regional market.

The preparatory action "New Euro Mediterranean initiative for youth employment promotion" is consistent with the European Neighbourhood and Partnership Instrument (ENPI) Regulation¹ which foresees that EU assistance shall be used to support measures to notably promote multicultural dialogue, **people-to-people contacts** and **exchanges of young people**.

It is also in line with the Joint Communication of the European Commission and the of the High Representative of the EU for Foreign Affairs and Security Policy "A partnership for democracy and shared prosperity with the Southern Mediterranean"² which states in section 5 "Promoting inclusive economic development": "There is a need for the countries of the region to re-invigorate their economies to deliver sustainable and inclusive growth, development of poorer regions and job creation. Small and medium size enterprises (SMEs) have a critical role to play in job creation."

Within the framework of the Euro-Mediterranean industrial cooperation process coordinated by the European Commission, Mediterranean neighbour countries asked to prioritise entrepreneurship and SME promotion with a view to creating opportunities for young unemployed people.

2.2. Complementary actions

To date, mobility programmes have been addressed mostly in the context of education-related and youth programmes, such as Erasmus Mundus, Youth in Action and Euromed Youth. These programmes serve the important objective of internationalisation but do not cover entrepreneurship-related objectives.

The programme will build on experience gained with the EU programme "Erasmus for young entrepreneurs".

Synergy and co-ordination will be ensured with policy dialogues and other programmes acting on the same geographical region and target groups, namely with the Euro-Mediterranean industrial cooperation process, the regional programme

¹ Regulation (EC) No 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.

² COM(2011)200 of 8 March 2011.

Private sector development in the Southern Mediterranean (which is being prepared), as well as with the regional programme EuroMed Youth IV³.

In terms of vocational education and training, the project should be complementary to activities conducted by the European Training Foundation.

3. DESCRIPTION

3.1. Objectives

The general objective of the preparatory action is to facilitate learning, networking and exchange of experience for new young professionals through periods spent working in small and medium-sized enterprises (SME) run by experienced entrepreneurs in another country.

These exchanges of experience will be done following a two-way flow (EU-Southern Mediterranean and vice-versa) of young professionals. The countries covered by this Preparatory Action will be all EU countries, together with the 10 southern Neighbourhood countries (Morocco, Algeria, Tunisia, Libya, Egypt, Lebanon, Syria⁴, Israel, Jordan and OpT).

The main beneficiaries will be young professionals who intend to, or are in the process of setting up their company (potential entrepreneurs).

For the purpose of this programme, the definition of SME will be as follows:

According to European Commission Recommendation 2003/361/EC of 6 May 2003, enterprises are defined with regard to their number of employees, annual turnover, and their independence. Small and medium-sized enterprises are enterprises employing fewer than 250 people. They should also have an annual turnover of up to EUR 50 million, or a balance sheet total of no more than EUR 43 million.

As for youth, taking into consideration that there is not a close definition of youth or young people, as this is more of a country-specific term, for the purpose of this programme the age range applied will be between 18 and 35 years.

Specific Objectives

- To provide on-the-job-training for young professionals in small and medium-sized enterprises (SME) in other partner countries, in order to facilitate a successful start-up, and development of their business ideas;
- To foster sharing of experience and information between entrepreneurs on the obstacles and challenges of starting up and developing their businesses;

³ C(2009)5215 adopted on 01 July 2009.

⁴ At the moment of writing, EU co-operation with Syrian authorities (government entities) is suspended. In the light of future decisions, the Commission shall assess the opportunity to involve Syrian authorities in the action's implementation.

- To enhance market access and identification of potential partners for new and established small and medium size businesses in other participating countries;
- To support networking between entrepreneurs from different participating countries by building on knowledge and experience from other participating countries.

3.2. Expected results and main activities

The project will help young professionals to acquire relevant skills and innovative knowledge for managing a small or medium-sized enterprise by spending time in similar enterprises in another country. It should improve their know-how and fosters cross-border transfers of knowledge and experience between entrepreneurs, also allowing for opportunities to establish new business partnership. The project should also contribute to participants gaining increased knowledge and intelligence about foreign markets and will allow for more innovation in existing companies, increasing their international activities.

Activities supported by the project

The project will provide practical and financial assistance for young professionals staying with an experienced host entrepreneur in another participating country

Hosting of a young professional by a host entrepreneur will be supported by the project, provided it is based on mutual interest, it has been facilitated by eligible legal entities, the requirements of the project are fulfilled and the necessary agreements between all parties involved have been signed. Any economic sector can participate in the project. Entrepreneurs participating in the project must come from a micro, small or medium-sized enterprise.

The stay abroad needs to be completed within an overall time span of twelve months and should total between one month and three months. Activities of the young professional during the stay abroad could include:

- shadowing a senior host entrepreneur;
- market research and development of new business opportunities;
- project development, innovation and research and development;
- taking a fresh look at existing business operations;
- understanding SME finance;
- branding, sales and marketing of the host entrepreneur's company;
- working on concrete projects from one or more of the above mentioned areas.

The purpose of the financial support to the young professionals is to contribute towards travel costs to and from the country of the stay and subsistence costs (in particular for accommodation) during the visit. The amount of the financial support

and related details are subject to an agreement between the young professional and the legal entity.

Legal entities will be able to participate in a call for expression of interest in order to benefit from this financial support.

Attention will be paid to take into consideration the key economic sectors in each country on which mobility actions as targeted in this project could be given priority.

3.3. Risks and assumptions

Assumptions:

- Potential mobility seekers come up with a number of proposals that will allow full engagement of funds;
- EU Member States are willing to facilitate visa procedures for the participants.

Risk:

- Project-funded participants do not return to their respective country. This is a common and unavoidable risk in all mobility and exchange programmes. The selection process can minimise this risk by making sure that the participants have sufficient motivation to return home.

3.4. Stakeholders

Key stakeholders are, but not limited to, as follows:

Legal entities in the partner countries that are active in supporting businesses and which organise mobility of young entrepreneurs and potential young entrepreneurs towards existing entrepreneurs in other partner countries.

Target group: young professionals from both sides of the Mediterranean.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The mode for the implementation of this action is direct centralised management through a signature of one service contract.

The Contractor will provide technical assistance for the arrangement and implementation of the mobility actions, through a call for expression of interest at regional level. Mobility actions will be financed from the contract's incidental expenditure budget line.

According to the Financial Regulation applicable to the general budget (art 49(6)) of the European Union, a preparatory action may be implemented without a basic act as long as the actions which it is intended to finance fall within the competence of the European Union.

4.2. Procurement and grant award procedures

The contract implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the 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 European Neighbourhood and Partnership Instrument (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 of the ENPI Regulation.

4.3. Indicative budget and calendar

The overall budget of the pilot project is EUR 1.5 million. Tentative breakdown between the services and grants are as follows:

- Mobility Scheme: EUR 1 million
- Services: EUR 0.5 million

Tentative calendar for launching the call for tender for the service contract: 1st quarter 2013. The duration of the contract will be 3 years.

Tentative calendar for launching the call for proposals for the mobility actions: 1st quarter 2014.

After the conclusion of the service contract the project will be implemented in two phases:

Phase 1: Inception

In the inception phase of the project, the Contractor will make the necessary preparatory tasks and administrative support to put in place a functional mobility scheme for the specific economic sectors that could be given priority in each country, as stated in point 3.2. This will include but will not be limited to the following activities:

- identification of existing mobility opportunities in the targeted sectors to ensure complementarity with the mobility scheme;
- preparation of guidelines on how to respond to the call for expression of interest;
- managing the technical aspects of the calls for expression of interest for mobility actions;
- development of opportunity/counterpart search and networking mechanisms;

During Phase 1 the European Commission will establish a Steering Committee consisting of representatives of European Commission (DEVCO and appropriated line DGs) and other stakeholders relevant to the economic sectors and geographical scope of the preparatory action. This Steering Committee will oversee the overall implementation of the preparatory action as well as to examine and endorse mobility actions.

Phase 2: Mobility scheme

The second phase is the main phase of the project in which a mobility scheme will be launched. Legal entities from the targeted sectors will be invited to submit their proposals for small-group mobility actions such as the activities described under point 3.2. Mobility actions would cover the cost of travel (including visa costs), insurance and per diems.

During this phase the European Commission will launch and manage the call for expression of interest including the subsequent monitoring related to the implementation of selected mobility actions. The content of the call Guidelines detailing the specific economic sectors, selection and award criteria, rates of co-financing and timetables will be developed at the beginning of this phase.

The selection and approval of the mobility scheme participants shall be done by the Steering Committee set in Phase 1. The Contractor shall be appointed Secretary of the Steering Committee without voting rights for the selection and approval process.

The Contractor will focus on disseminating information about the scheme to the target groups both in the EU and in Mediterranean region and support the European Commission in the follow-up and monitoring of on-going mobility actions, if needed.

4.4. Performance monitoring

Objectively verifiable indicators (qualitative and quantitative) will have to be part of the methodologies included in the technical proposals for the project.

Besides the regular follow up by Commission's headquarters, monitoring missions (contracted by the European Commission) will ensure follow-up on the ground. The European Commission and the project co-ordinator will pay particular attention to the recommendations expressed by external experts.

4.5. Evaluation and audit

Expenditure incurred will have to be certified, as part of the obligations of the contracted parties in the framework of the implementation of this project. Possible mid-term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out 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).

4.6. Communication and visibility

Special attention will be paid to communication aspects.

Relevant communication tools will be developed in order to keep stakeholders regularly informed and to ensure the visibility of the project.

Visibility and communication actions in the partner countries will be carried out in collaboration with the relevant EU Delegations, in line with the Communication and Visibility Manual for EU External Actions⁵.

⁵ http://ec.europa.eu/europeaid/work/visibility/index_en.htm.