



ENHANCEMENT OF THE BUSINESS ENVIRONMENT IN THE SOUTHERN MEDITERRANEAN





Export Capacity-Building Programmes

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“We have documented that one of the fastest paths to export growth is by building sales capabilities in SMEs”

Professor Per V. Jenster , Chairman of Nordic International Management Institute, China.



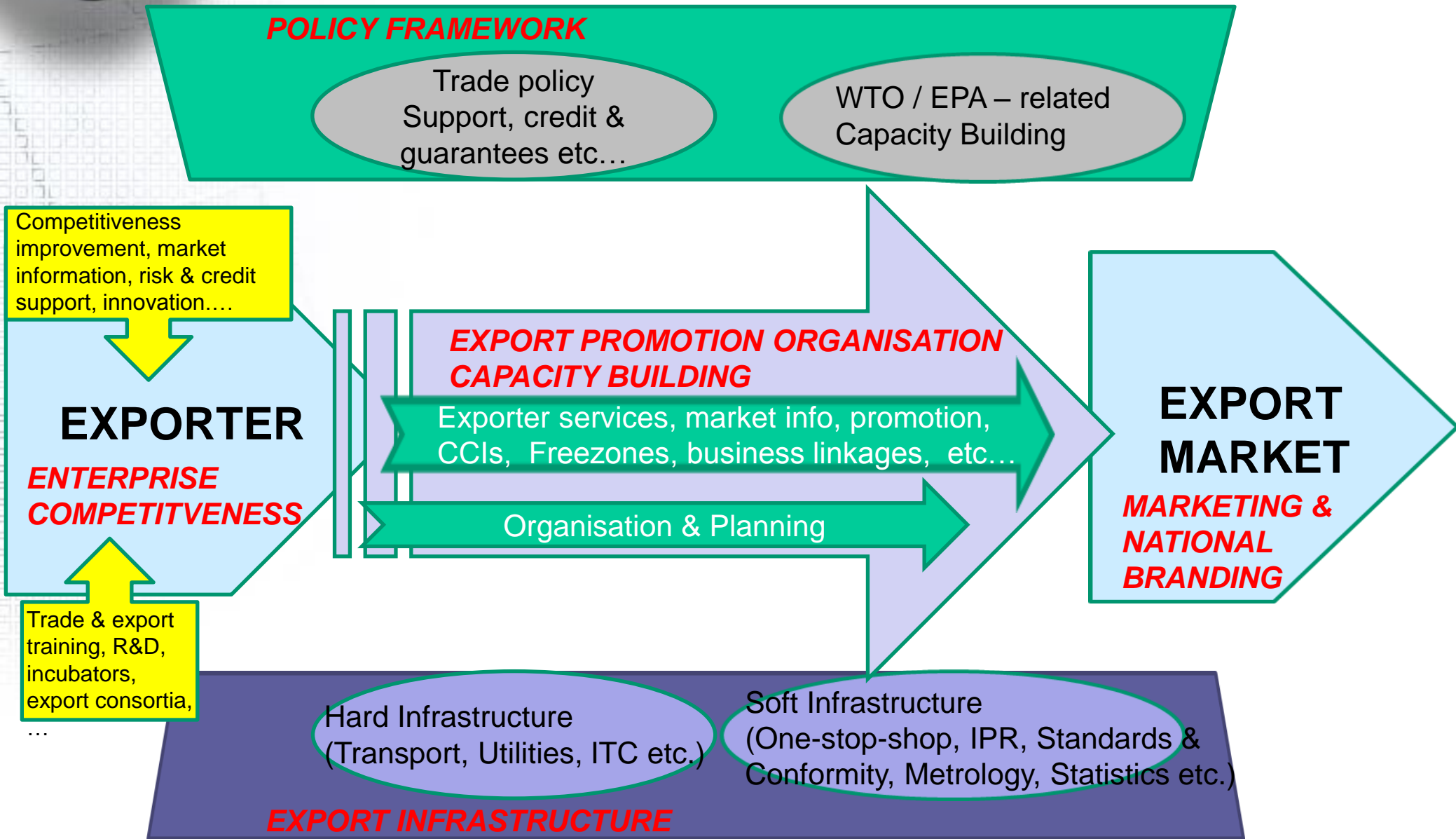
What type of SME Capacity is to be developed ?



- Entrepreneur Development
- Human Capital Development
- Advisory Services
- Product Development
- Technology Enhancement
- Marketing and Promotion
- Awareness and Outreach



Where in the export process can Capacity Building act ?





Example of Geographic & Sector coverage



UBIFRANCE (<http://www.ubifrance.fr/>)



International coverage and expertise

- Physical presence in 112 Countries (6 through an agent)

National access to SMEs

- 22 « Délégués Régionaux » throughout France

Partnerships with stakeholders in Export

- State and Parastatal Agencies
- Professional & business Organisations & Federations
- Large corporate entities

Sector-Oriented

- All major Business Sector active in France with Export potential



Example of Cooperation Programmes for Businesses



Netherlands Enterprise Agency

(<http://english.rvo.nl/home/about-rvonl/>)



Netherlands Enterprise Agency

Implements various programmes to support sustainable economic growth in developing countries and emerging markets. These focus on innovative investment projects, transfer of technology, knowledge and skills in social and economic sectors

Private Sector Investment programme : to support Dutch business investments in emerging markets, in cooperation with local businesses.

ORIO : to contribute to the development, implementation, operation and maintenance of public infrastructure in developing countries

Matchmaking Facility : to assist private businesses in emerging markets to establish to establish business relationships.



Example of Broad Financial Export-credit & risk guarantee



UK Export Finance

(http://www.bic-innovation.com/static/bic/knowledge_base/documents/EENW%2002.pdf)



Government department, official export credit agency. It is oldest export credit agency in the World, since 1919 (Formally Export Credits Guarantee Department)

Provides assistance to exporters and investors, principally in the form of insurance policies and guarantees (up to 95% cover) on bank loans, which complement but not compete with private market.

Supported export contracts ranging in size from £12k to £2.3bn, covering all sectors; not just capital goods, including service businesses, e.g. consultancy.



Example of SME export Capacity-Building fields



European Enterprise Network (<http://een.ec.europa.eu/>)



Going international : market information, database of partners, brokerage & matchmaking, fairs & events...

Technology transfer : suppliers, JVs, Research, Innovation, technology and know-how transfer, commercialisation, licences, expertise competitiveness...

Access to finance : venture & seed capital, business angels networks (BAN), soft loans, public financial aid, tax credits, risk guarantee, hedging, public funds and grants, hiring subsidies...

Research funding : project definition and presentation, search for stakeholders & partners, international research consortia, R&D support...

Advice on EU law and standards : advice, legal counselling and redress, legislation surveillance, public procurement opportunity, regulatory upgrade...

Intellectual property and patents : commercial, industrial, intellectual and artistic property rights, copyright and patenting, data protection..



Examples of access to Best Practices for SMEs : SBA



EU Small Business Act (<http://ec.europa.eu/enterprise/policies/sme/>)



The Small Business Act (SBA) aims to put the 'Think Small First' principle in policies in Brussels and Europe, for five key areas:

- cutting red tape
- improving SMEs' access to markets
- promoting entrepreneurship and skills
- improving SMEs' growth potential
- strengthening dialogue and consultation with SME stakeholders.

It is based on 10 core principles (see following slide).

The SBA offer a large portfolio of high-impact Best Practices from all over the EU in a database accessible to all :

<http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=welcome.detail>



Small Business Act : Ten Principles for SME Policies



- I. **Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded**
- II. **Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance**
- III. **Design rules according to the “Think Small First” principle**
- IV. **Make public administrations responsive to SMEs’ needs**
- V. **Adapt public policy tools to SME needs: facilitate SMEs’ participation in public procurement and better use State Aid possibilities for SMEs**
- VI. **Facilitate SMEs’ access to finance and develop a legal and business environment supportive to timely payments in commercial transactions**
- VII. **Help SMEs to benefit more from the opportunities offered by the Single Market**
- VIII. **Promote the upgrading of skills in SMEs and all forms of innovation**
- IX. **Enable SMEs to turn environmental challenges into opportunities**
- X. **Encourage and support SMEs to benefit from the growth of markets**



Example of cohesion of export-related resources (US)



EXPORT.GOV (<http://www.export.gov/>)



Summary of U.S. Government Support for RE&EE Exporters

FEDERAL PROGRAM		U.S. DEPARTMENT OF AGRICULTURE	U.S. DEPARTMENT OF STATE	U.S. TRADE REPRESENTATIVE	U.S. DEPARTMENT OF ENERGY	U.S. SMALL BUSINESS ADMINISTRATION	U.S. DEPARTMENT OF COMMERCE	OVERSEAS PRIVATE INVESTMENT CORPORATION	EXPORT-IMPORT BANK	FEDERAL AGENCY
		Policy and Capacity Building	•	•	•	•	•		•	•
Trade Promotion and Market Development		•	•				•	•	•	
Project Development Support									•	
EXPORT FINANCING	Working Capital Loan Guarantees						•		•	
	Other Loan Guarantees	•					•		•	
	Direct Loans for Project/Structured Finance								•	
	Export Credit Insurance								•	
INVESTMENT FINANCING	Loans/Guarantees for Project Finance								•	•
	Political Risk Insurance									•



Conclusions



In Lebanon, there are market failures for SMEs and structural weaknesses for institutions.

The deep need for Capacity Building is proportional to export potential. It should be considered a priority macro-economic investment.

Major Lessons learnt :

- Export Capacity-Building requires a very **high-altitude perspective**
- No **single approach by itself is sufficient** or determining
- Crucial to SMEs are : **REACTIVITY** and **COHESION OF SUPPORT**



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Export Promotion : Example of Canadian SME support

