EMPOWERING THE MEDITERRANEAN TO INNOVATE

MEDIBTIKAR

FINAL REPORT 2009

budget 7 243 875 euros

60 consultants from 20 countries

3 activities spanned continents

Algeria Egypt Israel Jordan
Lebanon Morocco Syria
the Palestinian Territories Tunisia Turkey

www.medibtikar.eu

EXCHANGES WITH Europe relationships NETWORKS NETWORKS INNOVATION SMEs

EuroMed Innovation and Technology Programme

Medibtikar

EUROMED

The author would like to express a special gratitude for all the Medibtikar experts who have assisted with the preparation of this report, in particular Eric Chataigné, Emmanuel Noutary, Prof Lena Tsipouri, Dr Gudrun Rumpf and Richard Woodham.

Disclaimer

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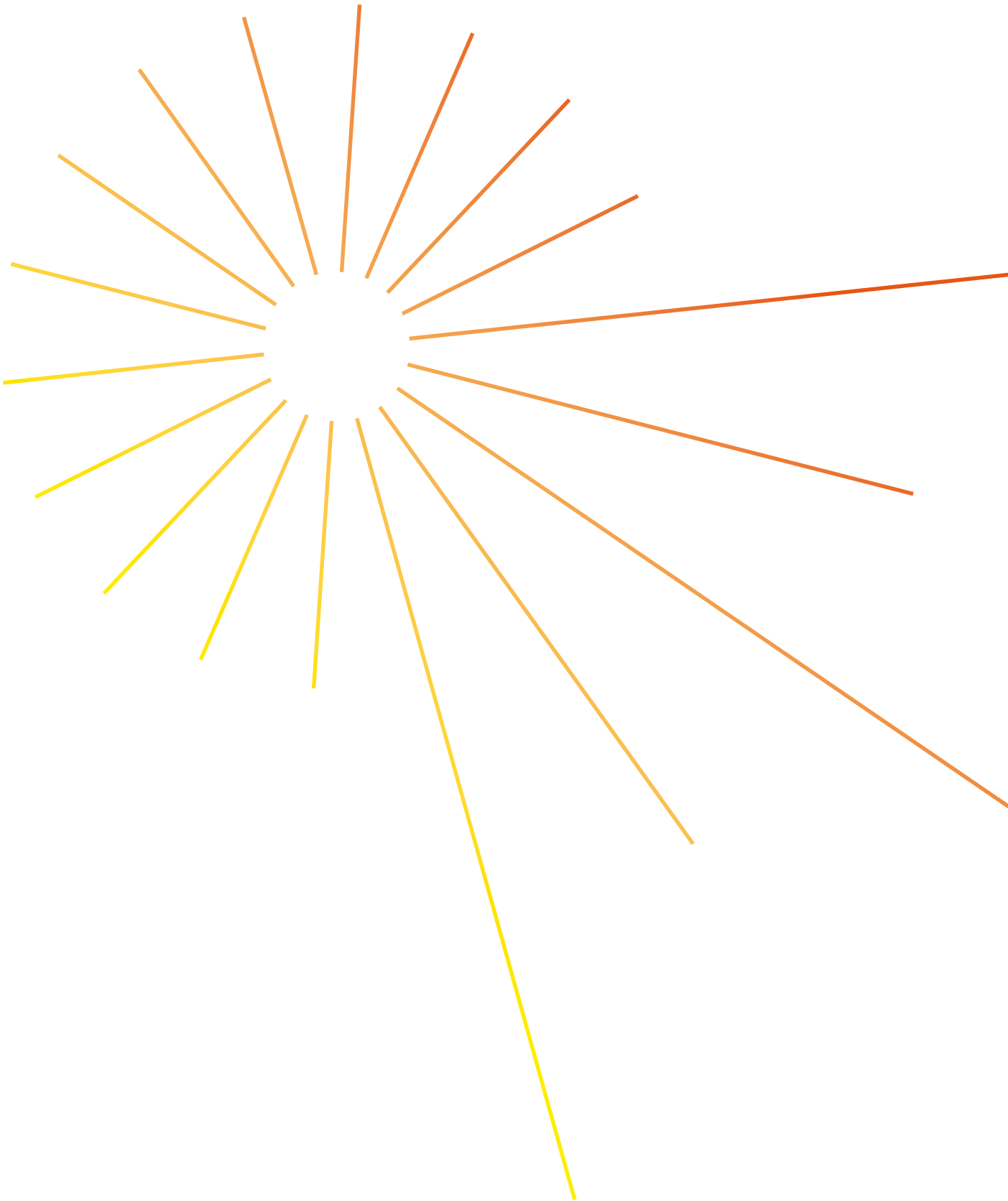
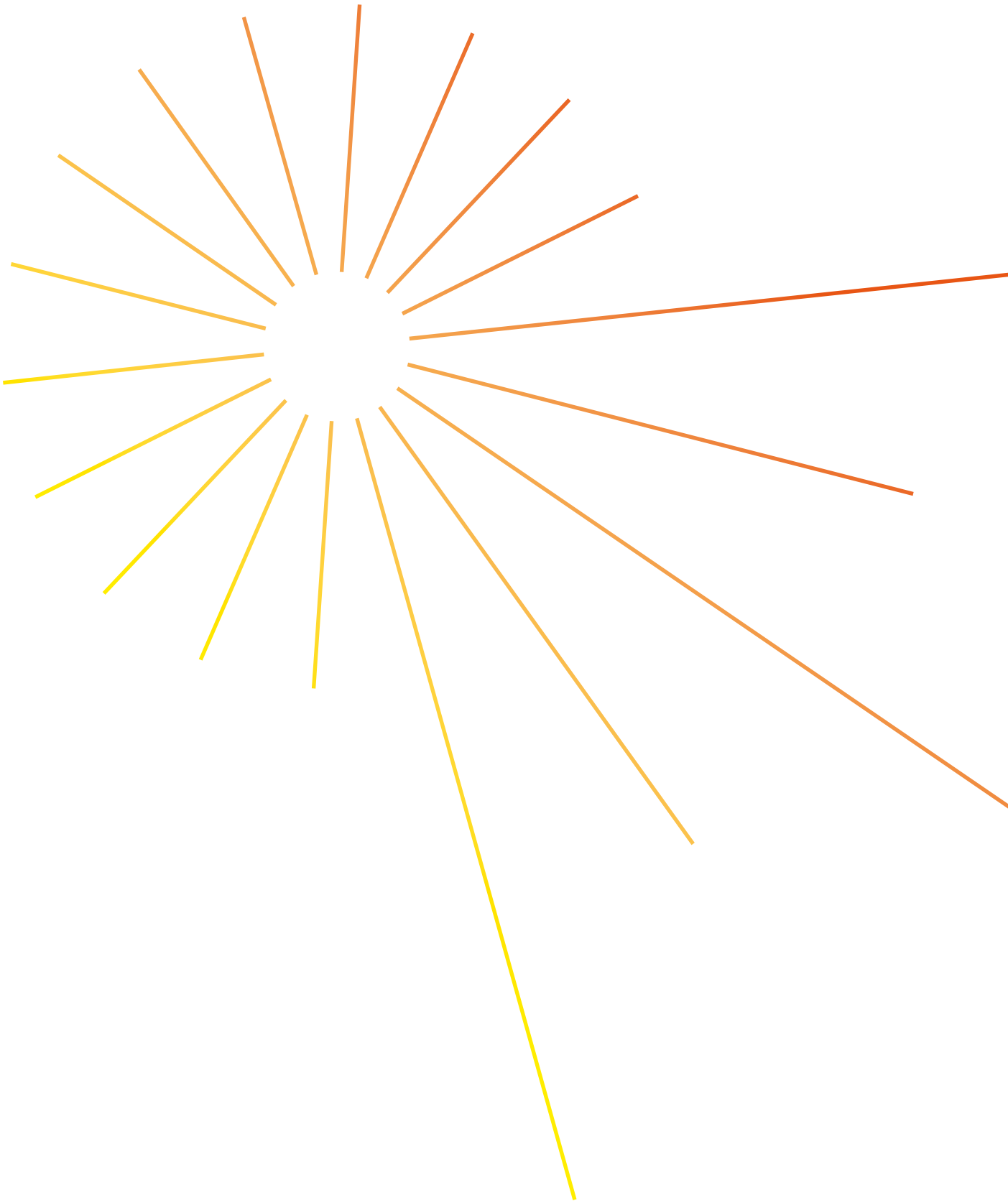


GLOSSARY OF ACRONYMS

Acronym	Explanation
AA	Association Agreement
ANPME	National Agency for SMEs, Morocco
API	The Agency for the Promotion of Industry, Tunisia
ASTF	Arab Science and Technology Foundation
CIDA	Canadian International Development Agency
CIP	Competitiveness and Innovation Programme
EBN	European Business and Information Centre Network
EEN	Enterprise Europe Network
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
ENPI-CBCMED	European Neighbourhood and Partnership Instrument – Cross Border Cooperation in the Mediterranean
ETF	European Training Foundation
FDC	Fashion Design Centre
FP7	European Community Seventh Framework Programme
FSEG	Faculty for Economic Science and Management, University 7th November, Tunisia
GSC	Jordan Design & Training Services Centre
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit, Germany
HCST	Higher Council for Science and Technology
ICWG	Industrial Co-operation Working Group
IDSC	Information and Decision Support Centre, Egypt
IMC	Industrial Modernisation Centre
IRC	Innovation Relay Centre Network
ISGP	High Institute for Management and Planning, Algeria
ITC	Innovation and Technology Centres
JEDCO	Jordan Enterprise Development Corporation
MEDA Region	Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, the Palestinian Territories, Tunisia, and Turkey
MoU	Memorandum of Understanding
NEBIP	Network for Evidence Based Innovation Policy
NFP	National Focal Point
OECD	Organisation for Economic Co-operation and Development
PICTI	Palestinian Information and Communications Technology Incubator
R&D	Research and Development
RDT	Réseau de Diffusion Technologique
RIFF	Regional Innovation Financing Facility
RIS	Regional Innovation Strategy
SME	Small to Medium Enterprise
TAIEX	Technical Assistance and Information Exchange Instrument
TRDC	Triangle Research and Development Centre
UNESCO	United Nations Educational Scientific and Cultural Organisation
UN-ESCWA	United Nations Economic and Social Commission for Western Asia
UNIDO	United Nations Industrial Development Organisation
WB	World Bank



EXECUTIVE SUMMARY

This final report from the EuroMed Innovation and Technology Programme (Medibtikar) describes the main activities of the programme and presents some recommendations for the sustainability of some of these activities in particular.

The report begins with some background information describing the rationale behind the programme and a description of how it evolved. Thereafter, five chapters follow describing each of the main activities (Axes) in terms of: situation at the start of the programme, objectives, actions delivered, results and achievements and recommendations for sustainability.

In the case of Axis 1 the main thrust of the local training for incubators should now be self sustaining with a pool of local trainers able to replicate these sessions at the local level. Though it is possible that these replications could be self-financing (if indeed not run as a commercial enterprise), in the short term some level of public support would be desirable to ensure that the numbers of capable local staff across the region continue to grow. This could possibly be linked to funding to improve the level of innovation/entrepreneurship training in the universities. The continuing strong links between the European Business and Information Centre Network (EBN) and relevant MEDA ([1]) institutions should ensure continued knowledge exchange and further development of selected MEDA institutions. However, for the less developed institutions further funding is desirable to continue their development; one potential source of such funding could be local European Commission bilateral funding mechanisms.

Axis 2 concerned the facilitation of mechanisms for technology and knowledge transfer. Although the majority of the MEDA countries are connected or will very soon be connected to the Enterprise European Network (EEN), the organisation and refinement of the services to be provided to the national small and medium-sized enterprises (SMEs) and research organisations will need continued support. Several actions could help the organisations involved in the

1 MEDA Region for the purposes of this report comprises: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Territories, Syria, Tunisia and Turkey

national consortia to accelerate their full integration into the network. Further technical assistance would be desirable, while development of a specific link between an individual consortium and a European member of the network could prove beneficial. The MEDA countries would be able to exchange good practice via a regional network and develop specific links with countries from the south of Europe on priority area subjects like eco-energy, desertification or water treatment. The EEN offers a good platform for such initiatives but the MEDA members will have to find a way to finance the operation of the regional network.

Improvement of mechanisms to fund innovative new companies was the main theme of Axis 3. Activities here produced a new network and a model to improve the availability of funding across the region: the Regional Innovation Financing Facility (RIFF) initiative. RIFF, now called MedVentures, is being piloted by ANIMA and its partners, under Invest in Med Programme, and has been proposed for funding via the European Neighbourhood and Partnership Instrument – Cross Border Cooperation in the Mediterranean (ENPI-CBCMED) programme ([2]).

Three business angel networks were also established as a result of activities implemented as part of Axis 3. Business angel networks are born sustainable, since they are managed by their members. However, there are significant management costs associated with managing a business angel network. Initial funding to assist with these costs would facilitate the establishment of more networks.

Initially, Axis 4 reviewed the innovation infrastructures in each of the beneficiary countries with a view to identifying the main problem areas. At the same time, the experts explored the potential for the increased development and utilisation of innovation indicators (MedIS scoreboard). This led to the creation of the Network for Evidence Based Innovation Policy (NEBIP). NEBIP has reached a stage of maturity leading to significant interaction among its members. In Egypt, the team worked closely with the IDSC (Information and Decision Support Centre) to develop innovation indicators in Egypt. There were two diagnostic studies in Syria and Jordan designed to facilitate the development of a national innovation policy. NEBIP and MedIS are operational and there is a need for additional funding for meetings and collaboration to be continued. In Turkey, it is likely that national funds will be made available to further enable regional innovation strategies (RIS) exercises in other regions in Turkey, building on the work of the local and international Medibtikar experts. There is a very strong interest in continuing the work on Quality Certification in the four countries which participated in this part of the programme. It is also apparent that other countries would have welcomed similar training had sufficient funds been available.

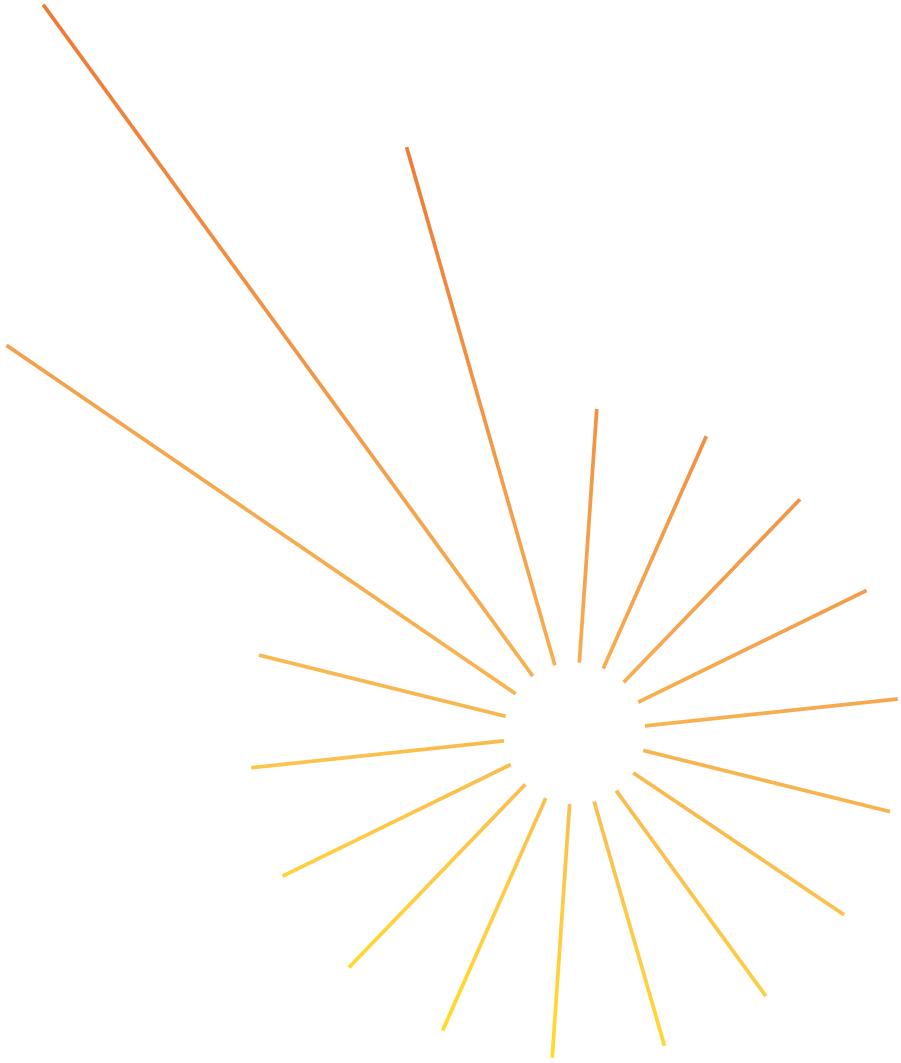
The final Axis focused on two priority sectors in the region, textiles and food processing. The Medibtikar textile network was very successful and productive and its members are keen to continue and extend its operations. It is interesting to note that several proposals made to the first ENPI-CBCMED ([3]) call are on the same lines. There also are three other networks with a similar remit recently set up across the region but these are all more specialised and do not have the coverage of the Medibtikar network. There could be potential for bringing all three networks together under a proposal to the ENPI-CBCMED umbrella. Members of the original textile network have been discussing the idea of creating a group of eight to ten companies out of four countries (Egypt, Morocco, Syria and Tunisia) to develop further the potential for stimulating the production of technical textiles. Medibikar also sponsored a fashion show in Cairo in cooperation with the Egyptian Fashion Design Centre (FDC). The Medatex web portal will continue to be hosted by the Egyptian Textile Development Association and will be operated by staff provided by the Textile Technology Centre which is jointly supported by the University of Cairo and the Egyptian Ministry of Industry. This joint support funding by industry/research centres and government should increase exchange of information both nationally and across the region. There are plans to eventually try and commercialise the website so that it is supported either by subscriptions or advertising or some combination of the two.

2 See http://www.animaweb.org/ online.

3 See http://www.enpicbcmed.eu/en/programme/ online.

In the case of the food sector, the recommendation to establish a permanent institution in the region to provide services in (at least) labelling and other regulations of export markets, market intelligence and seed and variety utilisation should be further explored. The first step would be to determine if this is the optimum structure for such an institution(s) and possibilities for funding.

The report concludes with a chapter outlining the relationships between Medibtikar and other programmes and provides some conclusions and recommendations for future actions.



'The Medibtikar project will provide the MEDA countries with new and improved instruments to stimulate innovation at the firm and country levels. The project will also simulate networking across the MEDA region, and between the region and the countries of the European Union.'

INTRODUCTION

In 2006 the European Commission, on behalf of the MEDA beneficiary countries and territories, initiated the EuroMed Innovation and Technology Programme (Medibtikar). The name Medibtikar is derived from MEDiterranean and Ibtikar (Arabic for Innovation). The programme ran until December 2009 and had a budget of EUR 7 243 900. At the height of its activities the programme employed 60 consultants from 20 countries and its activities spanned three continents.

The aim of Medibtikar was to disseminate good innovation practices in the beneficiary countries by developing exchanges between planners, policy makers and stakeholders in the MEDA region ([4]) and build and strengthen relationships with European public and private partners through the establishment of strong and active networks. The beneficiary countries were Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Territories, Syria, Tunisia and Turkey. The beneficiary organisations were public and private enterprises concerned with increasing the competitiveness of small and medium-sized enterprises (SMEs). Medibtikar's operational base was Cairo, Egypt, and the programme was supervised by a European Commission Delegation in Cairo. Medibtikar's mission statement was:

'The Medibtikar project will provide the MEDA countries with new and improved instruments to stimulate innovation at the firm and country levels. The project will also simulate networking across the MEDA region, and between the region and the countries of the European Union.'

This document is the final Medibtikar report. The report provides a review of the activities and results of the programme and presents some recommendations for future related activities in the region. It is designed to be readable by the non-specialist with an interest in innovation and, specifically, innovation-related issues in the MEDA countries. Throughout the report there are links to specific technical documents and a repository of all materials produced during the programme can be accessed through the Medibtikar website (www.medibtikar.eu).

The next section provides some background information explaining how the programme developed over the three and a half years of its operations. It is followed by five chapters detailing activities and outputs in each of the five main areas of activity. The final sections review the overall impact of the programme and provide some recommendations for future related activities.

4 The MEDA Region consisted of the countries defined above (in some cases Cyprus and Malta were also included). After 2006 this grouping (with the Exception of Turkey) was subsumed into the European Neighbourhood and Partnership Instrument (ENPI). See http://ec.europa.eu/world/enp/funding_en.htm online.

BACKGROUND TO THE PROGRAMME

During the Euro-Mediterranean Conference of Ministers for Industry held in Caserta, Italy, on 4 October 2004, Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Territories, Syria and Tunisia approved the Euro-Mediterranean Charter for Enterprise.

The main objectives of this charter were to facilitate the creation of the Euromed Free Trade Area, to strengthen Euro-Mediterranean partnerships and to create an environment favourable to businesses in the region. The approach is based largely on the model of the European Charter for Small Enterprises. Chapter 6 of the charter is specifically dedicated to the development of Innovation in the region via:

- the promotion of management techniques and information technologies;
- the development of markets for knowledge and knowledge-based services;
- the access to and use of existing innovative technologies;
- the development of services in techno parks and incubators;
- and an increased participation of small and medium-sized enterprises (SMEs) in research and development (R&D) programmes.

To help the MEDA countries achieve these objectives, the European Commission proposed to set up a regional programme: The Euromed Innovation and Technology Programme. The Terms of Reference (ToR) for the programme stated the overall objective as:

'to provide the MEDA enterprises with new instruments in respect to the competitiveness and innovation, to reinforce their development in order to achieve a good level of services and create an effective link between research and industry. The final beneficiaries will be Mediterranean public and private enterprises which require appropriate infrastructures that support innovation and technology in accordance with the specific needs of SMEs, as well as reinforcing their competitiveness.'

In the same document, the specific objectives of this programme were stated as:

- 'The strengthening of the management skills and the transfer of technology of various actors (administrations, enterprises, industry federations, chambers of commerce, etc.) in MEDA countries in the field of innovation in view of the reinforcement of their capacity-building and the introduction of legal reform.

- The support to the creation and/or the capacity-building of the intermediary organisations in charge of implementing support policies for SMEs (Innovation and technology centres – ITCs – or equivalent).

- The support in respect to networking, collaboration and the transfer of knowledge among innovation stakeholders (European Technology and Innovation Centres (ITC) and MEDA equivalents).'

The original work plan was based on the assumptions made in the tender that the need for services, in particular for training, would be dictated by the types of beneficiaries. However, the experiences from the initial country visits and the pilot actions carried out between July 2006 and January 2007 showed that this categorisation of the activities by type of beneficiaries was artificial and not connected to the actual needs of the beneficiaries. This problem was exacerbated by the wide diversity of actors involved in the innovation process: Ministries of Industry, Higher Education and Trade, the research community, intermediary organisations in charge of the support of SMEs (e.g. National Agencies, technology centres), research centres, incubators and science parks, business associations, public and private funds, universities etc. This diversity in most of the beneficiary countries was largely a result of the fragmented and rudimentary nature of national innovation policy and support systems at that time. Additionally, these visits highlighted the difficulties inherent of even identifying the most appropriate beneficiary organisations in each country.

The ToR was too vague in this respect defining the final beneficiaries as:

'Mediterranean public and private partners' enterprises which require technical supports in innovation and technology skills which will be adapted to the needs of SMEs, as well as better information to be more competitive.'

The TOR also indicated that the target groups must include:

'Institutional authorities and administrations in charge of innovation policies; Intermediary and support organisations supporting SMEs in co-ordination with research centres, universities and laboratories.'

Regarding the first group, the initial interviews showed that there were simply too many authorities and administrations to be covered given the resources of the programme. In Egypt alone, three ministries were identified with a major interest in innovation and within each of these various agencies existed with different remits. The second group in many countries did not exist or, if they did, the relevant organisations were in embryonic form.

To overcome the challenges introduced in the original ToR a series of interviews was organised with beneficiaries to clarify the actual needs of the various innovation stakeholders and validate the type of support the programme could actually provide them with. By the end of 2006 the consortium was ready to sign Memoranda of Understanding (MoU) with ministries in Egypt, Syria and Tunisia and discussions had begun with all the other countries apart from the Palestinian Territories.

These early activities of the programme showed that in all countries there was great enthusiasm for the overall objectives of the programme but some of those interviewed expressed their scepticism about the need for and merits of the proposed SWOT (strength, weaknesses, opportunities and threats) analysis and the MedIS activity. There was a general feeling in most countries that 'we know what the problems are.' It was therefore decided that the project should become more demand led serving, in particular, the needs of industry. This was facilitated by a revised work programme and the formation of a

Steering Group comprised of members of the Industrial Co-operation Working Group (ICWG), nominated by the European Commission. This achieved the required refocusing as all the nominated members were in Ministries of Industry or the national equivalent.

The overall wider objectives of the programme remained the same. However, the activities of the project were adapted to more closely match the views of those interviewed in the first year and the members of the ICWG. This change in direction was requested on 9 February 2007 by the Directorate-General (DG) EuropeAid and the Head of the European Commission Delegation in Cairo.

During this period the management team was asked to revise the work programme and a National Focal Point (NFP) was designated by the European Commission for each country (usually, but not exclusively, the relevant ICWG member). The management team produced a revised work plan which was agreed to in principle by the Delegation in Cairo and was then circulated to all 10 NFPs along with a brief questionnaire. The results of this questionnaire were presented in a report highlighting the expectations and hopes of the NFPs and the results were incorporated into a final version of the work plan. This in turn formed the basis of a contract amendment which entered into action on 1 July 2007.

The proposed work plan offered services in relation to the expectations identified by the ICWG and addressed all the stakeholders of the programme and in particular innovation policy makers, Innovation and Technology Centres (ITCs) and agencies, techno parks, techno poles and incubators, business associations and, for awareness events, SMEs.

This revised work plan categorised activities into five 'Axes', namely:

- Services to Incubators and Techno parks
- Development of Technology Transfer Mechanisms
- Financing Innovation
- Innovation Management
- Sectoral Support

These axes were devised to cover all the main priorities expressed by the NFPs. In addition, they were designed to be complimentary to each other and, taken as a whole, provide a full range of services that new SMEs require. At the same time, the modular approach provided sufficient flexibility to deliver bespoke services appropriate to a particular national context.

The following sections examine activities and outputs for each of these Axes in turn. At the start of each section, an indication of consultancy days directed specifically to each Axis is provided along with what percentage of overall activity of the programme this accounted for. The balance of days was utilised for horizontal activities such as website production, regional conferences, general promotion and networking and programme management. Each section also contains boxes which illustrate the range of activity undertaken by highlighting specific events or actions.

The RIFF initiative, now called MedVentures, is being piloted by ANIMA and its partners, under Invest in Med Programme, and has been proposed for funding via the ENPI-CBC programme ([5]).

Mechanisms should be explored to fund an annual event designed to bring together MEDA investors, innovation managers and SMEs seeking support and investment. This should support continued networking of the organisations that participated in the activities described under Axis

5 See http://www.animaweb.org/ online.

'Mediterranean public and private partners' enterprises which require technical supports in innovation and technology skills which will be adapted to the needs of SMEs, as well as better information to be more competitive.'

1. In addition, efforts should be made to generate investment funds from a range of public and private financing institutions, e.g. European Investment Bank (EIB), Caisse des Dépots ([6]), OSEO ([7]), World Bank, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) etc.

Business angel networks are born sustainable, since they are managed by their members. However, there are significant management costs associated with managing a business angel network. Initial funding to assist with these costs would facilitate the establishment of more networks.

NEBIP and MedIS are operational and there is a need for additional funding for meetings and collaboration to be to be continued. Possible support could come from the funding measures such as INCOnets ([8]) or Accompanying Measures ([9]).

In Turkey, it is likely that national funds will be made available to enable RIS exercises in other regions of the country building on the work of the local and international Medibtikar experts.

There is a very strong interest in continuing the work on Quality Certification in the four countries that participate in this part of the programme. It is also apparent that other countries would have welcomed similar training had sufficient funds been available. Continuation of protected designation of origin (PDO)-related activities and cluster-building may be possible via ENPI or Technical Assistance and Information Exchange Instrument (TAIEX) funding.

6 See http://www.caissedesdepots.fr/ online.

7 See http://www.oseo.fr/ online.

8 See http://www.miraproject.eu/INCONets-synergies-public-area online.

9 Accompanying Measures provides support to activities that enhance the impact of an EU-funded programme. Four specific types of activity are supported: studies; information exchanges e.g. via conferences; information, communication and dissemination activities; stimulation grants.

AXIS 1:
SERVICES TO INCUBATORS AND TECHNO PARKS

(1,391 DAYS – 19%)

Situation at the start of the programme

The MEDA countries were at different levels of development in terms of incubators and techno parks. There existed a whole spectrum of infrastructures ranging from Israel with a well organised system of incubators and techno parks linked to a variety of funding mechanisms at all levels, through to countries with institutions providing subsidised office space at best. Initial visits illustrated that there was generally an acceptance of the need to improve capacities of institutions in all countries; however, local trained personnel were in very short supply.

Business incubators and techno parks should be designed to support and be part of a broader strategic innovation framework – either territorially orientated or focused on particular policy priorities or a combination of these factors. They should not be stand-alone entities but rather work alongside other organisations and schemes to promote broader strategies. It follows that incubators, besides offering typical services to tenants (hosting, business services, finance access, technical assistance), should be able to interact with their regional, national and international environment, capitalising on the experience and know-how of a range of networks. Incubators from developing MEDA countries should not only aim to extend and upgrade the services offered to their tenants through capacity building and innovative adoption of good practice, but also seek to integrate with other relevant institutions in the region as well as Euro Mediterranean networks. Such structures enable better information flows and generation of synergies such as sharing of services.

Objectives of the axis

The overall objective of Axis 1 was to improve the quality and range of services offered by relevant institutions to entrepreneurs and start-up companies. More specific objectives were to:

- increase networking between relevant institutions across the MEDA region as well as increasing networking between these and equivalent institutions in Europe, e.g. European Business and Information Centre Network (EBN);
- facilitate dialogue between incubator/techno park managers, project holders and financiers;
- establish a cadre of local experts able to replicate the training/ technical assistance tailored to local conditions;
- raise awareness of the importance of innovation in the research and academic communities.

Given the diverse nature of the existing incubator and techno park structures across the region it was decided that to maximise the number of organisations and companies benefiting from the outcomes of the programme, the delivery of the training seminars related to Axis 1 should have built in flexibility to allow technical assistance to evolve to suit the particular local situation. In line with this, a three-stage methodology was designed.

- First, trainers from the beneficiary countries participated in a preliminary seminar, delivered by an international Medibtikar expert. The participants (companies, trainers and intermediaries) came from a range of MEDA countries. Participants were chosen following consultation with the respective National Focal Points (NFPs).
- Second, based on the initial training content, the trainers, with the support of the expert, adapted the content of the training to the MEDA or national context by identifying local case studies and local actors.
- Finally, with the support of the international experts, the trainers replicated the training sessions in their own countries for different stakeholders. The first time the trainers delivered the module, one or more international experts participated in the session to support the local trainers.

Actions delivered

Under the scope of Axis 1, Medibtikar delivered two main training modules, STEP 1 and STEP 2, which are described below. The modules aimed at enhancing the services delivered by incubators and techno parks for innovative projects and new/start-up companies through capacity building of their staff. Axis 1 also produced three innovation management tool kits which complement the training given. The two modules are intimately linked since they offer bottom-up training from operational techniques to shared services. The modules were conceived in a collaborative approach which targeted mixed stakeholder teams around a particular theme in a way to ensure linkages between different innovation actors and mutual understanding of problematic issues. All training modules were designed to involve a mixture of techno park/ incubator managers, small and medium-sized enterprises (SMEs)/start-ups and potential investors:

- **STEP 1: 'Individual Techniques for Accompanying Innovative Project Holders'** consisted of a series of modules aimed at improving participants' ability to achieve their own goals as well as improving their understanding of the needs of other stakeholders. The ultimate aim was to stimulate the production of effective business plans and generally improve understanding of the needs of investors. There were 16 STEP 1 training sessions involving 379 participants.
- **STEP 2: 'Collective Techniques for Accompanying Projects in Incubators'** switched the emphasis to the advantages of stakeholders operating in a collective fashion both on the project and at institutional levels. In addition, help was given on how to implement innovative, collaborative

projects with public and private partners and on writing effective proposals. There were 8 STEP 2 training sessions involving 212 participants.

STEP 1 Participant, July 2008

'As an ex-Marketing Director in PC manufacturing, this workshop achieved a lot for me and represents a paradigm shift in my professional thinking; new approaches, new methods, etc… From this perspective, this seminar was a 'gift' for me. At the beginning, I planned to attend two days only, but ended up being present and active along the whole event.'

Four main regional training sessions, known as 'training the trainers', were delivered after the main phases of STEP 1 and 2 for a pool of 30 local experts from Algeria, Egypt, Jordan, Morocco, the Palestinian Territories, Tunisia and Turkey. During these trainings, the material and methodology developed and already tested by Medibtikar's international experts were revisited and adapted to local contexts and illustrated with local business cases.

Following these three main phases of training some organisations asked for follow on assistance to use collaborative intelligence processes to support the growth of their innovative environment in specific areas and to connect it to their partners and clients at the Euromed level. This led to the formation of The Textile Value Chain which was validated with textile experts of the In'Tex Network and the MFC Pole, Tunisia ([10]).

They began a process of mapping potential customers in the textile sector internationally using a web-based platform. Subsequently, two other value chains were established in the area of biotechnology by the Tunisian Sidi Thabet Biotechnopole ([11]); 'Serum et Vaccins' and the 'Biomedicaments'. Although Medibtikar technical assistance has been completed, the beneficiaries are continuing these activities with their own resources.

Neila Gongi – CEO – MFC POLE

'The proposed methodology is very rich and has impact in the short and the long term. In the short term it allows us to define the strategy and means to attract companies, investors and research centres. It allows us to save cost by identifying and interacting with our priority customers, while spending the minimum time giving basic information to non priority segment customers. Restricted access data allow us to monitor the commercialisation of the infrastructure. In the long term, it will allow us to connect our environment to the global environment by opening the web platform to our Euromed partners. It will allow us to define which services to deliver to which client, and it will also support the improvement of individual and collective services.

The Medibtikar consultant involvement was very important, and very different from what we usually benefit from in the framework of traditional technical assistance that leads to a report with high level recommendations without practical means to change them into concrete actions. We hope that Medibtikar will take into account our willingness to lead the extension of the methodology to other countries in the future.'

Nourredine Bouzouaia – CEO – Sidi Thabet Biotechnopole

'The first benefit from applying the methodology was to raise awareness of Tunisian researchers and project holders on the international market opportunities. It allows detecting partners at international level to make those projects become sustainable and we hope, change them into commercial success. Now we found a step by step approach for the Sidi Thabet Biotechnopole both in terms of communication at international level and in terms of priorities for the development of value added services.'

Three comprehensive guide books were also produced under this Axis; the first with entrepreneurs as the target audience and the second and third directed at techno park managers.

10 See http://www.mfcpole.com.tn online.

11 See http://www.infocom.tn/index.php?id=39&tx_mininews_pi1%5BshowUid%5D=624&cHash=cd671b28c0&date=6-2008 online.

These guide books have been made widely available both in paper and electronic formats.

- Entrepreneurs' Manual for Innovative Projects ([12])
- Incubators' Manual for Innovative Incubators ([13])
- Monitoring and Reporting of Incubator Activities ([14])

The final stages of the project involved the European Business and Information Centre Network (EBN) visiting selected incubators in Israel, Jordan, Morocco, Syria and Tunisia to facilitate their acceptance into the EBN if they so wished. The EBN was originally established with EU funding but is now a self-financing business. It is encouraging that seven incubators visited in the region expressed their interest to improve their monitoring activities following the EBN model, potentially making it possible for them to join the network in the future. EBN has provided guidance to each of these and at the time of writing negotiations is still continuing.

Various other targeted missions were undertaken under this Axis to provide focused hands-on technical assistance to specific incubators in Algeria, Jordan and Syria. An example of one such activity in Algeria is provided in Box 1 beside.

12 See http://www.medibtikar.eu/Medibtikar-releases-the,1376.html online.

13 See http://www.medibtikar.eu/Medibtikar-releases-the-Incubators,1379.html online.

14 See http://www.medibtikar.eu/Medibtikar-releases-the-Monitoring,1381.html online.

Technical Assistance to ISGP Algeria

In Algeria, technical assistance was provided to the High Institute for Management and Planning (ISGP) ([15]). Several missions were undertaken to Algeria to provide hands on training to staff of the ISGP over the period June to October 2009. The technical assistance consisted of three elements:

- Main incubation process and services; positioning of ISGP in the Algerian economy;
- Communication and partnership strategy; sharing resources, promoting project holders, stimulating entrepreneurship;
- Incubation process; back office process, legal issues, contracts, reporting, monitoring.

The technical assistance focused on how to launch an incubator and provided concrete assistance rather than academic concepts. The practical training material developed by Medibtikar staff during the previous two years was delivered initially only to the future ISGP incubator staff and its partners (20 people). However, due to high demand from other support organisations to attend the seminars, the technical assistance was extended to other organisations that intend to or already run incubators in Algeria. The leverage effect was very important as more than 140 people were directly or indirectly involved from a range of agencies, ministries and universities.

- When asking the beneficiaries, it seems that great results were achieved during this technical assistance, including:
- Design of a development plan for the incubator agreed by the ISGP Director and partners;
- Establishment of operational partnerships and collaborations between support organisations involved with the incubation process in Algeria;
- Knowledge transfer on how to set up and launch an incubator and develop a range of value added services;
- Development of operational models to manage the incubator, and promote it to customers and other agencies.

Participants were well aware that a lot of work must be done from now on to realise the results of the technical assistance. They intend to organise meetings on a regular basis to share their experience and continue to use the technical assistance outputs and to seek resources to implement the results of the technical assistance.

15 See http://www.isgp.dz/index.php online.

Overall results and achievements

The training modules are now being successfully replicated by the local experts initially trained by Medibtikar. A total of seven local replications have already been delivered by local experts funded with local resources, four in Tunisia, among which were high profile participants such as the Governor of Nabeul and key innovation policy makers and operational staff, academia, incubators, science parks etc. In the Technopark of Casablanca, Morocco, a fifth replication was delivered for incubator managers and staff as well as other innovation intermediaries. Finally, there were replications in Cairo and Istanbul. More local replications are planned in the other MEDA countries. There was also a training session presented by Medibtikar local experts in Libya which was financed by the Libyan government indicating rising demand for such services.

During the replications, the trained experts organised the workshops and delivered the training. Feedback from the participants showed strong appreciation of the content of the programmes and the expertise of the trainers. Additionally, beneficiaries have requested more training and further in-depth treatment of certain themes presented. The success of the methodology derives also from the total involvement of local experts in the logistics of the delivery. They arranged accommodation, production of the training materials and promotional material as well as ensuring media coverage. An example of one such replication at the University 7th November, Faculty for Economic Science and Management, (FSEG) ([16]) is given in Box 2 beside.

Step 1 Local Replication, Carthage, Tunisia

Medibtikar organised two local replications entitled 'Individual Techniques for Assisting Projects in Incubators' at FSEG Nabeul in June and July 2009. These three day seminars were delivered by two Medibtikar trained consultants from Tunisia, in cooperation with a Medibtikar international consultant.

The Tunisian NFP, The Agency for the Promotion of Industry (API) ([17]) in collaboration with FSEG, arranged for the appropriate mix of entrepreneurs, consultants, incubator staff, technology development agents and financing agents. This participation allowed an interesting and rich exchange between participants and especially among entrepreneurs during the various workshops.

During the opening session, Mr Mohamed Adel DHIF, the Dean of FSEG, welcomed the participants. He highlighted the importance of innovation and entrepreneurship for a Management School and described the Centre of Innovation and Entrepreneurship, which hosts an incubator. The centre was established in 2004 and provides technical assistance, advice and support to new entrepreneurs.

FSEG and API covered the costs of the venue for the participants during the seminars. This is an illustration of the sustainability of the suggested methodology, where the consultants can 'fly on their own' and organise events ensuring financing from different sources.

The popularity of STEP 1 and STEP 2 and the subsequent local replications highlighted the demand for such services. It is vital that such approaches are used to initiate and maintain a dialogue between would be entrepreneurs/start-ups and financiers/investors. Some elements of these training sessions have now been adopted by participating universities and have become integrated into existing and new courses. The aim of these new modules is to raise the entrepreneurship capabilities of students so that they are better prepared to create their own company or project after they graduate.

Following the success of the initial training programme, a joint Israeli/Palestinian workshop was held in Kafr Kara, Israel, in August 2009, involving Palestinian, Arab Israeli and Israeli participants. The group included techno park managers, financiers and project holders. Despite enormous logistic difficulties this proved a very successful event (see Box 3 next page).

16 See http://www.fsegn.rnu.tn/ online.

17 See http://www.isgp.dz/index.php online.

Joint Palestinian/Israel Workshop, Kafr Kara, Israel

The workshop was aimed at exploring the potential for creating a network for scientists, entrepreneurs, incubator managers and financiers from inside Israel and the West Bank. There were some 50 participants who spent a full day participating in training and group exercises in Kfar Qara on 4 August 2009.

Following the workshop there was a great deal of informal discussion among participants. The outcomes of these discussions were the following interim conclusions:

- There is a great deal of interest in setting up a networking framework;
- The Triangle Research and Development Centre's (TRDC) ([18]) role as an Israeli Arab research organisation does indeed confer the political 'cover' needed by Palestinian participants;
- Israeli stakeholders in government are willing to help this framework;
- The EU umbrella is essential to confer legitimacy, to provide targets for collaboration and to fund the networking activities.

Hasan Omar, the Manager of the Palestinian Information and Communications Technology Incubator (PICTI) ([19]) in Ramallah has expressed a strong interest in becoming the Palestinian node of the network working opposite the TRDC subject to his Board's approval.

Discussions between participants have led to an outline of the networking framework, its activities and the desired outcomes. Following are the main points raised during these discussions:

- The core of the network would be in two nodes – TRDC and PICTI – with people designated to network tasks.
- The tasks of the network would be to a) locate potential scientists and entrepreneurs who want to advance innovative projects, b) map expertise and areas that need help, c) create network events and information products that would be helpful to members, and d) follow up on projects to help them overcome obstacles.
- The events envisaged are: training workshops and seminars, exposure to European funding frameworks, exposure to other (including Israeli) funding frameworks. We found that the one-day event in Kafr Kara created connections that were immediately used with a level of interest that greatly exceeded our expectations. More networking would yield much more.

18 See http://www.trd-center.org online.

19 See http://www.picti.ps/ online.

In addition to the workshop described above, many more areas were identified for potential collaboration between Israel and other MEDA countries. One example was a training course between the world renowned Israeli Shenkar College ([20]) and the Jordan Design & Training Services Centre (GSC) ([21]). The idea for this course was developed during network meetings of the Medibtikar Textile network (see Axis 5) whereby agreement was reached that the GSC would provide the necessary facilities and the Shenker Institute would provide middle management training for textile companies from across the region. Medibtikar network members were very enthusiastic about this project and were willing to participate through interested private sector establishments in each of their countries as well as direct benefit of Jordanian Enterprises, especially SMEs.

The Entrepreneur and Incubator Guidebooks have generated a great deal of interest. The Arab Science and Technology Fund (ASTF) is using the Entrepreneurs Guide as a major teaching aid on its Reyada Training Programme. The Reyada Training programme was established as a joint project between the ASTF and Intel with the cooperation with UC Berkeley Lester Center for Reyada and innovation. The programme is designed to raise participants' skills in developing business strategies, start-up company valuation model and some introduction to marketing. Targeting Arabic Universities Senior Students and Fresh Graduates: the one day free course will be delivered within certain geographical regions to ensure the success of the programme's goal and mission within the Arabic Region ([22]).

20 See http://www.shenkarcollege.org/contact.html online.

21 See http://www.jedco.gov.jo/jedco/gsc/about.html online.

22 See http://reyada.astf.net/En/Default.aspx online.

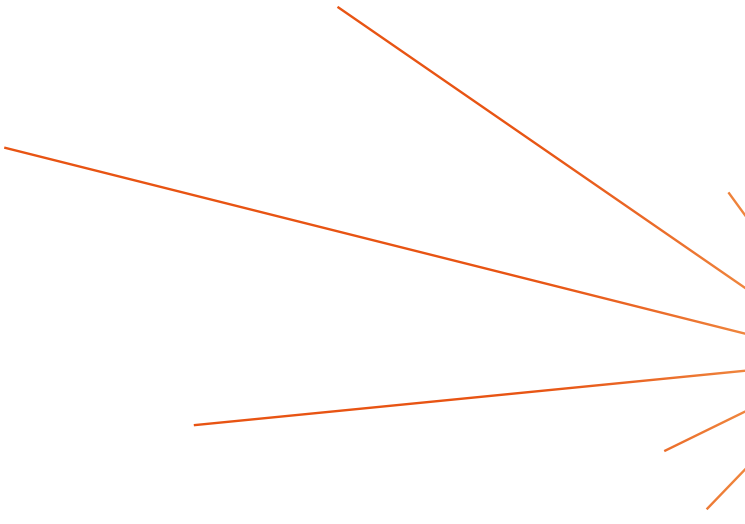
Recommendations for sustainability

The main thrust of the local training for incubators should now be self-sustaining with a pool of local trainers able to replicate these sessions at the local level. Furthermore, feedback from participants has indicated that these local trainings can be more valuable than the original STEP 1 and 2 as they have been enhanced by local case studies and have also been refocused to reflect local circumstances.

Though it is possible that these replications could be self-financing (if indeed not run as a commercial enterprise), in the short term some level of public support would be desirable to ensure that the numbers of capable local staff across the region continue to grow. This could possibly be linked to funding to improve the level of innovation/entrepreneurship training in the universities. In the United Kingdom (UK) and many other countries this has now become a 'third stream' of institutional funding for universities in addition to funding streams for teaching and research. Given the range of level of incubator development in the different countries, regional funding for such a programme would be inappropriate; rather, there is a strong case for bilateral funding, e.g. from the EU to support further development. The recent reseach, development and innovation (RDI) Programme ([23]) in Egypt provides a good model as to how such a scheme might operate with interested organisations being required to design proposals which involve a network of local national stakeholders to apply for competitive funding. That said, there would be a strong case for support for a regional networking of local actors involved in such activities to encourage and facilitate the exchange of good practice.

The continuing strong links between the EBN and relevant MEDA institutions should ensure continued knowledge exchange and further development of selected MEDA institutions. However, further funding is desirable for less developed institutions to continue their development; one potential source of such funding could be local European Commission bilateral funding mechanisms.

The one-day workshop in Kafr Kara created the connections needed for Israeli-Palestinian participation in three proposals for funding from the European Neighbourhood and Partnership Instrument – Cross Border Cooperation in the Mediterranean (ENPI-CBCMED) ([24]). One proposal is led by the TRDC and includes Palestinian participants from the workshop;, researchers from the TRDC and Palestinian participants decided after the workshop to jointly take part in two other proposed projects. Significantly, in one of the proposals, a Jewish Israeli incubator leader used the TRDC's offices to create a working relationship with a leading Palestinian researcher from a Palestinian university. In the current political climate direct cooperation would have been impossible. The partners to the network are now working on a more detailed plan including responsibilities, budgets and specific activities.



23 See http://www.rdi.eg.net/ online.

24 See http://www.enpicbcmed.eu/ online.

AXIS 2: DEVELOPMENT OF TECHNOLOGY TRANSFER MECHANISMS

(863 DAYS -12%)

Situation at the start of the programme

In 2006, at the start of the programme, the level of development of technology transfer support was fairly rudimentary in most of the countries. Only Israel and Turkey had structured and operational programmes in place to help companies acquire or diffuse novel technologies. In Israel, the government agency that generates and implements international cooperative industrial research and development (R&D) programmes between Israeli and foreign enterprises (MATIMOP) ([25]), was in charge at a national level to promote technology transfer and to help companies and laboratories to find international partners. In Turkey, the universities, chambers of commerce and industrial zones were offering services allowing small and medium-sized enterprises (SMEs) to clearly identify their technology needs and to find innovation funding support and international partners. At that time, the other eight countries were still at an earlier stage in terms of definition and delivery of added value services allowing companies to initiate an innovation process and look for solutions, either via R&D projects or through technology transfer. A few countries, like Egypt, Morocco and Tunisia had implemented, with the support of the European Union, a programme to help the modernisation of companies.

A United Nations Industrial Development Organisation (UNIDO) project was providing technical assistance to identify the technology needs of SMEs and linking them to potential solution providers. This programme was active in Egypt, Jordan, Morocco and Tunisia. Egypt was starting to analyse the benefits of joining the Innovation Relay Centre Network (now part of the Enterprise Europe Network (EEN)) ([26]), an initiative from the European Commission offering technology transfer services in over 33 countries. However, the context was favourable in almost all the countries. In Egypt, as indicated previously, the Ministry

25 See http://www.matimop.org.il/ online.

26 See http://www.enterprise-europe-network.ec.europa.eu/index_en.htm online.

of Trade and Industry was looking at the tools available to develop technology transfer supporting activities, taking advantage of the network of technology centres which began to be established in 2002. It also set up the Industrial Modernisation Centre (IMC) ([27]) in charge of, amongst other things, a programme linking industry needs with national research capabilities. The IMC was established through joint funding: European Union EUR 250 million, the Government of Egypt EUR 103 million and the Egyptian private sector EUR 73 million, giving a total budget of EUR 426 million.

In Tunisia, the Agency for Promotion of Industry (API) was already a member of the Euro Info Centre Network and organised, in collaboration with the technical centres, annual brokerage events for SMEs. Morocco put in place a network of regional consultants, the 'Réseau de Diffusion Technologique' (RDT) to support the competitiveness of SMEs and initiated several programmes to support innovation and create new links between industry and research (e.g. the Innovact Programme). From 1988, Jordan had developed a whole set of incubators, via the Higher Council for Science and Technology (HCST) ([28]) and Jordan Enterprise Development Corporation (JEDCO) ([29]) including the very successful information technology (IT) incubator, iPark[30]. Algeria, the Palestine Territories and Syria were still developing their national innovation strategies (NIS).

Objectives of the axis

The original overall objective of Axis 2 was to provide training and networking opportunities for agencies with responsibility for technology transfer and in so doing strengthen their capabilities. More specifically:

- to provide technical assistance to existing organisations with a responsibility for technology transfer;
- help establish national technology transfer facilities;
- establish strong links with relevant European institutions and networks.

The initial focus of the Medibtikar programme was to develop the capacities of the 10 countries in transferring knowledge and technologies to SMEs or to help research organisations or enterprises that developed technologies to promote and sell them abroad. In order to achieve this objective, the programme proposed to the beneficiary organisations technical assistance based on the services offered by one of the most successful technology transfer networks in the world, the Innovation Relay Centres Network. By adapting the services to the Mediterranean context, it was expected that the beneficiary organisations would first start offering added value services to SMEs based on this successful model and, second, at the end of the process be able to join the network and allow SMEs to be in contact with technology providers and consumers from more than 33 countries.

In 2008, the Innovation Relay Centres (IRC) Network evolved into the Enterprise Europe Network (EEN). This network is part of the Competitiveness and Innovation Programme (CIP) ([31]) of the European Commission. This programme is open to countries that are not members of the European Union. In a speech made in Rhodes, Greece, in September 2006 during the Euro-Mediterranean conference of the Ministries of Industry, M. Günter Verheugen, Vice President of the European Commission and Commissioner for Enterprise and Industry, invited the Mediterranean countries to participate in the CIP and in particular to become members of the EEN. In fact, the network represents a real opportunity for the Medibtikar beneficiary countries. While the IRC Network was only targeting technology transfer, the EEN sought the broader global development of SME

27 See http://www.imc-egypt.org/ online.

28 See http://www.hcst.gov.jo/ online.

29 See http://www.jedco.gov.jo/about.html online.

30 See http://www.ipark.jo/background.html online.

31 See http://ec.europa.eu/cip online.

competitiveness by: facilitating technology transfer, helping improve access to the European Single Market and promoting the development of R&D processes via the European Community Seventh Framework Programme (FP7) (32). Following the start of the EEN, the objectives of Axis 2 were extended to include:

- raising awareness of the concept of EEN;
- further developing services in existing technology transfer organisations;
- supporting the establishment and management of EEN projects.

Actions delivered

At the beginning of the programme, the activities put in place to facilitate the creation of technology transfer capabilities in the Mediterranean region mainly focused on raising awareness of the existing models that the countries could exploit. The IRC/EEN model was already identified by Egypt as an interesting one. Following the conclusions of the Euro-Mediterranean conference of the Ministries of Industry in Rhodes, Greece, Medibtikar identified the potential organisations that could be interested in applying the EEN model in their country. They were invited to participate in a workshop where the model was presented combined with participation in the European Commission information day on the CIP. A total of 10 people from seven MEDA countries (Egypt, Israel, Jordan, Lebanon, Morocco, Turkey and Tunisia) attended and a CIP interest group comprised of workshop participants and observers was formed. Following this event in Brussels, all the beneficiary countries expressed an interest in developing EEN or equivalent organisations to facilitate technology transfer at both the national and regional level as well as between the region and the rest of the world (in particular, the EU Member States). At that time, the beneficiary countries designated representative organisations and persons to participate in regional training seminars presenting the services to be offered by EEN members.

Sharon Zimmerman – Israeli NFP

'Despite any initial reservations we might have had, we are so glad we were given the opportunity to be at the conference, and even present an Israeli innovation scheme to the participants. The conversations that we held with many of those present, we hope, will lead to future meaningful collaborations. In particular, we are quite excited with the relationship that has already begun with the Palestinian from JaffaNet. Dr Al-Salqan has registered through IRC Israel site, and is also in contact with an Israeli researcher that published a technology request. They will be meeting next week in Jerusalem. We also spoke at length with the Moroccan representative and are optimistic that he is sincere in his intentions to come and visit our offices in Israel, specifically, our IRC. Conversations held with the Egyptians, Jordanians, and even the Lebanese have also left the doors open for future cooperation.'

The objective of Axis 2 was now to raise awareness of the concept of EEN and further develop services in existing technology transfer organisations and the establishment and management of EEN projects. This was first done through regional activities (participation to European Brokerage Events, training seminars, study visits), but step by step evolved more into national support activities. Two training sessions on a bilateral basis in Tunis and Beirut provided information on the benefits countries could derive from EEN membership. The aim was to establish a dialogue between the participating organisations on the type of contribution they make to national consortia and the benefits their clients could get from these activities.

Following requests from the National Focal Points (NFPs), a second regional training event subsequently took place in Egypt, focusing on networking good practice on technology transfer. The outcome of the meeting was that the countries in the region should work to integrate this good practice and promote it both across the region and between the region and counterpart organisations in Europe. A follow on set of training sessions and technical assistance were then organised in Egypt, Jordan, Lebanon, Morocco and Tunisia to transfer the required

32 See http://cordis.europa.eu/fp7/home_en.html online.

knowledge. Out of the 11 training sessions that took place in the countries, 124 individuals were trained on the network methodologies.

In parallel, Egypt, Jordan, Lebanon, Morocco, Syria and Tunisia all expressed their willingness to become actual members of the EEN. Work started on providing 'hands on' technical assistance to ministries in these countries. In total, 11 missions of technical assistance were organised in these countries to help the understanding and structuring of their candidature to the network. Two missions took place in Algeria to present the opportunity to the Ministry of Industry and to the national agencies involved in the support of innovation; however, they concluded that they first need to structure their services to SMEs at a national level before linking them to international initiatives.

Successful Egyptian Bid to Join EEN

A series of four technical assistance missions to Egypt by Medibtikar experts assisted the Egyptian Ministry of Industry with its successful bid to join the EEN. Subsequent activities have focused on providing hands on technical assistance to their successful EEN team. Between 2nd and 6th February 2009 Medibtikar organised a study visit for EEN Egypt to a leading EEN consortium in Germany: EEN North Rhine-Westphalia (NRW Europa) ([33]).

The objective of the study visit was that EEN Egypt and EEN North Rhine-Westphalia would share experiences on how to structure their work and how to organise their teams in order to achieve ambitious objectives set forth in their work plans. Another topic was how to bundle strengths and to coordinate efforts to build integrated one-stop-shops for client organisations seeking business support in the areas of innovation, internationalisation, technology transfer and facilitating access to FP7. At the end of the visit, two partnership agreements were signed and all delegates evaluated the visit as very useful. They have stated that their expectations have been more than fulfilled and expressed their wishes for ongoing collaboration in the future.

33 See http://www.enterprise-europe-network.ec.europa.eu/countries/germany_en.htm online.

To complete the support provided to the countries, three visits were organised in Europe. The first one brought companies and support organisations to the Hannover Industrial Fair (Germany) in April 2008. The objective was for them to understand how brokerage events are organised in Europe by EEN members and how Mediterranean companies could benefit from them. The second visit took place in Bordeaux, France, in September 2008. A Moroccan and a Tunisian delegation were able to discuss with an existing EEN member the operational conditions necessary for the delivery of network services. A similar mission took place subsequently with an Egyptian delegation visiting the North Rhine-Westphalia IRC (Germany) in February 2009. Two cooperation agreements were signed between the Egyptian Ministry of Trade and Industry and German institutions.

Overall results and achievements

One of the unexpected outcomes of the actions was highlighted by the Moroccan NFP of the Programme after six months work on Axis 2. The fact that they had to develop a national integrated set of services to offer to Moroccan SMEs and research organisations required the major innovation support stakeholders to sit down together and explore potential synergies. This was the first time that the ANPME (Agence Nationale des PMEs), the Ministry of Industry, the Ministry of Higher Education, the Ministry of External Trade and business associations like R&D Maroc or Maroc Export, employed a shared approach to the development of innovation support initiatives (see Box 5 beside).

Moroccan EEN coordination

One of the unexpected outcomes of the actions was highlighted by the Moroccan NFP after six months of work on the Axis 2 activities. The fact that they had to work on a national integrated set of services to offer to Moroccan SMEs and research organisations forced the majors innovation support stakeholders to sit down together and look for synergies. This was the first time that the National Agency for SMEs (ANPME), the Ministry of Industries, the Ministry of Higher Education, the Ministry of External Trade and business associations like R&D Maroc or Maroc Export shared an approach to the development of innovation support initiatives.

Following on from this initial success, participants in the technical assistance worked on identifying needs in terms of communication and coordination within the consortium to produce a proposal to join the EEN. In parallel, communication was improved with members of the EEN in Europe and elsewhere. Following the technical assistance, the project coordinator and members of his team worked with Medibtikar experts to produce and submit an application to become a member of the EEN.

Membership of EEN will allow organisations like ANPME or API in Tunisia to network and organise brokerage events and the like with a new range of partners. The EEN offers the opportunity to partners to reach 600 relevant organisations in 40 countries who have been in contact with more than 200 000 SMEs and research organisations.

At the time of writing, Egypt and Syria have both had their applications accepted and are full members of the EEN. Lebanon submitted a well received request for candidature and is still negotiating the detail of entry. Morocco and Tunisia have submitted their candidature to the European Commission to become members of the network and are awaiting confirmation of acceptance.

Recommendations for sustainability

Although the majority of the MEDA countries are connected or will very soon be connected to the EEN, the organisation and refinement of the services to be provided to the national SMEs and research organisations will need continued support. Several actions could help the organisations involved in the national consortia to accelerate their full integration into the network. First, further technical assistance would be desirable:

- development of a specific link between an individual consortium and a European member of the network. In the past, IRC mentoring activities showed that newly integrated members could benefit from the knowledge of an experienced member to learn the basic skills and procedures they have to master to be fully operational;

- organisation of technical training sessions focusing on the daily delivery of specific EEN services.

These two activities could be financed either via bilateral agreements (through organisations like Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) (34), United Nations Industrial Development Organisation (UNIDO) ([35]) or via the Technical Assistance and Information Exchange Instrument (TAIEX) ([36]) Programme of the European Commission. Some of the countries, such as Morocco and Tunisia, are looking at these opportunities.

In parallel, some MEDA countries have already expressed their interest in developing a Mediterranean 'sub-network' that would focus on the special issues of the region. The MEDA countries would be able to exchange good practice via this sub-network and develop specific links with countries from the south of Europe on priority area subjects like eco-energy, desertification or water treatment. The EEN offers a good platform for such initiatives, but the MEDA members will have to find a way to finance the operation of the regional network.

34 See http://www.gtz.de/en/ online.

35 See http://www.unido.org/ online.

36 See http://ec.europa.eu/enlargement/taiex/ online.

AXIS 3:
FINANCING INNOVATION

(916 DAYS – 12%)

Situation at the start of the programme

SME financing and particularly innovation financing within small and medium-sized enterprises (SMEs) is a key component for economic development. The enterprise financing chain (Seed Fund – Project Financing – Business Angel – Bank – Guarantee fund – Venture Capital – Investment Fund) was unequally or partially developed in the MEDA countries. Furthermore, there had been little systematic investigation of what funding mechanisms were locally available.

At the start of Medibtikar the financing situation could be summarised as follows:

- **Dealflow in the MEDA countries:** innovative projects existed with economic potential, but their promoters were unaware of financing opportunities. Incubators were usually better connected with grant and loans schemes, but not with business angels and investment funds.
- **There was success:** many great projects were not considered by investors. So few projects had the chance to get funded that some investment funds in MEDA investing in seed projects had a 100% success rate!
- **Mentoring was weak:** pre-investment services provided by innovation support organisations in MEDA countries did not really prepare entrepreneurs to meet investors' expectations. Additionally, investment funds did not have the capacity to provide efficient post-investment support.
- **Actors (public/private) of the SME financing chain were disconnected:** at the same time, all had a shared interest in the rapid development and success of the companies.

- **Internationalisation should be considered in the start-up phase:** the Mediterranean countries are most often below 10 million in population. In this context, Mediterranean start-ups have difficulty reaching a critical size and should be encouraged to develop their market niches in several countries simultaneously.

In consequence, a regional need was identified for transnational financing and accompanying instruments that include in their portfolio companies from all over the region. These instruments would favour synergies between their enterprises and facilitate their international development.

Objectives of the axis

The overall objectives for Axis 3 were to:

- map existing funding mechanisms across the region;
- facilitate the design and development of new improved mechanisms for innovation financing.

More specific objectives were to:

- produce a funding Guide book based on the mapping exercise;
- develop a business plan for a facility for Investment in Innovation in MEDA countries;
- locate sponsors and leaders for the facility;
- facilitate the creation of business angels clubs;
- organise seminars with bankers and corporate executives of investment funds, plus organisations in charge of entrepreneurship support;
- organise one or two events to develop a network of stakeholders of innovation financing.

Actions delivered

Axis 3 activities began with a study based on desk research and distribution of questionnaires to identify the stakeholders of innovation financing in the MEDA countries and then specify the content of an annual event bringing these stakeholders together. This was then followed by field work to identify strengths and weaknesses in current funding provision. Interviews with stakeholders were carried out in Algeria, Egypt, Jordan, Tunisia and Turkey. In addition, members of the Medibtikar team participated in a number of events such as the Business Development Centre Conference on SME banking in Jordan (February 2008) and the Euromed Capital Forum in Tunisia (April 2008).

This field work led to a detailed benchmark of the innovation financing system of each MEDA country, and to recommendations for tools that would make up the missing links in the financing system. A workshop gathering the stakeholders of the innovation financing chain, in Casablanca (May 2008), led to the development of the concept of a 'Regional Innovation Financing Facility' (RIFF) consisting of three major components. First, a Task Force to provide project holders and other stakeholders with training and technical assistance. Second, the development of a guarantee fund dedicated to innovation. Third, development of a seed fund gathering together investment pools among public and private stakeholders.

The final RIFF proposal was presented to a one-day conference during the Mediterranean Economic Week in Marseille. The aim was to gather together all stakeholders of innovation financing in the MEDA region; European Investment Bank (EIB) ([37]), World Bank (WB) ([38]), local authorities, etc. The objective was to present the conclusions of the RIFF diagnostic and secure ownership and sponsors for the creation of the RIFF with major donors present.

A further study was conducted to identify and establish a sustainable dealflow for early stage investment in MEDA. This led to the production of an inventory of all

37 See http://www.eib.org/ online.

38 See http://www.worldbank.org/ online.

sources of innovative promoters which included a list and description of all innovative projects with the potential for internationalisation. In addition, the study produced a specification for an information system and talent pool to ensure the sustainability of this dealflow. This information system was developed in close collaboration with the local consultants trained under Axis 1.

Axis 3 has delivered 20 activities consisting of two main lines of activities. First, country visits to familiarise innovation finance stakeholders in the region about the aims of Medibtikar and to investigate their needs and recommendations for improving the financing environment. Second, the design and implementation of four consecutive surveys leading to the production of six significant publications (see following section).

The next stage of activities consisted of sharing and adapting the diagnostic and recommendations with the innovation financing stakeholders. This was done during one seminar in Casablanca (May 2008) and one conference in Marseille (November 2010). These outcomes were then promoted at a high level in order to convince the relevant institutions and stakeholders of the necessity to create the RIFF. Organisations lobbied included the Association of European Investment Banks, Caisse des Dépôts, Agence Française de Développement and local authorities.

The concept of RIFF was also promoted in high level meetings such as Euromed Industry Ministerial meeting in November 2008 and the Euromed Industrial Working Party in June 2008. Both of these meetings supported further study of the RIFF concept. The Ministry of Information and Communication Technology (ICT) in Algeria also pledged to support the participation of Algerian companies. RIFF was also publicised at various events around the region. At a conference in Marseille on 20 November 2008, around 30 MEDA organisations working in entrepreneurship or innovation support from six countries (investment funds, incubators, science parks, ministries of SMEs etc.) signed a declaration of support for the launch of RIFF (the 'Marseille Declaration').

Business Angel Network Bedaya, Jordan

In total, 10 members of the newly launched Business Angel network 'Bedaya' have attended the pitching of preselected promising entrepreneurs to discuss their interest in investing in these early stage ventures. The entrepreneurs were given 20 minutes to present their project and explain why they were willing to welcome external investors in their company. They then faced a 20 minute question period from the business angels who were interested in better understanding their concept, their business development strategy, their market and, most importantly, what the money they could invest would be used for.

The Bedaya network was launched in a special event last May under the patronage of HRH Princess Sumaya bint El Hassan at El Hassan Science City. The launch has attracted over 30 prominent Jordanian investors, business leaders and others representing organisations that cultivate economic growth. The founding institutions of the Bedaya are: the Queen Rania Center for Entrepreneurship, the iPark business incubator and the Arab Science and Technology Foundation (ASTF). The network has been created with the technical support of the European programme Medibtikar.

The impetus for the creation of Bedaya is to offer national financing vehicles for innovative business start-ups as part of the El Hassan Science City's mandate to foster knowledge-based enterprises with a promising potential for growth. The network will offer investments for early stage start-ups with a focus on science and technology.

The process starts by selecting entrepreneurs who are looking for funding and presenting the most promising every two months during pitching sessions to an audience of business angels. Business angels are private individuals willing to invest their own money in high growth potential starting companies. But business angels do not offer only money to the entrepreneurs. Since these investors are usually successful entrepreneurs themselves, they will bring their experience and personal business network to the companies they invest in, which is an invaluable asset and success guarantee for the entrepreneur.

Before pitching to investors, the entrepreneurs received special full-day training and coaching by Mr Nelson Gray, a seasoned expert on business angel investments. He stressed the importance of designing such an infrastructure in Jordan in order to pave the way for a strong knowledge-based economy.

The final group of activities under Axis 3 concerned Business Angel (BA) networks. The initial studies and events revealed a great deal of interest in this model whereby a group of business angels form a network and so on the one hand spread their exposure to risk and on the other hand are able to offer a wider range of finance and expertise to new enterprises. With the support of the Medibtikar programme, Morocco (www.abas.ma), Jordan and Tunisia have all now established high profile BA networks.

Dr. Usama Fayyad – ex-board member of Yahoo and Bedaya member

'This is the right time to establish such a network due to the huge need for start-up funding in this part of the world.'

Overall results and achievements

Axis 3 was very successful in raising awareness about the gaps in finance that inhibit the growth of small innovative companies in the region. Various events were held and a network of concerned stakeholders was formed. A focus of this network is the new MedVentures initiative (the new name for RIFF), announced during the Mediterranean Economic Week in Marseille, on 10 October 2009.

The project also created three BA networks in Morocco, Jordan, and Tunisia.

- In Morocco, the Investment Department helped to form a non-profit association gathering a network of private investors. High profile Moroccan businessmen are now animating this investors group, Atlas Business Angels network, and have already committed investments to starting ventures.
- In Jordan, the Bedaya project was supported by HRH Princess Sumaya, who is the head of El Hassan Science City and Princess Sumaya IT University, which is a guarantee for its sustainability.
- In Tunisia, the fact that the initiative was developed in partnership with the EIB added a policy advocacy dimension to it. The EIB hired two experts to study the possible legal incentives to favour private investment in enterprise creation or in innovation. The project is therefore more likely to provoke structural changes in this country.

The surveys carried out as part of Axis 3 activities produced six significant publications:

- Diagnostic: 'Funding start-ups and SME innovation, a Guide for MEDA countries' by Emmanuel Noutary ([39]);
- 'Innovation Value Chain Financing – A guide for MEDA countries' by Serge Destruel ([40]);
- 'Business Plan for a Regional Innovation Financing Facility (RIFF project)' by Emmanuel Noutary ([41]);
- 'Study of MEDA innovative dealflow' by Emmanuel Noutary ([42]);
- The publication of an article with six partners to recommend the creation of the RIFF, published in the magazine Enjeux Méditerranée in June 2008 ([43]);
- 'Plan and manage a Science Park in the Mediterranean, Guidebook for Decision Makers' by the European Investment Bank (EIB), Medibtikar Programme and the World Bank ([44]).

39 Funding Start-ups and SME Innovation. Emmanual Noutary, Medibtikar, June 2008, 142pp.

40 See http://library.medibtikar.eu/Med_docs/AX_3/12_Innovation%20Finance%20Chain/MEDIBTIKAR_valueChain_%20july%2008-%20Finale.pdf

41

42

43

44 See http://www.medibtikar.eu/Plan-and-manage-a-Science-Park-in,1383.html online.

Recommendations for sustainability

The RIFF initiative, now called MedVentures, is being piloted by ANIMA and its partners, under Invest in Med Programme, and has been proposed for funding via the European Neighbourhood and Partnership Instrument – Cross Border Cooperation (ENPI-CBC) programme ([45]).

Mechanisms should be explored to fund an annual event designed to bring together MEDA investors and innovation managers and SMEs seeking support and investment. This should support continued networking of those organisations which participated in the activities described under Axis 1. In addition, efforts should be made to generate investment funds from a range of public and private financing institutions; e.g. EIB, Caisse des Dépots ([46]), OSEO ([47]), World Bank, GTZ etc.

Business Angel networks are born sustainable, since they are managed by their members. However, there are significant management costs associated with managing a BA network. Initial funding to assist with these costs would facilitate the establishment of more networks.

'This is the right time to establish such a network due to the huge need for start-up funding in this part of the world.'

45 See http://www.animaweb.org/ online.

46 See http://www.caissedesdepots.fr/ online.

47 See http://www.oseo.fr/ online.

AXIS 4: INNOVATION MANAGEMENT

(1 256 DAYS – 17%)

Situation at the start of the programme

The rapid pace of technological change and globalisation poses special challenges for the countries of the MEDA region as well as opportunities. While each nation charts its own path based on its resources and culture, there is now the imperative for all to develop a national innovation strategy and system to help formulate policies for setting priorities and allocating resources. There is also a need to develop strategies for scientific research and technology development in public, university and corporate laboratories enabling them to build the technical human resource base for a knowledge society. In addition, it is necessary to strengthen technical support systems for quality information flows. Finally, as shown in the section on Axis 3, there is an urgent need to mobilise financial resources in the face of competing needs and the common concerns of alleviating poverty, preserving the environment and defending the nation to facilitate the growth of small innovative companies.

Innovation is the heartbeat of modern economies. Without it firms cannot introduce new products, services or processes. In today's globally competitive environment no firm, large or small, can survive without innovating. However, the paradox of innovation is that while it is driven by competition, it cannot flourish without cooperation, sometimes even between competing firms. Innovation no longer depends only on how firms, universities, research institutes and regulators perform, but on how they work together. Thus, a national innovation system to be successful requires not only strong and vigorous components but also extensive and productive interactions among the components ([48]).

48 Mapping & Assessment of Syrian Innovation Infrastructure, Prof. Lena Tsipouri, Prof.Dr.Eng. Samir Elsayyad, Dr.Eng. Ahmed Elsayad. See http://www.medibtikar.eu/IMG/pdf/DiagnisticSyria-final.pdf online.

Objectives of the axis

There were three interconnected broad objectives under this Axis.

- to analyse the viability of utilising innovation indicators to benchmark innovation across the region;
- to identify specific components and tools that will contribute to the establishment of innovation and technology policy in the MEDA countries at national and regional levels;
- to train and network innovation policy makers across the region.

In addition, once the programme was underway two more specific objectives were identified.

- to perform diagnostic studies – e.g. SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis (Syria and Jordan) – to assess priorities for policy and management development in the short and medium term;
- to increase value added in exports through quality certification.

Actions delivered

Initially, Axis 4 reviewed the innovation infrastructures in each of the beneficiary countries with a view to identifying the main problem areas. At the same time the experts explored the potential for the increased development and utilisation of innovation indicators (MedIS scoreboard). This led to the creation of a network for intra-MEDA benchmarking – Network for Evidence Based Innovation Policy (NEBIP). NEBIP has reached a stage of maturity leading to significant interaction among its members. The topic it deals with (development of MEDA Innovation Indicators) is of increasing relevance and addressed by many international organisations and ongoing research projects. The flagship of the network is now 'raising ambitions' aiming at the completion of all indicators, a full benchmarking exercise and liaison with other activities at the European level and beyond.

Within the network, Medibtikar experts were involved in a number of bilateral activities to assist members to develop national and regional indicators. In Egypt, the team worked closely with the IDSC (Information and Decision Support Centre) to develop innovation indicators in Egypt. The Medibtikar experts worked closely with a small team from IDSC to design three questionnaires which were distributed to Egyptian businesses, universities and government departments during 2009. In Syria, training was delivered on the use of research and development (R&D) innovation surveys to 20 participants from the Central Statistics Office and the Ministry of Industry. The aim of this training was to prepare the Central Statistics Office to deliver two surveys should a political decision be taken to do so.

There was a diagnostic study performed in Syria ([49]) designed to facilitate the development of a national innovation policy. These studies involved face-to-face interviews with stakeholders in the countries and produced reports with suggestions for facilitating the coherent development of national innovation policies. In the case of Syria, a diagnostic study of the national innovation system was requested by the National Focal Point (NFP) and the Ministry of Industry. The first part of this consisted of a mapping of the main innovation stakeholders in the country and an analysis of their effectiveness in developing relevant policy. After further consultation this lead to the design of an innovation plan which has recently been finalised (see Box 6 next page).

49 Mapping & Assessment of Syrian Innovation Infrastructure,Prof. Lena Tsipouri, Prof.Dr.Eng. Samir Elsayyad, Dr.Eng. Ahmed Elsayad - http://www.medibtikar.eu/IMG/pdf/DiagnisticSyria-final.pdf

Innovation Diagnostic Study, Syria

An 'Innovation Diagnostic' was performed in Syria which had two main objectives. First, compilation of a registry and mapping of Syrian ministries/organisations with a role in technology and innovation policy development and implementation, Technology Centres, science and technology (S&T)/R&D institutions, Business Associations, manufacturing companies and consulting companies operating as intermediaries between academia and industry in the field of technology and innovation support services and/or providing technical services to help enterprises develop their businesses. Second, an overall assessment of existing R&D organisations' programs and services delivered, infrastructure, other activities and their potential (based on the survey), and recommendations.

The study produced a great number of recommendations, including:

- Improve innovation management, organisation and marketing in companies
- Modernise R&D policy through the creation of new intermediaries and laboratories for innovation services, create cost-covering infrastructure if possible, project-based funding in parallel with institutional funding, proactive interaction between academia and business, utilisation of international property rights (IPRs)
- Modernise research, technological development and innovation (RTDI) policies by better monitoring, evaluation and learning and by addressing more innovative policies to support business innovation such as the possibility to use public procurement as leverage (e.g. for creating skills in national companies for the Arabisation of Internet content).
- Support networks and clusters, whether smaller or bigger; high quality raw materials are particularly suited as the basis for cluster creation (petrochemicals, agro-food and textile being the most promising ones along with possibly the Arabisation of the Internet) but systematic value added needs to be assured. The promotion of clusters goes in parallel with new labs with modern equipment in line with the cluster creation, a reduction of the informal sector, the promotion of university-industry cooperation and, last but not least, the exploitation of foreign aid into the same coordinated direction.

The workshop on 'The Enhancement and Evaluation and Assessment Practices on Innovation Policy in Israel' was carried out in Jerusalem, Israel, on 9 July 2008. The idea was generated by the identification of the lack of evaluation practices in Israel despite the success of innovation performance. The conclusions were mainly that while it may not have been necessary in the past, *ex post* evaluation of RTDI is now becoming important for Israel. The agenda was created to mix the Israeli and European experiences in an effort to conclude on potential technical assistance from Medibtikar to Israel. The Turkish NFP and the Turkish local expert expressed an interest to benefit from the presentations; hence, a five-member Turkish delegation joined the meeting.

In Turkey, the Ministry of Industry requested assistance to develop regional innovation strategies which are of national importance due to the huge size of the country. Box 7 next page describes the process undertaken by the Medibtikar international and local experts.

Regional Innovation Strategy (RIS), Izmir, Turkey

A Regional Innovation Strategy (RIS) was developed for Izmir in Turkey. This activity started with a kick-off meeting in Ankara on 23 May 2008 and was attended by over 70 people. The 'Workshop on Regional Innovation Strategies' covered the topics agreed on in the terms of reference; namely provision of basic training on the techniques used for designing a RIS and a discussion for selecting one pilot region in Turkey to demonstrate the feasibility of the exercise. The initiative was a response to a request of the Ministry of Industry and Trade (Medibtikar Focal Point organisation) and the Turkish Regional Authorities from different provinces under 12 NUTS1 regions to get the assistance of the Medibtikar programme in the training of their employees and other related national organisations. The aim was to conceive, organise and implement RISs, in compliance with the National Innovation Strategy, the EU guidelines and the philosophy of the Lisbon Agenda. The massive assistance and enthusiasm of Turkish stakeholders and observers from Egypt, Morocco and Tunisia demonstrated that the topic is particularly interesting to many countries in the region. A lively discussion showed there was a requirement for preliminary steps towards the development of regional strategies. The discussion also showed that such a study had many applications and there were already requests for replication inside Turkey.

The 'Izmir Regional Consensus Workshop' was implemented in Izmir, Turkey on 25 June 2008 under the coordination of Izmir Regional Development Agency and presented to the local audience the main RIS concepts as well as the basic principles and methodology for implementing the RIS in Izmir as well as the rationale and philosophy of setting up the pilot project in Izmir to demonstrate the feasibility of the exercise and the support provided by Medibtikar programme.

The participation of the Governor, Mr Cahit Kirac, and Metropolitan Mayor of City of Izmir, Mr Aziz Kocaoglu, and the participation of more than 120 executives from public, business, academia and innovation in the area has demonstrated the significance of the initiative topic and its particular interest for the actors involved. The workshop received remarkable coverage from national and regional media. The workshop was structured around a set of methodological and framework-setting presentations, a panel of local actors – champions in the local innovation system – as well as a follow-up discussion on the specific needs of the area, including recommendations for the Izmir pilot project.

The workshop on 'Certificates of Origin as a Means of Organisational and Marketing Innovation' was held in Amman, Jordan on 16 July 2008. This workshop introduced organisational and marketing innovation in the context of Medibtikar. The idea was generated by the rich experiences in Europe, which prove that not only are certified products able to keep a profit margin 20% to 30% higher than the corresponding non-certified products, but they can help build clusters that regenerate economically deprived regions. The target of the workshop was to inform participants about the existing processes and their costs/benefits, investigate the interest of creating a regional network and identifying interests in technical assistance. The actual training, which included broader institutional cases, legal aspects and examples, was successful and very much appreciated by the participants. Given the high interest expressed by all participants and many requests for follow up, three follow-on national workshops were held in Egypt, Lebanon and Morocco focusing on specific products and were strongly supported by industry. The workshop in Beirut is described in Box 8 next page.

Certificates of Origin Seminar, Beirut, Lebanon

The workshop, which was opened by the Minster of Industry, consisted of working sessions and training on Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and TSG certification for specific products. The aim of the working sessions was to present activities supporting the MEDA countries to certify the quality of selected exports to the EU.

The certification process is highly relevant for innovation and mutual benefits in the process of the completion of the Euro-Mediterranean Partnership.

Certified products enjoy a premium in export prices, which acts as a stimulus for investments and innovation in order to further increase value added thus helping the certified product into a virtuous circle. The central purpose is to promote these products and make them recognisable internationally for their quality and intrinsic characteristics. Building clusters around certified products is a way to increase value added and international competitiveness in a broader range of activities.

The Lebanese products identified as potentially presenting the characteristics needed for quality certification are:

- Hummus
- Baba Ghannouj (Eggplant Dip)
- Shanklish (Goat Cheese Salad)
- Arak (alcoholic Beverage)
- Meghli (Lebanese Dessert)
- Grape Molasses (Jam made of Grapes)
- Carob Molasses (Jam made of Carob)
- Kishk
- Pickled Eggplant in oil
- Sambousik, Kibbeh Triangles, Mini-Kafta, Chicken Sfeeha , Shish Barak, Chicken Falafel, Chicken Kibbeh Balls

In cooperation with the Association of Lebanese Industrialists, efforts focused on identifying the legal entity to submit a PDO/PGI petition, responsibilities and timing. There was a presentation and analysis of the Submission Form to the EU as well as reports capturing Product Specifications, History, Special Product Characteristics, Competition (Local & Global), Production Quantity, Production Methodology, Packaging & Labelling and Local Legislation on Product Protection.

The result was the opening of a dialogue with producers to identify to what extent they are interested in pursuing certification and what national administrative structure is necessary to achieve this.

Overall results and achievements

The analysis of innovation indicators significantly raised awareness of the field amongst policy makers across the region. Statistical evidence training was provided to 30 employees in statistical offices and policy makers in four countries and resulted in the formation of the NEBIP network. Five network meetings were subsequently held and a pilot CIS survey was conducted in Egypt in collaboration with IDSC. A major report was produced summarising the results of these analyses ([50]).

Diagnostic visits to Syria and Jordan involved 50 local interviews and individual country reports were produced ([51]).

The Izmir Pilot Regional Innovation Study was successfully completed ([52]) and many more regions have now requested national funds to perform their own RIS. In the field of quality certification there was one regional and four national training events involving over 100 participants, many from industry and industrial associations. These national workshops involved the identification of pilot products in Jordan, Lebanon, Morocco and Egypt.

Recommendations for sustainability

NEBIP and MedIS are operational and there is a need for additional funding for meetings and collaboration to be continued. Possible support could come from the INCOnets ([53]) or Accompanying Measures ([54]). It is likely that the MIRA Observatory will build on the MedIS/NEBIP experience and support exercises for innovation indicators from September 2010 onwards.

In Turkey, it is likely that national funds will be made available to enable RIS exercises in other regions building on the work of the local and international Medibtikar experts.

There is a very strong interest in continuing the work on Quality Certification in the four countries which participate in this part of the programme. It is also apparent that other countries would have welcomed similar training had sufficient funds been available. Continuation of protected designation of origin (PDO)-related activities and cluster-building may be possible via European Neighbourhood and Partnership Instrument (ENPI) or Technical Assistance and Information Exchange Instrument (TAIEX) funding.

50 Medibtikar NEBIP Initiative – Second Annual Report. See http://www.medibtikar.eu/IMG/pdf/MedIs_ReportII_V.3.pdf online.

51 Diagnostic Study of the Syrian Innovation System, Prof. Lena Tsipouri, Prof.Dr.Eng. Samir Elsayyad, Dr.Eng. Ahmed Elsayad, Damascus November 07.

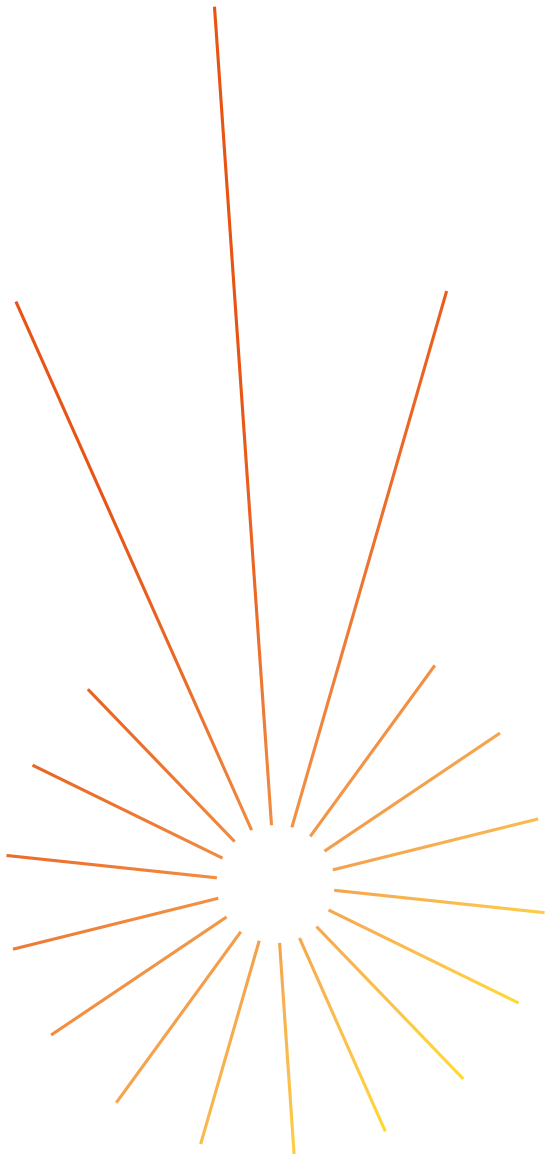
52 See http://cordis.europa.eu/coordination/era-net.htm online.

53 See http://www.miraproject.eu/INCONets-synergies-public-area online.

54 Accompanying Measures provide support to activities that enhance the impact of an EU-funded programme. Four specific types of activity are supported: studies; information exchanges e.g. via conferences; information, communication and dissemination activities; stimulation grants.

AXIS 5: SECTORAL SUPPORT

(526 DAYS - 7%)



Situation at the start of the programme

As part of the process of enhancing the Medibtikar programme in 2007, the National Focal Points (NFPs) were asked to nominate which sectors they felt were the major priorities in their respective countries. The results showed that across the region the textile and food sectors were perceived as being the most important. Both sectors suffered from a very patchy representation in terms of industrial organisations and also identified a lack of useful market and technology information. Though much work had been conducted in the past in both sectors funded by a range of national and international organisations, this was poorly coordinated.

It was also evident that, for a majority, 'innovation' means primarily the ability to utilise new methods and techniques in their businesses to improve their performance in relation to cost effectiveness in their current (or closely associated) products and markets. Businesses and associations were interested to learn about more 'high technology' product innovations but only insofar as this gives insight into likely future trends in their markets. Only a tiny minority have the inclination or resources to be able to initiate and develop, from scratch, such innovative new products.

Objectives of the axis

The objectives of Axis 5 can be summarised as follows:

- to review existing relevant initiatives in the region in the textile and food sectors;
- to facilitate dialogue between industrialists across the region to attempt to reach a consensus on innovation needs;
- to attempt to address the identified needs.

To achieve these objectives a simple methodology was adopted. First, to conduct a mapping of all current and recent support programmes (national and international) in

the targeted MEDA countries in the textile and food sectors to ensure that any technical assistance provided under Medibtikar was not duplicating effort under another initiative.

Second, to interview key actors in selected countries from industry and government to ascertain areas of common concern in these sectors where increased innovation could produce tangible benefits. The results of these exercises were incorporated into a report presented at a seminar to which all interviewees were invited. The purpose of this seminar was to agree on areas of common interest and to develop a list of agreed actions aimed at increasing the level of innovation in specific sub-sectors.

The intention was to use these findings as the basis for further technical assistance under Medibtikar or other initiatives identified in the first phase of this action. These follow on actions may be vertically directed towards sub-sectors or horizontally focused; e.g. an examination of new markets such as technical textiles.

Actions delivered

Actions in the textile sector began with a comprehensive review of the sector across the region. The initial study took place in the period from October 2007 to January 2008, and included visits to seven countries, occurring mainly in November and December 2007. The field work consisted of 95 face-to-face interviews with a wide variety of institutions/bodies but primarily focussed on industry (companies, trade associations etc). The report was produced in early 2008 ([55]) and mapped all major national and international support projects operating within the target MEDA countries in the textiles sector. The report also highlighted areas where innovation of technology and/or processes could have significant regional benefits in the textiles sector. It also provided a plan for providing more detailed technical assistance in the general area of textiles.

55 Improving Innovation in Textile and Clothing, Ben Coes, David Vickers, March 2008. See http://www.medibtikar.eu/IMG/pdf/Publishing_report_Medibtkar_Textile_Sector_Mar_2008-3.pdf online.

First Medibtikar Textile Network Meeting, Istanbul, Turkey

Medibtikar organised a workshop for industrialists from the textiles/clothing sector at the Armada Hotel Istanbul on 6 and 7 February 2008.

The workshop was opened by Mr Yavuz Cabbar, the Deputy Undersecretary of the Ministry of Industry and Trade of the Government of Turkey. It had 50 participants from all seven countries which participated in the study.

The recent regional study presented the following aims:

- First, to conduct a mapping of all current and recent support programmes (national and international) in the MEDA countries in the textiles sector to ensure that any technical assistance provided under Medibtikar is not duplicating effort under another initiative.
- Second, to ascertain areas of common concern in the sector where increased innovation could produce tangible benefits. The aim was that this would lead to concrete proposals for future actions.

The results of this study were incorporated into a report that was presented at the workshop. The purpose of this workshop was to agree on areas of common interest. After very fruitful and lively discussions the workshop agreedon four areas as priorities:

- Industry Associations
- Technical Centres
- Design Centres
- Creation of a Regional Information System

Working groups were set up to establish action plans for each of these areas.

Publication of the report was followed by a workshop in Istanbul to which all those involved in the study received an invitation (See Box 9 uppon).

This initial workshop was followed by two more in Amman and Cairo. The final workshop in Cairo also coincided with the EGYTEX 2008 Trade Fair. Medibtikar also organised a fashion show in parallel with this event (See Box 10 next page).

MEDA INNOVA Fashion Show, Egypt

Under the auspices of H.E. Rachid Mohamed Rachid, the Minister of Trade & Industry, The EuroMed Innovation & Technology programme Medibtikar, in close collaboration with the Fashion Design Center, one of the Technology Transfer Centres belonging to the Ministry of Trade and Industry, organised the MEDA INNOVA Fashion show on 18 November 2008 in the Fairmont Hotel, Heliopolis, in parallel with the EGYTEX 2008 Trade Fair event that took place in Cairo, Egypt, from 16 to 18 November 2008 with input from the Medibtikar Design Network Members.

The MEDA INNOVA fashion show contained product presentations from International Brands from the MEDA Region and Fashion Design Institutes in cooperation with Egypt's 'Arafa' Menswear Group & Organic Wear producer 'Sekem', Jordan Casual woman's and man's wear & Cultural wear, Lebanon (Haute Couture), Tunisia and Turkey. The aim of this fashion show was to pursue a regional brand for the first time and to raise awareness internationally of designs in the region.

Prior to the event, the Medibtikar Programme along with the Fashion Design Centre (FDC) advertised the event via a wide range of different marketing channels; the result was that the show was attended by over 400 guests from various EU and MEDA countries, representing institutions, embassies, the EU, international bodies, members of textile chambers, international and local buyers and international and local sourcing companies. The Medibtikar and FDC team also successfully launched a sponsorship package to get more support for the show.

The show was attended by the First Undersecretary for Foreign relations and International Agreements and Head of Technological Development Sector, Dr Hany Barakat who, the following day, announced that more cooperation between the Ministry of Industry and the Medibtikar Programme will take place in order to modernise the Egyptian textile industry and improve its exports to the EU.

The fashion show was also broadcast on the Nile News on Sunday 23 November 2008 with Program Title: SABAH GEDID, as well as on the OTV channel. The event was also promoted on the following websites: Medibtikar.eu, public politics.net, CORDIS, NewsStin, Le Scienz web news and EU Monitor.net

Following the event, the videos of the Fashion show are published on the Medibtikar YouTube channel. See http://www.youtube.com/medibtikar online.

Additionally, valuable discussions were held with the European Commission's Directorate-General for Enterprise and Industry, as a result of which a jointly developed questionnaire was created. This was used firstly as the basis of the in-country interviews and also, at the suggestion of DG Enterprise and Industry, was sent to other organisations (industry and others) who could offer valid opinions but who might not be in the group of interviewees. Additionally, DG Enterprise and Industry very kindly offered to distribute the questionnaire to its database of relevant sector stakeholders within both the MEDA countries as well as Euromed Dialogue countries. This assistance proved to be very helpful.

A website was also established in collaboration with the Egyptian Textile Development Association to fulfil the network's desire to establish a regional information system ([56]). The Medatex web portal was designed as an innovative industry specific tool that supports the 'Medibtikar' programme's goal to stimulate networking across the MEDA region as well as between the region and countries of the EU. The target industries are textiles and garments as well as all processes along their value chain. Users have the choice to access information in Arabic, English or French. Use of the portal allows access to a variety of studies, reports and papers. It also offers a selection of trade partners across the region, a regularly up-dated news section, and a regularly up-dated calendar on up-coming industry-related events that are taking place in the MEDA region and the world in general.

A similar study was carried out in the area of Food Processing ([57]). This study, covering six countries plus a part of the Palestinian Territories, was carried out over the period of February 2008 to September 2009. The countries participating in interviews were Egypt, Israel, Jordan, Morocco and Turkey. Syria was included without interviews. A total of 51 interviews took place with 63 individuals from a wide variety of organisations divided between industry, government and trade associations.

56 See http://www.medatex.net/ online.

57 Food Processing Industries: Syria, Egypt, Turkey, Jordan, Morocco and Israel, Michel Treutens, Thomas A. Butterworth, October 2009, 171pp. See http://www.medibtikar.eu/Medibtikar-releases-the-Regional,1385.html online.

This study reveals that the food industry in the MEDA region needs and desires new technology to help them compete in world markets. Some of these desires echo across the region as common needs. Interestingly, many of these regional needs have been addressed by a variety of international aid programmes and organisations.

This study suggests a need for a permanent institution in the region to provide services in (at least) labelling and other regulations of export markets, market intelligence and seed and variety utilisation. The first step would be to determine if this list of three subjects is complete or should be expanded.

The second step would be to determine the structure of the institution. The institution may be a single body serving the entire region or several bodies serving one or more countries. This institution may be a new entity or part of existing organisations. Perhaps it would be best to divide the 'market' into three groups by language: Arabic (for Egypt, Jordan, Syria and Lebanon), French (for Morocco, Algeria and Tunisia) and Turkish. The fourth language, English, is common to the EU institution and to Israel.

Once the structure is established, the next step would be to formulate a financial plan for the venture. It is important to realise that this institution would not call for a large headcount, travel budget or new facilities. However, it would call on the donor organisation for an open-ended commitment (open-ended in time) that recognises the failure of certain training programmes. Both the commitment and the recognition will be difficult, but taken in parallel with ending training programs that have been ineffective, the cost of an institution proposed here may prove to be less than the current costs of ineffective training.

Overall results and achievements

In the textile study within the group of countries visited, there was a wide variation of capabilities and capacities in the sector. For example, Egypt, Syria and Turkey have fully vertically integrated industries (from fibre to end product) whereas others (Jordan, Morocco and Tunisia) are mainly sewing-related operations involved only with the final products (clothing for example) and the 'raw materials' are imported. Some countries (Israel and Turkey) have highly sophisticated manufacturing capabilities and others (Egypt and Syria) lag behind in production capabilities. Israel and Turkey also have a full range of textile product capability (apparel, household textiles, technical textiles etc.) whereas others (notably Jordan, Morocco and Tunisia) are mainly focussed on apparel only.

It was evident from the study that there is ample opportunity for 'technology transfer' into, within and from the region. For most companies, however, 'innovation' means operational improvement rather than 'high-tech' products or production. The study revealed that industrialists in the textile sector of the MEDA region are very anxious to find ways to accelerate their capabilities to find and use 'new technology'.

Almost universally, the industry was asking for a higher degree of coordination and communication both nationally and regionally to be able to develop their businesses and industry as well as improved methods for gaining access to relevant information related to innovation, technology, markets and other related activities.

The workshops proved to be an invaluable tool to establish direct communications across the region as well as to directly test proposals in front of the target 'end-users' who were enthusiastically prepared to offer their advice and opinions.

The proposals to create regional networks of trade associations, design and technology centres was very well received but stressed that these should be 'industry-led' to ensure continued support and relevance.

Following on from the establishment of the Medibtikar textile network, a specialised network was formed looking at the potential to increase the level of activity in the region related to technical textiles. The Tex Tech Med project is funded by the Invest in Med Programme and was generated out of the initial work carried out by Medibtikar.

In the area of food processing much remains to be done following the production of the report described in the previous section. A first step would be to organise a regional workshop or series of workshops to allow industry to produce an action plan for future activities paying due regard to the proposed regional institute.

Recommendations for sustainability

The Medibtikar textile network was very successful and productive and its members are keen to continue and extend its operations. It is interesting to note that several proposals made to the first European Neighbourhood and Partnership Instrument – Cross Border Cooperation in the Mediterranean (ENPI-CBCMED) ([58]) call are on the same lines. There are also three other networks with a similar remit recently set up across the region but these are all more specialised and do not have the coverage of the Medibtikar network:

- The Textile Dialogue funded by DG Enterprise: this includes members from member states as well as the MEDA countries but are mainly government representatives;
- The Agadir network: set up as part of the Agadir process but only representing the four Mahgreb countries;
- The InnTEX network: part of the Invest in Med programme but specialising in technical textiles only.

There could be potential for bringing all three networks together under a proposal to the ENPI-CBCMED umbrella.

One proposal to ENPI-CBCMED has already been submitted including several members of the Medibtikar network. This was a direct result of them making contact via the network in June 2009 in Fez, Morocco, during the annual European Business and Information Centre Network (EBN) Conference, and in October 2009 in Marseille, France, at the TEXTECHMed workshop. As a direct result of these initiatives, DG Enterprise Unit G 4 will organise a workshop in March 2010 related specifically to raising awareness of the potential for technical related textile products in the MEDA region.

Members of the original textile network have been discussing the idea of creating a group of 8 to 10 companies out of four countries (Egypt, Morocco, Syria and Tunisia) to develop further this idea of stimulating the production of technical textiles. In close collaboration with the group market research should be commissioned to identify which products can be produced within a reasonable time frame. Such a study would have to consider the necessary investments and what are the potential sales opportunities on these four markets as well as the potential export opportunities. A likely combination could be both Syrian and/or Egyptian manufacturers managing the supply chain from fibre to fabric and Tunisia and Morocco with their strong expertise, in particular regarding woven textiles, being responsible for the last part (finishing) part of the supply chain.

The fashion show resulted in several ongoing cooperations. Most recently, the Egyptian Fashion Design Centre (FDC) and Jordan Design and Training Services Center (GSC) were to conduct a second fashion show at the Gala Dinner of EGYTEX, as the first was so successful.

The Medatex web portal will continue to be hosted by the Egyptian Textile Development Association and will be operated by staff provided by the Textile Technology Centre which is jointly supported by the University of Cairo and the Egyptian Ministry of Industry. This joint support funding by industry/research centre and government should increase exchange of information both nationally and across the region. There are plans to eventually try and commercialise

58 See http://www.enpicbcmed.eu/en/programme/ online.

the website so that it is supported either by subscriptions or advertising or some combination of the two.

This initiative will need support in market research, implementation, training and management support to make this initiative successful. What will be important is that the participants within this project have also to contribute financially to guarantee their focus and commitment, but this group should initially create the awareness within the textile sector, not to focus only on traditional products but to invest in new products and markets to achieve better profit margins.

In the case of the food sector, the recommendation to establish a permanent institution in the region to provide services in (at least) labelling and other regulations of export markets, market intelligence and seed and variety utilisation should be further explored. The first step would be to determine if this is the optimum structure for such an institution(s) and possibilities for funding.

It is possible that a similar structure may have applications in the textile field also. By concentrating on high value added areas such as growth of organic cotton or increasing usage of technical textiles, such institutions could have a strong influence on changing manufacturing processes across the region.

CONCLUSIONS AND RECOMMENDATIONS

Programme results

As stated in the introduction to this report, the terms of reference (ToR) for the programme stated the overall objective as:

'to provide the MEDA enterprises with new instruments in respect to the competitiveness and innovation, to reinforce their development in order to achieve a good level of services and create an effective link between research and industry. The final beneficiaries will be Mediterranean public and private enterprises which require appropriate infrastructures that support innovation and technology in accordance with the specific needs of SMEs, as well as reinforcing their competitiveness.'

It is clear from the results presented in the preceding sections that Medibtikar has provided new instruments to improve the competitiveness and levels of innovation in new small and medium-sized enterprises (SMEs) across the region. The strengthening of the services provided to SMEs and the establishment of new technology transfer offices (Enterprise Europe Networks (EENs)) is already benefiting new companies in many countries. In addition, the Regional Innovation Financing Facility (RIFF) financing model provides the opportunity through the Invest in MED Programme or other funding mechanisms to provide the necessary finance for new companies identified and supported through these mechanisms. The full benefits of these initiatives will be felt in the coming years as some of these new companies develop into successful enterprises and create wealth and new employment.

The programme has created new links between research and industry through its activities concerning innovation management and sectoral studies. Both of these activities concerned extensive networking both among the MEDA countries and between these countries and EU Member States.

Also in the ToR, the specific objectives of this programme were stated as:

- 'The strengthening of the management skills and the transfer of technology of various actors (administrations, enterprises, industry federations, chambers of commerce etc.) in MEDA countries in the field of innovation in view of the reinforcement of their capacity-building and the introduction of legal reform.
- The support to the creation and/or the capacity-building of the intermediary organisations in charge of implementing support policies for SMEs (Innovation and technology centres (ITCs) or equivalent).
- The support in respect to networking, collaboration and the transfer of knowledge among innovation stakeholders (European Technology and Innovation Centres (ITC) and MEDA equivalents).'

It is appropriate at this stage to assess the results described in the previous Sections with the results specified in the revised log frame of the programme. These are summarised in Table 1 overleaf along with an assessment of to what extent these have been achieved. Annex A summarises the outputs of the programme in quantitative fashion.

Table 1:
Results as Specified in Revised Programme Log Frame

AXIS	AIMS AND OBJECTIVES	RESULTS ACHIEVED
Axis 1	❱ Training and networking of incubators or equivalent and strengthening of their capabilities ❱ Facilitating dialogue between ITC managers, project holders and financiers ❱ Establishing a cadre of local experts able to replicate the training/ technical assistance tailored to local conditions ❱ Establish strong links with relevant European institutions e.g. EBN	❱ 24 training sessions involving 591 participants from all 10 MEDA countries. The majority of these training sessions had a mixture of participants consisting of ITC managers, project holders and financiers ❱ Cadre of 20 trained local experts established and 8 replications delivered by these in Egypt, Libya, Morocco, Tunisia and Turkey ❱ 10-20 international experts involved with the training. 7 MEDA incubators have expressed a wish to join the EBN network
Axis 2	❱ Training and networking of agencies with responsibility for technology transfer and strengthening of their capabilities ❱ Facilitate proposals to the EEN network ❱ Help establish national technology transfer facilities ❱ Establish strong links with relevant European institutions	❱ 5 preparatory visits, 20 technical assistances, and 7 training sessions in 7 countries ❱ Assistance provided to EEN proposal/consortia definition in 6 countries ❱ Technology transfer facilities established in Egypt, Lebanon and Syria ❱ Strong links established with several European IRCs, EENs and other relevant institutions
Axis 3	❱ Mapping of existing funding mechanisms across the region ❱ Facilitation of new of improved mechanisms for innovation financing	❱ 4 surveys and over 50 face to face interviews in 7 MEDA countries led to mapping of existing funding mechanisms ❱ RIFF financing model developed. Business Angel networks established in Jordan, Morocco and Tunisia
Axis 4	❱ Training and networking of innovation policy makers across the region ❱ Identification of specific components and tools, which will contribute to the establishment of innovation and technology policy in the MEDA countries at national and regional level ❱ Analysis of the viability of utilising innovation indicators across the region	❱ Training delivered via 4 workshops ❱ Innovation diagnostic studies in Jordan and Syria. National studies in Egypt, Israel, Jordan, Lebanon and Morocco ❱ NEBIP network established to analyse potential for local innovation in
Axis 5	❱ Review existing relevant initiatives in the region ❱ Facilitate dialogue between industrialists across the region to attempt to reach a consensus on innovation needs. ❱ Address identified needs	❱ Textiles, Food and Renewable Energy initiatives reviewed ❱ 3 workshops held involving over 100 participants from all MEDA countries ❱ Net work and Website created, fashion show organised

The original ToR stipulated that the following services be provided by the programme:

- 'Innovation policy assistance and institutional strengthening activities, in order to help Mediterranean Partner Governments in their efforts towards the adoption of innovation policies and strategies fully integrating innovation and technology transfer in industrial modernisation policies.
- Assistance to the promotion, preparation and follow up of innovation management plans taking into account the interests of the various stakeholders.
- Enhance and upgrade the skills of MEDA Innovation Technical Centres (ITC), reorientate existing policies, and provide practical illustrations of the benefits and of the effectiveness of sustainable development strategies.
- Work in conjunction with the bodies and institutions aiming to achieve similar or closely related objectives, and pool resources and efforts to initiate concerted actions if appropriate.'

It is clear from the proceeding Sections and Table 1 that these requirements have been met by the programme. In addition, there was a requirement to liaise and coordinate with other initiatives wherever possible; activities in this area form the focus of the following section.

Coordination with other initiatives

Medibtikar gathered a reputation for working well with other programmes and donor organisations whenever there was an interest in innovation. Though it was not the only regional programme, the fact that it operated with important ministries in all 10 MEDA countries meant that political considerations were often important. As part of the Euromed Programme, Medibtikar formed an important element of the Barcelona Process.

The Barcelona Process was launched in November 1995 by the Ministers of Foreign Affairs of the then 15 EU members and 14 Mediterranean partners, as the framework to manage both bilateral and regional relations. Guided by the agreements of the Barcelona Declaration, it formed the basis of the Euro-Mediterranean Partnership which has expanded and evolved into the Union for the Mediterranean. It was an innovative alliance based on the principles of joint ownership, dialogue and cooperation, seeking to create a Mediterranean region of peace, security and shared prosperity ([59]).

The Barcelona Declaration highlighted the essential role of industrial cooperation in the implementation of economic transition and the promotion of investment in Mediterranean countries. Since then, innovation and technology have been considered as a priority in European policies. The various Euro-Mediterranean conferences of Ministers of Industry (Klagenfurt, October 1998; Limassol, June 2000; Caserta, October 2004) sought the establishment of networks to promote the transfer of know-how and to encourage practical cooperation through sustainable partnership, as well as to support the regional Euro-Mediterranean projects for innovation and technology in enterprises. Wherever possible, Medibtikar attended these meetings to ensure that the programme complemented and supported policy which they formulated.

With the introduction of the European Neighbourhood Policy (ENP) in 2004, the Barcelona Process essentially became the multilateral forum of dialogue and cooperation between the EU and its Mediterranean partners while complementary bilateral relations are managed mainly under the ENP and through Association Agreements (AAs) signed with each partner country. Future regional and bilateral programmes should be formulated with these AAs as a primary source of information and guidance.

The Euro-Mediterranean Charter for Enterprise was adopted at the Caserta Ministerial Conference of

59 See http://ec.europa.eu/external_relations/euromed/index_en.htm online.

2004. It outlines policies to promote the business environment around 10 lines of action. Since 2004, the European Commission has assisted the Mediterranean partner countries in implementing the charter, exploring education for entrepreneurship and access to finance more in-depth, and identifying good practice. In 2006, a decision was made to reinforce the charter policy process through the development of specific indicators to measure and compare progress across policy areas and between countries. This has also set in place a structured partnership with the Organisation for Economic Cooperation and Development (OECD) ([60]), the European Training Foundation (ETF) ([61]) and the European Investment Bank (EIB) ([62]) who provide the specific expertise to enable the measurement of progress and relative scores of countries according to this measurement instrument. The first regional report which summarises policy progress in all countries according to this new system was presented at the Nice Ministerial Conference ([63]). The Medibtikar team has worked closely with the DG Enterprise team responsible for the charter to coordinate activities in the MEDA countries and the two teams have participated in many joint events including meetings of the Industrial Cooperation Working Group and stakeholder meetings in several MEDA countries. As mentioned in a previous section, Medibitikar team members have cooperated with DG Enterprise in the area of textiles.

Medibtikar has also collaborated closely with the European TrendChart on Innovation, which is a practical tool for benchmarking the level of innovation in Member States. Indeed, several members of the Medibtikar team were also working on TrendChart. The TrendChart Programme pursues the collection, the regular updating and analysis of information on innovation policies at national and Community level, with a focus on innovation finance, setting up and developing innovative businesses, the protection of intellectual property rights (IPRs) and the transfer of technology between research and industry. It is also a European forum for benchmarking and the exchange of good practices in the area of innovation policy. It tracks innovation policy developments in all 25 Member States plus Bulgaria, Iceland, Israel, Liechtenstein, Norway, Romania, Switzerland and Turkey.

Medibtikar team members have collaborated with many other donor organisations during the course of the programme including: Canadian International Development Agency (CIDA) ([64]), GTZ, The World Bank, United Nations Educational Scientific and Cultural Organisation (UNESCO) ([65]), UNIDO, United Nations Economic and Social Commission for Western Asia (UN-ESCWA) ([66]) and some of these may provide the possibility to continue some elements of the programme which is the main focus of the following section of the report.

Recommendations for the Future

This final section of the report will present some observations and associated recommendations for future actions. The first three relate to general administrative issues to be addressed by the European Commission and the remainder pertain to actions which will sustain and extend some of the more successful elements of the programme.

It is strongly recommended that for future EUROMED regional programmes that the design should take into consideration the level of development of innovation capacities in each of the countries. In some countries the attempts to align the shifting political landscape of the

60 See http://www.oecd.org/home/0,2987,en_2649_201185_1_1_1_1_1,00.html online.

61 See http://www.etf.europa.eu/web.nsf?Open online.

62 See http://www.eib.europa.eu/projects/publications/evaluation-of-eif-funding-of-venture-capital-funds.htm online.

63 See http://ec.europa.eu/enterprise/enterprise_policy/ind_coop_programmes/med/doc online.

64 See http://www.acdi-cida.gc.ca/home online.

65 See http://portal.unesco.org/en/ev.php-URL_ID=29008&URL_DO=DO_TOPIC&URL_SECTION=201.html online.

66 See http://www.escwa.un.org/ online.

region with disparate ideologies prove counterproductive. However, regional networking should be strongly encouraged; indeed, evaluations of most Medibtikar regional events has shown that time and again participants cite meeting their counterparts from other countries as one of the most positive outcomes even when their respective countries may not have formal relations! A viable future approach could be based on bilateral projects or projects involving a sub group (say the Maghreb or Mashrek countries) should be administered separately but, where appropriate, participants in these projects should be brought together with participants in similar projects to exchange experiences and good practice.

RECOMMENDATION 1:

Programmes related to innovation should not be regionally administered in the MEDA countries but based on a multi-bilateral model.

The Medibitikar Programme mapped all relevant national and international programmes operating across the region. This was necessary as there is no real coordination of donor activity. Though donor groups do exist, they meet intermittently and do not produce comprehensive/coherent records of current, past or future activities. This inevitably leads to duplication of effort and missed opportunities for synergy. It would be desirable to produce a database of all current and recent national and international programmes across the region and make this accessible by website. This should be updated at least every six months.

RECOMMENDATION 2:

More coordination of national/regional programmes is necessary. As a first step, a database of all programmes should be established as accessible via website.

Medibtikar experienced some difficulties with local collaborators but also identified some extremely talented and efficient ones. In future similar programmes, more use should be made of such local consultants as a more cost effective way of producing results. If the consultants are operating on an international basis they should be paid rates commensurate with this role. There are also direct economic benefits to the beneficiary countries to such an approach in that the resources 'trickle down' into the local economy rather than being returned to donor agencies by way of consultancy fees to international consultants.

RECOMMENDATION 3:

More use should be made of local consultants when appropriate.

The following recommendations all relate to sustaining successful aspects of Medibtikar. In the view of the Medibtikar team, all these recommendations would be suitable for funding from bilateral European Commission funds. In some cases, it would be desirable for several countries to fund similar schemes to facilitate networking across the region. The recent research, development and innovation (RDI) programme in Egypt provides a good model as to how such a scheme might operate with interested organisations being required to design proposals which involve a network of local national stakeholders to apply for competitive funding. Where other possible funding has been identified this is indicated in brackets after the recommendation.

In the short term, some level of public support would be desirable for incubator training by local staff trained by Medibtikar to ensure that the numbers of capable local staff across the region continue to grow. This could possibly be linked to funding to improve the level of innovation/entrepreneurship training in universities. Given the range and level of incubator development in the different countries, regional funding for such a programme would be inappropriate. That said, there would be a strong case for support for a regional networking of local actors involved in such activities to encourage and facilitate the exchange of good practice.

RECOMMENDATION 4:

Funding should be provided for a programme which supports the further development of incubators and also involves higher education and/or research institutes.

The programme has illustrated that Israeli collaboration with other countries is both possible and desirable. Such collaboration could lead to direct economic benefits in the short term in addition to the obvious political desirability of such collaboration.

RECOMMENDATION 5:

A special fund should be established to foster collaboration between Israeli organisations and other MEDA countries in the areas of innovation and technology transfer.

Several actions could help the organisations involved in the national Enterprise Europe Network (EEN) consortia to accelerate their full integration into the network. First, organisation of technical training sessions focusing on the daily delivery of specific EEN services. Second, development of a specific link between an individual consortium and a European EEN member.

RECOMMENDATION 6:

Funding should be provided to continue the development of the new MEDA EENs to facilitate their full entry into the network. This should involve technical assistance, mentoring and networking.

Mechanisms should be explored to increase the level of funding available to small innovative companies. The Regional Innovation Financing Facility (RIFF) scheme and business angel (BA) networks are particularly well suited instruments to improve first stage funding across the region.

RECOMMENDATION 7:

A regional fund should be established along the lines of RIFF to provide seed funding for innovative companies (World Bank, European Investment Bank).

RECOMMENDATION 8:

Development of more BA networks should be encouraged (national funding, tax incentives).

Network for Evidence Based Innovation Policy (NEBIP) and MedIS are operational and there is a need for additional funding for meetings and collaboration to be continued.

RECOMMENDATION 9:

Continued support for the development of MedIS indicators (ERAnets, INCOnets or Accompanying Measures).

In Turkey it is likely that national funds will be made available to enable regional innovation system (RIS) exercises in other regions building on the work of the local and international Medibtikar experts. This model could be followed by other large countries in the region; e.g. Egypt.

RECOMMENDATION 10:

Funding should be made available for more RIS studies in regions where appropriate (national funds).

There is a very strong interest in continuing the work on Quality Certification in the four countries which participated in this part of the programme. This was introduced later on in the programme but it was apparent that other countries would have welcomed similar training had sufficient funds been available.

RECOMMENDATION 11:

Funding should be made available for protected designation of origin (PDO) and quality certification-related activities (European Neighbourhood and Partnership Instrument (ENPI) funding).

There could be potential for bringing all three current textile networks in the region together under one umbrella to facilitate the exchange of information and encourage the formation of clusters where suitable.

RECOMMENDATION 12:

The three current textile networks should be coordinated and extended (ENPI-CBC, DG ENTR).

During the Medibtikar programme, it became very obvious that the area of technical textiles (production, sales and development of more technical-related textile products) is very weak in the MEDA region, with the exception of Turkey and Israel. It would be desirable to create more awareness within the textile industry for more technical related products.

RECOMMENDATION 13:

Funding should be made available to increase awareness/production of technical textiles (national funds, DG ENTR).

The Medatex web portal will continue to be hosted by the Egyptian Textile Development Association and will be operated by staff provided by the Textile Technology Centre

which is jointly supported by the University of Cairo and the Egyptian Ministry of Industry. This joint support funding by industry/research centre and government should increase exchange of information both nationally and across the region. There are plans to eventually try and commercialise the website so that it is supported either by subscriptions or advertising or some combination of the two.

RECOMMENDATION 14:

The Medatex web portal should be sustained and extended (national/industry funds).

The report on food processing recommended a shift from 'traditional' technical assistance to the establishment of a structure (or structures) with a permanent regional or sub-regional presence which will allow small and medium-sized enterprises (SMEs) and government agencies to out-source such activities as standardisation, labelling, IPR and certification issues. Such structures have applications in other sectors such as textiles.

RECOMMENDATION 15:

Consideration should be given to a shift in technical assistance provided on a temporary basis to particular sectors towards the establishment of more permanent institutions (international donors, national/industry funds).

Finally, Medibtikar has produced an enormous amount of material related to raising awareness of innovation issues and improving services provided by national governments and intermediary agencies to SMEs. Much of this has applications in the sphere of education and vocational training. It would represent an efficient use of public resources to enhance and adapt these materials so that they can be used directly in educational institutes and other appropriate contexts.

RECOMMENDATION 16:

Mechanisms should be explored which enhance, adapt and reuse materials produced by Medibtikar to enable their integration into other relevant contexts (international donors, national/industry funds).

ANNEX 1
SUMMARY OF OUTPUTS

AX	No. Of events	Participants	Studies
A1: Services to incubators	20	531	3
A2: Technology Transfer	31	476	0
A3: Financing Innovation	14	204	4
A4: Innovation Management	19	433	2
A5: Sectoral Support	11	210	2
OA: Other activities (conferences & fashion show & networking)	44	1540	
Total	**139**	**3394**	**11**

Studies/guides produced

- Funding Start-ups and SME Innovation Guide
- Diagnostic Study of Syrian Innovation System
- Med Innovation Scoreboard initiative - Second Annual Report (MedIS Report II)
- Innovation Value Chain Financing - A Guide for MEDA Countries
- Improving innovation in textile and clothing: Study throughout MEDA countries
- TEXTILE AND CLOTHING - Regional Study
- Science Park Development in the Mediterranean Region (Incorporation with the World Bank)
- Toolkit for Entrepreneurs, A Guide throughout MEDA Countries
- Toolkit for Incubators, A Guide throughout MEDA Countries
- Monitoring and Reporting of Incubator Activities, A Guide throughout MEDA Countries
- Regional Study Food Processing Industries

Publications

- Medibtikar - Perspectives on MEDA Innovation, Empowering the Mediterranean to innovate
- Medibtikar - Beneficiaries' guidebook

Other printed publications

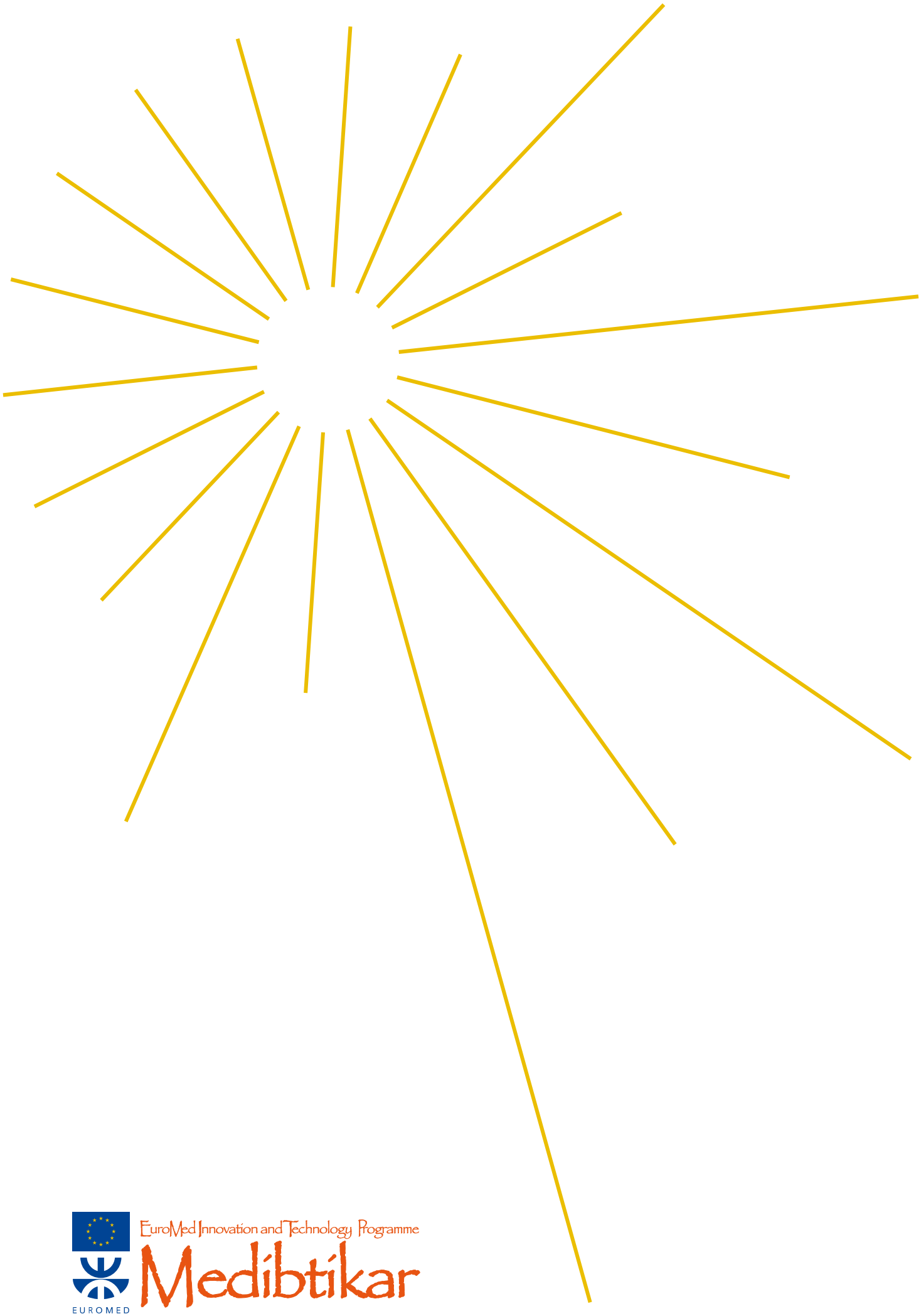
- 'The future is smart' published by the EuroMed Info Centre about Medibtikar achievements in Technology transfer in Egypt
- 'Preparing tomorrow's olive oil!' published by the EuroMed Info Centre about Medibtikar achievements and services to incubators and techno parks in Tunisia

Promotional materials

- All types of printed promotional materials such as folders, posters, 'gifts', leaflets (EN, FR, AR), printed guidebooks, brochures, bags and pens.
- The release of the Medibtikar Promotional film. This film is produced to commemorate the '2nd Euro-Mediterranean Symposium on Innovation'.
- All the conference's sessions are accessible online through Medibtikar channel on YouTube.com and the website.
- Video has been produced about the impacts of EU regional programmes in Egypt, which highlighted actions from Medibtikar and ANIMA.

Media & web

- There are more than 50 printed press articles published in English, Arabic, Turkish and French about Medibtikar.
- There are more than 52 500 Arabic and English web pages for Medibtikar.
- According to Alexa.com, during the last month of the programme, the website users' hits increased by 180%; the highest users come from Tunisia (9 877 users).
- Broadcasting on NILE TV Egypt on the 2nd Symposium on Innovation 2007.
- Live talk show from Egyptian Radio, for one hour duration, involving the programme director and training coordinator (19 May 2008).
- Broadcasting on TV Arabia Morocco on the TCN replication training.
- The MEDA INNOVA fashion show was broadcast on the Nile News on Sunday 23 November 2008; Program Title: SABAH GEDID, as well as on the OTV channel. The Fashion show videos are available on Medibtikar YouTube channel.
- The Medibtikar Photo Gallery is available on the web. See http://picasaweb.google.com/medibtikar/ online.



EUROMED

EuroMed Innovation and Technology Programme

Medibtikar