EDILE: Improving the Local Impacts of Investment Projects

SwitchMed Connect

Zoé Luçon, Key Partnership & Publication Director

Barcelona, 20 October 2016
ANIMA: a Cooperation Platform for Economic Development in the Mediterranean

A network of economic development actors
- National and regional agencies in charge of promoting investment/export/SME/territories
- Enterprise and investors associations and federations
- Research institutes, think tanks and international organisations

75 members based in 22 countries of Europe and the Mediterranean

Working together towards a shared and sustainable economic development in the Mediterranean

INTELLIGENCE: promoting business and investment opportunities
- Observatories, studies, watch, mapping

BUSINESS: support the development of enterprises, clusters, investors, towards Mediterranean and European markets
- Business meetings, coaching, go-between, SRI label

COOPERATION: exchange of experience and development of cooperation projects
- Seminars, support to project engineering, project coordination, expertise
A Geographic Coverage of 22 Countries
A Multi Country Governance

**President**
- FIPA (Tunisia), Mr Khalil Laabidi

**Vice presidents**
- Agence de l’Oriental (Morocco)
- Regional Council of PACA (France)
- GAFI (Egypt)
- Izmir Development Agency (Turkey)
- City of Marseille (France)

**Treasurer**
- INSME (Italy)

**Other Board Members**
- ANIREF (Algeria)
- AMDI (Morocco)
- ANDI (Algeria)
- AMEC (Spain)
- Business Med (Tunisia)
- GAFI (Egypt)
- Jordan Investment Commission
- Malta Enterprise (Malta)
- RMEI (France)

**Strategic partnerships**
- European Commission
- City of Marseille
- Regional Council of PACA
- Union for the Mediterranean
- MedAlliance (private sector): ASCAME, BUSINESSMED, EUROCHAMBRES, EMDC, EU-Arab Business Council, GACIC
- French Institutions: AFD, Business France, Caisse des Dépôts, Bpifrance

**Executive team (20 staff)**
Directed by Emmanuel Noutary
Nationalities: Algeria, Czech Republic, Egypt, France, Italy, Lebanon, Morocco, Spain, Tunisia

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Impacts and Results

Facilitation of economic cooperation

17,000 participants at our events

4,500 professionals sharing experience

2,000 business partnerships

60 start-ups financed

50 cooperation projects developed

Ongoing observation and analysis of the Mediterranean markets

8,500 foreign investment and partnership projects analysed

600 investment funds monitored

300 institutions and support structures mapped

70 studies produced

Institutional developments

- Creation of Cyprus Investment Promotion Agency
- Writing of the Syrian Investment Law
- Creation of the first business angels networks in Jordan, Morocco, Tunisia
- Creation of the MENA Business Angel Network (MBAN)
- Creation of the first clusters in the Dairy sector in Egypt (Alexandria), Greece (Thessalia), Italy (Sicily), Lebanon (Bekaa), Tunisia (Bizerte & Bejaa)
10 years of foreign investment in the Mediterranean
Mediterranean Investment and Partnership Observatory (ANIMA – MIPO)

<table>
<thead>
<tr>
<th>11 countries monitored</th>
<th>Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia, Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,000+ FDI recorded</td>
<td>Projects announced between 2003 and 2015</td>
</tr>
<tr>
<td>3,000+ Business partnerships</td>
<td>25 qualification criteria: sector, type of company, target and origin country, amounts involved, jobs created, etc.</td>
</tr>
<tr>
<td>29 sectors analysed</td>
<td>Used for country <strong>benchmarking</strong>, economic <strong>monitoring</strong>, business <strong>prospecting</strong>, media analysis and <strong>research</strong> papers</td>
</tr>
<tr>
<td>1 annual report</td>
<td></td>
</tr>
</tbody>
</table>

Real time information

- [www.anima.coop/mipo](http://www.anima.coop/mipo) (database)
FDI announced in the MED region 2003-2015

The region strives to restore confidence

- €343 billion invested in the 11 MED countries from 2006 to 2015 (UNCTAD)
- 6,600 FDI projects detected and €351 bn announced (ANIMA-MIPO)
FDI projects dominated by high-return sectors

Investors favoured rent (hydrocarbons, bank, real estate and telecom) rather than more inclusive projects

![Bar chart showing the distribution of FDI projects across different sectors](chart.png)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Maghreb</th>
<th>Mashreq</th>
<th>Israel, Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional energy</td>
<td>5689</td>
<td>13244</td>
<td>19310</td>
</tr>
<tr>
<td>Banking/ insurance</td>
<td>6987</td>
<td>10087</td>
<td>33881</td>
</tr>
<tr>
<td>Public works/ real estate</td>
<td>4400</td>
<td>12192</td>
<td>17934</td>
</tr>
<tr>
<td>Telecom/ Internet</td>
<td>6391</td>
<td>17934</td>
<td></td>
</tr>
<tr>
<td>Cement/ glass /materials</td>
<td>400</td>
<td>12192</td>
<td></td>
</tr>
<tr>
<td>Data processing/ software</td>
<td>46</td>
<td>17029</td>
<td></td>
</tr>
<tr>
<td>Agribusiness</td>
<td>2804</td>
<td>10727</td>
<td></td>
</tr>
<tr>
<td>Tourism/ catering</td>
<td>5389</td>
<td>4620</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>479</td>
<td>1907</td>
<td></td>
</tr>
<tr>
<td>Chemistry/ plasturgy</td>
<td>1701</td>
<td>4609</td>
<td></td>
</tr>
</tbody>
</table>

10 leading sectors for amount invested (€m)

... but promising sectors are developing

2015 confirms the constant progress of 8 strategic sectors:

Number of FDI announcements by sector (2006-2015). Source: ANIMA-MIPO
European investors rank 1\textsuperscript{st}

- European investors constitute around 40% of announced FDI in 2015 in amounts and number of projects, best level in 4 years.

- But powerful challengers have emerged: North America and "other countries", especially emerging ones, gain ground in terms of number of FDI announced.

\textit{Number of FDI announcements by region of origin (2006-2015). Source: ANIMA-MIPO}
EU investments have more impacts

European FDI projects create more jobs, their job creation ratio is nearly twice the average (like intra-MED projects)

European investors lead in most strategic sectors:

Job creation ratio by region of origin
(Source: ANIMA-MIPO 2006-2015)
Improving the Local Impacts of Investment Projects: EDILE
Why EDILE: Main challenge addressed

How to assess economic development performance?


The top 10 reformers in 2008/09

Egypt, Arab Rep.

On the move

Egypt’s per capita growth has picked up since 2004. (percent)

Emerging economies

Tunisia’s Annual Growth Rates

Source: IMF, World

WEF ranks Tunisia as the most competitive country in Africa and Maghreb

The Global Competitiveness Report 2010-2011, released by the Davos World Economic Forum (WEF)....
EDILE: Increasing the local impacts of investment projects by enhancing evaluation

Main organisations targeted:

🌈 Public authorities dealing with investments (assessment, authorisation or support): ministries, investment agencies & local authorities
🌈 Investors and businesses, business support organisations, financial institutions & civil society

Main results (2013-2016):

🌈 EDILE toolkit: evaluation guide & rating methodology on local impacts of investment projects
🌈 Capacity building & governance: evaluation of 15 pilot investment projects, trainings, seminars, technical assistance

→ The first post Arab revolution initiative having developed evaluation tools to apprehend the “inclusive development” called by all observers and policy makers.
EDILE: 3 levels of services

EDILE rating: a management tool to assess your local impacts and adjust your strategy

EDILE Club: a community of actors committed to sustainable development to build trusted business relationships

Tomorrow, a Label to promote investors with responsible concerns in regards to their local impacts.
EDILE Rating

- **Methodology** approved by a scientific board composed of DFIs (AFD, EIB, World Bank), territories (Lebanon, Egypt, Algeria, Tunisia, Palestine, Italy, France) and experts
- **Freely available** for all private and public stakeholders to assess the local impacts of an investment project and spread the objectives of inclusiveness and corporate social responsibility
- An **economic performance process** to allow businesses to manage their local impacts and adopt more efficient and more sustainable business practices

EDILE LABEL

Create a performance scorecard

- **Economy**: 3.4
- **Social**: 3.7
- **Environment**: 3.1
- **Community**: 3.6

www.edile-initiative.org
## 35 criteria to assess local impacts

<table>
<thead>
<tr>
<th>Economy</th>
<th>Social</th>
<th>Environment</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECO1</td>
<td>SOC1</td>
<td>ENV1</td>
<td>COM1</td>
</tr>
<tr>
<td>Product value for the population</td>
<td>Direct job creation</td>
<td>Waste production management</td>
<td>Impact on the structure of the local economy</td>
</tr>
<tr>
<td>ECO2</td>
<td>SOC2</td>
<td>ENV2</td>
<td>COM2</td>
</tr>
<tr>
<td>Product available to local population</td>
<td>Qualification of created jobs</td>
<td>Waste treatment and recycling</td>
<td>Participation in local social actions</td>
</tr>
<tr>
<td>ECO3</td>
<td>SOC3</td>
<td>ENV3</td>
<td>COM3</td>
</tr>
<tr>
<td>Eviction of existing companies</td>
<td>Type of contract</td>
<td>Reduction in energy consumption</td>
<td>Social and solidarity economy (SSE)</td>
</tr>
<tr>
<td>ECO4</td>
<td>SOC4</td>
<td>ENV4</td>
<td>COM4</td>
</tr>
<tr>
<td>Sub-contracting and local purchases</td>
<td>Wage policy</td>
<td>Renewable energy</td>
<td>Development strategy &amp; territorial anchorage</td>
</tr>
<tr>
<td>ECO5</td>
<td>SOC5</td>
<td>ENV5</td>
<td>COM5</td>
</tr>
<tr>
<td>Indirect job creation</td>
<td>Local recruitment</td>
<td>Reduction in water consumption</td>
<td>Fight against corruption</td>
</tr>
<tr>
<td>ECO6</td>
<td>SOC6</td>
<td>ENV6</td>
<td>COM6</td>
</tr>
<tr>
<td>Partnership attitude within the sector</td>
<td>Equal opportunities</td>
<td>Consumption of forests and agricultural soils</td>
<td>Anticompetitive behaviour</td>
</tr>
<tr>
<td>ECO7</td>
<td>SOC7</td>
<td>ENV7</td>
<td>COM7</td>
</tr>
<tr>
<td>Impact on local infrastructure</td>
<td>Vocational training</td>
<td>Protection of biodiversity and habitats</td>
<td>Transparency</td>
</tr>
<tr>
<td>SOC8</td>
<td>Participation in local training</td>
<td>Quality of constructions and impact on landscape</td>
<td></td>
</tr>
<tr>
<td>SOC9</td>
<td>Social protection</td>
<td>Impact on residents and mitigation measures</td>
<td></td>
</tr>
<tr>
<td>SOC10</td>
<td>Employees’ represent. &amp; protect., social dialogue</td>
<td>Environmental quality of products &amp; services</td>
<td></td>
</tr>
<tr>
<td>ENV11</td>
<td>Transport &amp; logistics optimisation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Criterion ECO1: Product value for the population**

**OBJECTIVE**
Expand consumer choice by marketing products or services that differ from existing products (by their innovative nature, their quality or their price) and meet the population’s needs.

**RATING PROPOSAL**
The score evaluates the product’s value for the population and the country/area in question, when the product is available:

|------------------------|-------|------------|--------|-------------|

Three dimensions are considered:

**A- Improving supply for the country/area’s consumer**
1. The product or service does not improve supply for the consumer, in terms of price or quality.
2. The product or service improves quality at the expense of price, or improves price at the expense of quality.
3. The product or service improves quality with no impact on price, or improves price with no impact on quality.
4. The product or service improves quality and price.
5. The product or service is totally new to the local market.

**B- Product availability**
The product or service’s market is low in supply (+1): Yes/No

**C- Product intrinsic value for the population and/or country**
The product meets a basic need of the population (+2): Yes/No

**Methodological guidelines**
The quality of a product or service is defined as its objective value, independent of its production context. For example, a fair trade coffee is not considered to be of a higher quality than an equivalent coffee that does not have this feature.

**Calculation of the overall score**
- The score is provided by the answer to question A
- If the answer to question B is yes, then add +1
- If the answer to question C is yes, then add +2

**Global rating methodology**
- Each criteria: 1 to 4 dimensions taken into account
- Each dimension is evaluated through a question
- Rating: From 1 (very low) to 5 (Excellent) with bonuses

**Case studies & examples**

**The best option: a rating methodology**

**Evaluation of 35 criteria**

- Bonus questions Yes/No (+1, +2)
EDILE Club: A community of investors recognised by 43 countries

November 2015: EDILE labelled by the Union for the Mediterranean (UfM)

June 2015: EDILE among the good practices of the Mediterranean Commission on Sustainable Development (MCSD) of UNEP

5 Trophies awarded during the 2015 EDILE ceremony: AFD – EIB – CDC – OCEMO – UfM
EDILE: A new deal between investors and territories

**Ecosystem supporting companies in optimising their global performance**

- **Support Institutions:** Assistance and governance
  - Ministries
  - State agencies
  - Chambers of commerce
  - Clusters, technoparks, etc.

- **International organisations:** Technical assistance, financing
  - EU, EIB, AFD, etc.
  - UfM
  - Banks, donors, etc.

- **Private players:** Operational support, networking
  - Business federations
  - Consulting firms
  - Funds, banks, etc.

**Improvement tools:**
- Formalised processes
- Labels and certifications

**Companies**

**Ecosystem contribution:**
- Awareness and legitimacy
- Visibility, animation and communication
- Financial/fiscal benefits

**Corporate citizen**

**Proven performance**
- Economic
- Social
- Environmental
- Community

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Synergies with green and inclusive initiatives
Building synergies...

Concepts
- Local impacts
- Social & eco-innovation
- CSR
- Inclusiveness

Tools
- Ratings
- Labels
- Training resources
- Best practices
- Matchmaking platform

Initiatives & sponsors
- EDILE
- SwitchMed
- CONECT’s Label RSE – Tunisie
- Euromed Invest
- European Commission
- UNEP, UOMDI
- Union for the Mediterranean
- EBRD, World Bank, EIB, AFD, GiZ, etc.
... Towards a community of corporate citizens

Shared resources
- Matchmaking, BtoBs
- Training & information
- Advocacy for inclusive development and entrepreneurship in the Mediterranean

Other entrepreneurship / innovation / CSR support initiatives

Equivalence between labels

Label RSE Tunisie CONECT

Euro-Mediterranean Matchmaking Platform

www.b2match.eu/euromed

+2440 companies, 44 countries

Agrifood, Green Energy, Tourism, T&I, CCI

+2900 business meetings held

360 promising partnerships

18 contracts signed
Thank you

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