



ENHANCEMENT OF THE BUSINESS ENVIRONMENT IN THE SOUTHERN MEDITERRANEAN





National seminar for Jordan on Supporting SMEs to Benefit from Euro- Med Networks and Partnerships

26 November 2014





Agenda



1. Background
2. Methodology and process
3. Overview of preliminary results



Euro-Med Charter/ SBA Assessment



- **Objective:** Assess the level of implementation of key principles of SME and entrepreneurship policy
 - Framework based on the SBA for Europe;
 - Focus on policy design and implementation;
 - Comparison across countries and time;
 - Performance benchmarked against EU and OECD good practices
- Analytical tool: the **SME Policy Index**, already applied in:
 - the Western Balkans and Turkey (2007, 2009, 2012)
 - the Eastern Partnership countries (2012)
 - the Southern Mediterranean (MED countries) (2008, 2013)
 - the ASEAN (ongoing)



Partners



1. **Regional Scope:** ALG, EGY, LEB, MOR, ISR, JOR, PA, TUN
2. **International partner organisations:** Assessment and coordination by the European Commission, the European Training Foundation and the OECD; in consultation with the EIB
3. **Med partners:**
 - a. **National coordinators** are the main contact point and facilitator in each country
 - ✓ **National coordinator in Jordan: JEDCO**
 - b. **Government agencies** and bodies facilitate information and perform self-assessments;
 - c. **Private sector representative organisations** provide substantial input throughout the process;
 - d. **Local experts** support the assessment and collect data and information;
 - ✓ **Local expert in Jordan: To Excel Consulting Associates**



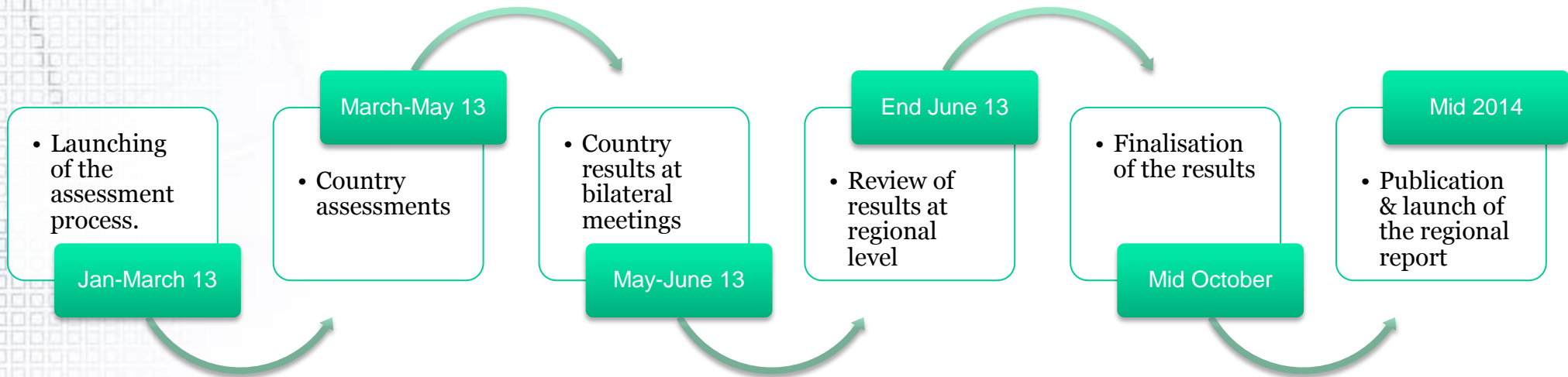
The “assessment grid”



- The Index is built on a number of dimensions organised according to the principles of the Small Business Act for Europe (SBA);
 - A previous (2008) assessment was based on the Euro-Med Charter for Enterprise;
- Policy dimensions are subdivided into sub-dimensions and those in turn include a number of analytical indicators;
- Progress is assessed on the basis of a five-step policy development path at the level of individual indicators;
- There is a good level of comparability between the current and the 2008 assessment, as most of the indicators have remained unchanged.



Time frame

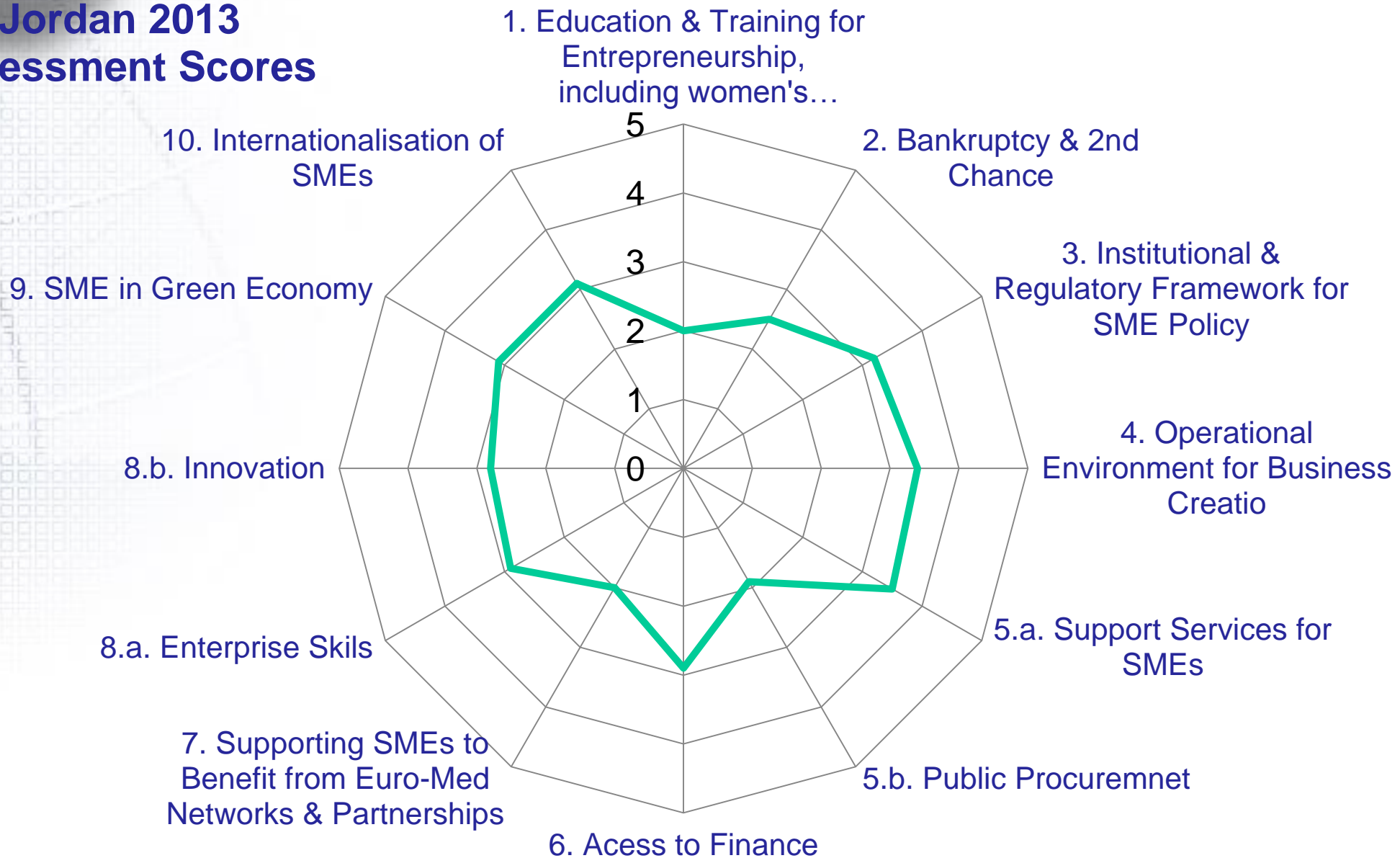




Preliminary overall performance



Jordan 2013 Assessment Scores





The SME Policy Index methodology



The SBA policy dimensions

- 1) Education and training for entrepreneurship
- 2) Bankruptcy and second chance
- 3) "Think Small First" principle
- 4) Public administration responsive to SME needs
- 5) Adapt public policy tools to SME needs
- 6) Access to finance
- 7) Supporting SMEs to benefit from Euro-MED Networks and Partnerships
- 8) Promote skills upgrading and innovation
- 9) Promote green growth
- 10) Tapping into the opportunities of growing markets



Dimensions → sub-dimensions → Indicators

7)	"Supporting SMEs to benefit from Euro-MED Networks and Partnerships" Principle	
7) 1.	Euro-Med inter-firm clusters & partnerships (former 9.1)	
7) 2.	Euro-Med networks of business support services (former 9.2)	
7) 3.	Linkages programmes between Euro-Med enterprises (former 9.3)	

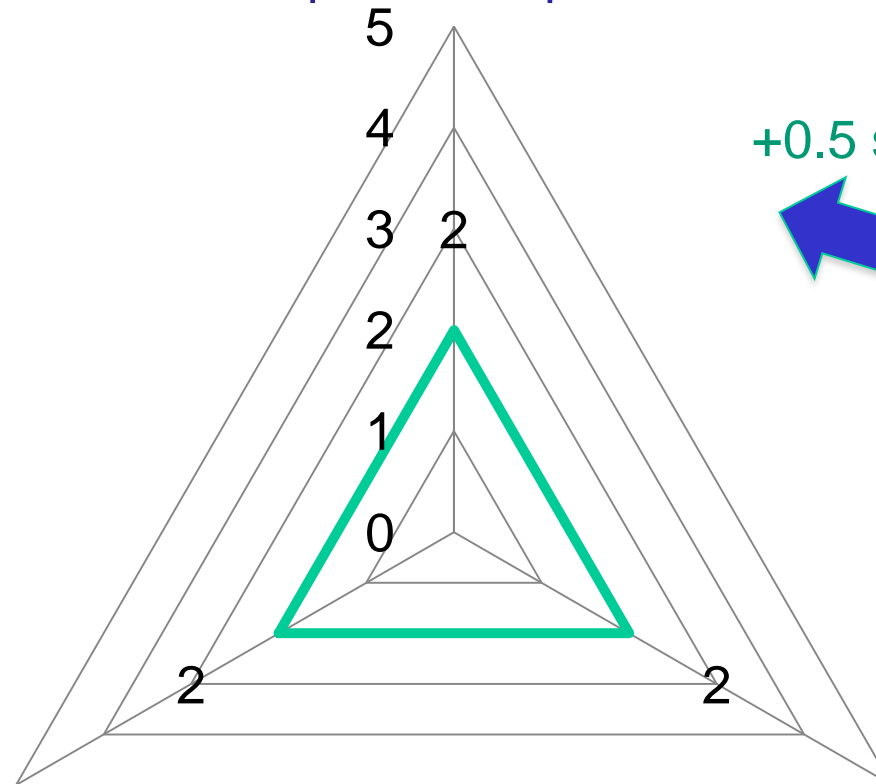
Indicators Level of reform

	1	2	3	4	5
Euro-Med inter-firm clusters & partnerships (former 9.1)		2			
Euro-Med networks of business support services (former 9.2)		2			
Linkages programmes between Euro-Med enterprises (former 9.3)		2			

7. Supporting SME to Benefit from Euro-Mediterranean Networks & Partnerships



Euro-Med inter-firm clusters and partnerships



+0.5 since 2008

Linkage programmes between Euro-Med enterprises

Euro-Med networks of business support services

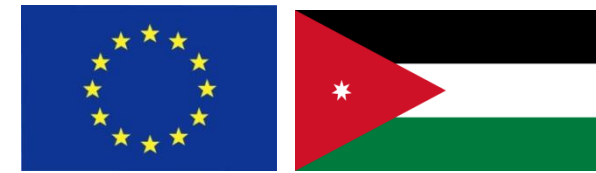


Assessment Grid

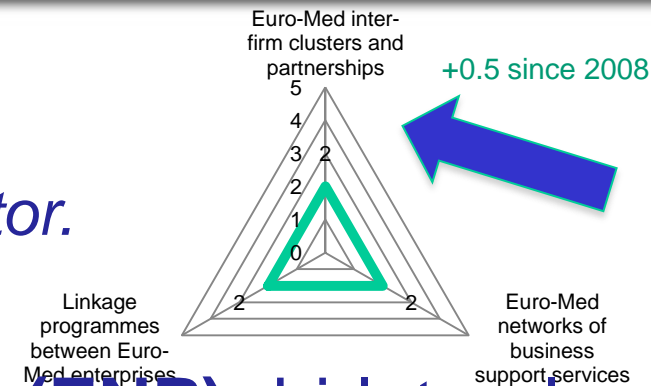


	Sub Dimension	Level 1	Level 2	Level 3	Level 4	Level 5	Weight
7.1	Euro-Med inter-firm clusters & partnerships	Government has no strategy to promote Euro-Med initiatives on inter-firm clusters	Proposals to develop Euro-Med inter-firm clusters & Networks. Consultation with business sector. Pilot project in one key sector.	Elaboration and approval of Euro-Med action plan and designation of competent authority.	Euro-Med inter-firm clusters and networks concentrated in traditional export sector.	Wide range of Euro-Med inter-firm clusters and networks covering a wide range of sectors, including internal market, and making full use of virtual networking.	2

7.1 Euro-Med inter-firm clusters & partnerships

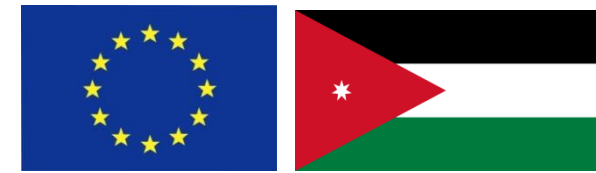


Proposals to develop Euro-Med inter-firm clusters & Networks. Consultation with business sector. Pilot project in one key sector.



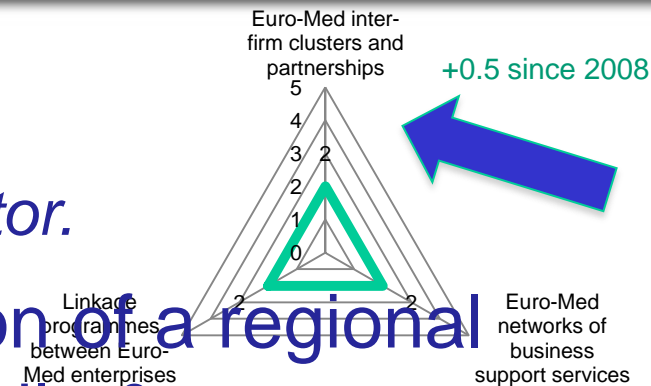
- **The European Neighbourhood Policy (ENP):** bi-lateral political & economic integration policy between the EU and each partner country.
- The ENP action Plan based on **the Association Agreement** progressive liberalisation of trade, cooperation in enterprise policy and competitiveness.
- **The Union for the Mediterranean (UfM)**, provides internationalisation support services for SMEs through the Euro-Med Development Centre for Enterprises (EMDC).

7.1 Euro-Med inter-firm clusters & partnerships



Proposals to develop Euro-Med inter-firm clusters & Networks. Consultation with business sector. Pilot project in one key sector.

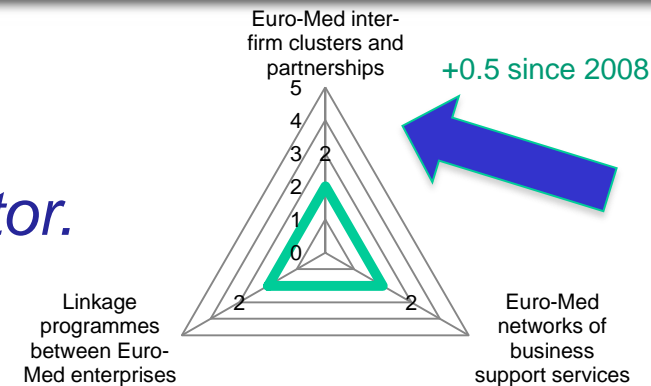
- **Agadir Agreement** supports the creation of a regional Free Trade Area with initial focus on textile & garment, leather products, automotive components sectors as well as enhancing cooperation between SMEs. Timeframe (2008 – 2012), €4m.
- **Private sector development in the Southern Mediterranean**, €12m (2013-2016) programme to support MSMEs at three levels: macro (Business Environment), meso level (support agencies) & micro level (regional clusters in cultural & creative industries such as IT, crafts, tourism, fashion, textile & cosmetics).



7.1 Euro-Med inter-firm clusters & partnerships



Proposals to develop Euro-Med inter-firm clusters & Networks. Consultation with business sector. Pilot project in one key sector.

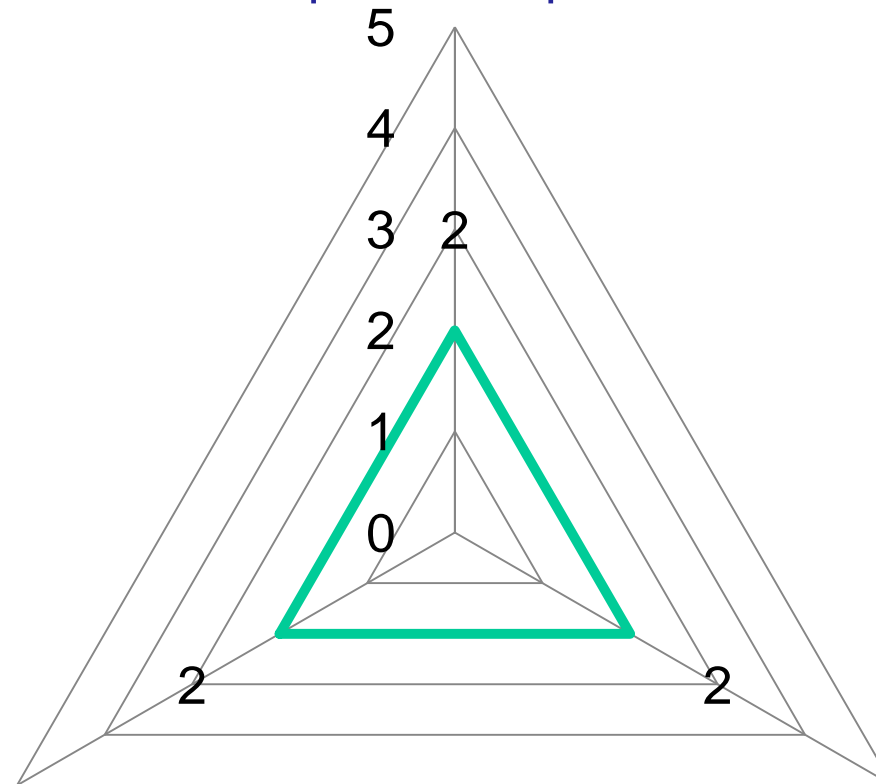



- **Support for partnership, reforms and inclusive growth (SPRING)** including Support for sector co-operation, with focus on knowledge & innovation, climate change and the environment, energy, transport, technology, sustainable fisheries, as well as cooperation across maritime sectors. Timeframe is 2011 – 2012 and Budget €350m.

7. Supporting SME to Benefit from Euro-Mediterranean Networks & Partnerships



Euro-Med inter-firm clusters and partnerships



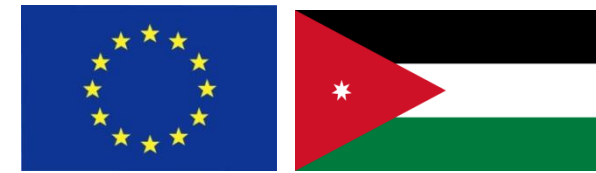
 +1 since 2008

Linkage programmes between Euro-Med enterprises

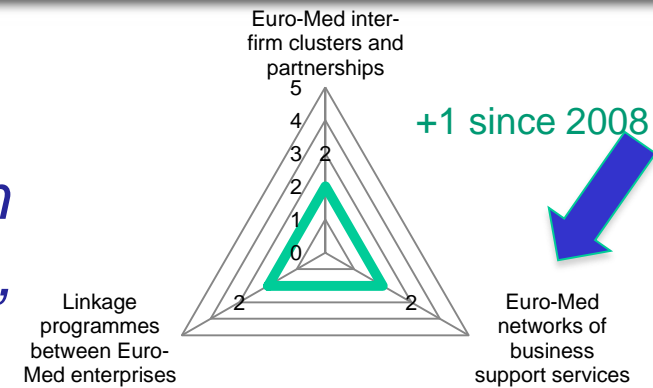
Euro-Med networks of business support services

	Sub Dimension	Level 1	Level 2	Level 3	Level 4	Level 5	Weight
7.2	Euro-Med networks of business support services (former 9.2)	Euro-Med networks of providers of business support services established at country regional or local level with no Euromed connection.	Euro-Med networks of providers of business support services formally exist. The few that are operational operate on an <i>ad hoc</i> basis, in a small number of sectors, and cover a small range of services.	Euro-Med networks of providers of business support services operate with donor or government support, for a limited period of time, in a small number of sectors, and cover a small range of services	Euro-Med networks of providers of business support services operate with donor or government support, for a limited period of time, in all key sectors, and cover a wide range of services.	Euro-Med networks of providers of business support services operate in a sustainable way, on a self-financing basis.	2

7.2 Euro-Med networks of business support services



Euro-Med networks of providers of business support services formally exist. The few that are operational operate on an ad hoc basis, in a small number of sectors, and cover a small range of services.

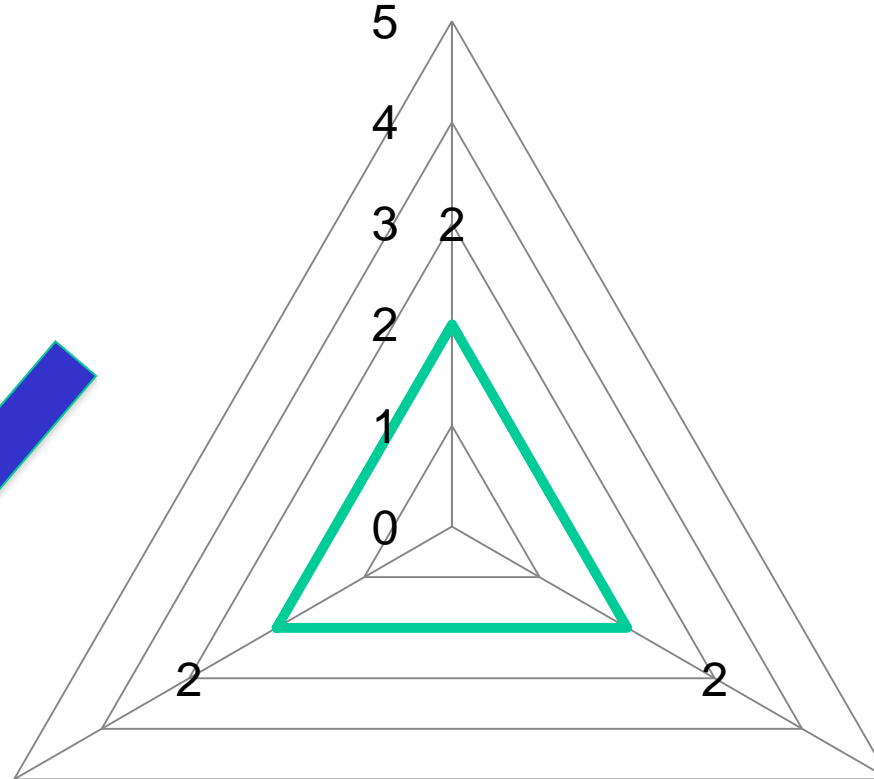


- The Jordan Investment Board is part of the ANIMA network
- The JIC is part of the EBN Network
- According to Aghadir website:
 - You are able to access information and identify European companies in three selected sectors only.
 - The three studies that were conducted by Aghadir support unit provide information only on relevant companies in the four countries (Jordan, Egypt, Tunisia and Morocco) with no other business support services.

7. Supporting SME to Benefit from Euro-Mediterranean Networks and Partnerships



Euro-Med inter-firm clusters and partnerships



+0.5 since 2008

Linkage programmes between Euro-Med enterprises

Euro-Med networks of business support services

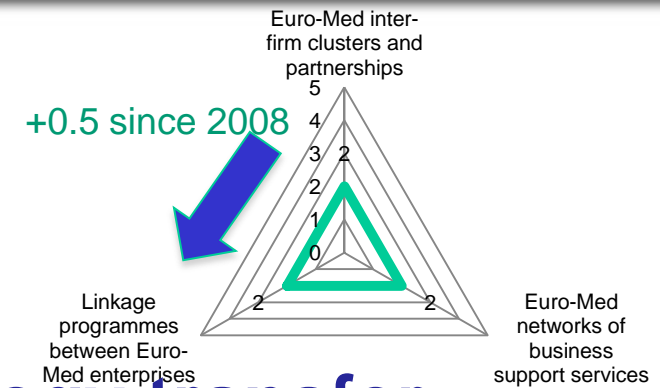
	Sub Dimension	Level 1	Level 2	Level 3	Level 4	Level 5	Weight
7.3	Linkage programmes between Euro-Med enterprises <i>(former 9.3)</i>	No government- or donor-financed schemes in place to promote linkages between Euro-Med enterprises.	Euro-Med linkage promotion programmes introduced as pilot projects for a limited number of enterprises.	Formalised Euro-Med linkage promotion programmes in place. Limited resources available and restricted range of sectors covered.	Well-structured and budgeted Euro-Med linkages programmes) available for a wide range of sectors, including Euro-Mediterranean business-to-business dialogues and linkages with foreign-based companies. Innovative tools such as factoring and reverse factoring applied.	4+ Euro-Med schemes easily accessible. Impact of the programmes regularly monitored and evaluated.	2

7.3 Linkage programmes between Euro-Med enterprises

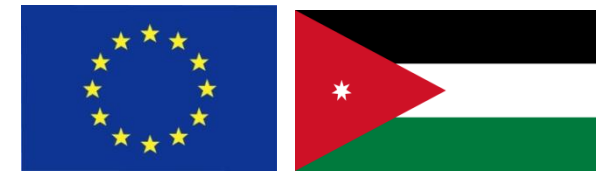


Euro-Med linkage promotion programmes introduced as pilot projects for a limited number of enterprises.

- **The national programme for technology transfer SRTD (Support to Research & Technological Development),** launched with the backing of the European SRTD project, provided the opportunity to create a structure dedicated to research commercialization, the Intellectual Property Commercialisation Office -IPCO. It also allowed the creation of 11 technology transfer centres in universities, research centres and business organizations between 2009 and 2011

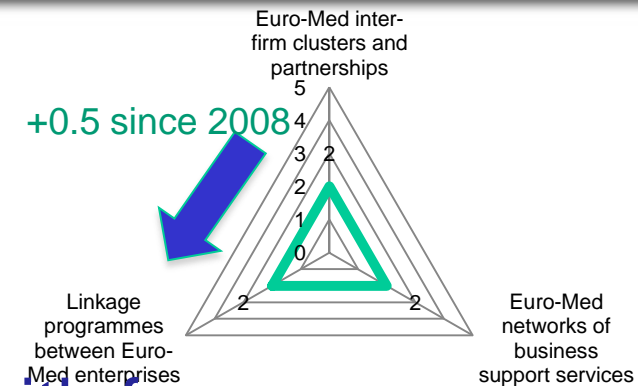


7.3 Linkage programmes between Euro-Med enterprises



Euro-Med linkage promotion programmes introduced as pilot projects for a limited number of enterprises.

- **JEDCO linkages program** is limited with focus on creating internal linkages between enterprises to enhance their productivity, exports and replace imports as possible (import substitution).
- **AI Urduniah Leil Ebda (AULE)** is a member of the Asian Science Park Association ... Partnerships have also been signed with international organisations such as the Birmingham Science Park and the India Accelerator. AULE was awarded the EC-BIC label by the European network EBN.



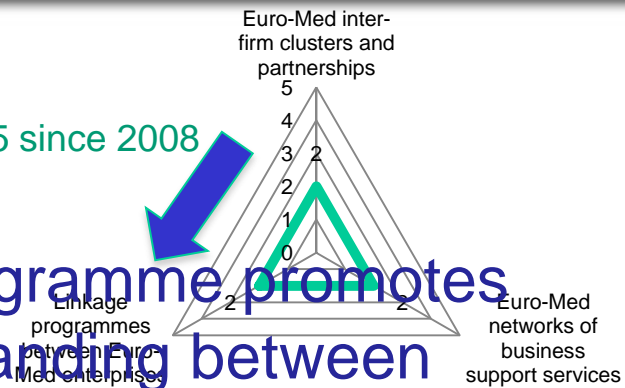


7.3 Linkage programmes between Euro-Med enterprises



Euro-Med linkage promotion programmes introduced as pilot projects for a limited number of enterprises.

+0.5 since 2008



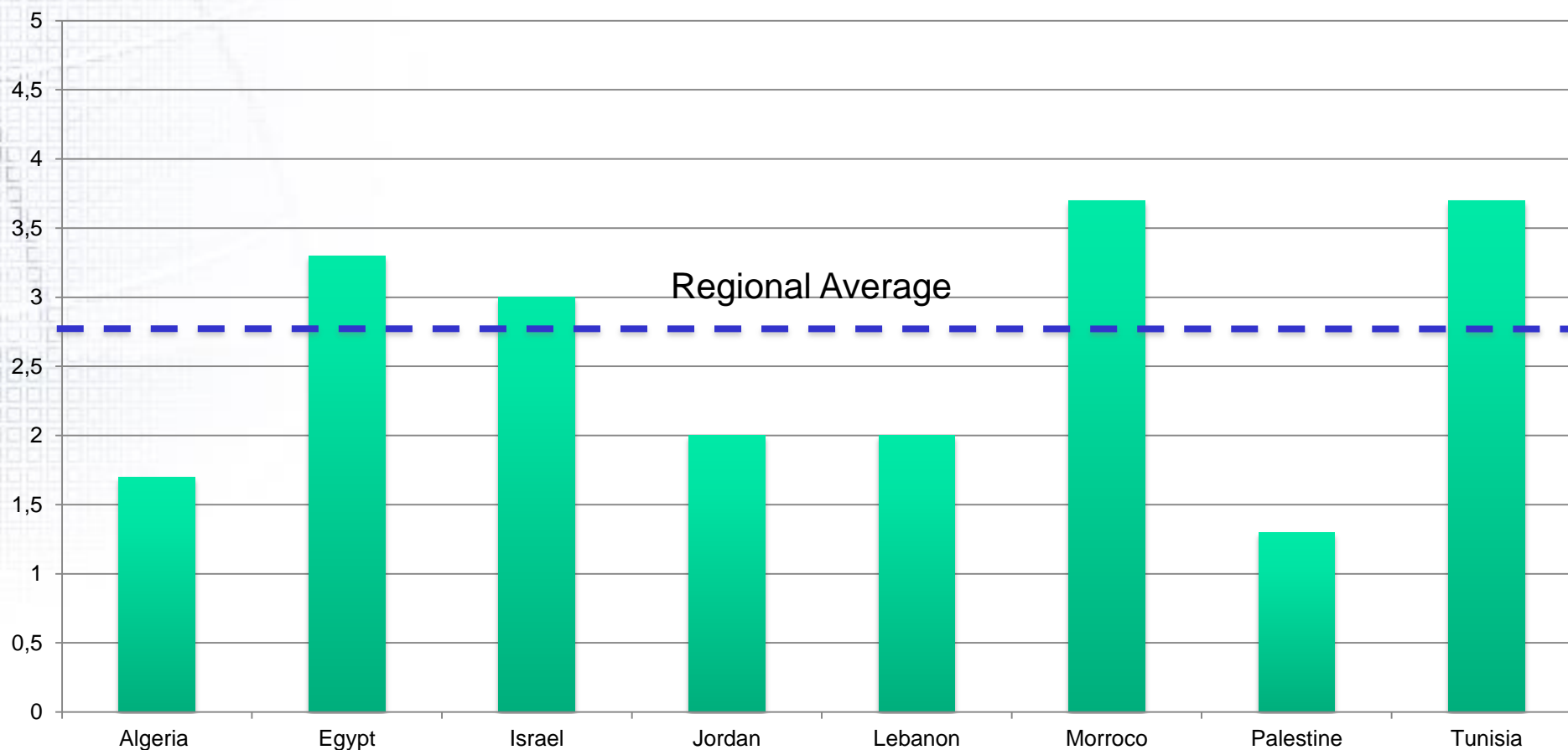
- Euro-Med Youth Program in Jordan: This programme promotes the mobility of young people and the understanding between peoples through three types of actions:
 - Euro-Med Youth Exchanges,
 - Euro-Med Youth Voluntary Service,
 - Euro-Med Youth Training and Networking.The Euro-Med Youth Unit is in operation under the Ministry of Public Sector Development.
- Euro-Med Heritage Programme in Jordan: This programme develops its actions within the European Union, but above all, in the Mediterranean partner countries of the EU: Algeria, Palestinian Authority, Egypt, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia.



Regional Comparison

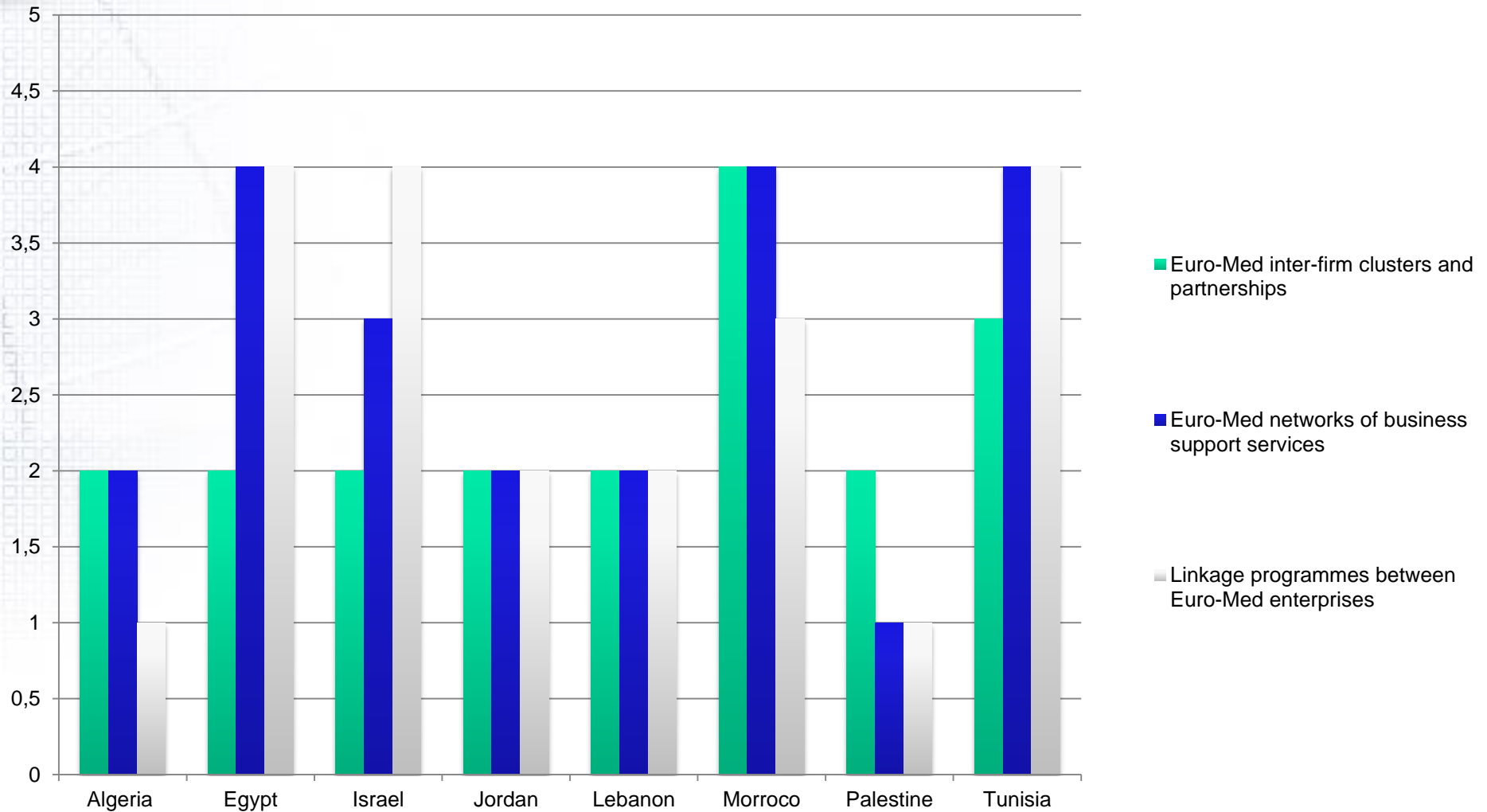


7. Supporting SMEs to benefit from Euro-Med Networks & Partnerships (2013)





Regional Comparison: 7. Supporting SMEs to benefit from Euro-Med Networks & Partnerships (2013)

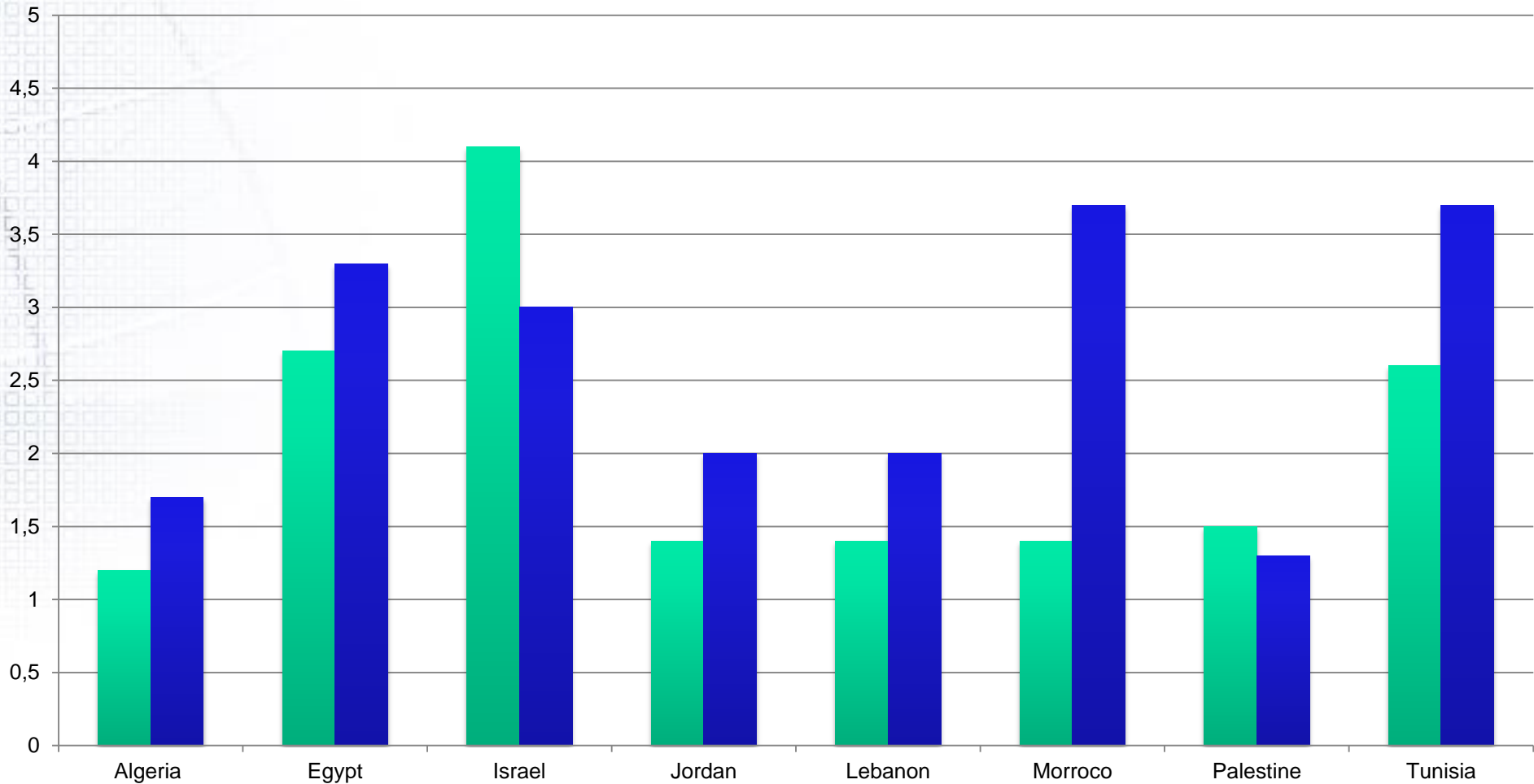




Regional Comparison: 7. Supporting SMEs to benefit from Euro-Med Networks & Partnerships (2008, 2013)



■ 2008 ■ 2013





7. Supporting SME to Benefit from Euro-Mediterranean Networks & Partnerships



- The analysis indicates that all MED economies have at least one project to promote the development of business clusters and networks, although a connection to Euro-MED initiatives is missing in some cases.
- Priority actions include:
 - promoting intra-MED business networks and partnerships
 - Extending enterprise networks and partnerships beyond R&D and technology
 - Extending support for Euro- MED enterprise cooperation to encourage enterprise development and job creation.



- Way Forward for Jordan:
 - Join the Enterprise Europe Network (EEN): to help small companies make the most of business opportunities in Europe
 - The EU COSME programme prepare and negotiate Agreements on Conformity Assessment and Acceptance (ACAA)
 - Intra-MED efforts for the promotion of enterprise networks and partnerships, similar to the Network of Maghreb Enterprises for the Environment and the Union of Mediterranean Confederations of Enterprises (BusinessMED)



- Way Forward for Jordan:
 - Join the Enterprise Europe Network (EEN): to help small companies make the most of business opportunities in Europe
 - The EU COSME programme prepare and negotiate Agreements on Conformity Assessment and Acceptance (ACAA)
 - Intra-MED efforts for the promotion of enterprise networks and partnerships, similar to the Network of Maghreb Enterprises for the Environment and the Union of Mediterranean Confederations of Enterprises (BusinessMED)



Thank you for your attention

