STRENGTHENING
ENTREPRENEURSHIP AND
ENTERPRISE DEVELOPMENT (SEED)
QUARTERLY REPORT (YEAR 3, QUARTER 5)

Submitted to:
USAID Egypt

Prepared by:
AECOM International Development

Disclaimer:
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<th>Full Form</th>
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<tbody>
<tr>
<td>AASTMT</td>
<td>Arab Academy for Science Technology and Maritime Transport</td>
</tr>
<tr>
<td>ABA</td>
<td>Alexandria Businessmen Association</td>
</tr>
<tr>
<td>ABWA</td>
<td>Alexandria Businesswomen Association</td>
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<tr>
<td>ASRT</td>
<td>Academy of Scientific Research &amp; Technology</td>
</tr>
<tr>
<td>AUC</td>
<td>American University of Cairo</td>
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<tr>
<td>BACO</td>
<td>Business Advisory Councils</td>
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<tr>
<td>BD</td>
<td>Business Development</td>
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<tr>
<td>BDS</td>
<td>Business Development Services</td>
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<tr>
<td>BTL</td>
<td>Below the Line (Direct Marketing Tools)</td>
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<tr>
<td>BUC</td>
<td>British University of Cairo</td>
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<tr>
<td>BWE21</td>
<td>Business Women of Egypt</td>
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<tr>
<td>CB</td>
<td>Capacity Building</td>
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<tr>
<td>CBE</td>
<td>Central Bank of Egypt</td>
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<tr>
<td>CBO</td>
<td>Community-based Organization</td>
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<tr>
<td>CCI</td>
<td>Chamber of Chemical Industries</td>
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<tr>
<td>CHF/OPIC</td>
<td>Corporate Housing Foundation/Overseas Private Investment Corp.</td>
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<tr>
<td>CGC</td>
<td>Credit Guarantee Company</td>
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<tr>
<td>COC</td>
<td>Chamber of Commerce</td>
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<tr>
<td>COP</td>
<td>Chief of Party</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>DCOP</td>
<td>Deputy Chief of Party</td>
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<tr>
<td>EBI</td>
<td>Egyptian Banking Institute</td>
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<td>EBWA</td>
<td>Egypt Business Women Association</td>
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<tr>
<td>ECAHT</td>
<td>Egyptian Chamber of Apparel and Home Textile</td>
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<tr>
<td>ECASE</td>
<td>Education Consortium for the Advancement of STEM in Egypt</td>
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<tr>
<td>ECP</td>
<td>Egypt Competitiveness Project</td>
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<tr>
<td>ECTI</td>
<td>Egyptian Chamber of Textile Industries</td>
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<tr>
<td>EEIP</td>
<td>Entrepreneurship, Enterprise, and Innovation Partnership Fund</td>
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<tr>
<td>EJBA</td>
<td>Egypt Junior Business Association</td>
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<tr>
<td>ENCC</td>
<td>Egyptian National Competitiveness Council</td>
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<tr>
<td>EPEMA</td>
<td>Egyptian Plastics Exporters and Manufacturers Association</td>
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<tr>
<td>ERRADA</td>
<td>Egyptian Regulatory Reform and Development Activity</td>
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<tr>
<td>FEDCOC</td>
<td>Federation of Egyptian Chambers of Commerce</td>
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<tr>
<td>FEI</td>
<td>Federation of Egyptian Industries</td>
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<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
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<tr>
<td>FIB</td>
<td>Faisal Islamic Bank</td>
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<tr>
<td>FRA</td>
<td>Financial Regulation Authority (formerly EFSA)</td>
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<td>FSI</td>
<td>Financial Service Institute</td>
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<td>GAFI</td>
<td>General Authority for Investment and Free Zones</td>
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<td>GAP</td>
<td>Gender Action Plan</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>GOE</td>
<td>Government of Egypt</td>
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<tr>
<td>GUC</td>
<td>German University of Cairo</td>
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<tr>
<td>GWU</td>
<td>George Washington University</td>
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<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
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<tr>
<td>IDA</td>
<td>Industrial Development Agency</td>
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<td>IDB</td>
<td>Industrial Development Bank</td>
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<tr>
<td>ILO</td>
<td>International Labor Organization</td>
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<td>IMC</td>
<td>Industrial Modernization Center</td>
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<tr>
<td>INGIA-VC</td>
<td>Integrating Gender in Agricultural Value Chains</td>
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<tr>
<td>IR</td>
<td>Intermediate Result</td>
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<tr>
<td>LTTA</td>
<td>Long Term Technical Assistance</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<tr>
<td>MENA</td>
<td>Middle East and Northern Africa</td>
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<tr>
<td>MIS</td>
<td>Management Information Systems</td>
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<td>MOSS</td>
<td>Ministry of Social Solidarity</td>
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<tr>
<td>MOY</td>
<td>Ministry of Youth</td>
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<tr>
<td>MSME</td>
<td>Micro, Small, and Medium-sized Enterprise</td>
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<td>MSMEDA</td>
<td>MSME Development Agency</td>
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<td>MTI</td>
<td>Ministry of Trade and Industry</td>
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<tr>
<td>NCW</td>
<td>National Council of Women</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>OSS</td>
<td>One-Stop Shops</td>
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<td>PPD</td>
<td>Public-Private Dialogue</td>
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<td>PTC</td>
<td>Plastic Technology Center</td>
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<td>PWS</td>
<td>Performance Work Statement</td>
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<td>RMG</td>
<td>Ready-Made Garments</td>
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<td>RMGEC</td>
<td>Ready-Made Garments Export Council</td>
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<tr>
<td>ROI</td>
<td>Return on Investment</td>
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<tr>
<td>SBDC</td>
<td>Small Business Development Center</td>
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<tr>
<td>USAID SEED</td>
<td>Strengthening Entrepreneurship and Enterprise Development</td>
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<tr>
<td>SFD</td>
<td>Social Fund for Development</td>
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<tr>
<td>STDF</td>
<td>Science and Technology Development Fund</td>
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<tr>
<td>STEM</td>
<td>Science, Technology, Engineering, and Math</td>
</tr>
<tr>
<td>STTA</td>
<td>Short-term Technical Assistance</td>
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<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TICO</td>
<td>Technology Innovation and Commercialization Offices</td>
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<tr>
<td>TIEC</td>
<td>Technology Innovation and Entrepreneurship Center</td>
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<tr>
<td>TOT</td>
<td>Training of Trainers</td>
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<tr>
<td>TTL</td>
<td>Through the Line (Events networking and direct engagements)</td>
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<td>TTO</td>
<td>Technology Transfer Office</td>
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<tr>
<td>VC</td>
<td>Value Chain</td>
</tr>
<tr>
<td>WEN</td>
<td>Women Entrepreneurs Network</td>
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<tr>
<td>WISE</td>
<td>Workforce Improvement and Skills Enhancement</td>
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I. EXECUTIVE SUMMARY

1.1 SUMMARY OF RESULTS FOR THE REPORTING PERIOD AND KEY ACHIEVEMENTS

USAID’s SEED Key Achievements to Date

- **3106** new and better employment opportunities were provided through SEED supported partners (Incubators, OSSs, MSMEs that were supported through SEED’s business plan competitions and exhibitions)
- **2,493,665 USD** revenues generated by firms supported, of which **1,516,708 USD** revenue growth totally attributed to USAID SEED support
- **744 entrepreneurs** were supported to launch or grow their business models
- **2,793 people** accessed mentorship programs
- **9,981 females** participated in USAID SEED assisted programs designed to increase access to productive economic resources
- **744 MSMEs managers and entrepreneurs** benefitted from delivered financial literacy programs
- **8710 clients** benefited from financial services provided through SEED assisted financial intermediaries, including non-financial institutions or actors
- **193 enterprises** integrated within the five selected value chains (RMG - Plastics - Dairy - Fishery - Automotive) through supporting their participation in local and international exhibitions, in addition to B2B matchmaking events

To stimulate and improve entrepreneurship skills and opportunities across Egypt, the project conducted/established:

- **9 Business Plan Competitions**
- **6 Start-Up Weekends**
- **2 Career Fairs**
- **24 Entrepreneurship Workshops**
- **12 Incubators in 6 Governorates** (Cairo, Giza, Gharbia, Alexandria, Assuit, Qena)
- **6 Capacity Building Workshops to TTOs**
- **2 Workshops on Leadership and Financial Literacy delivered to TIEC**
- **15 High Schools and 10 Universities** across Egypt were introduced to a new Entrepreneurship and Financial Literacy Program

To improve financial and non-financial services to MSMEs, the project conducted/established/developed:

- **4 Improved One-Stop-Shop (OSS) Centers** in Sohag, Qalyubia, Tahta and Cairo, and **one** new established in Shoubra El Khema.
- **13 Trainings to potential BDS Providers**
- **8 New BDS Centers** in 7 Governorates
- **6 Investment Linkages Forums**
- **7 TOT financial literacy sessions** to MFIs and partners.
- **4 Workshops to FRA to respond to policy constraints**
- **3 Financial Literacy Modules**
- **1 Financial Products Database**

To integrate MSMEs into Progressive Value-Chains, the project conducted/established:

- **1 Market Information System and 1 Directory** to improve MSME access to information in RMG Value Chain
- **8 MSME Buyers Conferences and 9 Matchmaking Events**
- **12 Training Sessions on Backward and Forward Linkages**

**805,000 USD** valued (CSR) initiatives to facilitate training for MSMEs and investment in equipment and software
II. COMPONENT ACTIVITY IMPLEMENTATION

2.1 COMPONENT A: ENTREPRENEURSHIP SKILLS AND OPPORTUNITIES

2.1.1 KEY ACTIVITIES ACCOMPLISHED UNDER COMPONENT A

RESULT A.1: STIMULATED ENTREPRENEURSHIP AMONG WOMEN AND YOUTH

In partnership with Enroot Development, USAID SEED implemented two five-day entrepreneurship programs in Arabic at Aswan University and South Valley University in Qena during the periods of Nov 25th - 29th & Dec 2nd - 6th, 2018 respectively. 102 participants, including 64 women, attended the Aswan program and 112 students, including 59 women, attended the South Valley training. Enroot trainers, who had previously attended USAID SEED’s TOT in July 2018, conducted the trainings. The training was attended by 12 professors (six from each university), who will also receive TOT from Enroot trainers for sustainability purposes in Q6. The Entrepreneurship University Program was developed and Arabized by a SEED consultant, and is being implemented for students with modest knowledge on entrepreneurship.

USAID SEED supported Al-Azhar University through their RWAQ Incubator and Assuit University through their Hemma Incubator to integrate components of the Babson Program in their Boot Camps held in November 2018. RWAQ’s training was attended by 34 participants, 27 of whom were women, and Hemma’s training was attended by 40 participants, 10 of which were women.

RESULT A.2: IMPROVED AVAILABILITY AND ACCESSIBILITY OF ENTREPRENEURSHIP SERVICES, WITH A FOCUS ON BUSINESS INCUBATORS AND ACCELERATORS

USAID’s SEED Incubator Consultant, Mahmoud Nassar, delivered a 4-day capacity building training to Qena RWAQ Incubator’s seven staff members, starting Nov 1st 2018. The outcome of the training was cementing their vision, mission, strategic objectives, action plans, job descriptions and key performance indicators.

USAID SEED also supported RWAQ in establishing relevant selection criteria for applicants of the upcoming Boot Camp. Such criteria will enable RWAQ to select startups for their first incubation cycle.

To boost TTOs’ operational efficiency and sustainability, USAID SEED conducted a 3rd TTO workshop at ASRT premises in Cairo on Jan 27th & 28th, 2019. The workshop trained ten selected TTO officers on sustainable business model methodologies, who in turn were able to identify challenges and draft action plans. The workshop was attended by 21 participants, including 11 women.

To build on a demand-driven objective to have more competent leaders, a 2nd workshop was delivered to TIEC by Component A’s consultant, Omar Attia, on Transformational Leadership.
management staff from 4 different departments of TIEC and ITIDA attended the workshop, 6 of whom were women.

2.1.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

RESULT A.1: STIMULATED ENTREPRENEURSHIP AMONG WOMEN AND YOUTH

To further support youth entrepreneurs in Egypt, USAID SEED will launch the Youth Network in cooperation with Etijah. The network will have a physical hub in each of Kafr El-Sheikh and Sohag Governorates.

To sustain the activities of the University Programs implemented in Y3 in Upper Egypt, a TOT will be delivered to professors at the three universities (Aswan, Sohag and South Valley) to equip them with the knowledge and skills needed to deliver the program successfully.

With the objective of cascading the knowledge of entrepreneurship to a broader network of students/universities, USAID SEED is working with AUC V-Lab and Entrepreneurship Society to transfer the knowledge of the Babson entrepreneurship program to Ain Shams X-Volunteer Student Society.

USAID SEED is continuing to support Hult Prize in preparing the National Final Competition for students from all over Egypt for mentoring over 250 students.

Building on Component C’s activity, Component A will also provide basic business skills training to the students of the Fashion Design Center.

RESULT A2: IMPROVED AVAILABILITY AND ACCESSIBILITY OF ENTREPRENEURSHIP SERVICES, WITH A FOCUS ON BUSINESS INCUBATORS AND ACCELERATORS

Building on technical assistance provided through Omar Attia, Component A consultant who supports incubators, USAID SEED will conduct two additional workshops for TTOs and TIEC.

At the end of January, USAID SEED publically re-issued the RFQ for Fablab equipment that will provide needed and state of the art equipment to technical incubators. The RFQ was reissued in an effort to avoid requesting a source and nationality waiver from USAID, because tenders in response to the Fablab RFQ issued in or around May 2018 included only commodities that were not compliant with SEED’s geographic code requirement.

USAID SEED will also start building linkage network/opportunities integrating incubators and established BDS centers in the relevant Governorates.

Component A will be integrating their partners from TTOs and relevant incubators in Component C’s upcoming five trainings related to the RMG industry.
2.2 COMPONENT B: FINANCIAL AND NON-FINANCIAL SERVICES

2.2.1 KEY ACTIVITIES ACCOMPLISHED UNDER COMPONENT B:

RESULT B.1: IMPROVED AVAILABILITY AND ACCESSIBILITY OF EFFECTIVE AND EFFICIENT BDS

One Stop Shop (OSS)
To improve accessibility of services to MSMEs in Egypt, USAID SEED improved and equipped an OSS Center in Tahta and provided training to the Chamber of Commerce staff, who are currently using the system developed by USAID SEED to the Commercial Registry Certificate. During this Quarter, 913 enterprises benefited from OSSs supported by USAID SEED.

Business Development Service (BDS)
To support MSMEs, USAID SEED provides technical assistance to various partners so they can establish their own BDS Centers. This TA has included introductory trainings on BDS provision and facilitation, financial sustainability, marketing and CSR for BDS providers. To build on these efforts, this Quarter USAID SEED provided four trainings to BDS providers on financial management and financial literacy. Ten different organizations attended the trainings, with 39 male and 73 women participants.

This Quarter USAID SEED supported the establishment of six additional BDS Centers, bringing the total number of BDS Centers that USAID SEED has established to nine. The first BDS Center, Foras, is being run by Ebtesama Foundation. Ebtesama primarily targets enterprises run by people with special needs and/or their families. The second BDS Center was founded by Go Global Company for exporters as well as for SMEs ready to export. The third BDS Center that USAID helped establish this quarter was founded by Beity Association, and it is the first supported BDS Center in Assuit. The fourth BDS Center was founded by Life Vision Association in Minia to support mainly small women farmers. The fifth BDS Center was established by “AYB” in Cairo, with a focus on women and youth entrepreneurs and women-owned MSMEs. The eighth BDS Center was established by Future Eve in Minia.

Six of the nine organizations that established BDS Centers have been provided with commodities: Ebtesama, SEDAQ, El Makan, Life Vision, Go Global, and Beity. Next quarter, USAID SEED will provide the six BDS Centers with IT equipment, as well.

Throughout this Quarter the USAID SEED BDS team provided 11 customized TA workshops at our BDS partners’ sites. TA workshop themes varied from follow up, data validation, monitoring & evaluation, and TA based on needs identified by the partner and SEED technical teams.

RESULT B.2. IMPROVED AVAILABILITY AND ACCESSIBILITY OF FINANCIAL PRODUCTS AND SERVICES

In order to increase MSMEs’ awareness of financial products and services available, USAID SEED conducted a Financial Literacy TOT for BDS partners from Jan 21st – 24th, 2019, which was attended by
12 participants, 4 of whom were women. The purpose of the TOT was to disseminate knowledge to MSMEs on the benefits of the various offerings made by banks.

In order to develop demand-driven financial facilities for MSMEs in the Dairy Value Chain, a Dairy Investment Advisory Group meeting was held in Aug 2018. As a result, USAID SEED is conducting three investment/feasibility studies identified by the group. The investment/feasibility studies cover critical gaps in the value chain, including feed, veterinary services, and milk collection. The feed study includes the feasibility of silage production for dairy cows in accordance with current market needs. Under the veterinary services, the study covers the feasibility of establishing veterinary clinics in order to ensure good health practices for livestock. Finally, for the milk collection services, the study will cover the prospect of enhancing the capacity of small milk collectors to enable them to fulfill milk processing companies’ needs and maintain hygiene throughout the value chain.

2.2.2 KEY ACTIVITIES PLANNED FOR NEXT REPORTING PERIOD

B.1: IMPROVED AVAILABILITY AND ACCESSIBILITY OF EFFECTIVE AND EFFICIENT BDS

One Stop Shop (OSS)
In addition to completing the improvement of Tahta’s OSS, USAID SEED is planning to establish additional OSS Centers during the upcoming period, in Assuit, Mansoura as well as at FEI in Cairo.

Business Development Service (BDS)
In order to build the capacity of supported BDS partners, USAID SEED will continue to provide technical assistance to the eight established BDS centers. SEED anticipates supporting the establishment of six additional BDS centers before the end of base period of the SEED Contract, April 2019. The soon-to-be-opened BDS Centers are Science and Training Academy in Sohag, El-Beit Co-Working Space in Gharbia, Assuit Businesswomen Association in Assuit, Alexandria Businessmen Association in Alexandria, Roaa Association in Qena, and FEI in Cairo.

TA planned for the upcoming Quarter will focus on supporting established BDSs to overcome identified challenges, including pricing their BDS services, utilizing USAID SEED-developed financial management tools, creating solid outreach, and branding and marketing plans for the BDS centers. Other training topics specifically requested include utilizing available CSR opportunities to support BDSs, learning database development and management, and CRM and market research and intelligence.

The BDS technical team will also support the six soon-to-be-opened BDS Centers in the pipeline to enable them to be up and running by end of April 2019.

B.2: IMPROVED AVAILABILITY AND ACCESSIBILITY OF FINANCIAL PRODUCTS AND SERVICES

USAID SEED is planning to conduct another financial literacy TOT for BDS partners in Upper Egypt next Quarter in order to increase awareness of financial products available to MSMEs in the area, as well as requirements for enrolling in the banking sector. Additionally, an upcoming financial literacy TOT will equip incubators’ staff with the skills of reaching out to startups and entrepreneurs that they serve.

USAID SEED investment/feasibility studies in the dairy value chain will be finalized next Quarter and will be shared with the investment group to enable the stakeholders to take the necessary actions.
Building on the analytic methodology used by Component B in the dairy value chain, USAID SEED is replicating the same approach for the aquaculture value chain. An aquaculture advisory group will be established and will include WorldFish, EBI, CIB, World Bank Fisheries Union and other stakeholders. The group will identify value chain gaps, based on the WorldFish Value Chain assessment, and transfer them into investment opportunities in accordance with market needs. The main stakeholders of the financial sector, EBI, CIB and CBE, will disseminate the feasibility studies to banks and FIs to facilitate access to finance to targeted actors in the value chain.

USAID SEED will work with individual FIs to provide capacity building to expedite establishing new loan products or utilizing existing producing for the target sector.

2.3 COMPONENT C: INTERGRATION OF MSMES IN VALUE CHAINS

2.3.1 KEY ACTIVITIES ACCOMPLISHED UNDER COMPONENT C

RESULT C.1. INTEGRATED MSMES TO PROGRESSIVE VALUE-CHAiNS

RMG Value chain
To strengthen the RMG value chain, USAID SEED conducted a Fashion Design Marketplace in cooperation with the Fashion Design Center and USAID SEED Consultant, international designer Pier Luigi Mosconi. The closing event of the program, held Jan 15th at the Fashion Design Center, was attended by 55 individuals, including 29 women, from MSMEs, FDC students and GOE representing RMG stakeholders. 18 young fashion designers presented their new lines of clothing for men, women, and children for Egyptian MSMEs. Their collections responded to market needs of 12 RMG MSME manufacturers, with the objective of penetrating markets and offering value added products in-line with national and international standards.

Dairy Value Chain
On Dec 20th, 2018, in cooperation with Knowledge Economic Foundation (KEF) / Bashair, USAID’s SEED launched the first Dairy VC’s Market Information System (MIS) in Egypt “Albannet.com” to introduce the system to dairy value chain stakeholders. 44 representatives attended, including 12 women.

This MIS is the first online Dairy Platform to serve dairy industry stakeholders, as well as the first platform to disseminate the most accurate and up-to-date data for this industry. The platform includes information on the dairy products, supplies, suppliers, buyers, technical instructions, updated market prices, etc. The first phase of the system includes data on over 3,000 MSMEs in the dairy sector from Gharbia and Damietta Governorates, including dairy farmers, veterinarians, milk collection centers, dairy processors, etc.

Based on the needs identified in SEED’s Dairy Value Chain Study, as well as on MSMEDA’s requirement for improving dairy processing and quality issues for its beneficiaries, USAID SEED delivered a capacity building program in four Governorates: Minia, Gharbia, Menoufia and Kafr El-Sheikh. SEED gave the first
Dairy VC capacity building training to MSMEDA representatives from 15 Governorates. The training took the form of a TOT workshop in an effort to increase the likelihood of sustainability.

USAID SEED conducted the second wave in Minya Governorate in collaboration with MSMEDA to introduce food safety standards, enhance manufacturing practices, and increase the quality standards of MSMEs producing Damietta cheese.

The third wave of the dairy capacity building program was conducted for dairy SMEs in Gharbia Governorate in collaboration with MSMEDA and Tanta University, with the purpose of developing new products, such as Mozzarella cheese.

**Plastics and Automotive Value Chain**
To further increase the capacity of automotive-feeding MSMEs in Egypt, USAID SEED conducted a capacity building training on Dec 5th 2018 for seven auto-feeding MSME manufacturers in Cairo. Six males and three women attended the training entitled “Making the Most of Exhibiting” which included topics such as awareness of requirements for participating in a trade shows, pre-exhibition planning and at-the-exhibition performance. Following the training, MSMEs will be able to participate more effectively in exhibitions, which in return will positively reflect on revenues through deals concluded.

In order to enhance the automotive value chain, USAID SEED arranged for the GM Purchasing Manager to make a presentation on GM’s sourcing requirements for various MSMEs attending the Autotech specialized exhibition from December 14th-16th 2018.

To raise the awareness of MSMEs in the plastic value chain, a Plastics Import Analysis Study was conducted by the Canadian Technical Management Consultant (CTMC). The study provides localization opportunities for semi-finished and finished plastics products. The final version of the study will be published by the end of next Quarter.

**Corporate Social Responsibility (CSR)**
On Dec 17th 2018, SEED’s Component C organized the first Matchmaking Event between El-Rashidi El-Mizan Company and nine small-holder farmers, in order to integrate them into the value chain and consider them in the supplier’s development plan under the Inclusive Business & CSR Consultancy Program.

USAID SEED conducted an inclusive business needs assessment as well as a gap analysis to corporates from agri-business sector; Daltex, Blue Nile, Raya Foods, Habiba Farm, El-Nour Food and Rashidy El-Mizan. So far, Raya Foods’ inclusive business action plan was successfully developed.

USAID SEED also conducted a Matchmaking Event on Dec 17th, 2018 for one of the selected corporates in the inclusive business program; Blue Nile (BN) and retailer, Metro Market to help BN distribute its high-end products in the local market.

**Cross-Cutting**
In order to contribute to higher employment for MSMEs in Egypt, 14 MSMEs from different value chains were supported through technical assistance and funding to join the career fair held in cooperation with “Shagalni” on Nov 17th, 2018. 1,529 individuals, including 705 women, attended the fair.
2.3.2 KEY ACTIVITIES PLANNED FOR NEXT REPORTING PERIOD

RMG Value chain
In Year 3 Component C supported Yalla Nsadar MIS to link them with manufacturers in Egypt and buyers outside Egypt. USAID SEED worked on a mobile application and an online payment module for the MIS that the program had aimed to launch in Q5. However, as a result in delays incurred in implementation the mobile application is currently under user testing, and will be launched at the beginning of the next Quarter.

Based on SMEs’ need to support their access to export markets, SEED launched a program to boost their capacities. The five training modules designed are on sales and marketing, lean manufacturing, supply chain management, quality management systems, and best management practices. The target audience is comprised of 20 export-ready companies. So far, 12 companies have been approached. In addition, from the 20-targeted SMEs, five will be coached on applying the learned tools. USAID SEED also collaborated with Pyramids by supporting five of their SMEs that match SEED’s criteria. In return, Pyramids will provide all 20 trained SMEs with access to a matchmaking event to be held from Mar 1st to 3rd Mar, 2019 with international RMG buyers.

Out of the Work-Wear Matchmaking Event conducted in May 2018, USAID SEED has pinpointed the needs and challenges facing both suppliers and buyers, and will consequently conduct a value chain analysis for this technical textile sub-sector, to identify opportunities and enable MSMEs to have better market access. A vendor has been selected for this task and is scheduled to start working on the study in Q6. The study will include a minimum of five business cases in wearable technical textile, to help MSMEs integrate in this technical textile local/international value chain.

Dairy Value Chain
Another wave of dairy value chain capacity building program will include five Governorates; Fayoum, Behera Alexandria, Giza and Beni Suef. In cooperation with one of the leading associations of Minia Governorate, USAID SEED will work on building the capacities of women in new products to explore additional market opportunities.

USAID SEED will continue to cooperate with KEF to expand the MIS usage and outreach.

Plastics and Automotive Value Chain
USAID SEED settled on the features list of the plastic MIS portal with CCI (source of data and the owner of the MIS for sustainability purposes) and Injaz (developer of the portal). The analysis phase of 20 features and the business model of the portal is complete, and currently it is in the development phase. It is planned that MIS will be launched by the end of next quarter.

USAID SEED will also hold a marketing campaign in cooperation with CCI to market for the launching of plastics MIS. In addition, in order to extend the outreach of the portal, USAID SEED is negotiating with the export council to add new tab in the portal about their services on how to export, which will allow USAID SEED’s MIS to serve the clients of the Export Council.

As a complementary phase for the Plastics Import Analysis Study, two focus groups will be held next Quarter in Cairo for validation purposes.

Component C will conduct field visits to MSMEs that attended GM’s Matchmaking Event, in order to assess them and subsequently include them in GM’s bidding list.
Component C will also reach out to P&G to conduct a matchmaking event between them and plastics MSMEs that produce biodegradable containers. Component C will follow up with Telecom Egypt to identify their needs and consequently plan another matchmaking event.

**Corporate Social Responsibility (CSR)**
Finalizing the inclusive business action plan of the other five agri-business MSMEs.

El-Rashidi El-Mizan is discussing a business deal with Blue Nile (BN) to obtain a supply of high quality strawberries for its jam production. BN is currently discussing a pricing model for Metro market’s supply in order to conclude a deal.

**Cross-Cutting**
To further support MSMEs, in different value chains to export, USAID SEED is planning to build the capacity of EDA’s calibers through providing technical assistance and support to their e-commerce portal. USAID SEED will also provide capacity building to EDA-supported MSMEs.

In order to increase MSMEs employment in Egypt, USAID SEED is planning to conduct another career fair in February 2019. About 15 MSMEs will be provided with technical assistance and funding to enable them to participate in the fair, which will give them the opportunity to meet their needs of blue-collar recruitment.
III. CROSS CUTTING ACTIVITIES IMPLEMENTED

3.1 GENDER AND YOUTH

3.1.1 KEY ACTIVITIES ACCOMPLISHED UNDER GENDER AND YOUTH

In cooperation with Component A, the Women Entrepreneurs Network (WEN) launch event was held on Nov. 18th, 2018 at the Greek Campus, to mark the inauguration of the Network. Prior to the event, a meeting was held between Ms. Sherry Carlin, USAID/Egypt Mission Director, and WEN’s Steering Committee representatives. The event was attended by 252 individuals, 229 of whom were women. The event included three panel discussions on USAID SEED’s efforts in developing the network, the reasons why the partners took part, and the challenges women entrepreneurs face and how to overcome them through the network. The event also included an exhibition where 30 women entrepreneurs displayed their projects and products, as well as a Mentoring Corner where 47 women entrepreneurs received mentoring.

Following the WEN launching event, USAID SEED marketed the WEN during various events with partners such as Global Entrepreneurship Network Egypt, Ahead of the Curve, the British Council, RiseUp, the Microsoft Conference “Computer Science Education”, and the Intra-Africa exhibition.

USAID SEED’s Gender & Youth Unit provided two trainings to women entrepreneurs supported by European Bank for Reconstruction and Development (EBRD), where the importance of networking was highlighted in order to enhance their businesses.

3.1.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

USAID SEED will develop the WEN legal structure and the action plan.

WEN collaborated with the U.S. Embassy, in cooperation with the SEED Component A team, on developing the first women Mentorship Program that will be implemented over the course of one year. The first event is a leadership training that will target 25 women mentors.

USAID SEED will also collaborate with “E7ki” online magazine to be the media arm of the WEN for marketing and outreach, given that the magazine promotes women entrepreneurs.

USAID SEED will also provide BWE 21 with technical support through training and mentorship on digitalization of women’s businesses.

In coordination with Component B, the Gender and Youth Unit will provide gender-sensitive BDS training through a BDS webinar.
3.2 ENABLING ENVIRONMENT

3.2.1 KEY ACTIVITIES ACCOMPLISHED UNDER ENABLING ENVIRONMENT

In order to increase the capacities of TTOs, two workshops were conducted in coordination with Component A, ASRT and the Ministry of Higher Education from Nov. 25th - 28th 2018. Two (2) different groups from 30 Technology Transfer Offices (TTOs), 6 public incubators from 14 different Governorates, and a team from ASRT attended the workshops, as well as the following GOE entities: MTI, FEI, IDA and IMC in addition to the main two main financing regulators FRA and CBE. During the workshop Autumn Foundation proposed to improve technology transfer efforts in Egypt, based on the American experience, using the Bayh-Dole Act model. Recommendations and suggestions for the proposed Executive Bylaws of the new R&D and Innovation Law No. 23/ 2018 were collected and Dr. Haytham Ali, USAID SEED STTA Policy Development Advisor provided an analysis report for the law, which included suggestions made by the workshop participants. The report was sent to ASRT to be shared with the Ministry of Higher Education, TIEC and GIZ.

SEED continued its previous work with FRA and affiliated entities by conducting a training for State Council judges (Fatwa and Regulation Committee) under the FRA MOU with Ministry of Justice. The training was conducted on Nov. 14th and 15th 2018 to increase their awareness on financial laws. 50 judges attended the training.

To increase the MSMEs awareness on Law #5, SEED conducted two workshops during this Quarter, which adds up to a total of 14 awareness sessions for MSMEs in Egypt.

In an effort to increase MSMEs’ revenues and reduce the constraints they face, USAID SEED developed a study suggesting a Tax-Simplified System for MSMEs in collaboration with ENCC, MTI and MOF. The study was presented to the Minister of Finance, who recommended presenting it to the Prime Minister and developing another simplified system for Social Insurance for MSMEs.

3.2.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

In order to further increase access to finance of entrepreneurs and MSMEs, USAID SEED recruited an STTA to provide recommendations for legalizing Crowdfunding in Egypt. The outcome of the STTA’s work will be shared with the main stakeholders: TIEC, CBE and UNDP.

3.3 COMMUNICATIONS AND MARKETING

3.3.1 KEY ACTIVITIES ACCOMPLISHED UNDER COMMUNICATIONS AND MARKETING

COMMUNICATION AND OUTREACH

Branding Support
USAID SEED Events: Provided branding support, photography and visibility materials for 17 USAID SEED events, during this Quarter, to ensure that the project meets USAID’s branding and marking requirements. One of the highlights was the Women Entrepreneur’s Network (WEN) event for which USAID SEED created a logo, a page on the website, social media posts, as well as all branding material required for the event.
USAID’s Stakeholders: Provided branding support to one of USAID SEED’s grantees; Etijah.

**USAID SEED’s Website**
The SEED Communications & Outreach team worked this period on developing a revised version of the USAID SEED website using a professional developer, WordPress, to overcome technical issues encountered in the past. A well-structured system—customizable in terms of design and style so as to represent USAID SEED in the most professional way possible—was developed and new sections were added including News that provide coverage of SEED’s most important events and activities, Highlights, Cross-Cuttings, Accomplishments and more.

**MARKETING**

**Designed & piloted a Marketing Catalyst Program Model** and identified the key stakeholders among them: Banque de Caire, SME Konnect & Yalla Nsadar to support its sustainability. The Marketing Catalyst Program is a cross cutting initiative that creates a marketing network to help MSMEs access information, grow their business sustainably whether by accessing financial or non-financial services, and integrate them into higher value chains.

**Handover of the Marketing Strategy to CGC for implementation** while providing continuous technical support. USAID SEED had initially piloted with CGC a rebranding model whereby EGP 40,000 was invested as seed funding. The success of the pilot model led CGC to expand their investment by allocating EGP 4 million of their budget for marketing.

**Mentorship, Capacity Building and Technical Assistance** in various cross cutting activities. During Q5, the SEED Marketing Unit supported Component A and the Gender and Youth Unit for the WEN launch event by mentoring women entrepreneurs and MSMEs owners.

**Designed the Business Model for the MTI's/IMC's Industrial Localization Platform.** IMC and MTI recently launched the industrial localization program, a GOE key strategic objective for reducing the import-export trade deficit by replacing imports with local products. In response to MTI and IMC’s need to design a profitable business model with a revenue strategy while maintaining the government responsibility role to provide free/subsidized services, USAID SEED provided mentorship and coaching to design a suitable business model that combines both pillars. The session, which was attended by seven individuals from the strategic team of MTI and IMC that will work on the platform, covered the following topics: how to create financial sustainability, positioning and value proposing for the platform, how to make it a demand driven platform.

### 3.3.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

**COMMUNICATION AND OUTREACH**
Success Stories: USAID SEED is working on a success story about “Nassar Plast”, one of the enterprises that successfully signed contracts with Telecom Egypt during the Matchmaking Event organized by USAID SEED on Mar 21, 2018.

**USAID DOC:** Updated USAID SEED’s Fact Sheet to include current information and photos and waiting for approval.
MARKETING
Cross Cutting Support to all components (A, B, C, ICT, Gender & Enabling Environment) through:

- Replicating mentorship, capacity building and technical assistance to incubators, BDS providers, & some key stakeholders such as CGC, IMC.
- Working on integrating support USAID SEED different networks into SEED Marketing Catalyst Program.

3.4 INFORMATION AND COMMUNICATION TECHNOLOGY
3.4.1 KEY ACTIVITIES ACCOMPLISHED

USAID SEED finalized working on a Blanket Purchasing Agreement (BPA) in coordination with Procurement in order to facilitate and speed-up the procurement of ICT equipment needed for project’s stakeholders. As a results, USAID SEED has already purchased the majority of required equipment for OSSs and BDSs.

Component A
USAID SEED conducted an analysis for the InfoMatch Tool in coordination with Component A, for incubators and BDS Centers (supply side) and MSMEs and startups (demand side).

Component B
Created the CRM system for Tahta’s newly established OSS Center. Received ICT equipment from vendors and delivered to the Center, and provided training to staff on the CRM system.

Component C
The source code of the Dairy MIS was received from the software developer, Injaz, and it was handed to KEF to maintain its sustainability after SEED ends.

USAID SEED supported Yalla Nsadar in developing their mobile application in cooperation with INDEV to facilitate the access to export opportunities by RMG MSMEs.

Gender and Youth
USAID SEED developed a website for the WEN in order to market for the network among stakeholders in the ecosystem.

Enabling Environment
USAID SEED has completed system analysis for Law #5 certification issuing process. An RFP was issued, proposals were received, and are currently being evaluated.

To increase MSMEs access to finance through public tenders, USAID SEED is developing an Online Registration System for Law #5 and Export Promotion Fund. The System will be linked to the e-tenders portal. This will generate more revenues for MSMEs and directly impact SEED’s indicators.

USAID SEED will also create a database for MSMEs that won public tenders, highlighting total tenders’ amounts.
Communications
USAID SEED has developed the SOW for the project’s website, to be more informative and user-friendly. This was implemented by an outsourced consultant.

3.4.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

Component A
USAID SEED is planning to publish the InfoMatch tool in the upcoming period.

Component B
SEED procured equipment for three soon-to-be-established OSS Centers: Assuit, Mansoura and FEI. The equipment will be installed next Quarter.

SEED procured equipment for seven BDS Centers: Go Global, SEDAQ, Ebtesama, Beity, Makan, FEI and Life Vision. The equipment will be installed next Quarter.

Component C
In order to strengthen the networking activities between MSMEs and large corporates in Egypt, USAID SEED is supporting the Chamber of Chemical Industries (CCI) to establish a B2B market place to match and create market linkages between MSMEs that produce various products and large corporations in the Plastics Value Chain.

Gender and Youth
The WEN website is planned to be launched next quarter, as soon as the WEN is officially registered.

Enabling Environment
USAID will be launching the Law #5 Certification interactive website that will link the IDA, FEI, General Authority of Government Services (GAGS), Egyptian Organization for Standards and Quality (EOS) and E-tenders Egypt.

Communications
USAID SEED new website is planned to be published the next quarter.
IV. MONITORING AND EVALUATION

4.1.1 KEY ACTIVITIES ACCOMPLISHED

In order to provide support to the project’s components, M&E:

- Supported the teams in developing the Work Plan for the prospective Option Year.
- Supported the teams in developing new indicators to measure outcome-related results during the Option Year.
- Collected, validated reports and visited all supported BDS Centers.
- Trained BUE Incubator staff as well as Tamayouz BDS on reporting and exhibiting.
- Collected, validated reports and visited all supported incubators.
- Conducting a Learning Session for one of USAID SEED’s exhibitors who participated in matchmaking events and exhibitions. Learning Report is annexed to this Quarterly Report.
- Analyzed quarterly collected data and drafted Quarterly Report.

Tools Development:

- Developed M&E tools including intervention logic and cost benefit analysis to help the teams prioritize activities.
- Developed tools and evaluation reports for all interventions conducted.

4.1.2 KEY ACTIVITIES PLANNED FOR THE NEXT REPORTING PERIOD

USAID SEED M&E team will continue supporting the teams in the development of tools, analysis and work planning. The team will also continue to document achievements during the base period through collecting data for deliverables and indicators. M&E will continue to build the capacities of parent BDS Centers and Incubators through trainings and support.
USAID SEED could replicate HU’s initiative of embedding the Babson Program in their entrepreneurship curriculum; therefore, USAID SEED will work with other partner universities to adopt a similar model.

USAID SEED faced challenges with TTOs given their geographical disparity as well as diverse backgrounds and skills. Moving forward USAID SEED will therefore be focusing on more targeted groups with relevant experience, to support them in realizing their objectives of commercializing their clients’ technologies.

USAID SEED is facing challenges in formalizing the WEN and developing its governance given market diversity. However, USAID SEED managed to bring all the parties together under one platform by unifying their vision, and currently USAID SEED is working on the WEN’s governance model.

Despite having delivered training sessions during TA follow-up visits to BDS partners, USAID SEED has identified several areas of operational and financial management that still need improvement, and support by the team including Component A and C. This will be considered in the planned activities for the upcoming quarter.

Rural-focused BDSCs; Life Vision and Future Eve, have identified their need to learn how to facilitate BDS through Points of Presence (PoP) which is a common mechanism utilized by NGOs to access villages where they do not have centers or activities periodically through partners’ centers/locations. Therefore, USAID SEED will support those BDS Centers in developing a service facilitation/provision mechanism through mobile BDS not only through the Center.

The majority of the BDS centers (especially NGOs) still have a need to shift into the fee-based service provision model to support the BDS centers medium and long-term financial sustainability. Therefore, USAID SEED will focus in its upcoming TA on financial management to focus on pricing BDS and cost effective BDS operations. Additionally, USAID SEED will provide customized marketing and outreach TA to help BDSCs establish more solid brands with higher service selling possibilities.

Access to finance for MSMEs remains a challenge throughout the target value chains. Working with FIs will provide the necessary data to facilitate access to finance. In addition, USAID SEED will conduct financial literacy trainings for BDS partners and incubators as well, to allow them to cascade the knowledge gained to their supported MSMEs.

Finally, USAID SEED faced difficulties when proposing specific precise laws based on partners’ recommendations due to lack of information about GOE current priorities. Therefore, USAID SEED is now focusing on other mechanisms that can support and be applied to any law or regulation through the Public-Private Dialogue (PPD), in addition to an evidence-based policy approach through the implementation of RIA.
VI. ANNEXES

6.1.1 ANNEX IV: LEARNING REPORT

USAID’s Strengthening Entrepreneurship and Enterprise Development (SEED)
Learning Session with Nassar for Plastic Machinery Systems

Date: Tuesday, February 5, 2019
Location: SEED Premises

Objective of the Session
A learning session is a meeting that gathers implementer, partner and/or beneficiaries, in order to assess SEED’s interventions and capture lessons learned and potential areas of improvement. In this case, a meeting was held on February 5th, 2019, with Nassar for Plastic Machinery Systems, a USAID SEED’s integrated enterprise, who was supported by USAID’s SEED in both the Pipe Africa Exhibition and Telecom Egypt Matchmaking. The meeting was attended by Eng. Amr Nassar, CEO of Nassar Co., and SEED’s Component C, Communication and M&E teams.

Questions Asked
1. How do you assess the Pipe Africa Exhibition? and to what extent did the exhibition affect the revenue growth and employment growth of your company?
2. What is the kind of support needed pre and/or post the exhibition?
3. How do you assess the Telecom Egypt Matchmaking?
4. How do you assess the post-event support provided by SEED after the Matchmaking?
5. To what extent did the matchmaking affect the revenue growth of your company?
6. How did SEED’s support in general affect the revenue and employment growth of your company?
7. Aside from revenue and employment growth, how did your company benefited from TE matchmaking?
8. Please identify areas of further support needed from SEED?

Participants’ Answers
1. How do you assess the Pipe Africa Exhibition? and to what extent did the exhibition affect the revenue growth and employment growth of your company?

The CEO of Nassar Co. confirmed that the Pipe Africa exhibition provided the company with a good opportunity to get introduced to new clients and expand its outreach. One of the most important new clients that Nassar Co. was able to reach out to and to conclude a deal with is an English plastic company which Nassar Co. was introduced to through its agent in Egypt during the Pipe Africa Exhibition. As a result of the Pipe Africa Exhibition, Nassar Co. managed to sign a contract with the English company in an amount of EGP 3 Million. After gaining such award they were one of 3 companies in Egypt supplying to this English company, and now they became the only supplier to it.

2. What is the kind of support needed pre and/or post the exhibition?

Nassar Co. used to participate in exhibitions since 2001, hence they did not face limitations during the Pipe Africa exhibition. However, for SMEs which are participating for the 1st time in any exhibition, they may need assistance before the exhibition in: exhibition management, branding and image representation. It is worth mentioning that SEED has acknowledged this...
issue and had already provided capacity building training on exhibition management for its supported SMEs.

3. **How do you assess the Telecom Egypt Matchmaking?**

Eng. Amr Nassar indicated that the selection of Telecom Egypt (TE) as a large buyer was very beneficial for the supported MSMEs in the plastics value chain, as the specs of telecom Egypt is very sophisticated and Telecom Egypt is very firm in validating its required specs. In addition, TE used to depend only on large companies in securing their demands. Thus, without the matchmaking the supported SMEs would have never been introduced to TE and get familiar to its required technical specs, which are very close to international standards. Eng. Nassar added that it is a big achievement for SMEs to gain the trust of TE and become their suppliers.

4. **How do you assess the post-event support provided by SEED after the Matchmaking?**

Eng. Nassar has confirmed that SEED’s technical advisor has played an important role in the mediation between TE and the selected SMEs in drafting the framework agreement and helped to resolve some of the disagreements between the two parties while negotiating the agreement. For example, TE requested a letter of guarantee that worth 10% of the amount of each installment for a year which is a substantial amount of money that will be reimbursed after at least one year of delivering all orders. SEED’s technical advisor proposed that the letter of guarantee would cover only a period of 6 months instead of one year in order to reduce the amount that will be paid by the contracted companies.

5. **To what extent did the matchmaking affect the revenue growth of your company?**

Nassar Co. managed to sign a Framework agreement for 12 months with TE Egypt. Pursuant to the framework agreement the company signed its first contract with TE for 4 months with an amount of EGP 3.8 million in October 2018, and then the contract was extended for another 2 months with an amount of EGP 2 million. As he mentioned earlier such contract would have never been realized without the matchmaking supported by SEED and without the finance which his company was able to secure through the Central Bank of Egypt’s initiative.

6. **How did SEED’s support in general affect the revenue and employment growth of your company?**

Eng. Nassar confirmed that the deals concluded through Pipe Africa Exhibition and TE matchmaking have resulted in around 40% revenue growth for his Company. In addition, more than 90 employees and workers have received better employment opportunities, as due to such revenue increase the company managed to raise the salaries of all of its workers by 25% and all of its employees from 15 – 35%. In addition, the deal with TE improved the quality of the products and thus improved the performance of the workers at the factory and raised their skills, since such high-quality products are being produced by the factory on a daily manner and not occasionally as it used to be before.

7. **Aside from revenue and employment growth, how did your company benefited from TE matchmaking?**

Eng. Nassar confirmed that being introduced to TE and its technical specs requirements helped in improving the quality of the company’s products, as mentioned before, the specs required by TE are very advanced, the thing which enhanced the capacities of the calibers working in the factory to meet the requirements of TE.

In addition, TE’s required specs meet international standards and are very close to the DIN specs which are required by other countries such as Jordan. Thus improving the quality of the products
produced by Nassar Co. to meet TE required specs may open to the company new markets in the Middle East.

8. **Please identify areas of further support needed from SEED?**

Eng. Nassar indicated that areas of further support may include the provision of management training, management consultations, market research inside and outside Egypt, value proposition, funding for machinery and technical capacity building.

**USAID’s SEED Feedback and learning:**

SEED’s support for SMEs to participate in exhibitions and matchmakings creates better opportunities for SMEs to integrate into larger value chains, contribute to their revenue growth and creates new and better job opportunities.

For SMEs participating for the 1st time in exhibitions, pre-event support is needed, which includes training on exhibition management. SEED also needs to consider the evolving needs of supported firms to meet the needs of the various phases of their growth and integration into larger VCs through continuous capacity building and technical support.
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