

# Expert Group Meeting on the role of industry in developing a green economy in North Africa

4-5 March 2015, Rabat, Morocco

## Working Group 2

### Removing the obstacles to business competitiveness and innovation

#### *I- Background*

Environmental protection and the sustainable control of how limited natural resources are consumed have now become key determinants in developing the economy and improving long-term business competitiveness. However, valuing the green economy's potential for wealth and job creation will depend on the eco-innovative capacity of actors involved in the development of new patterns of sustainable production and consumption. In such a process, industry plays a pivotal role and has to address the two challenges technological innovation and social practices. Businesses will have to adopt industrial processes able to reduce the impact of their activities on the environment (effluent treatment and recycling of industrial wastes, rationalisation of water and energy use) and beyond this, increase their productivity and design products for «greening» the economy as a whole. They will also have to contribute to issues of social inclusion, poverty alleviation and wealth creation for local communities.

In the North African countries, an increasing number of businesses are aware of the great opportunities the green economy offers. Some big companies are already involved in the development of clean technology and green economy streams, and invest in R&D, while the SME/SMIs which represent the bulk of the industrial fabric, often perceive environment management as unprofitable since they generally operate with a short and medium term view of things. Furthermore, they face enormous constraints that limit their actions: the difficulty of access to credit, to technological innovations, skill deficiencies and poor communication, if at all, with universities. Finally, the public support systems for establishing innovative enterprises are not sufficient and often depend heavily on international cooperation.

Transforming the constraints related to the requirements of environment protection and efficient management of natural resources into opportunities for the economy and business competitiveness, with a view to sustainable development, is what green innovation entails. This approach, which must be a long term concern, will involve a new strategic vision, organisational transformation and improved governance, creativity, new funding mechanisms and multilateral cooperation (public-private, North-South and South-South cooperation, industry-university, etc.).

## *II- Working group objectives*

The specific objectives of the working group are as follows:

1. To identify key obstacles to innovation within the subregion's companies;
2. To examine the limits of policies and instruments implemented by countries to stimulate research and innovation within companies;
3. To identify the needs and priority support areas for the company, with regards to eco-innovation;
4. To make concrete recommendations ( of measures) aimed at improving the policy of accompanying and supporting business innovation, with a view to promoting competitive industries and fostering the emergence of new industrial streams, in the transition towards the green economy.

The working group will try to answer the following questions:

- What are the main obstacles to innovation within companies, mainly for the SMEs and SMIs?
- What are the types of innovation adopted by companies?
- What are the limits of innovation policies and incentive mechanisms set up by the various countries?
- What are the business needs and priority support fields with regard to eco-innovation?
- How to remove obstacles, facilitate the spread of technological innovation and support businesses in the green transition?

## *III- Proceedings*

The group will elect a chairperson and a rapporteur.

- The chairperson will lead discussion and oversee the achievement of the identified objectives in a timely manner.

- The rapporteur will take note of the main outcomes of the activities; then will present a summary at the plenary feedback session.