**Mediterranean Host Municipalities Learning Network**

**Launch of the Host Municipalities Network–Online Collaborative Platform**

**Webinar on Private Sector Mobilization for Communities Hosting Refugees**

*October 25th, 2017*

**Background:** Since 2016, the Mediterranean Host Municipalities Learning Network aims to support municipalities hosting refugees with evidence-based knowledge and to share innovative solutions to improve their response capacity in public service delivery for refugees and the most vulnerable. The Network benefitted from several face-to-face workshops and webinars on priority themes, surveys, as well as online discussions. It is now being supported by a new collaborative online platform which is designed to offer a privileged space for municipalities hosting refugees to exchange and learn from each other’s experiences and best practices on a continuous basis, and build collaborations. The Host Municipalities Network is moderated by the Center for Mediterranean Integration, as part of the Mediterranean Refugees and Host Communities Program.

**Objectives:** Following the outcomes of the Host Municipalities Network’s Workshop on Local Economic Development (Beirut, May 9-12th 2017), and the network’s learning requests, this Webinar aimed to strengthen knowledge exchange between local government representatives and private investors on how to better mobilize the private sector for local job creation, and to identify good experiences and lessons learned for possible replication in municipalities hosting refugees. Furthermore, it also officially presented and launched the new online platform of the Host Municipalities Network, using the Collaboration for Development (C4D) tool.

**Presentation of the C4D new Collaborative Online Platform**

In the first part, the new collaborative platform of the Host Municipalities Network and its features, as a bilingual space, was officially launched and presented. It offers joint project development, and supports better exchanges between the municipalities of the Network, and also with development partners. In particular, the platform allows exchanges on four different topics identified by Network members during past exchanges: (i) Discussion around best practices included in the Compendium 2017, and submission of new experiences for the Compendium 2018 – focused on Local Economic development for host communities; (ii) Theme 1 – Strategic Planning for Local Economic Development; (iii) Theme 2: Private Sector Mobilization; (iv) Theme 3 – Skills and Capacity building for Local Economic development. Under each of these projects, Network members are asked to actively collaborate to building planned workshops, webinars, and other forms of discussion reflecting their knowledge needs. The Platform also offers a one-stop resource library, which includes all documents related to the activity of the Network, and can receive all resources collaboratively developed or shared.

Mr. Mohammad Zawahreh (Zarqa Municipality, Jordan), commented as an active core Network member. He acknowledged the importance of the online platform to exchange opinions and content among all members of the network, and envisaged the possibility of opening the Host Municipalities Network also to other cities hosting refugees, giving the relevance of the issue. Finally, he also recognized the capacity-building potential of the Network that can be strengthened through the use of the new online platform and by organizing training workshops targeting Network members.
Private Sector Mobilization for Communities Hosting Refugees

Summary of Discussion

The core part of the Webinar explored perspectives on how to better mobilize the private sector from the viewpoints of investors, municipal representatives, and technical advisors. Their inputs were followed by an interactive discussion on how to better implement and/or replicate such experiences in contexts of a high refugee influx.

Mr. Rami Sharrack (Syrian Economic Forum, Turkey) presented the comparative advantage of host municipalities in hosting Syrian entrepreneurs and what municipalities can do for strengthening the growth of Small Medium Enterprises (SMEs) and job creation for both refugees and local population.

Mr. Mohammad Al Sarhan (Sarhan Municipality, Jordan) talked in detail about the strategy of Sarhan Municipality for job creation through the construction and renewal of buildings, signing contracts with private investors, and incentives to open SMEs in the form of shops.

Finally, Mr. John Speakman (Advisor, The World Bank) highlighted main challenges commonly felt by host communities, and gave a few examples of how they could attract investors at the local level.

Main challenges and opportunities:

- **Syrian refugees can be an opportunity for host municipalities**: they bring capital (there currently are 100 billion dollar of Syrian capital outside Syria), markets and value chains (e.g. bringing the businesses and import-export paths they had in Syria), capacity and skills, global public goods. They are mostly not in a competitive situation toward locals, and can bring foreign currency and new trade patterns for the host country through their exports.

- **Social cohesion and unemployment are interlinked**: unemployment not only degrades the economic environment, but can also worsen social cohesion between refugees and host communities – also given specific issues faced by refugees such as psychological stress. Other factors that can worsen social cohesion and lead to clashes between the two communities are rise of prices, pressure on housing, and competition over jobs.

- **Obstacles faced by Syrian entrepreneurs include**: limitation of geographical movements within and between countries, information gaps on law and regulations in the country, facilitated processes (permits & registrations), financial restrictions (Bank accounts), need for safe, attractive and stable environment of towns for themselves and their families (e.g. education and health services, etc.)

- **Syrian micro-business in host communities is often informal and unregistered**: still, these types of businesses are providing support to other Syrians as they generate income, create jobs, and remove some burden from Municipalities.

Lessons learned:

- **Leadership matters**: municipalities can attract both Syrian and other investors by publishing requirements for Syrian business in their municipality, and Syrian investors can benefit from a healthy business climate, facilitated legal procedures, work permits, SMEs registrations, financial services (e.g. easiness of opening a bank account, transfer money from abroad, or obtain credit) family and social services, easiness of movement and family reunification, equity of rights with host communities. Furthermore, they can supply Syrian or local investors with raw materials, control access to land and physical capital in their municipality.

- **Importance of small business and SMEs**: small businesses, such as shops, restaurants, etc., are valuable for host communities: they create a network in which small Syrian entrepreneurs offer services to other Syrians, limited the burden on the Municipal budget, and most of the times producing more jobs than big industries. As some municipalities may not have enough resources to attract foreign private investors, they have to focus on small business. However, the need for them to be registered is urgent.
➢ **Guarantee social cohesion while providing jobs for both communities:** while working together, refugees and host communities gain experience and build up expertise. They can complement each other’s work and expertise, adding value to the products by exploiting their comparative advantages. In this way, refugees can be looked at as a strength for societies by creating more job opportunities and benefitting from them.

➢ **Quotas and redistribution accounts both in the investing and job creation sides:** help refugees moving in regions where their skills are needed, so to better match the job market needs in the host countries and help improve the local economy. For instance, in Turkey refugees concentrate only in some municipalities, while other municipalities need some skilled labor.

➢ **Improvement of local economic features and need to include Syrian refugees in strategic plans for LED:** as municipalities are in a competitive situation within their country, working on their competitive advantages through a strategic approach (for example starting to identify existing assets, including investors; leveraging existing advantages; expanding in new areas which have a comparative advantage) improving trade and industrial environment would help create more opportunities for both local refugees.

### Successful experiences:

➢ **Sarhan Municipality, Jordan:** the Municipality took several measures to attract investments: (i) the re-examination of all its resources to find out what could be a magnet for the private sector (e.g. buildings and land); (ii) study of the needs of the private sector in terms of infrastructure and logistical services leading to the construction of two metal blocks dedicated to the clothing industry which will provide nearly 700 jobs, and a second plant which will provide 400 jobs under an agreement signed with an investor; (iii) provision of shops to be rent at nominal prices in order to create small projects and enhance job creation and the local economy; (iv) establishing a vocational training center to train young people for working in various industries and crafts and to provide the skilled labor needed by the private sector; (v) provision of financial services by local bank (e.g. depositing and disbursing to the private sector and citizens; ATM). The plan of the Municipality of Sarhan for economic development 2017-2020 is to increase local economic growth, fight poverty and unemployment, and raise the standard of living through partnership with the private sector. This is being done by establishing a committee made up of municipal and private representatives to encourage investors and enhance credibility in investing in Sarhan, and to analyze the needs of the private sector (e.g. land and buildings, available resources, infrastructures and services) and the needs of the unemployed (e.g. textile sector for lowering women’s unemployment, small commercial shops for the growth of local market).

➢ **Gaziantep Municipality, Turkey:** In Gaziantep, the Syrian Economic Forum (SEF) gathered information on unregistered Syrian small businesses helping more than 200 projects to register and make investments. This helped encourage other companies to register in the same area in 2017. The Chamber of industry and trade played an important role, by participating to the campaign for registration.

➢ **Ethiopia:** a World Bank project is working with two Ethiopian municipalities: while in one of them a private company provided jobs, the other is struggling with unemployment. In this case, the two municipalities could both take advantage of private investments by reinforcing the resources they have to offer (e.g. integrated urban master plan, linkages with already existing industries, building comparative advantages, etc).

### Next Steps

- **Network members are invited to continue the discussion of the online platform:** 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.
• **Next Training Workshop on Strategic Planning for Local Economic Development** is planned for February 2018: Network members will be asked to design a LED strategy which takes into account their very local situation and the capacity of their market.

• **Next Compendium of Experiences on LED for Municipalities Hosting Refugees**: Network members are welcomed to submit their proposals following the guidance note at this page: [http://cmimarseille.org/highlights/call-experiences-hosting-refugees-local-economic-development-host-communities](http://cmimarseille.org/highlights/call-experiences-hosting-refugees-local-economic-development-host-communities)