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COMMISSION IMPLEMENTING DECISION

of 10.6.2013

on a special measure in favour of the ENP South region to be financed from the general budget of the European Union – “Logismed Training Activites”

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 Instrument¹ (hereinafter referred to as “the basic act” and in particular Article 13 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002² (hereinafter referred to as 'the Financial Regulation'), and in particular Article 84 (2) thereof,

Whereas:

- (1) The Mediterranean region is of strategic importance to the EU, in both economic (trade, energy, migration) and political (security, stability) terms. Two years after the Arab Spring, the political situation in the region remains characterised by tensions, domestically in several countries, and regionally due to the Middle East conflict and its spill-over to other countries. In the economic domain, high unemployment and stagnant incomes add further challenges to achieving stability and prosperity. At the same time, the region is facing important environmental problems which are affecting the wellbeing of the population, and the prospects for sustainable growth. The political, economic and environmental situation is aggravated by the women’s empowerment deficit and the lack of access to knowledge and education.
- (2) With regard to the promotion of regional cooperation in the Euro-Mediterranean region, the EU, as Co-Presidency of the Union for the Mediterranean (UfM) and as reference partner of the UfM and its Secretariat has encouraged the UfM to focus on the promotion of flagship regional projects, responding to the current challenges in the countries concerned such as employment, building cross-border partnerships and networks and mobilizing financial support from diverse donors and lenders
- (3) Therefore, the implementation of the platform training activities of the present LOGISMED Training Activities project should be phased with the entry into operation of several logistics Platforms expected in 2015. In addition, the project LOGISMED Training Activities will constitute the backbone to the activities of the other ‘soft’ component ‘LOGISMED soft’, which was already granted funding by the Deauville Partnership MENA Transition Fund earlier this year. In the light of the above, it is paramount to launch the action ‘LOGISMED-Training Activities’ as the contribution

¹ OJ L 310, 9.11.2006, p. 1.

² OJ L 298, 26.10.2012, p. 1.

of the EU to the labelled project ‘LOGISMED-Training Activities’ as early as possible in 2013.

- (4) A special measure is therefore necessary given this essential activity requires funding without delay, and is not part of the Regional Action Programme 2013 in favour of the ENP South region.
- (5) The Commission may entrust budget-implementation tasks under indirect centralised management to the entity identified in the Annex to this Decision, subject to the conclusion of a delegation agreement. The responsible authorising officer has accordingly ensured that this entity complies with the conditions of Article 56(1) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities³ (hereinafter referred to as 'the Financial Regulation 1605/2002') and of Articles 35 and 43 of its Implementing Rules⁴, which remain into force until the end of 2013.
- (6) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of the Financial Regulation and Article 111(4) of the Rules of Application.
- (7) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (8) The measure provided for in this Decision do not fall in the categories of measures for which the opinion of the Committee is required. Member States and the European Parliament will be informed of this Decision within ten working days of its adoption, as per Article 13(4) of the basic act.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the action

The action constituted by the LOGISMED Training Activities, identified in the attached Annex, is adopted.

Article 2

Financial contribution

The maximum contribution of the European Union authorised by this Decision for the implementation of this action is set at EUR 3 million to be financed from budget line 19 08 01 01 of the general budget of the European Union for 2013.

³ OJ L 248, 16.9.2002, p.1. These provisions remain applicable until 31 December 2013 according to Article 212 of the Financial Regulation.

⁴ Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. OJ L 357, 31.12.2002, p.1. These provisions remain applicable until 31 December 2013 according to Article 212 of the Financial Regulation.

Article 3

Implementation modalities

The budget-implementation tasks under indirect centralised management shall be entrusted to the entity identified in the attached Annex, subject to the conclusion of the relevant agreements.

The financial contribution referred to in Article 2 shall also cover any possible interests due for late payment.

Article 4

Non-substantial changes

Cumulated changes of the allocations to the specific actions, including the use of contingency, not exceeding 20% of the contribution referred to in the first paragraph of Article 2 shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the action.

The responsible authorising officer may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 10.6.2013

For the Commission
Štefan FÜLE
Member of the Commission

ANNEX

Action Fiche: "LOGISMED Training Activities"

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)*¹, 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 study² 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.

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*³ 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*⁴ 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 services⁵. In Tunisia, an action plan⁶ aims to upgrade the infrastructure, services, legal and institutional framework of logistics. In Egypt, the *Strategy for logistics competitiveness development*⁷ matured over the years. In Jordan, the 2008 Law creating four Development Areas offers distinctive advantages for companies and boosted the logistic sector⁸.

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.

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.

7 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*⁹ 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” Project¹⁰ (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.

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”¹¹ 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”¹² 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.

¹¹

http://eacea.ec.europa.eu/tempus/results_compendia/documents/list_of_projects_recommended_for_funding_25-2011.pdf

¹²

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

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
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.