

# ARAB-EU

## *Business Facilitation Network*

**1<sup>st</sup> working group meeting, Marrakech, Morocco, February 16<sup>th</sup> 2014**

### **Participating delegations**

#### **Algeria**

Forum des Chefs des Entreprises

#### **Denmark**

Confederation of Danish Industry

#### **Egypt**

Chamber of Food Industries (CFI) from Federation of Egyptian Industries (FEI)

#### **GCC**

Bahrain Chamber of Commerce  
Council of Saudi Chambers of Commerce  
Federation of GCC Chambers of Commerce & Industry  
Sharjah Chambers of Commerce & Industry

#### **Jordan**

Jordan Chamber of Industry (JCI)

#### **Libya**

Libyan Businessmen Council (LBC)

#### **Morocco**

Confédération Generale des Entreprises du Maroc (CGEM)

#### **Palestine**

FPCCIA

#### **Tunisia**

UTICA

### **Summary**

*The first working group meeting of 2014 took place in Marrakech, Morocco on Feb. 16<sup>th</sup>, 2014 and was kindly hosted by the Confédération Generale des Entreprises du Maroc (CGEM). The working group meeting was the first in the 2014 project circle. The discussions were focused of exchanging experiences, developing the advocacy policies and activities for 2014 and agreeing on an action plan until the next working group meeting in connection with the Regional SME Conference in Amman, Jordan the 28 – 29<sup>th</sup> April.*

*The agenda included topics such as the development and creation of the B2B platform, update about the SME conference in Jordan, and the adaption of the ARAB-EU annual report for 2013. In the afternoon a workshop was launched and the network was divided into smaller groups to prioritize key focal points for the policy issues for 2014. After narrowing and selecting the most important policy issues for 2014, the network decided to work more intensely with the key policy issues: “**SME environment**” and “**vocational training**” - especially how to specify the needs and to better shape vocational training for the private sector in the region.*

*Lastly, the delegates discussed the future formalization of the network. JCI has kindly offered to host the proposed secretariat. The formalization is securing more consistent implementation of activities and a supplement to the engagement of DI and partner organizations.*

## **Welcome and roundtable update**

After warm welcome greetings from the Confédération des Entreprises du Maroc and short briefing about the Maghreb Entrepreneurs Forum 2014, the Confederation of Danish Industry initiated the working group meeting with a roundtable presentation and an update on the latest news, economics and politics in the region. All delegations briefly accounted for their respective countries. Following **upcoming** initiatives and events were mentioned:

- A new website will be launched shortly by the FGCCC to promote investment opportunities in the GCC
- Sharjah Chamber of Commerce & Industry will host “The future of trade in the Islamic world” conference from March 19-28<sup>th</sup>

## **B2B Platform**

The continued development of the B2B Platform was presented by UTICA including a more specific outline about the business model and how the solutions providers are linked to the SME users. In addition, UTICA informed the group that Microsoft had offered to deliver the software platform free of charge.

The network had a short discussion about ensuring the quality of the service providers and the business model between the users (fees or no between users and the service providers) in the B2B platform. It was agreed that each BMO had to be “point of entry” for registration in the database – to ensure and verify that the local service provider are able to deliver the necessary service and is a registered company and a member to the relevant BMO. It was discussed, that the platform could have A and B membership, where A was free of charge and B was add on services that required a fee.

It was moreover agreed that the B2B platform will constitute a trade promotion tool of the AE-network and thus will not compete with, but rather complement, the future trade policy work of the network. The platform is therefore a business service for each BMO to give to their members.

## **Regional SME Conference**

An update about the regional SME conference in Jordan the 28 and 29th of April was presented by JCI. The primary focus for the conference will be the role of chambers and business associations (CBAs) in promoting SME development and growth in the MENA region. The agenda will revolve around the challenges for the SMEs and the output will be concrete recommendations for CBAs on how to overcome these challenges as well as a Road Map to achieve this.

The next meeting in the ARAB-EU network will be held in connection with the SME conference, on the **27<sup>th</sup> of April 2014 in Jordan.**

## **Adaption of the annual report and rationale behind 2014 cooperation**

DI presented selected topics from the annual report and highlighted some of the deliverables and achievements for 2013. Important deliverables were mentioned such as the SME seminar in Egypt and the SME Technical support Unit of JCI, the Red Carpet Visa Program and the re-launch of the Egyptian Food Catalogue. Lastly there were deliverables on Social Dialogue, in this regard, the social pact by CGEM and the report on social dialogue in Libya was mentioned.

After the adaption of the annual report a short presentation about the future scope and the rationale for the 2014 cooperation followed. This comprised the regional network and bilateral activities with several countries.

In 2014 the network will continue to work on topics such as: regional integration, social dialogue and organizational development and on a bilateral level and DI are also able to provide sessions and workshops to the network on specific policy issues. In addition, DI handed out and presented the DI Global Networks

folder - a folder containing suggestion for experts and training sessions and on how to improve the business environment. The folder contains a description of some of the the people involved from DI working with different policy issues relevant to the network and bilateral projects.

## Start-Up Mena Initiative

Start-Up Mena was presented by DI. It is an initiative to foster innovation and entrepreneurship in the MENA region by building on the strong local heritage and adding best practice from EU and US. In the US e.g. Silicon Valley (ITC Sector) has a proven track record for helping new entrepreneurs and foster startup environments. The ambition with this initiative is on the same level to create an integrated startup ecosystem (life circle system) across the region with strong local presence and a regional hub in UAE.

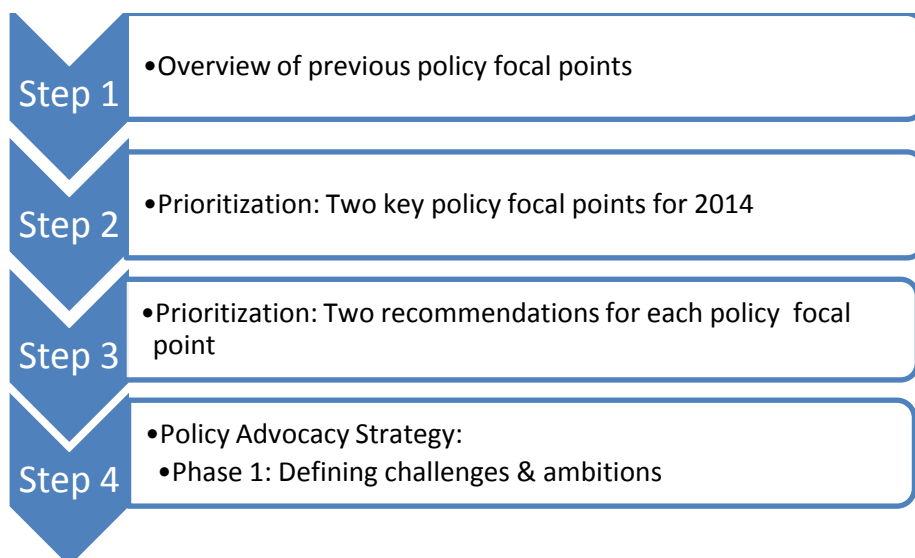
After testing the initiative, the model is to build a startup ecosystem in each country based on a proven model and combining best practice from EU/US with local needs. The model will be developed through a three phase strategy:

1. Building the basics of the eco-system
2. Creating the components to help startups grow
3. Securing follow up on funding to help the startups scale

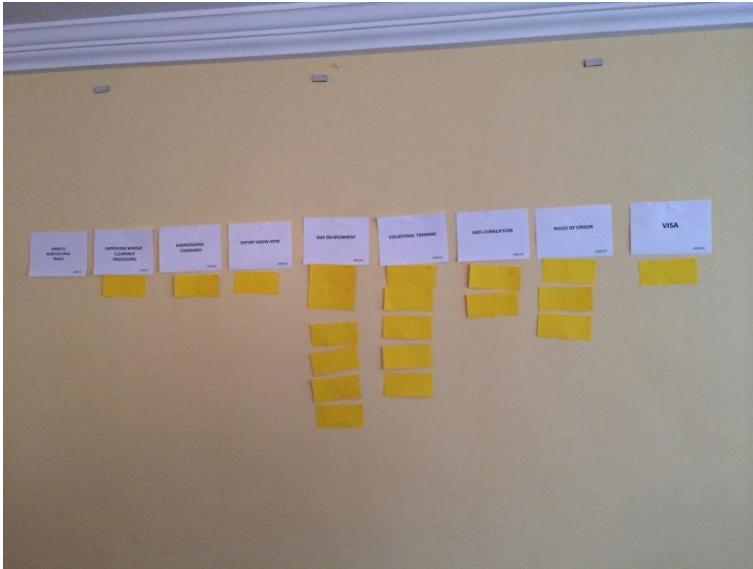
The initiatives will be funded through a combination of government support and private funding and shall gradually ensure a self-sustained system. DI is currently funding a Start-up pilot project in Egypt and behind the initiative is VentureScout, a company specialized in building startup eco-systems around the world and with aggregated knowledge from various groups of activities.

## Policy issues for 2014 – working group session

In 2011, 2012 and 2013 the network agreed upon nine policy issues and 66 recommendations for these policy issues. To be more focused on the upcoming work for 2014 and to prioritize the previous recommendations, the delegates were divided into 5 smaller groups to go through a 4-phase step plan in an afternoon working session.



Each group received 4 voting cards to place under the nine policy issues. The votes showed a clear preference for two key focal points (policy issues): **SME Environment** and **Vocational Training**.



The delegates were in groups asked to confirm and/or redefine the previously designed recommendations belonging to these two policy issues (amendments shown in red):

### SME ENVIRONMENT

- A. The Governments should actively and financially support Industrialists to participate in international sectoral exhibitions to help them access foreign markets
- B. Put in place financial **and legislative** support schemes targeting specifically exporters supplemented by programs aimed at assisting exporters in tapping new markets
- C. Assist SMEs to access commercial bank funding by providing loan guarantees to reduce the risk of the loan for the bank and thereby provide incentives for commercial banks to be less risk averse.
- D. Encourage **educational**-industry cooperation towards building a knowledge-based economy and launch programs to match university activities/research with industry needs/problems
- E. **Specific legislation/regulations for SMEs (SMEs should be considered in the laws of investment)**
- F. **Enlightenment in procedures and regulation relevant to SME enhancement**
- G. **SME Investment Bank**

### VOCATIONAL TRAINING

- A. Bring together partners and institutions from public and private sectors to shape cooperative vocational training
- B. Educational institutions should establish strong ties with industrial institutions in order to help students procure training and secure employment upon graduation.
- C. Set up goal for the educational system that can support economic development in our countries and a strong competitive private sector.
- D. Focus on the quality of TVET Programs (technical vocational education and training) to attract young people **and link it to the market.**
- E. **Focused programs on specific sectors such as agriculture, service and trade etc. to the needs of the market**
- F. **Technical Assistance for specialised vocational training centres**

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Business Facilitation Network

After adding new recommendations and redefining the existing ones the network decided to focus on the linkages between SME Environment and Vocational Training in order to meet the ambition of *shaping vocational training better to meet the needs of the private sector.*

### Policy focus of 2014

**Bring together partners and institutions from public and private sectors to better shape vocational training to the needs of the private sector**

**Based on the selected policy issue, the following subsectors were discussed as relevant to investigate further:**

- Mechanical
- Garments
- Transportation & logistics
- ICT
- Agro: Food & beverages
- Healthcare

Activity plan (what to do):

- 1. TOR for a consultancy firm to conduct a gap analysis**
- 2. TOR for a consultancy firm to do a benchmarking analysis against the EU on the basis of the gap analysis.** The delegates decided the content of the analysis to be:
  - i. Algeria – Mechanical sector
  - ii. UAE – Healthcare
  - iii. Egypt – Food & Beverages
- 3. Strategy for the creation of a curriculum for implementation (e.g. awareness campaigns)**
- 4. Lessons learned & best practices for the other AE-network members**

## **Formalization of the AE-network**

Following the working group meeting I Sharjah, JCI offered to take the lead on defining how we could formalize the AE-network. FEI/CFI offered to assist in the process and consequently, Mr. Yoursri Tinawy representing FEI and Dr. Maher representing JCI held a meeting the 3<sup>rd</sup>-4<sup>th</sup> of February in Amman, Jordan, to discuss the modalities for the formalization of the network. An organizational development expert from DI, Mr. Peter Helk, as well as Ms. Karen Panum from DI facilitated the meeting.

The results from the meeting were presented for the network, including a proposed governance structure, location analysis and membership fee structure. The organizations expressed several issues for discussion and a general wish to digest the proposal in their respective organizations.

The proposal is not to redraw DI or the European dimension of the network, but to add to the activities and to assist the network partners in logistical issues and to implement more activities.

Jordan proposed to host the secretariat based on its strategic location in the Mena region, easy accessibility, easy visa procedures and well educated workforce etc. Free working space and running costs for the secretariat is also offered by JCI. Based on the discussions and the following bilateral talks in the margin of the meeting, it seems that there is a wish to formalize the network, but concerns about the payment structure and the level of DI involvement. The payment structure could be solved by raising DI funding as well as securing sponsorship and a low flat fee for participation in the network (3-400. EURO in total) and by developing future regional services that could generate income for the network (i.e. the B2B platform). There were also suggestions that the secretariat would be servicing the logistics and coordination of the network, while DI and the steering committee focused on the policy and trade promotion content. DI would therefore continue its role as project director overseeing the work of the secretariat in this model.

## **Next steps**

The meeting emphasized the common challenges faced by business organizations and chambers of commerce in the MENA region and thus stressed the importance of collaboration and knowledge sharing be-

tween the partners. The presentations from the meeting as well as the upcoming newsletter and activity plan for better shaping vocational training should serve as tools in this process. Valuable feedback on the newsletter was collected from the respective delegations and will be incorporated in the next edition published in March 2014.

The next working group meeting will be held in relation to SME conference the **27 April 2014 in Amman, Jordan**.

The tentative planning for 2014 includes:

April 2014: Working group meeting, Amman, Jordan in connection with the Regional SME Conference

September 2014: Working group and annual meeting in Copenhagen or Brussels

### Points of interest

- All presentations from the working group meeting are available on [www.ae-network.com](http://www.ae-network.com)

Yours sincerely,



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Deputy Director

