

Sustainable enterprise development in Mediterranean partner countries of the EU: progress and opportunities

**Derek Light
Oxford Research**



dli@oxfordresearch.dk

Discussion Topic

Themes and preliminary lessons learned from an ongoing study of sustainable enterprise development in the nine partner countries that make up the EU's Southern Neighbourhood

**Study Conducted on behalf of the European Commission (DG ENTR)
Oxford Research and EIM Business and Policy**

Euro-Mediterranean

Partners (ENP- South)

1. **Algeria**
2. **Egypt**
3. **Israel**
4. **Jordan**
5. **Lebanon**
6. **Morocco**
7. **Palestinian Authority**
8. **Syria**
9. **Tunisia**

Project Objective:

- **To identify, analyse, contextualise, and describe policy measures and good practice in Mediterranean partner countries with respect to sustainable enterprise development**

Specific Purpose:

- **Inform about policy measures taken or planned in each of the nine countries**
- **Identify and present good practice illustrating a country's progress in the field of *sustainable enterprise development***

Today's discussion will focus on two good practice examples

Project Scope:

Enterprise Development

- *From Euro-Med Charter:* “a set of policies and measures aimed at improving the business environment and operational conditions for enterprises...”

European Small Business Act - Principle Nine: “enabling SMEs to turn environmental challenges into opportunities.”

- Enterprise/ Industrial Policies
- Horizontal policies or impacts- all SMEs in all sectors
- Eco-efficiency and sustainable production

Environmental outcomes, but not environmental study

- Governance is important
- Institutional framework development
- Policies, regulations, institutions

CASE STUDIES

| Country | Preliminary selected good practice |
|----------------------|--|
| 1. Algeria | <ul style="list-style-type: none"> 1) Law on Protection of the environment and sustainable development 2) National Centre of Cleaner Production Technologies |
| 2. Egypt | <ul style="list-style-type: none"> 1) Egyptian Pollution Abatement Project 2) Achieving Compliance with Environmental Regulation in Industry |
| 3. Israel | <ul style="list-style-type: none"> 1) Dairy Farm Reform 2) Israeli Center for Green Business |
| 4. Jordan | <ul style="list-style-type: none"> 1) EDEMA initiative 2) Environment Fund |
| 5. Lebanon | <ul style="list-style-type: none"> 1) Promotion of Decentralized Power Generation 2) Model for reduction of industrial wastewater |
| 6. Morocco | <ul style="list-style-type: none"> 1) Partial Exemption of Investment under the Investment Charter 2) Clean Development Mechanism |
| 7. Pal. Auth. | <ul style="list-style-type: none"> 1) SMEs Loans Mortgage programme 2) Green loans |
| 8. Syria | <ul style="list-style-type: none"> 1) Syrian Agency for the Development of SMEs 2) Trust for Development |
| 9. Tunisia | <ul style="list-style-type: none"> 1) National Program for Integrated and Sustainable Management of Waste 2) Program of Institutional Support in Environmental Education |

Selected good practice examples:

- **Egypt: Egyptian Pollution Abatement Project (EPAP)**
- **Tunisia: National Program for Integrated and Sustainable Management of Waste (*PRONGIDD*)**

Examples bridge sustainability with economic growth and demonstrate capacity-building

Good practice criteria

- **Transferable**
- **Comparable**
- **Horizontal**
- **Innovative**
- **Relevant to SMEs**
- **Demonstrates capacity building**
- **Linked directly to sustainable enterprise development**
- **Based on dialogue and input from enterprise associations**

Egypt: Egyptian Pollution Abatement Project (EPAP)

Overview

Financial and Technical assistance to abate pollution by developing financial, technical and institutional mechanisms

- Developing and institutionalizing environmental management and financing mechanisms
- Developing technical capacity of environmental institutions as well as participating banks
- improving public information, awareness and activity relating to industrial environmental affairs

Company finances at least 10%, grant of 20% of investments cost, and a loan of 80% on commercial terms.

Technical and Institutional Support Component (TISC) financed by both the Government of Egypt and Finland

Evidence of success

Development of market mechanisms and private sector financing instruments

- Environmental departments have been created in national banks
- Financed by international partners but develops local instruments and capacities

Successful projects have been implemented

- Cairo Air Improvement Project
- Egyptian Environmental Policy Program (development of EMS)

Voluntary and incentive-based participation

- Supported environmental regulations and enforcement

Introducing the concepts of self-monitoring and cleaner production.

- Application of new technologies
- Environmental management approaches
- Increase in resource-efficiency loans

Tunisia: National Program for Integrated and Sustainable Management of Waste (PRONGIDD)

Overview

National Agency for Waste Management

Reduction of waste at the source of production through the use of green technologies and materials

Continuation of the previous program (PRONAGDES). The new feature for the PRONGIDD program is integrated waste management

Closure of unregulated landfills and simultaneous creation of newly regulated landfills and facilities for industrial waste

Improvement of institutional, legal and financial framework for waste management

Improvement of technical and organizational features related to waste management

Evidence of success

Technical capacity building and institutional /regulatory development has led to business opportunities:

- **Creation of 15 to 18 thousand jobs**
- **228 privately operated recycling and recoverable waste facilities**
- **creation of 41 new waste management companies and 231 small businesses in collection, transportation and recycling of plastic waste**
- **Since 2001: 85 thousand tons of recyclable or recoverable waste has been diverted**
- **Collection and recovery activity of waste cooking oil: 35 small businesses received specifications for collection and 4 companies were approved to establish units of primary treatment of such waste by filtration.**