



## SME development in the Mediterranean

Experience developed by ANIMA, 2002-2010

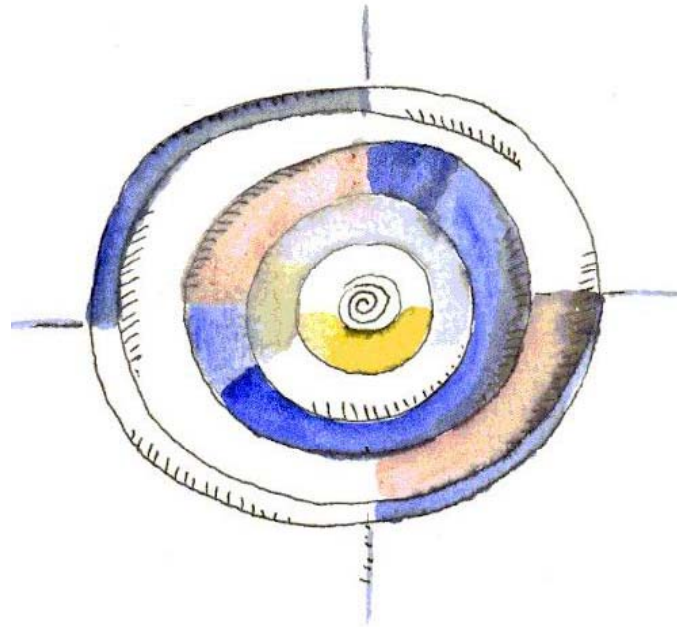
Euro-Arab SME Conference to Support SMEs

Damas / 21 February 2010 / Jeanne Lapujade



ANIMA Investment Network  
Together for a competitive Mediterranean





# 1. The establishment of ANIMA (2002-2007)

## The ANIMA project

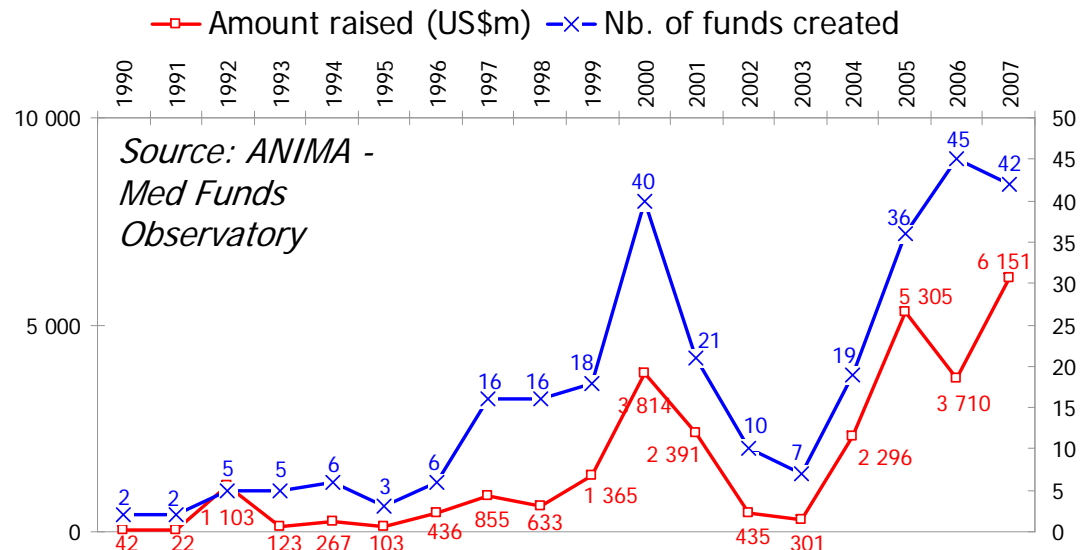


- A MEDA II project of 5 years (2002-2007)...
  - Approx. €9m, incl. €4 m from the EC (high leverage)
  - Foreign Direct Investment academy (60 seminars & conferences, 20 study trips & internships, participation to 79 Euromed events)
  - A Mediterranean think tank (27 studies, news & FDI observatory)
  - [www.animaweb.org](http://www.animaweb.org) (approx. 1 million visitors/year)
- ... which led to the creation of a formal network
  - Nov. 2006: a Federation of 18 founding organisations
  - Dec. 2009: 75 organisations (regional and national IPAs, Euromed networks, international organisations, business organisations, private companies, etc.), 20 countries from both Mediterranean rims
- Top ANIMA I achievements
  - Creation of full IPAs in Cyprus (CIPA), Syria (SIA), Turkey (Invest in Turkey)
  - Major reshuffling in Egypt (GAFI) and reforms everywhere
  - Via events, initiatives and networks, the building of a new image

# Focus on SME and innovation development



- Mediterranean Intelligence (2005)
  - Survey of innovation trends, technology parks, incubators and R&D facilities in 12 MEDA countries and some EU countries
- MedFunds (2008)
  - Overview of the Mediterranean Private Equity industry as a promising source of financing, especially for the region's SMEs
  - A strong acceleration in 2005-2007 (100 new funds, US\$15bn)
  - But equity gap (50k€ - 1.5 million €) and difficult exits...



## Medibtikar: *Mapping innovation financing & deal flow*

### Mapping Finance



- Survey of the financing options available
- Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia, Turkey
- Visit of investment funds, banks, support agency, ministries, business association and representative organisations

### Survey of Deal flow



- Estimate the deal flow from Innovative Companies in the MEDA
- Measure the quantity in terms of countries and sectors
- Assess the quality in terms of sectors and projects
- Identify the potential intermediary organisations to source projects



## Should FDI shift from quantity to quality?

- Ambiguous impact
  - First, recovery in terms of volumes (need for jobs!)
  - But a poor development model (sub-contracting, mass tourism, garbage plants...)
  - Limited & declining job creation (100,000 direct jobs /yr)
  - Creation of wealth, but limited redistribution, brain drain etc.
- Contradictions **economics** vs. **sustainability**
  - The weaker an economy, the least it can dominate major operators
  - Financial rules favour short-term projects
    - High interest rates penalising future positive cash-flows
    - Externalities poorly considered (predation of natural goods etc.)
  - The « new operators » often do not care about persons...
  - New, international, fast growing job creating SMEs are needed!

## 7 fields to be dealt with...

*... for a real Med. economic development*

1. Foreign direct investment (FDI)
2. Attractiveness, territorial competitiveness, business climate, reforms
3. Sustainable development, socially responsible investment
4. Innovation, technology poles, clusters
5. Entrepreneurship, micro-economics of firms, SMEs
6. Financing of enterprises, especially small and micro companies
7. Diaspora entrepreneurs

→ These are the competences sought by ANIMA

## Empowering SMEs is a priority

- 3-5 million new jobs needed every year: the biggest part will result from SME development and start up creation
- 4 gaps to be filled for SME development



- **Financial:** almost impossible to mobilise equity from €50k to €1m (guarantees, collateral, cost of due diligence for small projects etc.)



- **Internationalisation:** the Med countries' markets are fragmented and small

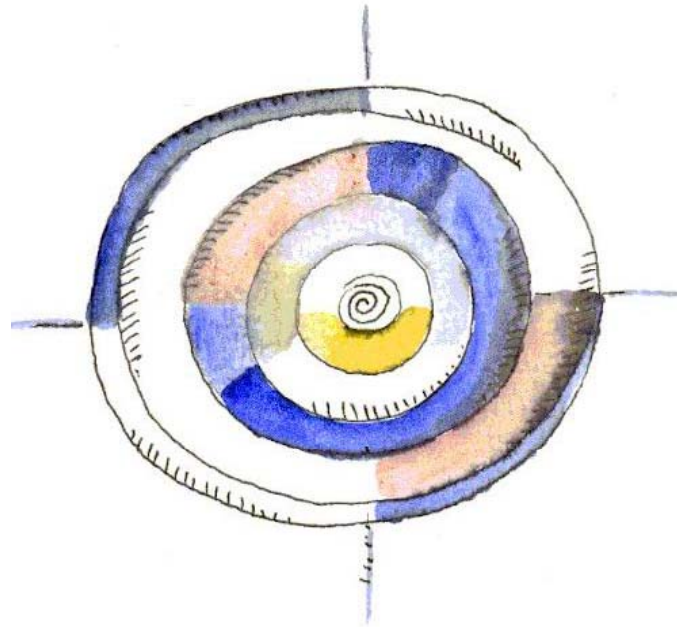


- **Information:** need for resource centre (opportunities, markets, access rules), info bureau (rating)



- **Human resources:** need for entrepreneur coaching, development of financiers' capacities (sectors, technology)

→ This is what we are doing in Invest in Med



## 2. Our mission in Invest in Med

## Objectives of the programme

- Develop FDI and business in the Mediterranean
    - By making Med a safe and attractive destination
  - Develop *sustainable partnerships* between the two rims of the Mediterranean
    - Euro-Med enterprises developing north-south and south-south synergies
  - Develop a new *economic networking cooperation model* between
    - Public and private organisations from EU and Med
    - Stakeholders of Mediterranean Business Development
- Budget 12 million€ /3 years (75% financed by the EC)
- Beneficiary countries: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia

# Initiatives as catalysts

- Developing niches for SMEs

49 selected so far, e.g.:

- MovieMed (cinema)
- Euromed Postal (e-commerce)
- MedTracking (container tracking)
- MedBest (eco-tourism)

- Selection of high potential niches for Mediterranean countries

- I.e. agri food



- Organic agriculture
- Cereals
- Horticulture
- Med products (olive oil)
- Catering (tourism, airlines)
- Cooked recipes
- Fisheries etc.

## *Transversal issues*

- Privatisation/concession
- Access to business from diasporas, youth, women...
- Franchise
- Branding, image
- Access to finance etc.

- Calls for *initiatives* every 6 months:  
around 15 pilot projects supported per round

- Objectives

- Develop FDI and sustainable partnerships among EU and Med operators
- Contribute to a Mediterranean positioning in global value chains

# A gateway to Euromed SMEs: MedAlliance

- Joint **business + govt. network** to develop the Mediterranean
- Implementation leverage via a **network of 400 direct members**



Access to 2,000+ partner organisations

Access to investors, govts., 40 million Euro-Mediterranean SMEs etc.

# 49 initiatives launched in 3 rounds

- Over 200 members of MedAlliance are mobilised in the implementation
  - As leader of initiative or as associated partner in the 49 consortia
- 49 multi-country projects to develop a niche market or solve a specific issue

Develop design & innovation

9 initiatives



Improve capacities of org. & SMEs

11 initiatives



Organise industrial co-development

8 initiatives



→ PaperMed



Support entrepreneurship

11 initiatives



e-3M'09

PLATO Egypt



Promote sustainable development

10 initiatives



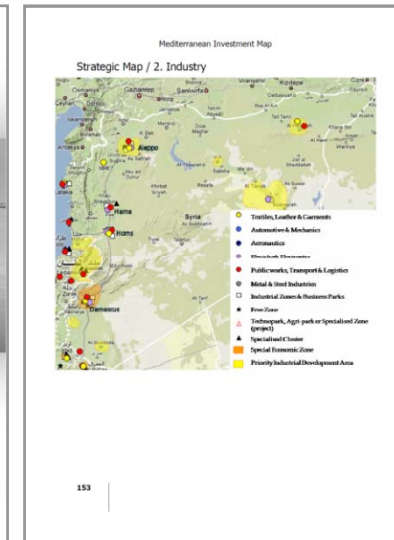
---

## Ongoing projects promoting *Entrepreneurship*

- Med Entrepreneurs Coaching Network
  - Reinforcement of 2 networks adapted from the experience of Réseau Entreprendre in Tunisia and Lebanon (tools, trainings...)
- PLATO Egypt: transfer of know-how and networking
  - Mentorship of 15 to 20 SMEs established in Alexandria and Cairo by major companies (trained by Belgian companies)
- E-3M: networking and capacity building for ICT SMEs
  - Workshops, trainings, BtoB meetings for EU and Med SMEs operating in the ICT sector in the 3 Maghreb countries
- Young Entrepreneurs let's Invest in Med
  - Training (multicultural management, internationalisation, access to finance) and B2B meetings to promote commercial partnerships, JV and technological transfer between young entrepreneurs in Tunisia, Algeria, Morocco, Belgium and France

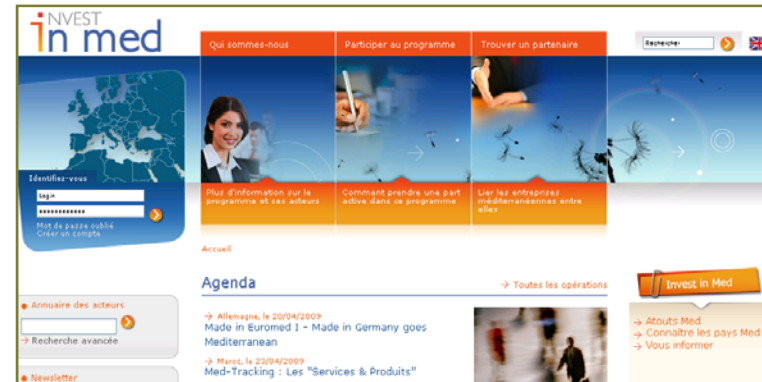
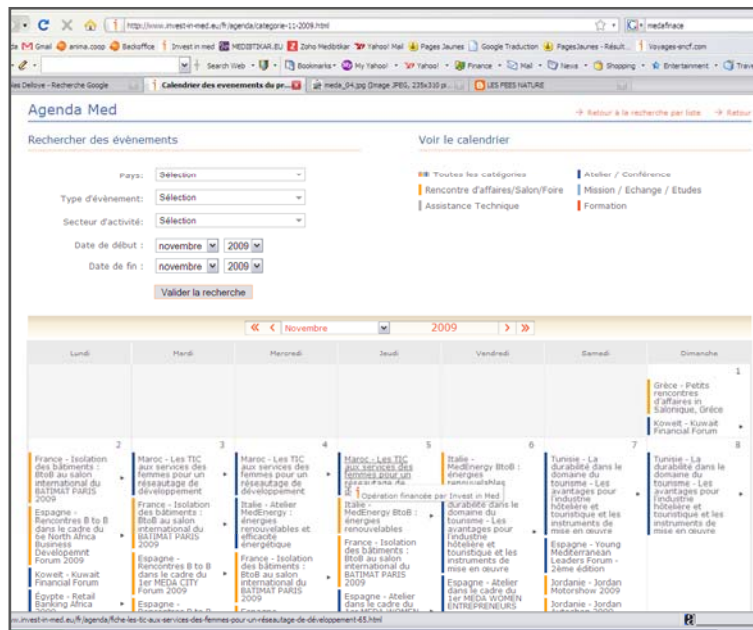
# Guide investors and SMEs in their development

- Survey and mapping of economic activity in the Mediterranean
  - Countries promoting development of enterprises in their sector
  - Regions in which their business can grow / Infrastructures, industrial or economic zones in which they are likely to find partners, sub-contractors, etc.
  - Facilitating policies and contacts
- Identification of 25 niche markets to be seized today in the Mediterranean
  - Add value or new features to sub-sectors facing a fierce international competition
  - Develop new activities thanks to new technologies or market opportunities
  - Create new green markets

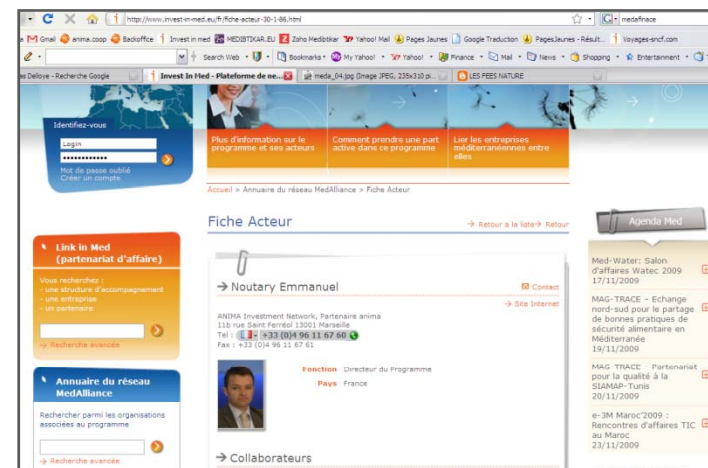


# Matchmaking tools

- www.AgendaMed.biz – *The Mediterranean Business Events Calendar*



- www.invest-in-med.eu  
*Collaborative platform*



- Link in Med  
*1st online  
Med Business Community*

# Thank you

Jeanne Lapujade, Project Manager  
[Jeanne.lapujade@anima.coop](mailto:Jeanne.lapujade@anima.coop)



**ANIMA Investment Network**  
Together for a competitive Mediterranean

The logo for iNVEST in med, featuring a stylized 'i' with a dot above it, followed by 'NVEST' in a smaller font, and 'in med' in a larger font.

Boost investment  
and business in  
the Mediterranean

