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**Enhancement of the Business Environment in the
Southern Mediterranean**

National Seminar for Jordan

International Networks & Clusters

Principle 7 of the Small Business Act for Europe

Amman, Jordan 26 November 2014



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1. Introduction

On the 26th of November 2014 a strategic seminar entitled “Support Jordanian SMEs to Benefit from Euro-Mediterranean Networks and Partnerships” was delivered to a select group of policy makers, enterprise and academia stakeholders in Amman, Jordan within the framework of the “Enhancement of the Business Environment in the Southern Mediterranean” project (henceforth referred to as the EBESM project).

The seminar was organised to support the Jordanian Government in implementing reforms in priority areas identified in the report *“SME Policy Index: The Mediterranean Middle East and North Africa 2014, Implementation of the Small Business Act for Europe”*, which assessed SME policies in Jordan and eight other economies in the Mediterranean region (MED). The assessment, conducted in the framework of the Euro-Mediterranean industrial co-operation process, was based on the “Small Business Act” for Europe (SBA), a comprehensive SME policy framework adopted by the European Union (EU) to promote SMEs.

The seminar programme focused on SBA principle 7, in particular on the themes of promoting clusters, international networks and partnerships.

Drawing on practical experience of selected EU and MED countries in supporting SMEs globalisation, the seminar’s methodology focussed initially on presenting a theoretical background and contextual good practices to propose possible models suitable for Jordan’s situation and on policy dialogue, discussion and brainstorming in workshops dedicated to identifying Jordan’s specific opportunities and challenges in developing a clustering and networking system using SWOT Analysis and identifying recommendations which would improve Jordan’s international market development and networking capacity.

The workshop programme presented four presentations and two training sessions each of which focused on a specific topic with concrete, immediate and actionable relevance to Jordanian SMEs and their capacity to network at a global level.

As well, two participative workshops were organised, jointly moderated by project experts, and used the results of topic-specific SWOT analysis to generate ideas and proposals that Jordan could adopt, apply or create, with the objective of encouraging policy reforms stimulating and facilitating internationalisation, clustering and networking. The recommendations compiled in this report summarise and synthesise the results of this collective work.

In order to encourage change and adaptation the seminar provides additional reading material and concept papers, a list of relevant links for further research and to clustering and networking tools and reference organisations (See Annex B).

2. Seminar Objectives

This activity sought to enhance the capacity of selected government officials and representatives from the private sector and civil society at large (e.g. academia, NGOs, etc.) to fully understand the selected SMEs policy issues, allowing them to enhance its implementation on a more informed basis. More specifically, and based on the assessment carried out, the training provided better understanding of principle 7 of the SBA, identified

the main challenges and constraints encountered in its development and explored actions and policies needed to enhance its implementation.

The specific objectives of this seminar were to:

- Enhance participants' analytical and decision-making capacity in the selected areas to SMEs development;
- Enhance participants' knowledge on effective policies to implement in the selected areas;
- Assess the situation and discuss emerging policy solutions by setting objectives and priorities, integrating actions, involving stakeholders; and
- Promote an interactive dialogue between different players in order to feed policy making process.

3. Participants

This event brought together over 40 top-level policy makers, representatives from public authorities and business associations, to discuss ways of improving the partnership and clustering system in Jordan. The organisations included Ministry of Industry & Trade & Supply, Ministry of Planning and International Cooperation, JEDCO, Jordan Standards and Metrology Organization, Jordanian Chamber of Industry, Jordan Industrial Estates Corporation, The Hashemite Fund for Development of Jordan, Badia, Agadir Technical Unit, Jordanian Exporters Association, Jordan Investment Commission, Jordan Customs Department, Department of Statistics, as well as universities, business associations, enterprise representatives and entrepreneurs.

The grouping was weighted toward the public sector but the contributions and observations of the private sector were robust and critically well-received.

4. Seminar Overview

Overall the seminar was very well received with many participants confirming the content and approach as excellent. There was general agreement that the participative and discursive nature where attendees interacted continuously with experts both throughout the presentations and workshops was insightful and practical and the opportunity to hear and discuss the views of a broader spectrum of the enterprise stakeholder community i.e. peers contributed significantly to progression of the recommendations.

The ultimate purpose of the presentations and consecutive workshops was not simply to share and transfer knowledge and expertise, but more to collect from the participants their perceptions of the manner in which Jordan should address the issues of Networking, Partnerships and Clusters and the potential ways of improving the capacity Jordanian SMEs to internationalise and make use of cooperative partnerships and networks..

There was a high degree of consensus amongst the participants as to the specific issues which need to be addressed and recommendations by which SMEs could benefit from clustering and international networks and how these could potentially alleviate impediments and promote a more proactive and cooperative business environment for SMEs in Jordan.

The SWOT workshops and discussions clearly pointed to the importance and urgency of better service integration and improved collaboration - between all the country's economic actors - to facilitate a more cooperative and internationally competitive SME community in Jordan. A further strong consensus to emerge like that of other seminars conducted

regionally by EBESM was that participants wanted “real follow-up” to the seminars in a practical way which would result in real actions rather than just another talking shop of what should happen. They want to see the recommendations and approaches implemented.

4.1 Topics discussed

4.1.1 Overview of SBA Principle 7

The opening session was dedicated to establishing a preliminary basis for the seminar and the presentations to follow. An overview of SBA Principle 7, its different sub-dimensions, linkages to the other principles of the SBA, importance to SMEs development, etc. was discussed with the participants. As well, the results of the SBA assessment related to this principle in Jordan were presented.

4.1.2 Results and recommendations of the 2014 evaluation of the implementation of SBA principle 7 in Jordan

Session 2 provided an overview of the results and recommendations of the evaluation of the implementation of this principle in Jordan, including the logic and structure of the indicators (none of the participants had been involved in any of the two previous SBA assessments) the assessment methodology and process and the state of play in Jordan with respect to this principle. Key outcomes of the assessment were presented, in particular the need for Jordan to join the Enterprise Europe Network (EEN) to help small companies make the most of business opportunities in Europe, to move forward in preparing and negotiating the Agreements on Conformity Assessment and Acceptance (ACAA) and to increase 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).

4.1.3 International Networks and Partnerships

The third presentation focused on the topic of how international networks could assist Jordan in the internationalisation process and in building competitive advantage. It outlined the potential of the large European market and how this can be exploited but also the importance of partnerships nationally, regionally and internationally. The session outlined as well the types of EU policies in this regard (e.g. the Union of the Mediterranean) and the different types of partnerships; industry to industry, industry to academia, academia to academia, clusters (poles of excellence & poles of competitiveness). It summarised the evolution of networks from Emilia Romagna in Italy in the 70's to the Danish Networks Programme of the late 80's and the benefits that accrue, and discussed the European Enterprise Network in some detail especially as Jordan is submitting an application to join in March 2015. Other examples include ANIMA Invest Euromed Invest, BusinessMed, MED Alliance EDAMA etc and a number of success stories highlighting how real cases worked and benefited enterprises and entrepreneurs.

4.1.4 Clusters

The fourth and last presentation was mainly focused on the cluster model and how the concept developed with time; its importance to the development of SMEs in terms of generating synergies by improving collaboration and exchange of business and information between local SMEs as well as its role in promoting innovation and developing stronger international links, with industry as much as with research. It also highlighted the dynamic nature of successful clusters that should collaborate but also compete and the need to generate critical mass.

The potential of establishing certain clusters in Jordan with or without the support of government was discussed among the attendants and a distinction between clusters and other kinds of collective organisations such as professional associations was debated; the sustainability of such clusters as well as applying best practices for cluster management were summarised and a case study involving an excellence audit of a south med IT cluster was described. Finally a set of useful and relevant EU links were suggested.

4.2 Workshops

Interactive and participatory workshops were held where, in parallel, representative groups of the participants’ addressed specific topics from the presentations to build a SWOT of the situation relative to the subject within Jordan and to propose a set of recommendations and actions. The results of the SWOT Analysis are detailed below.

4.2.1 SWOT Analysis: International Networks and Partnerships

Strengths	Weaknesses
<ul style="list-style-type: none"> • Location, International market access and Aqaba port • Access to the Arab States of the Gulf (Gulf Cooperation Council - GCC) • Good at languages, diversity, education, infrastructure, climate • Government support for SMEs & Investment in human resources • Skilled & young workforce • Many Free Trade Agreements (FTAs) to which Jordan is a party • Political Stability • Communication infrastructure, strong ICT, Youthful workforce • Strong Agri-food, Textiles Tourism, Pharmaceutical sectors • Industrial and vocational schools available and productive, EU Global network connection • Agencies at subnational level • A wide variety of SMEs and products available 	<ul style="list-style-type: none"> • External Trade Practices, Government Regulations, laws, inefficient bye laws • Similarity of industries in MED countries (concentration and competition) • Access to and information on EU & potential customers • Transportation weaknesses and high costs • Lack of female participation • Lack of internal coordination • No national support for Standards (Auditing) • Lack of marketing studies and information flow • No knowledge of what market needs and entry requirements (compliance) • Inefficiencies in support process/programmes • Weak on exporting & rules of origin of single market • Weak Public Private Partnerships (PPP) • Jordanian SME product standards low and difficult to comply with EU standards requirements • Weak counterparts in domestic entities & institutional instability (come and go Institutional instability, changing mandates & demise. e.g Jordan Investment Board, Investment Commission who no longer exist) • Significant gap between network membership and effective utilisation of services and opportunities presented

Opportunities	Threats
<ul style="list-style-type: none"> • Free Trade Agreements exist with many countries/regions and market access to many countries /opportunities • Access to EU initiatives e.g. Horizon 2020, EEN, COSME • SMEs in Green Economy; the green economy represents an opportunity for SMEs to exploit new products in new markets • Matching EU standards giving opportunity for going global/access to EU and international markets • Accessing raw material from EU in order to sell finished and semi-finished goods to EU (Rules of Origin) as currently as they often source from China and India they do not meet the “Rules of Origin” measures of the EU and cannot export the products there • Jordan a very stable country in the region can attract investment and be a conduit for regional countries • Availability of funding from international donors • International awareness and focus of businesses in Jordan 	<ul style="list-style-type: none"> • Political situation in the region leading to instability • Hangover from international financial crisis impacting on access to finance • Competition from other countries targeting EU market with better standards and quality • Low competitive advantages & competitiveness • Increasing costs & inflation which would make their products uncompetitive. • Being able to sustain and maintain customers as they expect • Inflexibility and access to resources • More support by donors for needs of other regional countries

The session was extremely active with participants demonstrating enthusiasm and a knowledge of their environment and business issues although there were a large number of weaknesses identified. There was, however, a large number of positives to emerge and the group saw many opportunities to be exploited through improving the utilisation of regional networks and accessing EEN and other EU initiatives. During this session, many comments were raised by the participants of all sectors. One of the interesting issues which many commented on was, that despite the many Free Trade Agreements to which Jordan is a party many SMEs cannot avail of the opportunities because of EU rules of origin. For example despite a strong textile sector as the raw material in order to be competitive comes from China or South East Asia the finished product does not meet the Rules of Origin criteria. A high percentage of the inputs must be of Jordanian or EU origin otherwise they cannot sell them in Europe.

The other main topics discussed included:

- Lack of support programmes for exporters and the uncertainty in relation to government initiatives and agencies with many suffering an early demise e.g. Jordan Investment Board, Investment Commission;
- Poor standards and metrology with weak auditing leading to a poor perception of Jordanian product quality;
- Access to good market information through studies and database access critical for internationalisation. This was a fundamental requirement to be able to exploit the opportunities afforded by the FTA's and networks.

- The gap between the opportunity afforded by the networks and partnerships outlined in the presentation and the ability to utilise them effectively was a cause of discussion and the need for bridging that gap.

4.2.2 SWOT Analysis: Clusters

Strengths	Weaknesses
<ul style="list-style-type: none"> • Availability of national and international institutions contributing to all kinds of technical, legal and financial assistance • Availability of a Jordanian investment commission • Relative economic and political stability of the Kingdom • Geographical location of Jordan • Availability of local experience and competence • Availability of local workforce and fair labour laws which needs to be well applied • Previous experience in clustering and the possibility of activating dormant clusters • Availability of sector industries as well as service industries with a high potential for the formation of clusters. (Agro-food, Energy, Textile, ICT, Health, tourism) • Recent upgrading of the Jordanian taxation system to provide incentives • Government awareness of the importance of SMEs • Presence of a prominent academic sector.(26 universities) • Existence of already established public institutions that related to industry such as standardisation bodies, ... • Industrial and vocational schools available and productive 	<ul style="list-style-type: none"> • Significant currency fluctuations. • The local production is not sufficiently protected against external competition. Hence the development of industry is slow • Entrance of EU products manufactured in China and India that benefit from agreements and compete severely with local production • Spontaneous regulations not well studied. Government policy is not directed towards clustering • Lack of public bodies concerned in market planning • Punctual and non-sustainable international assistance programs • Previous experience in clusters was not promising; absence of a clear strategy • Lack of skilled labour. • Acceptance of low standards of raw materials to meet a price sensitive market • Absence of robust SME policies or road map • Quality of imported product is perceived as exceeding the local ones and is attracting the Jordanian consumers • Increase in imported raw material prices for local industries • Lack of a regular support in training and marketing which impedes cluster development • Lack of cheap financing • Absence of significant Cluster support programs • Fear from competition • Absence of a focal point or “one stop shop” body related to SMEs which can help start-ups or investors • Reluctance of investors in starting up new companies or partnerships due to low incentives • Lack of experience in marketing, accounting or project management • Lack of sufficient sources for company

	financing <ul style="list-style-type: none"> • Lack of awareness by the SMES as well as some organisations of certain rules and regulations as well as prevailing SME support projects • Weak utilisation of existing government institutions such as the standardization bodies, the Jordan investment commission; • Weak collaboration between academic resources and industry.
Opportunities	Threats
<ul style="list-style-type: none"> • Possibility of attracting FDI investments from the EU and the Arab States of the Gulf • Availability of potentially successful sectors such as olive oil production and tourism and others • Bilateral agreement with the EU; opening of new markets and opportunities for technical assistance • A chance to boost productivity and improve product quality which will enable Jordanian SMEs to better compete with more advanced economies • Clusters can strengthen the position of Jordanian SMEs when forging alliances with important companies or dynamic clusters abroad 	<ul style="list-style-type: none"> • Prevailing political situation in the neighbouring countries and the difficulty of forging stable business relations • Increase in the prices of imported raw materials • Challenges facing Jordan in industry especially at the level of exports considering the prevailing political situation in Jordan and the region • The Governmental tax policies that reflects the government as partner in business rather than a back-stopper

The SWOT group was highly active and eager to contribute which generated a long list of comments reflecting a will to bring Jordanian economy to the next level. Not all comments were directly relevant to the cluster promotion but indirectly to SME development as a whole. The general concern of course is the prevailing political situation in the region which is hindering external investment and to a lesser extent the lack of a clear and fixed governmental Industrial policy on the SME development and in particular the development of clusters. Nevertheless the group highlighted sufficient strong factors as well as opportunities on which it can build momentum. The relative stability of Jordan and its proximity to Gulf States opens the possibility to attract investment provided adequate financial institutions and laws are there to facilitate it and the fact that the EU-Jordan association agreement and other bilateral agreements should be facilitating market access to richer markets. Major points extracted from the discussions:

- The availability in Jordan of promising industrial sectors that could successful cluster and synergise;
- The geographic position of Jordan and its relative political stability in the area facilitates interaction with oil rich countries; it is the role of government institutions in collaboration with private sector organisation to develop the enabling environment to attract them;
- There is a need for Government to direct its support to SMEs and the industrial sector as well as the service sector; starting by developing the right policies that create added value to the sectors but also by intervening in the upgrading of the supporting infrastructure such as communication and information, E-government, and energy; as well as a more result oriented utilisation of available funds;
- The importance of Jordanian industry to upgrade the quality of its products to compete with that of certain imported goods without affecting its price competitiveness; for that

purpose to utilise available technical and scientific resources in the public sector as well as universities and technical schools;

- A better exploitation of EU and other donor funding by involving stakeholders in the project direction decisions and by assuring their sustainability after the exhaustion of the funds.

5. Seminar Summary

The presentations in addition to the workshops were participative and interactive with lively debate at all stages. This was very important as there were public and private sector players who obviously did not often have the opportunity to interact on common topics of interest. Additionally the topic of international networks and clusters was one which was of extreme interest particularly in the light of the proposed application to join EEN.

The participants recognise well the issues and impediments and although they were able to make many suggestions as to how the situation in a general sense should be improved these were generic with very little substance i.e. there was knowledge of what should be done but very little on how to do it. This also was recognised by participants who see Technical Assistance internationally in developing initiatives and building the capacity of Agency counterparts as critical.

6. Recommendations

The participants proposed a series of recommendations which have been expanded on by the experts based on practicality relative to the situation and timescale:

6.1 Networks

Short-term

1. Two fast track “Pilot Projects” to be initiated by JEDCO in conjunction with Chambers of Commerce to assess and improve the product offerings of Jordanian SME’s to international markets. It was felt that Jordanian companies had little in the way of differentiation or competitiveness compared to regional competitors and it would be necessary to undertake initiatives that would assess current potential of selected Jordanian products, initiate change and promote matchmaking to access international opportunities. The three phases proposed were;
 - a. Assessment – In the pilot project a small number of selected target sectors/products and companies’ potential to compete internationally would be selected. Additionally these would be assessed against likely competition to evaluate potential competitive advantages.
 - b. Product Adaptation – Following from the assessment the companies would be supported to adapt their offerings to match more the market requirements of international customers.
 - c. Promotion & Matchmaking – Through international networking and matchmaking the selected companies would be introduced to potential market development partnerships or access to local market based support institutions which would assist in the market development and promotion of the Jordanian products or services

On the basis of these pilot projects more sustainable support initiatives could be designed and implemented.

2. Build Capacity of Trade Support Organisations (TSO) – There is a perceived need for sustainable trade information and support services within the private sector and these should be encouraged within the Private Sector Chambers and Business Associations. These would need government support and capacity building to succeed.
3. Access to EU Databases & Networks – There is a real need for access to good international information and to build the capacity of Jordanian business to access:
 - a. Market Opportunities
 - b. Partners
 - c. E-communications

The potential of EEN was cited but the need to generally have such database access was stressed as being of immediate importance and that an initiative should be initiated immediately.

Medium Term

1. The issue of metrology and conforming to international standards arose a number of times and its lack seen as a major impediment to internationalisation regionally and internationally. It is recommended therefore that Jordan finalise joining agreements in relation to standards such as ACAAs, HCCAP, etc. This should be undertaken by the Jordanian Standards and Metrology as an immediate project.
2. Simplify EU Rules of Origin for MED Countries – The EU and US ‘rules of origin’ are a significant barrier to Jordanian companies hoping to exploit the many Free Trade Agreements that Jordan has signed. The participants believe that in many instances the rules are impossible to meet while maintaining competitiveness as the basic raw materials are imported. The Ministry of Industry & Trade should try to negotiate a simplification of these or at least a derogation in the context of Jordan for the main industry sectors.
3. Build efficient Public Private Partnership & Communication Channels regarding funding and programmes that are available nationally, regionally and from Europe. There is a need for dissemination of available opportunities and initiatives that SMEs can avail of as the participants felt that currently there was no common portal or One-Stop-Shop where owner/managers can access relevant information. The national EEN portal could potentially fill this gap and role.

Long Term

1. Career Guidance Development through all educational levels. The educational system needs to concretely support the enterprise and economic development aspirations of Jordan. Currently education is strong in Jordan but not in terms of enterprise, international development and the research needs of SMEs. There needs to be more interactivity between education and industry and more involvement by institutions in development activities.
 - a. PPP internships & exchanges cooperative curriculum design. Participants foresaw greater exchange between public and private organisations in relation to practical education with internships of students and lecturers/researchers into businesses to improve understanding of the needs and requirements of SMEs by education institutions. It was also felt that universities and enterprises would gain from

- internships by enterprise managers in universities and that this level of cooperation would improve curricula design.
- b. International partnerships with universities and businesses. Universities in Jordan are entering partnerships internationally but primarily with similar institutions this needs to be broadened and international relationships built with businesses also in both research and new educational ideas and systems, these types of interactions would help inform Jordanian of new developments and keep it abreast of current good practice.
 - c. E-Learning transnational. Jordan should develop an e-learning strategy and partnerships so that Jordanian students can access lectures and symposia on most up to date theories, processes and business concepts plus the most exceptional lecturers.
2. Branding Jordan (Nation Brand). The creation of a Jordan National brand is seen as a priority as it would raise levels of awareness internationally of Jordanian products and services and also raise domestically of the importance of conformity to quality and standards through a sense of pride in delivery of high standards that represent national importance. It would allow only the best to be associated with the brand.
 3. Efficiency and Impact of EU support to Jordan through networking and more private sector involvement. It is believed that there are inefficiencies and duplications in donor support so there needs to be more coordination and also more involvement by the private sector in planning interventions and in measurement and monitoring of impacts. It is proposed that a national coordination body be established that has public and private participation and broad engagement and consensus seeking activities and which will also disseminate plans widely.

6.2 Clusters

Short term

1. In order for the SME clustering concept to move forward, it is imperative that the ministry of Industry and trade, in collaboration with other relevant ministries such as the economy and finance; along with private sector representatives such as chambers, industrial associations, and JEDCO to build and implement a short and medium term realistic sector-strategy for that purpose and establish the options of how to assure the resources for its implementation. Since it is a strategy that requires both public and private inputs, the following recommendations are in order:
 - a. Strategy should clarify the role and activity of the government as well as that of the private sector and lay down the means for its phase implementation.
 - b. Should lead to the identification of several promising industrial, service and academic sectors in Jordan that have a potential for clustering not only at the level of the country but also at the level of Governates and even some industrial areas.
 - c. Should advocate the development of a fast track awareness campaign among relevant stakeholders (public and private) to promote knowledge and culture among SMEs and other stakeholders to the concept of clusters as well as their role in developing innovation for growth and the development of exports; and how does their role differ but does not conflict with the role of other agglomerations already existing

- in Jordan such as associations and industrial districts. This could be done through workshops, advertising materials, inter-SME mentoring, visits to EU clusters, inviting foreign cluster representatives.
- d. Propose the development of government policies for the enhancement of cooperation between public, SMEs and academic or research institutions for the development of clusters and the promotion of innovation culture in Jordan; such as facilitating access to resources, providing financial vouchers or tax incentives for research, and building on previous steps in the same achieved by JEDCO and AULE.
 - e. Propose to begin with, the utilisation of existing funds to hasten the development process such as for instance the “Industrial Development Fund” and “the Governate Development Funds” or upcoming donor funds from the EU, World bank or USAID; as well as developing financial schemes with commercial banks to support start-ups and innovative ideas.
 - f. Identify and provide support to those fields of infrastructure development that could affect the ability of collective SMEs to compete from the aspect of productivity and quality; such as introducing latest technology in communication, optimizing Energy utilization in the industry, supporting renewable energy options, treatment of wastes, accredited laboratories, standardization bodies and other.
 - g. Identify and support academic and vocational training institutions that could provide added value for certain cluster development in terms of increasing productivity and promoting innovation.
 - h. Encourage knowledge dissemination among stakeholders related to available policy, donor support projects whether Local or international;
 - i. Attract donor Technical assistance in capacity building related to cluster development in partnership with private sector such as chambers & professional associations.
2. Considering that the issue of access to information and administrative formalities was predominantly mentioned the establishment of a “one stop shop” style organization (which can become virtual at a later stage) that will facilitate and institutionalise the simplification of procedures and administrative formalities for SMEs as well as external investors and to enable a quicker and easy SME start-up. This should be aligned with the completion of an e-government project at a later stage. This OSS could be initiated by the Ministry of industry and trade or economy or even private sector organizations if the resources are not available within the public sector.
 3. Start as early as possible with schemes to develop financial investment loan programs and /or loan guarantee funds (to reduce the need for collaterals) that target small and medium enterprises, to incentivise local commercial banks to lend money to start-ups and innovators at as well as established clusters at subsidized rates. This could be a good example of a joined Public /private initiative.

Medium term

1. Facilitate the Implementation of several cluster initiatives in various Governates, pertaining to new clusters or to already existing clusters, in collaboration between SMEs, Public sector and universities; targeting the specific sectors previously identified and

taking in consideration the comparative advantage of Governates when the initiative is at their level.

2. Develop programs and incentives for the upgrade of cluster management skills at cluster and firm level; part of which could be covered through existing EU support programs.
3. Work on completing the implementation of e-government which will upgrade efficiency of public sector, reduce the burden of bureaucracy and speed up the communication between local SMEs and public sector and vice versa as well as foreign SMEs and public sector.
4. Review and update cluster promotion strategy based on field results and available resources. A stronger involvement of the private sector at this stage is recommended.
5. Strengthening the position of Local clusters in with the collaboration of Ministry of industry & Trade to participate in match making events with other MED clusters or even EU clusters such as those already taking place in the EU in order to enhance learning, and cooperation cross borders.(A good example can be building on the cooperation agreement between Egypt, Jordan and Morocco in the textile sectors)

Long term

1. Government and private sector organizations should pave the way for private sector institutions , universities and national clusters for the participation in inter-cluster Networks in Jordan and also at the regional and international level; targeting in a particular research clusters and networks in the EU or Asian countries.
2. Jordanian government to continuously update Policies for the appropriate development of local clusters as well as the associated industries and services around them in order to meet the regular changes in the business environment.
3. To have established in place public as well as private Capacity building entities that should shadow the changing needs in skills requirements for the Human resources in public administration as well as for SMEs and in the management of clusters.

7. Conclusions

The participants were highly energised by the seminar and committed to the need for change recognising the issues and impediments that need to be overcome to build Jordanian SMEs on the global market. Jordanian enterprises have much to offer to European markets particularly in Agro-food, Textiles, ICT, Pharmaceuticals and Tourism but have neither the market knowledge nor experience to exploit such opportunities. The seminar set out to demonstrate not only the potential but how in working together making use of local and international networks and collaborations building on sector strengths through clustering that such opportunities can be addressed. Jordan needs to make better use of the initiatives available such as EEN and its own independent network resources to build partnerships and agglomerations locally and develop connections with similar organisations, networks and companies in Europe. Yes, there are issues in relation to Country of Origin rules and poor market knowledge but these can be overcome with cooperation and a clear policy direction.

The prevailing world economy leads EU countries in the Mediterranean or in the north to form and organise clusters with the purpose of standing out against the strong international

competition, by relying on SME collective efforts to boost productivity and innovation; the same situation applies to Jordan and the other Southern MED countries, but with an industry constrained by economies of scale, regional political turmoil and whose innovation infrastructure is still in its early stages.

The bilateral agreements between the EU and the South MED countries reflect a common awareness that the proximity of the markets is an advantage that needs to be exploited. The development and support of SMEs is another common goal. The development of industrial agglomerations (clusters) is a significant medium term tool that should lead to the upgrade of industrial abilities in Jordan; but most important that could facilitate cross-cluster and cross-border collaboration with a more advanced north.

As much as Clusters are limited geographically and their main purpose is to interlink and synergise with entities that are in proximity, the advanced information and communication technologies, allow clusters to share tacit knowledge without the need for spatial proximity; especially that their growth and internationalisation depend more and more on their networking ability to access global markets, global knowledge and eventually global competitiveness. EU and Med Clusters have the opportunity to link through business networks or prevailing cluster support instruments.

Having said this, the public sector in countries such as Jordan need to further develop new policies that support the formation of local and international clusters and partnerships, and activate the dialogue with promising industrial and service sectors in order to formulate a common strategy and as a result channel part of the government funds and external financial support to implement this strategy.

Annex A : List of Presentations

1. Overview of SBA Principle 7; by Ms Marie-Jose Char
2. Results and recommendations of the 2014 evaluation of the implementation of this principle in Jordan; by Ms Nesreen Barakat
3. International Networks and Partnerships, by Mr Declan Gordon Carroll
4. Clusters; by Mr Fadi Fayad

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14. Thomas Lämmer-Gamp, Gerd Meier zu Kôcker,Michael Nerger, (2014) Cluster Collaboration and Business Support Tools to Facilitate Entrepreneurship, Crosssectoral Collaboration and Growth; European cluster Observatory.

Annex C : Useful links

- European Enterprise Network: <http://een.ec.europa.eu/>
- ANIMA Cooperation Platform <http://www.animaweb.org/en>
- EUROMED Partnership http://eeas.europa.eu/euromed/index_en.htm
- COSME http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm
- European Foundation for cluster excellence: <http://www.clusterexcellence.org>
- EU cluster observatory : <http://www.clusterobservatory.eu>
- EU Secretariat for cluster analysis (ESCA): www.clusteranalysis.org
- European Cluster collaboration platform : www.clustercollaboration.eu
- DG Enterprise & Industry; SME internationalisation PORTAL: <https://webgate.ec.europa.eu>
- European Foundation for cluster excellence: <http://www.clustercompetitiveness.org>

Annex D: Other useful links on the Euro-MED industrial cooperation and the SBA

- Euro-Med industrial co-operation
http://ec.europa.eu/enterprise/policies/international/promoting-neighbourhood/mediterranean/index_en.htm
- Small Business Act for Europe
http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm
- EuroMed – Good practice database
<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/euromed/index.cfm?fuseaction=welcome.detail&language=FR>
- Small Business Act for Europe – Good practice database
<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=welcome.detail>