

Mediterranean Host Municipalities Learning Network Webinar

Private Sector Mobilization in Host Communities

March 13th, 2019

Background

During the 3rd Annual Event of the HMLN “[Local Economic Development in Host Communities](#)” which took place in Gaziantep, Turkey, November 19-22nd, 2018, municipal and central representatives from Iraq, Jordan, Lebanon, Palestine, and Turkey gathered agreed about their learning priorities drawing from recent exchanges of the Host Municipalities Learning Network (HMLN). HMLN members reiterated their interest in technical learning on stakeholder engagement and partnerships with private sector, job creation, and the continued focus on social cohesion and youth in the context of forced displacement.

To address their requests, CMI organized a **Webinar on Private Sector Mobilization** offering practical presentations on how to partner with the international, local and refugee private sector in the contexts of forced displacement to create jobs for refugees and host communities.

The Webinar consisted of presentations and an open discussion, including updates on experiences from HMLN members.

Summary of presentations and discussion

Janette Uhlmann, CMI, and **John Speakman**, World Bank, presented the joint CMI-World Bank article “*Mobilization of Syrian investors and the private sector to boost economic development in hosting communities*” published in CIHEAM/AFD’s [Mediterra Report](#) (January 2019). The article provides an in-depth analysis of the challenges Syrian entrepreneurs face at the local level when trying to establish a business and/or finding employment opportunities. It showcased examples from the HMLN with recommendations for implementation of local strategies to support economic opportunities that may come from the displacement context and underlined the importance of collaboration with the private sector to create new job opportunities and support host communities. To achieve this, an enabling environment needs to be established and continuously promoted. The article adopts a specific focus on the local level showcasing evidence from a survey undertaken by CMI on how displaced population affected host communities economically and socially. In particular, the survey showed the presence of an initial negative impact with high pressure on social services, but also positive implications over time such as the presence of new skills, revived economic sectors and establishment of new markets for both the host and refugee communities. Most of the local communities hosting Syrians were already struggling to deliver services and job opportunities before the influx of displaced, making it harder for refugee entrepreneurs to succeed. On top of that, other obstacles are barriers in financing and business establishment, restrictions in labor market regulations, and differences in regulations and local economic and demographic context. It highlighted areas in which host municipalities could support Syrian entrepreneurship, such as taking advantage of their high motivation and entrepreneurial skills, exploiting the opportunity of new markets (and new export opportunities) Syrian entrepreneurs can bring to the host country, ease their mobility for business travel through visa and administrative regulations, or improve financing channels through committing to strategic planning.

Fulvia Farinelli, United Nations Conference on Trade and Development (UNCTAD), presented the *Policy Guide on Entrepreneurship for Migrants and Refugees*, developed together with the International Organization for Migration (IOM) and the United Nations High Commission for Refugees (UNHCR). The guide represents a practical tool to inform policy measures and suggestions on steps for implementation. The policy guide confirms that entrepreneurship is an efficient approach for inclusion of migrants and refugees in the labor market and delineates how efforts to support entrepreneurial activities make meaningful contributions to communities and individuals themselves. In this context, job creation should be viewed as an ecosystem inclusive of migrants and refugees rather than fostering the implementation of separate programs for locals and refugees. By avoiding preferential support and the risk of creating even more tensions between refugee beneficiaries and local hosts, municipalities can create equal opportunities. The guide also contains evidence from practical case studies, and a set of policy recommendations for each area. As an example, a Business Development Center (BDC) in Mafrq, Jordan was run in partnerships with the local private sector and offered trainings in soft entrepreneurial skills, business planning and vocational skills jointly to locals and Syrians, resulting in the creation of micro businesses through partnerships between Jordanians and Syrians.

Thomas Liebig, Organization for Economic Co-operation and Development (OECD), emphasized the need to strengthen awareness on the positive impact refugees can have on the local economy. Entrepreneurship is key for job creation, and as observed by OECD migrants and refugees are much more entrepreneurial than hosts, however their businesses have more chances to fail because of the specific obstacles migrant entrepreneurs face. For instance, they do not know the local market, lack access to networks, lack knowledge of local specificities such as local administration and access to financial credits. This suggests that there is a need for more information during initial establishing phase, for example through short seminars about local contexts, rules and requirements. Micro entrepreneurship has specific advantages for women, it can help them as it can be arranged around working hours, entrepreneurship in general work well for women.

Main outcomes of discussion

- **Situation assessment for private sector attraction/involvement.** A performance of the overall ecosystem at municipal level can be useful to understand what main opportunities and issues are, along with an investment map. A map and assessment of the existing environment including areas of regulations, education, finance, innovation, networking and matching skills with needs of the local community are the first step to be taken before drafting a strategy to involve or attract the private sector.
- **Municipal actions for private sector mobilization.** A number of HMLN members showed interest in learning practical means to adopt a strategy for partnering with the private sector taking in consideration competitive advantages of each city and possibilities for PPPs. This would help learn how to turn the refugee crisis into an opportunity. It was acknowledged in the open discussion that competitive advantages varies between municipalities, so that e.g. small cities can have more difficulties to connect with private sector for the lack of a large pool of partners to choose from. Regulations are also different between countries and cities. One option for developing such strategy could be mapping potential private sector partners at an early stage, to identify who they are, what they are they looking for, etc. As a general guideline, a municipality should clearly specify its needs to see what the private sector can bring.

- **Need to match municipal actions with the refugee and local skill composition.** Displaced population have not the same skills and background, hence they do not represent a homogeneous group. A strategy and/or single actions must also be adapted to various segment of the refugee population, such as skilled and non-skilled labor, and must take into account the risk of competition between locals and refugees, which makes it hard to support jobs for refugees when unemployment rate is already high among locals.
- **Municipal support for entrepreneurs.** The private sector needs municipal levers and public support to enhance public-private collaboration. A lack of trust between the public and private sector may make it difficult to implement projects. In this respect, microcredit may not always be the most adequate solution for refugee entrepreneurs. Other forms of support could be short, targeted seminars or workshops to raise awareness of the local context and regulations, the creation of a dedicated space where entrepreneurs can meet local authorities, creation of infrastructures to meet business needs, municipal mentorship programs implemented with local business in support to refugees, inclusion of refugee-only business associations in local business associations. These municipal efforts should be accompanied by improvements in family obligations, working hours, labor market discrimination so to attract entrepreneurship, also for youth and women.
- **External funding for municipal development projects** was also a topic of interest of participants, especially with regards to practical ways to access donor funding in order to create an enabling environment for the private sector to flourish.
- **Experiences and updates from HMLN members:**
 - Wafa Hawamdeh, Local Development Unit (LDU) Director, Jerash municipality Jordan, informed that since 2018 Jerash Municipality is implementing Public Private Partnerships (PPPs) thanks to a change in regulations. In collaboration with local organizations and financed by the British development agency, the municipality is implementing several projects for job creation including a center for women empowerment targeted to both Syrian refugees and locals. Mrs. Hawamdeh acknowledged the constraints Syrian women have in accessing job permits in Jordan: to overcome that, the municipality is offering Syrian women the possibility of working from home and thus being exempt from obtaining a work permit. As part of this project, experts have been consulted to provide training on local agriculture and food production.
 - Mohammad Abu Gaoud, Madaba Municipality, Jordan, described Madaba's strategic vision centered on tourism and expressed the need to learn from other cities facing similar challenges in developing and implementing LED strategies, especially with a focus on touristic revenues and services including an active role played by Syrian refugees.
 - Raida Hanania, Bethlehem Municipality Palestine, also mentioned the touristic vocation of Bethlehem Municipality, which is facing obstacles in municipal resources and lack of adequate economic capabilities to be on equal footing with the private sector for implementing joint projects.
 - Mohanad Alkhawaldeh, Balama Municipality, Jordan, described progresses in Balama Municipality's LED strategy and investment maps, including determination of project needs and submission of proposals to investors with the ultimate aim to activate the labor market for locals and refugees alike with a focus on infrastructure. Mr. Alkhawaldeh will upload the ongoing work to the online C4D platform.

HMLN Governance update: country charters

Iyad Hammad, Yatta Municipality, Palestine, and **Mohanad Alkhwaldeh**, Balama Municipality, Jordan, were invited as HMLN interim country coordinators (respectively, for HMLN members in Palestine and Jordan) to present the progresses in terms of HMLN governance around the Network's Charter.

- The Palestine country Charter focuses on a better understanding of municipalities' needs and adopts as priority themes municipal financing for development projects, data collection for situation assessment, and how to create the right environment for networking and exchange.
- The Jordan country Charter focused on strategic planning acknowledging a lack of skills and expertise at the municipal level in dealing with refugees. Regarding membership aspects, the Charter laid out the need for an agreement among all partners on how to welcome/exclude members as an important aspect of HMLN governance. The Jordanian group suggested that country coordinators could take the lead in organizing meetings and consultations with core members to collect contributions, experiences and suggestions at the country level.

Discussions on country chapters will be merged and combined with forthcoming input from Lebanese and Turkish consultations.

Next steps and follow up:

1. **HMLN members are invited to continue the discussion, share lessons learned and current projects in the online C4D platform [at this link](#):** speakers' presentations, reports, and other relevant material will be uploaded on the new C4D collaborative online platform and on [this page](#) for continuous discussion on private sector mobilization and for further questions and answers between Network members. **CMI encourages its members to increase sharing of lessons learned and ongoing projects to the C4D platform.**
2. **The C4D Platform now has new projects** dedicated to discussions on [HMLN Governance](#), [Twinning Groups](#), and ideas on future [Capacity Building activities on LED-related topics](#). CMI invited HMLN members to actively participate and share suggestions and ideas in this projects.
3. **Based on the request to deepen learning on private sector mobilization, a follow- up Webinar will be organized in May** (TBC) offering a deep-dive clinic on private sector mobilization in strategic planning.
4. **The 2nd Capacity Building Workshop on "Strategic Planning for LED in forced displacement contexts" will take place in Amman, Jordan, on June 30 – July 4, 2019.** The selection process is now closed, and invitations will be sent out soon. This workshop is not targeted to those who already participated in the same Capacity Building Workshop in March 2018.
5. **A dedicated parallel session for selected HMLN core members on HMLN governance and deep-dive training on private sector mobilization** will be offered. This parallel learning activity will be upon invitation only. CMI will send out more information soon.