Host Municipalities learning Network
3rd Annual Peer-to-Peer Event
Local Economic Development in Host Communities

Divan Hotel, Gaziantep, Turkey
November 19-22, 2018

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Working Group A “Enterprise support & Financial Environment”

Case study from Union of Municipalities of Jabal El Sheikh, Lebanon
“Green Pyramid”

Presenter: Saleh Abou Mansour, President of Union of Municipalities of Jabal El Sheikh
Technical input: Isabelle Kronisch, Technical Officer, International Labour Organization
Moderator: Nicolas Meyer, CMI

CASE SUMMARY
The “Green Pyramid” project is an urban agriculture solution developed by the Union of Municipalities to provide a solution for unemployment of vulnerable locals and refugees, sustain livelihood, water scarcity and chemical contamination. It consists of developing water efficient agriculture devices for the cultivation of berries and vegetable on rooftops, which can be acquired and exploited by locals and refugees, with the objective for them to earn a sustained income. It is a home-based business opportunity accessible to vulnerable populations and refugees, however it requires an initial financial investment.

MAIN BOTTLENECK(S)
1. Investment for micro entrepreneurs;
The startup project ground investment money is difficult to gather, especially as the target groups/ potential business owners (vulnerable locals and refugees) are marginalized populations with very limited financial capacities and guaranties.
2. The specific Lebanese context, where solid guarantees for loans are required.

OTHER BOTTLENECK FOR POSSIBLE FURTHER DISCUSSIONS:
Lack of consensus and support from council members and stakeholders: difficulty in persuading council members and stakeholders of the feasibility and productivity of the project, even if it might have a positive impact on both locals and refugees. This bottleneck therefore hinders the project financing, as the Lebanese Law asks for the majority of council members to agree in order to fund a project.

ACTION(S) UNDERTAKEN TO SOLVE BOTTLENECK(S)
Lobbying for the project, contact possible funders and international donors, diversifying the team, building connections, creating documented data.

SPECIFIC FEEDBACK REQUEST
1. How to mobilize investment money for micro entrepreneur from marginalized populations?
2. How to build consensus and get support from council members and stakeholders?
The project is initiated by the President of the Union of Municipalities and aims at proposing to locals and refugees to invest in innovative agriculture units as a source of jobs and revenues. The UoM supports the development of the technical and business plan, with the help of volunteering technical experts. The UoM also helps securing down payment and investment money, while the units will eventually belong to the local or refugee after their payment of all the installments from their production. In parallel, the UoM also envisages to provide marketing support, in order to better commercialize the production.

**Project Objective:**
- To produce healthy organic vegetable without consuming water and other natural resources
- To improve public health
- To generate income for poor and needy families and individuals, with the opportunity to work from home (on their roof)
- To create an opportunity for youth, disabled people, and housewives.
- To include refugees and create opportunities for them that do not compete with locals
- To encourage entrepreneurship by creating a successful example and generate more faith among community members in the power of entrepreneurship and the ideas of the new generation.

**Initial Action Plan:**
- Building a pilot project for all stakeholders to see first-hand rather than just explaining it virtually.
- Lobbying for the project and emphasizing its expected impact using means of social media and face to face interaction.
- Contact possible funders and international donors.
- Create persuasive figures based on the findings documented during the implementation of the first crop in the pilot project.
- Attracting volunteers who share the project aims to reduce the cost and create a bigger and diverse team.
- Studying the market and spotting potential marketing partners.

**Achievements/Progresses:**
- A unit has been built and stands as a tangible model of the project.
- Data has been generated about productivity, cost and water consumption per plant showing to be 90% less than the dripping systems in fields, showing the efficiency of the project.
- Good connections have been established with UNDP, USAID and Institute De France and the project has already been classified among the most pioneering projects in the MENA region with a big potential and a high impact.
- A short social media video was produced to summarize the idea behind the project and lobby for support.
- A Facebook page has been created and there is a lot of interaction on it.
- Many volunteers have helped a lot during the trial period and are willing to help in the coming stages.
Saleh Abu Mansour, President of the Jabal El Sheikh Union of Municipalities, Lebanon presented the specific bottleneck of his UoM in the context of lack of job opportunities, pollution, and water scarcity. The UoM of Jabal Al Sheikh came up with an innovative project of roof-planting that can be implemented at the household level, be environmentally sustainable, and provide an income of 1,000 USD a month for local and refugee families. He presented the main bottleneck of finding guarantees for microcredit institutions to allow refugees or vulnerable Lebanese to access the project. He explained that the cost of an individual roof including training, infrastructure, pipeline is 8,000 dollars offering an expected income of 1,000 dollars a month. Mr. Abu Mansour also explained that donors can’t fund projects which are not yet tested, and that the city council does not seem willing to approve for financing.

After the presentation, working groups came up with the following suggestions:

- Create a quality assurance certificate: a certificate from the Ministry of health would help the marketing of the products, especially as they are organic. This way, even if production is low cost, the sell would result in very good revenues and a certificate will help customers’ trust.
- The UoM should convince the council that project is profitable for all parties and all stakeholders, representing a win-win situation. From the social side, the project will create employment for local residents, from the environment side it will decrease pollution, finally benefitting the whole community and also improving social cohesion.
- An economic feasibility study for the project could be a way to attract donors and can help them better understand the profitability.
- Partnerships for financing: micro enterprises can partnership with food brokers or food stores and chains, creating a win-win situation for both producers and stakeholders. Other options could be receiving financing from environment-friendly NGOs or CBOs or partner with business investors who look for startups and innovative solutions ideas. This may generate employment, decrease environmental pressure, decrease risk of diseases, and can be used for convincing the municipal council. Otherwise, groups of guarantees such as refugee agencies, chambers of commerce or similar institutions can be used as source of financing, as well as corporate financing, cash-for-work activities, or PPPs.

Technical feedback

Isabelle Kronisch, Technical Officer, ILO reacted on the working group discussion acknowledging that looking at market needs can enhance profitability, and this can be achieved with a quality assurance certificate. She also highlighted that it is crucial to have a business plan or proposal, to be able to sell it well, and also to analyze the value chain. In this project, the private sector can have a decisive role, besides international donors, notably to find sustainable capacities to implement the project in the long term. Ms. Kronisch also underlined how the social cohesion aspect of the project is a strong advantage as it will strengthen both financial and social inclusion of all society fragments. She then advised to look at the governmental expertise and guidelines, as well as to approach credit institutions, crowdfunding options, and explore the possibility of having a cooperative. Finally, she strongly advised to look at refugees’ skills (demand side) and their interest before embarking in project implementation.
Case study from Sancaktepe Municipality, Turkey
“The more we manage the more we win”

Presenter: Yunus Kul, Foreign Relations and R&D Department Coordinator, Sancaktepe Municipality, Turkey
Technical input: Ximena del Carpio, Program Leader, The World Bank
Moderator: Tugba Acar, WALD

CASE SUMMARY
Sancaktepe’s initial objective is to have a comprehensive appraisal of the refugees’ workforce: which skills do they bring, which trainings do they need, to fit the job market demand? “The more we manage the more we win” is its motto: Sancaktepe’s initial plan is to register all refugees who are living both legally and illegally in Sancaktepe, believing that if we can control the situation, we will turn it into a success. This requires identification of their skills, training needs, problems such as language barriers, psychologic and traumatic issue, child labor, etc. While the city managed to register many refugees by convincing them and informing them about their international and domestic rights, it didn’t get as many registrations as it hoped.

MAIN BOTTLENECK(S)

The main issue is to convince refugees to personally register and inform them about Turkish law despite the language barrier, as the municipality noticed that it is more difficult to convince refugees about registration when working with an interpreter.

OTHER BOTTLENECK FOR POSSIBLE FURTHER DISCUSSIONS:

The second main problem is the financing for the registration process. Could we consider a cost recovery mechanism?

SPECIFIC FEEDBACK REQUEST

How to build an efficient registration process leading to adequate training for refugees, in particular when dealing with a language issue?
Specific questions:
- What info should be collected through registration?
- How to localize refugees?
- How to reach out?
- How to convince them?
- How to deal with language barrier?
- How to recover the cost of the process?
- How to ensure the right training offer?
More info...

Project Objective:
Sancaktepe’s initial objective was to have a comprehensive appraisal of the refugee workforce: which skills do they bring, which trainings do they need to fit the job market demand?

Initial Action Plan:
Sancaktepe’s initial plan is to register one by one all refugees who are living both legally and illegally in Sancaktepe. This requires identification of all their skills, training needs, problem such as language barrier, psychologic and traumatic issue, child labor, etc.

Achievements/Progresses:
The Municipality managed to register many refugees by convincing them and informing them about their international and domestic rights. Instead of working or living illegally, they now prefer to live and work legally as much as possible, also officially registering their stores in Sancaktepe. However, the municipality didn’t get as many registrations as hoped.

Action(s) undertaken to solve the bottlenecks:
Unsatisfactory so far: working with interpreters.

Working group discussion & Proposed Solutions
Yunus Kul, Foreign Relations and R&D Department Coordinator presented Sancaktepe Municipality’s Social Protection Project implemented together with WALD to provide psychological and legal support for refugees. Sancaktepe is a relatively new municipality stablished 9 years ago with a population of 200,000. However, today, the population doubled being 410,000 with 12,000 registered refugees and estimated 20,000 unregistered, forming the 5% of total population. The Social Protection Project implemented together with WALD started one year ago and wants to offer a solution to the following problems:
1. Refugees do not want to be registered for fear of being returned to Syria;
2. It is not possible to adequately support refugees without knowing their skills and work history;
3. Some unregistered refugees do not send their children to schools and refuse to give birth in hospitals, posing more challenges;
4. The language barrier is one of the greatest issues preventing the municipality to communicate with refugees;
5. Unregistered businesses owned by refugees result in increasing social tension.

After the presentation, working groups came up with the following suggestions:

- Refugee registration and data collection:
  - Municipality can create sub-units in order to better manage registration;
  - Data collection can be implemented through schools, mobile apps, utilities and service companies;
  - Beylikduzu Municipality, Turkey, implemented the “Welcome to Our district Project”, in cooperation with Syrian business cooperation and building managers who provided information on people who recently moved.
  - The Chamber of Commerce can provide one day business registration trainings for refugees.
- Refugee outreach and trust:
  - Syrian university students can be involved and help the outreach to Syrian refugees;
  - Social media can be used effectively in Arabic to build trust and collect data
- Businesses owned by Syrians could be set as an example to build trust between the Syrian refugee community and the municipality
- Community leaders can be involved in the process.

- Matching skills and jobs:
  - NGO database can be used to reach people;
  - Mukhtars (elected heads of neighbourhoods in Turkey) can help identifying the needed jobs
  - The Turkish employment agency ISKUR can be used to reach out to people and help the municipality identifying local labour market needs.

**Technical feedback**

Ximena del Carpio, Program Leader, World Bank reverted on the working group discussion by acknowledging that a more comprehensive registration system for Turkish municipalities is needed. Meta data can be used to profile each district, complemented by the outreach to Mukhtars to map and profile neighbourhoods. In collecting data, she recognized the usefulness of mobile apps, such as a Turkcell’s program created under the World Bank Social Responsibility Programs. Regarding trust issues, organizing public social events can be a way to show that the municipality is present. Regarding job-skill matching, she advised that, even if cash-for-work is not a sustainable solution, the municipality can support employment after completion of vocational training programs. Regarding informal jobs, she reported the major problem of refugees receiving financial assistance but working informally due to a fear to lose the assistance once part of registered economy, and the need for municipalities to lobby for stopping this dilemma at the national level. Finally, she reminded that the role of municipalities is to collect services under their roof and coordinate them within their district: in this respect, once data are collected, municipalities can be source of information for firms who want to hire refugees.
CASE STUDY FROM YATTA MUNICIPALITY, PALESTINE
“Yatta as a Central, Thriving and Attracting City”

Presenter: Iyad Hammad, Head of Planning, Yatta Municipality, Palestine
Technical input: Ashutosh Raina, Social Development Specialist, World Bank
Moderator: Ruth Halle, GIZ

CASE SUMMARY
The municipality of Yatta has started to develop its Local Economic Development Plan 2018 - 2021, and institutionalized the process of LED through training dedicated staff, creation of a local economic council, appointment of a municipal department to manage relations with the private sector, facilitation of procedures related to business license and transactions.

MAIN BOTTLENECK(S)
Poor trust of citizen and the private sector in the municipality, which makes difficult to attract investments and slows down local economic development, despite a clear existing development vision.

OTHER BOTTLENECK FOR POSSIBLE FURTHER DISCUSSIONS
Absence of qualified industrial zones.

ACTION(S) UNDERTAKEN TO SOLVE BOTTLENECK(S)
- Activation of the role of the municipality in stimulating the environment attracting investment.
- Capacity building of municipal teams in charge of economic development.
- Creation of the Local Economic Council.
- Establishment of a public joint stock company for investment – the municipality is a member of the board of directors.
- Modernizing the tax code in a way that encourages the private sector to invest.
- Formation of packages of investment projects in cooperation with the private sector, for example: vegetable market, slaughterhouse, gas filling station, reuse of waste stone saws, establishment of crafts areas, light industries, dairy factory, workshops for handicrafts, feed factory, establishment of advanced Industrial School, etc.
- Establishment of privileged business incubators.
- Public meetings involving youth, women and experts in the city as a form of community participation for accountability and taking feedback.
- Work pressure and advocacy programs in cooperation with local authorities in the country to update the laws and regulations related to investment.

SPECIFIC FEEDBACK REQUEST
1. How to build trust between the private sector and the municipality?
2. How to overcome the absence of qualified industrial zones?
Background on Yatta Municipality

Yatta is one of the Palestinian cities in the south of the West Bank and south of Hebron city. It is located about 12 km south of Hebron. Yatta is the third largest community in the West Bank and the third largest area of Palestinian towns and villages. The population of the city of Yatta is about 100 thousand according to the latest census of the Palestinian Central Statistics in 2017. The administrative area of the city of Yatta is about 180 km² of which about 100 km² area C under the control of the Israeli occupation, the area of local plan for Yatta municipality 30.72 km². Yatta has two municipalities: Yatta and Karmel, as well as three village councils. Yatta is famous for quarries, stone saws, stone mining and construction, as well as olive trees. Yatta is known for the world’s highest natural increase of about 4.5%. Its population is young, with 70% of the youth. The city has about 24 thousand school students and about 85 schools. Youth and men depend on the work inside the Green Line, where they have skilled hands. The city of Yatta is the West Bank’s stock of livestock, specifically cattle. The city has directorates for most of the government ministries.

The vision of Yatta city is: Yatta as a Central, Thriving, Attracting city.

Project Objective:

Overall objective: Strengthening local economic development.

Sub-objectives:

- Strengthening the industrial and trade sectors
- Development of the agriculture sector.
- Activating the tourism sector.

Initial Action Plan:

- Institutionalizing the process of local economic development and training of dedicated staff.
- Formation of a local economic council, supportive of local development.
- Collect data and information on the local economy and diagnose the status quo.
- Formation of a plan for the development of the local economy.
- Take the initial steps to encourage the investment process and the private sector.

Steps and actions taken and implemented:

- Formation of a local Economic council, whose mission is to contribute to encouraging the private sector to invest locally and assist the municipality in identifying the needs of the private sector, which is the link between the local authority and the private sector.
- Facilitate some procedures related to obtaining licenses and processing transactions with a promotional discount on fees.
- A department is appointed at the Municipal Public service center to deal only with the private sector and facilitate and expedite procedures and transactions.
- Modernization of the city’s new architectural and physical plan commensurate with the needs of the economy and housing, where the areas of crafts, light industry and industrial area have been designated.
- Formulating a local development plan 2018 – 2021 for the city that included some economic aspects through the local community and its representatives in governmental, civil and private institutions.
Work on the completion of some of the vital and economic consultations that achieve sustainable development and have economic and material output such as:

- Completion of the phases of the Yatta International Municipality Stadium.
- Completion of the Yatta Municipal Park.
- Operation of the municipality of Yatta.
- Preparing and initiating the construction of my meat and poultry slaughterhouse.
- Work studies and construction of gas filling station.
- Completing the renovation of the old Town as a tourist attraction.
- and other sustainable projects.

Other bottleneck for possible further discussions:

- Absence of laws and legislations governing the relationship between the public sector and the private sector.
- Weak fundamentals of the local economy and not keeping pace with development.
- Poor infrastructure in the city.
- Limited investment opportunities in the city.
- Poor trust of citizens and private sector in the municipality and the government sector in general.
- The approval of the local authority on grants and foreign assistance and the conditions of exploitation of the financier.
- Weakness of collection the debts owed by citizens.
- Weak judicial and executive authority with regard to municipal work.
- Absence of qualified industrial zones.
- Most areas of the city fall under the control of the Israeli occupation.

Working Group Discussion

Iyad Hammad, Head of Planning, Yatta Municipality, explained the main problem of luck of trust between citizens and the public sector, which poses challenges to the implementation of the LED Plan 2018-2020. Yatta’s main economic sector is construction work and stone work, and a new local economic committee will be formed also including factories owners and private sector stakeholders. He explained the need for the trust problem to be solved as it is linked with public work and municipal delivery (including lagging results), which needs investments from the private sector. He concluded by saying that Yatta Municipality needs to enforce its industrial and commercial capacity and create a strong business environment.

After the presentation, working groups came up with the following suggestions:

- Strategic planning: a plan should be realistic and based on real local potential, and a regular reporting and evaluation should be a must, for instance with supervision every 3-6 months, and evaluation every 5 years to check if the targets were reached. This way, results could be shown to citizen to reinforce trust, in a spirit of accountability.
- Stakeholders inclusion: a consensus and participation in the project is necessary, including the involvement of enterprises, and the different shareholders. A strategic plan is not efficient without collaboration, and the decision making process should be transparent.
- Private sector mobilization: in order to change the regulatory framework, municipalities can lobby to the central government to amend the legislation, for instance in business licensing. The municipality can also
provide municipal land on lease for investors for a limited amount of time, or give the land on rent to business, reassessing its value every year according to the production value. Finally, opportunities for home-based business can also be identified as a start for encouraging business.

**Technical feedback**

**Ashutosh Raina**, Social Development Specialist, World Bank commented on the group discussion reiterating the need to have a realistic plan with a monitoring mechanism. Regarding the trust issue, he acknowledged that clarity from the municipality also restores trust. Public information and involvement of citizens and the private sector is key in building trust at the local level as well as to attract investments, as the private sector will know what will happen in the next 5 years and will be able to act accordingly. Finally, he advised to start small and gradually increase also by lobbying with other municipalities.

In this context, a possible solution to Yatta’s bottleneck would be a multi-stakeholder participatory process that would build the strategy, involve different parties, and target different stakeholders (the private sector, citizens, etc.) so to build ownership. This should be accompanied by a good governance made up of accountability and information sharing (transparency): all stakeholders would be approached by the municipality and involved in the decision making process through social media. Finally, a one-stop-shop for businesses (or procedure manual) can make procedures fast and doing business easy.

The below table summarized the possible solution for Yatta’s problem of poor trust of citizens and the private sector:

<table>
<thead>
<tr>
<th>Building trust of...</th>
<th>... Citizens</th>
<th>... Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participatory planning and decision making</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>• Multi-stakeholder platforms/committees</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Transparency and accountability</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>• Information sharing about plans and municipal actions (through social media, or other media)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Ease of doing business</td>
<td></td>
<td>X</td>
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<tr>
<td>• One-stop shops</td>
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<tr>
<td>• Procedure manuals</td>
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