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STRENGTHENING ENTREPRENEURSHIP AND ENTERPRISE DEVELOPMENT (SEED)

FINAL REPORT

NOVEMBER 1, 2015 – JULY 31, 2020

JUNE 2020

This publication was produced for review by the United States Agency for International Development. It was prepared by DT Global.

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NOVEMBER 1, 2015 – JULY 31, 2020

Contract No:
AID 263-C-16-00003

Submitted to:
USAID | Egypt

Prepared by:
DT Global

Photo Caption:
Entrepreneur's Society Business Plan Competition

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ACKNOWLEDGEMENT

USAID SEED wishes to acknowledge the active participation of our key partners and counterparts during project implementation.

Special acknowledgement and thanks are primarily owed to the project counterpart, Ministry of Trade and Industry (MTI), the Ministry of International Cooperation (MIC), and the project's main partner, Micro, Small, and Medium Enterprises Development Agency (MSMEDA). Gratitude must also be expressed to the following institutions and stakeholders:

Academy of Scientific Research and Technology (ASRT); Alex Business Women Association (ABWA); American Chamber of Commerce (AmCham); American University of Cairo (AUC); Central Bank of Egypt (CBE) and its initiative Nilepreneurs; Chamber of Food Industries and Chamber of Chemical Industries; Credit Guaranty Company (CGC); Delta Shield for Investment; Egyptian Banking Institute (EBI); Endeavour; Enroot; Etijah; EYouth; Federation of Egyptian Chambers of Commerce (FEDCOC); Federation of Egyptian Industries (FEI) and its Women-in-Business Unit; Fekretak Sherketak; Financial Regulatory Authority (FRA); Flat6Labs; Giza Systems; Hult Prize; iSpark; Malaikah; Markade; National Council of Women (NCW); National Food Security Authority (NFSA); National Bank of Egypt (NBE); Parliamentarian, Nadia Henry; Sharkawy and Sarhan (S&S); Technology Innovation Entrepreneurship Center (TIEC); UNDP; and all the USAID SEED-supported BDSs, Incubators and OSSs.

Thank you all for your hard work and continued support over the past four and a half years.

LIST OF ACRONYMS AND ABBREVIATIONS

| | | | |
|----------|--|---------|---|
| ABA | Alexandria Business Association | DIY | Do It Yourself |
| ABWA | Alexandria Businesswomen Association | EBI | Egyptian Banking Institute |
| AmCham | American Chamber of Commerce | EBRD | Egyptian Bank for Reconstruction and Development |
| ASRT | Academy of Scientific Research & Technology | EBWA | Egypt Business Women Association |
| AAST | Arab Academy for Science Technology & Maritime Transport | ECAHT | Egyptian Chamber of Apparel and Home Textile |
| AUC | American University of Cairo | ECASE | Education Consortium for the Advancement of STEM in Egypt |
| AYB | Alashanek ya Baladi | ECP | Egypt Competitiveness Project |
| ABWA | Assuit Business Women Association | ECTI | Egyptian Chamber of Textile Industries |
| BACO | Business Advisory Councils | EEIP | Entrepreneurship, Enterprise, and Innovation Partnership Fund |
| BD | Business Development | EFDA | Egyptian Franchise Development Agency |
| BDS | Business Development Services | EJBA | Egypt Junior Business Association |
| BTL | Below the Line (Direct Marketing Tools) | ENCC | Egyptian National Competitiveness Council |
| BUE | British University of Egypt | EOS | Egyptian Organization for Standards and Quality |
| BWE | Business Women of Egypt | EPEMA | Egyptian Plastics Exporters and Manufacturers Association |
| B2B | Business to Business | ERRADA | Egyptian Regulatory Reform and Development Activity |
| CB | Capacity Building | Fab Lab | Fabrication Laboratory |
| CBE | Central Bank of Egypt | FDC | Fashion and Design Center |
| CBO | Community-based Organization | FEDCOC | Federation of Egyptian Chambers of Commerce |
| CCI | Chamber of Chemical Industries | FEI | Federation of Egyptian Industries |
| CEOSS | Coptic Evangelical Organization for Social Services | FGD | Focus Group Discussion |
| CFI | Chamber of Food Industries | FIB | Faisal Islamic Bank |
| CHF/OPIC | Corporate Housing Foundation/Overseas Private Investment Corp. | FRA | Financial Regulation Authority (formerly EFSA) |
| CIB | Commercial International Bank of Egypt | FSI | Financial Service Institute |
| CGC | Credit Guarantee Company | G&Y | Gender and Youth Unit |
| CNC | Computer Numerical Control | GAFI | General Authority for Investment and Free Zones |
| COC | Chamber of Commerce | GAGS | General Authority of Government Services |
| COP | Chief of Party | GAP | Gender Action Plan |
| COR | Contracting Officer's Representative | | |
| CSO | Civil Society Organization | | |
| CRM | Customer Relationship Management | | |
| CSR | Corporate Social Responsibility | | |
| DCOP | Deputy Chief of Party | | |

| | | | |
|----------|---|-------|---|
| GDP | Gross Domestic Product | OSS | One-Stop Shops |
| GEW | Global Entrepreneurship Week | PIRS | Performance Indicator Reference Sheets |
| GOE | Government of Egypt | PPD | Public-Private Dialogue |
| GSEF | Giza Systems Education Fund | PTC | Plastic Technology Center |
| GUC | German University of Cairo | PWS | Performance Work Statement |
| GWU | George Washington University | QMS | Quality Management System |
| HACCP | Hazard Analysis and Critical control Point | REDEC | Regional Enterprise Development Center |
| HU | Heliopolis University | RMG | Ready-Made Garments |
| ICT | Information and Communications Technology | RMGEC | Ready-Made Garments Export Council |
| IDA | Industrial Development Agency | ROI | Return on Investment |
| IDB | Industrial Development Bank | SBDC | Small Business Development Center |
| IDSC | Information and Decision Support Center | RIA | Regulatory Impact Assessment |
| ILO | International Labor Organization | SFD | Social Fund for Development |
| IMC | Industrial Modernization Center | SME | Small and Medium-sized Enterprise |
| INGIA-VC | Integrating Gender in Agricultural Value Chains | SOW | Scope of Work |
| IR | Intermediate Result | STA | Science Training Academy |
| LOP | Life of Project | STDF | Science and Technology Development Fund |
| LTTA | Long Term Technical Assistance | STEM | Science, Technology, Engineering, and Math |
| M&E | Monitoring and Evaluation | STTA | Short-term Technical Assistance |
| MEL | Monitoring, Evaluation, and Learning | TA | Technical Assistance |
| MENA | Middle East and Northern Africa | TICO | Technology Innovation and Commercialization Offices |
| MFI | Microfinance Institution | TIEC | Technology Innovation and Entrepreneurship Center |
| MIS | Management Information Systems | TOT | Training of Trainers |
| MOSS | Ministry of Social Solidarity | TRIA | Tenth of Ramadan Investors Association |
| MOU | Memorandum of Understanding | TTL | Through the Line (Events networking and direct engagements) |
| MOY | Ministry of Youth | TTO | Technology Transfer Office |
| MSME | Micro, Small, and Medium-sized Enterprise | VC | Value Chain |
| MSMEDA | MSME Development Agency | WEN | Women Entrepreneurs Network |
| MTI | Ministry of Trade and Industry | WIB | FEI Women in Business |
| NBE | National Bank of Egypt | WISE | Workforce Improvement and Skills Enhancement |
| NCW | National Council of Women | | |
| NFSA | Food Safety Standards Authority | | |
| NGO | Non-governmental Organization | | |
| NM | Nahdet Misr | | |

EXECUTIVE SUMMARY

The USAID Strengthening Entrepreneurship and Enterprise Development (SEED) project catalyzed a change in the mentality towards entrepreneurship, amplified entrepreneurship opportunities for youth and women, and supported significant changes in the business enabling environment that had a momentous impact on creating a strong foundation for Micro, Small, and Medium Enterprises’ (MSMEs) ability to incubate and thrive in a more competitive and inclusive Egyptian economy. SEED’s efforts created an ecosystem for MSMEs in partnership with both public and private entities to support Egypt’s journey to self-reliance and sustainability.

SEED achieved substantial results against its objectives of creating new jobs, generating additional income for Egyptian small business owners, laborers, and entrepreneurs, thereby creating a constituency that is capable of demanding policy reforms to improve the business enabling environment. From 2015 to 2020, SEED successfully improved the operating environment for MSMEs and entrepreneurs and put in place key mechanisms that will continue to contribute to the entrepreneurial ecosystem in Egypt. The project’s partners, collaborators, beneficiaries, and supporters will continue to benefit from the project’s legacy and achievements. The SEED project was organized around three key results, outlined in the results framework below:

SEED Significantly Exceed Targets

- Generated **new employment or better employment for 22,639 people** against a target of 1,000
- Achieved **42% employment growth** in firms receiving USG assistance against a target of 30%
- **Doubled the target for entrepreneurs who benefitted from incubators** established or assisted through USG assistance
- **Tripled the target for BDS providers** offered USG assistance
- Achieved **75% increase in enterprises receiving Law 5 certificates** as a result of USG assistance against a target of 40%
- Benefited **8,713 clients from financial services** provided through USG-assisted financial intermediaries significantly exceeding the target of 5,000

| Development Objective: Egyptian economy is more competitive and inclusive | | | | |
|--|--|--|---|---|
| TIPE Result I: MSME Development and Entrepreneurship Supported | | | | |
| <ul style="list-style-type: none"> • New jobs created for Egyptian small business owners, laborers, and entrepreneurs, especially women and youth • Additional income generated for Egyptian small business owners, laborers, and entrepreneurs, especially women and youth • Reinvigorated private sector creates constituency to demand policy reforms that improve the business enabling environment | | | | |
| Result A.1: Stimulated entrepreneurship among women and youth | Result A.2: Improved availability and accessibility of entrepreneurship services, with focus on business incubators and accelerators | Result B.1: Improved availability and accessibility of effective and efficient BDS | Result B.2: Improved availability and accessibility of financial products and services | Result C.1: Integrated MSMEs to progressive value chains |
| Improved access to mentoring and entrepreneurship services for women and youth | Increased number of incubators managed according to international best practice | Increased number of effective one-stop shops | Increased capacity of public and private institutions to develop, use, and market financial products and funding mechanisms for MSMEs | Improved understanding of market and opportunities for MSMEs in value chains |
| | Improved services offered by incubators and accelerators | Increased effectiveness of BDS providers | Increased financial literacy, including capacity to use financial products, among MSMEs and financial institutions | Improved skills and tools to take advantage of opportunities in value chains |
| Increased interest and skill among women and youth to pursue entrepreneurial careers | Increased access, especially in disadvantaged communities, to incubators / accelerators | Improved MSME access to effective BDS tools and services | Increased GOE capacity to understand and respond to constraints in the enabling environment for MSME access to finance | Increased access to finance to take advantage of market opportunities |
| | Increased GOE capacity to understand and respond to enabling environment constraints | Increased capacity among BDS providers and associations to advocate policy change | | Forward and backward linkages for MSMEs developed and strengthened |
| | Increased dialogue and collaboration between universities and the private sector | | | Increased GOE capacity to understand and respond to policy constraints to integrating MSMEs into value chains |

The project successfully facilitated key changes in the entrepreneurship ecosystem and created incentives for **22,090** micro, small, and medium enterprises (**MSMEs**) to enter the formal economy,

enabling them to access institutional finance, including low interest rate schemes, which improves their ability to unlock their growth potential and ultimately create need for more employees. SEED-supported MSMEs created **22,639 new or better employment opportunities**. SEED also supported MSMEs to enhance their knowledge and skills to adopt innovations and improved their access to networks, markets, and finance, which has contributed to integrating **239 enterprises** in larger value chains, growing their **revenue** by more than **US\$2** million in the process.

SEED's business enabling environment interventions addressed key policy issues, including the formalization of laws such as the new SMEs Law, and explored policy pathways to integrate MSMEs into progressive value chains. SEED also complemented GOE efforts to foster MSME development and created an enabling environment responsive to the needs of the private sector through outreach and advocacy campaigns and Public Private Dialogues (PPD). SEED engaged the business community, public sector, and legislators to improve the business environment including legislation and service provision to businesses, and supported advocacy for new laws enabling enterprise development, such as franchising and crowdfunding laws. Law 3/2005 on the Protection of Competition and the Prohibition of Monopolistic Practices was amended by ECA with SEED's support to enhance freedom of competition. The draft franchising law, with input from roundtables supported by SEED, is currently pending review by MTI. Finally, SEED's efforts at streamlining MSMEs' ability to benefit from Law 5/2015 have led to a **75% increase** in the number of **companies** securing the certificates needed to receive preference for local products in public procurement.

In coordination with the Egyptian National Competitive Council (ENCC), the SEED project carried out a study to identify MSMEs' challenges with the taxation system. The study proposed a Simplified Tax System to help reduce tax liability and introduce measures that boost efficiency. The new MSME Law #152 ratified by the President on July 15th, 2020, provides a legal framework to regulate MSMEs and integrate them into the formal sector. The law applied the taxation strategies recommended by the SEED/ENCC study by creating progressive tax rates for MSMEs based on their revenues. The law also includes incentives for entrepreneurs to encourage them to join the formal economy.

Some of the key achievements of the project over the four years are highlighted below.

CREATING ENTREPRENEURSHIP NETWORKS. SEED's capacity development for women entrepreneurs culminated in the establishment of the Women Entrepreneurship Network (WEN) and the Tiye Women's Angel Investment Network. The WEN is the first women's entrepreneur network in Egypt and a value-added initiative to support women-led businesses in scaling up. Tiye is a women-led angel investment network established under WEN's umbrella with the goal of increasing the number of women angel investors and providing better access to finance for women entrepreneurs. Overcoming various factors—ranging from customs and traditions to inheritance laws—that disadvantage women entrepreneurs, **50%** of MSMEs supported by SEED were **female-owned**. Focusing on youth, SEED created a virtual hub that centralizes and streamlines entrepreneurship activities and services available



TIYE ANGEL INVESTOR NETWORK LAUNCH EVENT – RISEUP SUMMIT DECEMBER 2019

for youth, SEED established the Youth Entrepreneurship Network (YEN) in Upper and Lower Egypt. The YEN provides youth with the support and resources required for increasing productivity through a selection of specialized coaching and knowledge sharing platforms.

PROMOTING ENTREPRENEURSHIP SKILLS AND SERVICES. SEED developed curricula for entrepreneurship and successfully integrated them into the education system, from high school to university level. SEED provided toolkits, created virtual communities of practice, and developed mentorship opportunities for budding entrepreneurs to provide them with sector-specific expertise. The project emphasized entrepreneurial skills and encouraged students to become responsible business leaders by devising solutions for societal challenges. SEED also supported the creation and capacity development of **14 business incubators across 6 governorates**, from Alexandria to Upper Egypt, and helped them localize and apply international best practices. These incubators have supported **182 startups** in fields including supply chain and export, waste management and renewables industries, education, and Internet of Things (IOT). SEED helped startups supported through incubators and business plan competitions **raise ~US\$ 1.4 in funding**. More than **2,000 entrepreneurs** benefited from services provided by incubators, **30%** of whom were women. SEED also supported **1,478 entrepreneurs (39% women)**, in launching or growing their business models. In parallel, the project enhanced the capabilities of Technology Transfer Offices (TTO), to bridge the gap between academia and industry. The **Sustainable Business Modelling concept** introduced by SEED is currently being applied in **50 TTOs** all over Egypt.

ENHANCING BUSINESS DEVELOPMENT SERVICES (BDS). SEED established BDSs with the aim of transferring a broad range of business skills and business advice, including marketing, pricing, and exporting, that are central to the development of MSMEs, especially in underprivileged areas and vulnerable communities. SEED helped establish **16 BDS centers**, providing them with capacity building, training programs, operation manuals, and business diagnostic tools. So far, those centers have served more than **1,000 businesses**, **65%** of which are owned by **women**.

ADVANCING THE FORMALIZATION OF FIRMS. SEED supported the establishment of **10 OSS** to streamline business registration for MSMEs. Instead of having to visit three different governmental entities over several days, business owners can now register their businesses at one OSS, taking just half an hour on average. The ease of registration at OSSs have facilitated over **16,000 MSMEs** and **9,000 companies** transition from the informal to the formal sector.

FACILITATING ACCESS TO FINANCE. To overcome the challenges faced by MSMEs in accessing conventional financial institutions, SEED developed a Training of Trainers (TOT) for microfinance institutions, provided technical assistance, and organized business linkage events that connected MSMEs to lenders. SEED assisted financial institutions develop a better understanding of MSME, assess risk appropriately, and reduce barriers to MSME financing, helping over **8,000 MSMEs** access financial services through financial intermediaries, including non-banking financial institutions. An innovative approach that SEED developed was conducting feasibility studies on key investment opportunities that were identified by MSMEs operating in certain verticals, including ones that financial institutions might have not previously targeted. The studies identified **6 opportunities** across two value chains: Veterinary Clinics, Milk Collection Centers, and Silage Production in the dairy VC; and Fish Processing, Crop and Fish Integrated Farming, and Fish Transport and Handling in the fishery VC. Using the findings of these studies, NBE, Egypt's largest bank, lobbied the CBE to include Milk Collection Centers in the low interest rate lending scheme for MSMEs and is currently developing additional financial products based on the results of SEED's study. Similarly, the bank's risk department is currently analyzing the five other studies to see how the findings can be rolled out further.

IMPROVING VALUE CHAINS (VC). In five selected VCs—namely Dairy, Ready-Made Garments (RMG), Fisheries, Automotive, and Plastics—SEED conducted a comprehensive analysis and developed

interventions to share good practice on manufacturing procedures, successful integration models and policy frameworks. SEED connected **239 MSMEs** with large buyers and integrated them into larger VCs, expanding their market access and growth potential. SEED also raised awareness of inclusive Corporate Social Responsibility (CSR) practices, built sustainable capacity of business associations to support MSMEs, improved availability and access to reliable and timely market information, and provided direct technical assistance to MSMEs to build their capacity. To improve access to information and data within different VCs, SEED developed and established Market Information Systems (MIS) that serve as a digital directory for each of the Plastics, Dairy, and Ready-Made Garment (RMG) sectors. The MIS facilitates market and business linkages and supports business development and marketing by providing access to reliable and regularly updated directories of companies, associations, and stakeholders. FEI's Chamber of Chemical Industries owns the Plastics MIS, the Knowledge Economy Foundation owns the Dairy MIS, and the Egyptian Chamber of Apparel and Home Textile Industry owns the RMG MIS, ensuring long-term sustainability and utility beyond SEED.

BUILDING BUSINESS MATCHMAKING PLATFORMS. SEED built platforms to bring together stakeholders to foster the exchange of good practices for MSME growth. SEED, in collaboration with FEI, designed and implemented a user-friendly InfoMatch platform as the first semi-official business recruitment website in Egypt. InfoMatch is a reliable directory for startups and MSMEs to access information on incubators, accelerators, and supporting entities that can also be used by incubators and BDS centers to select clients they seek to serve. The platform includes content libraries with basic business and financial training modules, and a simplified marketplace where entrepreneurs and SMEs can present and promote their products and/or services. InfoMatch allows entrepreneurs, SMEs, and relevant service providers to connect and exchange services and resources, thereby overcoming geographical and cultural constraints. The FEI owns the platform and has plans to engage additional ecosystem stakeholders in its operation.

IMPACT OF THE COVID-19 PANDEMIC. The pandemic coincided with USAID SEED's last quarter of programming resulting in closure of universities and the cancel events and gatherings due to GOE directives. As a result, a few interventions scheduled during the last months of the project were not fully completed including: the finalization of the university certificate program, advocacy sessions for Crowdfunding Law / Regulations, a matchmaking event, and workshops on Public Procurement Law #182. One deliverable, the Value Chain Unit structure plan, was also cancelled due to MSME Development Agency's (MSMEDA) postponement of their internal restructuring, which prevented SEED from proceeding with the required restructure plan. To offset this setback, USAID SEED instead designed multiple interventions for remote virtual implementation (see text box).

SEED Response to COVID-19

- Launched an online self-guided Learning Management System called Talent LMS (Talentlms.com) with participation from 46 professors from 8 universities.
- Held virtual workshop on gender mainstreaming for business incubators.
- Facilitated an online meeting of WEN's Steering Committee to develop a proposal to support women entrepreneurs to respond to COVID-19.
- Multiple virtual meetings were conducted with female mentees to assess the pandemic's impact on startups and identify the support required to continue working through the crisis.

With assistance from SEED, entrepreneurship is thriving in Egypt by several measures with Egyptian startups routinely making Forbes' and World Economic Forum's lists of most successful startups in the Arab world. Wamda's 2019 Report states that "Barely a week goes by without a startup in Egypt announcing an investment round. The country has over the past few years ramped up its entrepreneurial activity, becoming the fastest-growing ecosystem in the Middle East and North Africa (MENA) region."

PERFORMANCE TARGETS AND RESULTS

| INDICATOR | TOTAL ACTUAL Y1 | TOTAL ACTUAL Y2 | TOTAL ACTUAL Y3 (Including 6mo No-Cost Extension) | TOTAL ACTUAL Y4 (Option Year) | TOTAL TARGET | TOTAL ACHIEVED |
|--|-----------------|-----------------|--|----------------------------------|--------------|--------------------|
| Number of persons receiving new employment or better employment (including better self-employment) | 0 | 142 | 3,187 | 19,311 | 1,000 | 22,639 |
| Revenue growth in firms receiving USG assistance | 0% | 0% | 17% | 13% | 30% | 17% |
| Employment growth in firms receiving USG assistance | 0% | 26% | 53% | 53% | 30% | 42% |
| Value of Revenues generated by enterprises receiving USG assistance | \$0.00 | \$171,948.60 | \$2,239,795.62 | \$1,583,179.08 | \$3,000,000 | \$4,010,824 |
| Number of Formalized businesses utilizing USG Support | 0 | 0 | 2,912 | 19,178 | 10,000 | 22,090 |
| Number of USG supported entrepreneurs who launch and grew their business models | 77 | 695 | 460 | 628 | 2000 | 1860 |
| Number of start-up enterprises supported that are able to introduce new products to market | 11 | 122 | 13 | 0 | 100 | 146 |
| Number of people accessing mentorship programs | 462 | 1531 | 1050 | 111 | 3000 | 3154 |
| Proportion of female participants in USG assisted programs designed to increase access to productive economic resources | 35% | 44% | 36% | 22% | 40% | 32% |
| Number of entrepreneurs who benefitted from incubators established or assisted through USG activities | 50 | 538 | 1016 | 512 | 1000 | 2116 |
| Number of BDS providers that were offered USG assistance | 3 | 44 | 14 | 0 | 20 | 61 |
| Percentage increase of enterprises receiving law 5 certificate as a result of USG support. | 0 | 0 | 88% | 62% | 40% | 75% |
| Total number of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors. | 1728 | 6981 | 3 | 1 | 5000 | 8713 |
| Number of USG supported enterprises integrated with larger supply chains | 0 | 36 | 159 | 44 | 150 | 239 |
| Number of private sector/associations received training on CSR programs that facilitate MSMEs training and investment in equipment and software. | 0 | 23 | 4 | 1 | 20 | 28 |

COMPONENT A: ENTREPRENEURSHIP SKILLS AND OPPORTUNITIES

SEED Indicators Performance Results – Component A (Result 1)

- **189%** revenue growth achieved by startups supported through incubators and business plan competitions (solely attributed to USAID SEED)
- **\$1,432,326** generated in revenue by enterprises supported through incubators and business plan competition (solely attributed to USAID SEED)
- **14** incubators established in 6 governorates
- **216** incubated startups
- Approximately **25%** of startups incubated have **female** founders/co-founders
- **2116** entrepreneurs benefited from incubators, of whom approximately **30%** are **female** entrepreneurs
- **3154** individuals accessed mentorship, of whom **43%** are **female**
- **1478** entrepreneurs, around **39%** of whom are **women**, launched and grew their own businesses

AI. STIMULATED ENTREPRENEURSHIP AMONG WOMEN AND YOUTH

At its inception, the USAID SEED project carried out a mapping and assessment exercise to evaluate the Egyptian entrepreneurship ecosystem, identify potential partners, and draft key initiatives to align with USAID SEED's objective of developing, strengthening, and stimulating entrepreneurship. Mapping identified entities that work specifically with young people and women through education and promoting technology and innovation. This approach was adopted due to the significant changes that occurred in the ecosystem during the five years following the 2011 revolution.

The mapping exercise allowed USAID SEED to network extensively within the entrepreneurship ecosystem in Egypt and spread awareness about the objectives of the project.

IMPROVED ACCESS TO MENTORING AND ENTREPRENEURSHIP SERVICES FOR WOMEN

Much of USAID SEED's work was predicated on the importance of mentorship in improving outcomes for existing and aspiring entrepreneurs. USAID SEED implemented short- and a long-term mentorship programs to provide targeted technical assistance and build capacity of both participating mentors and mentees. In collaboration with project partners, the team integrated mentorship components in university and high school entrepreneurship programs, incubator workshops, Startup Weekends, and Business Plan Competitions, using sector-specific expertise.



WEN SPEED MENTORING EVENT, ONE-TO-ONE SESSIONS

USAID SEED also created a Mentorship Program in 2019 for women pursuing entrepreneurial careers, under the Women’s Entrepreneurship Network (WEN). The aim was to improve their business and managerial acumen while ensuring the sustainability of their business models. USAID SEED worked to build a bigger, more accessible network that served all types of entrepreneurs and startups. This was achieved through a targeted outreach to disadvantaged governorates as well as a focus on the inclusion of women entrepreneurs. The project selected successful women from different business sectors and trained them to be good mentors for other women running startups at varying levels of maturity. In turn, these trained businesswomen were partnered with mentees for a three-month period. Mentees were chosen from USAID SEED-supported partners, including incubators, BDS Centers, and other organizations.

INCREASED INTEREST AND SKILL AMONG WOMEN AND YOUTH TO PURSUE ENTREPRENEURSHIP CAREERS



WEN SPEED MENTORING EVENT, ONE ON ONE SESSIONS

Towards the beginning of the project, USAID SEED focused on building the capacity of influential organizations with the ability to spread awareness amongst their clients and members about entrepreneurship. This included academia, private sector, consultants, and NGOs. Emphasis was placed on identifying key partners to support the project in reaching youth in order to implement high school

and university programs and entrepreneurship business simulations, such as Startup Weekends and Business Plan Competitions. The process of providing technical assistance to these various organizations ultimately improved the entrepreneurship ecosystem through the addition of diverse perspectives.

HIGH SCHOOL PROGRAMS

USAID SEED identified iSpark as a critical partner in working with youth. The project provided technical assistance to build iSpark’s capacity to foster youth in entrepreneurship, drawing on international best practices tailored to the Egyptian context. USAID SEED took a holistic approach to supporting iSpark, building not only their technical acumen concerning entrepreneurship training, but also their management system and sustainability plan. The project then worked with iSpark to implement high school programming nationwide.

Additionally, Giza Systems Education Foundation (GSEF) approached USAID SEED about co-creating an entrepreneurship and digital fabrication program that GSEF could replicate. The project trained GSEF staff who in turn implemented the program at a high school in Sohag governorate, Upper Egypt. As interest in fabrication laboratories (“fab labs”) increases, GSEF intends to replicate the program in additional governorates.

UNIVERSITY PROGRAMS

USAID SEED supported universities in enhancing their entrepreneurship programs, as well as introducing entrepreneurship programming to universities without such course offerings. For its first initiative, USAID SEED partnered with Babson University, ranked number one for bachelor programs in entrepreneurship according to the U.S. News and World Report, to train the staff of 12 public and private universities on delivering a pre-incubation program. The successful program offered creative new techniques for introducing entrepreneurship to students through university course offerings.



WORKING GROUP AT LUXOR UNIVERSITY

Training provided to both professors and students, including Training of Trainers (TOT), served as the first step towards creating entrepreneurship hubs and centers at several participating universities, both public and private, including Sohag and Luxor Universities in Upper Egypt.

YOUTH ENTREPRENEURSHIP NETWORK (YEN)

One important achievement of USAID SEED was bringing together its entrepreneurship ecosystem partners to create the Youth Entrepreneurship Network, or YEN. YEN is a physical and virtual hub that centralizes and streamlines entrepreneurship activities and services available for youth, including university-based groups. The YEN provides youth-owned startups with access to incubators,



YOUTH ENTREPRENEURSHIP NETWORK BOOTCAMP

entrepreneurship training programs, co-working spaces, and investment opportunities. The network has two physical hubs, one in Sohag (Upper Egypt) and another in Kafr El Sheikh (Delta). USAID SEED trained 25 young people in the hubs on facilitation skills, gender mainstreaming, and skills required to become leaders within their communities. The network aims to cascade and share entrepreneurship knowledge. Hubs have developed strategic plans for their networks through 2021, utilizing skills developed through capacity building workshops held by SEED.

TIYE ANGEL WOMEN'S INVESTMENT NETWORK

Under the umbrella of the WEN's activities, USAID SEED helped create Tiye Angels Investment Network, a women-centered angel investment group that promotes investment in women entrepreneurs' business ideas. The network was launched in December 2019 in partnership with Malaikah, the United Nations Development Program (UNDP), and Technology Innovation and Entrepreneurship Center (TIEC).



TIYE ANGEL INVESTOR LAUNCH EVENT - RISEUP SUMMIT 2019

Tiye Angels is the first angel investment network in Egypt specifically focused on creating and supporting women investors, who will then invest in and mentor more women entrepreneurs and help women-led startups be investment-ready. Participants in the Angel Network have the chance to receive mentoring and training as they usher in the next generation of women-owned businesses in Egypt and across the Middle East. For more details, see the Gender and Youth section of this report.



TIYE ANGEL INVESTOR LAUNCH EVENT - RISEUP SUMMIT 2019

OUTCOME

- 672 Business Plan Competition participants and 142 Startup Weekend participants, around 38% of which are women, have launched and grown their own business models
- 16 schools and 12 universities have benefited from programs offering SEED-developed curricula that communicate the significant role that entrepreneurship plays in the national economy
- Entrepreneurialism has been integrated into the core curriculum of Heliopolis University, which promotes entrepreneurship and links it with environmental sustainability
- USAID SEED connected 3154 aspiring young entrepreneurs with business coaches and mentors, to support the dissemination of sound business knowledge to future generations of business leaders
- The Women Entrepreneurs' Network (WEN), Youth Entrepreneurship Network (YEN), Tiye Women Angel Investment Network (Tiye), and mentorship networks have been connected to create synergy and enhance impact
- The WEN supported its pool of women and youth entrepreneurs and provided them with mentorship, access to information, and services.

SUSTAINABILITY

- High School and University Programs: Providing training and course materials to professors and teaching assistants at universities and empowered targeted institutions to cascade entrepreneurship knowledge well beyond the end of the project
- GSEF's combined Entrepreneurship and Digital Fabrication Technology program will continue to be offered, and GSEF intends to expand its fab lab offerings into additional governorates
- USAID SEED trained 25 successful and established businesswomen to be effective mentors for aspiring women entrepreneurs, as well as women who need assistance growing their existing businesses. These mentors, who are members of the WEN, will continue to provide support to additional cohorts of mentees after the end of the project.

- Tiye Angel Investment Network was created under the umbrella of the WEN, which will enhance its longevity and impact. Tiye trains and educates more women to become angel investors in order to create a community of women that share their capital, to share resources and contacts to help women-led startups/entrepreneurs identify alternative methods of financing, and to prepare women-led startups to be investment-ready. The hope is that the Tiye Angels Network will empower a growing number of women to become more educated and informed investors.
- USAID SEED helped build the capacity of key stakeholders in the entrepreneurship ecosystem, including AUC V-Lab, Hult Prize, Enroot, Gemini, and Fekretak Sherketak (a GOE initiative). These entities are now better equipped to enhance the entrepreneurship ecosystem.

A2. IMPROVED AVAILABILITY AND ACCESSIBILITY OF ENTREPRENEURSHIP SERVICES, WITH FOCUS ON BUSINESS INCUBATORS AND ACCELERATORS

When SEED first began, the incubation and acceleration ecosystem in Egypt was still unregulated. It consisted of disconnected organizations incubating startups without a clear methodology and without an ecosystem approach to supporting entrepreneurs.

INCREASED NUMBER OF INCUBATORS MANAGED ACCORDING TO INTERNATIONAL BEST PRACTICE

USAID SEED’s mapping and assessment exercise included a strengths, weakness, opportunities, and threats (SWOT) analysis for incubators and accelerators. It identified the tools and skills needed to maximize the efficiency of existing entities, and it was used as a roadmap for establishing new incubators and accelerators.



RIGHT: DAVID SCHENKER, US DEPUTY ASSISTANT ADMINISTRATOR FOR NEAR EASTERN AFFAIRS; JONATHAN COHEN, US AMBASSADOR; AND SHERRY CARLIN, USAID MISSION DIRECTOR AT ESTEDAMA INCUBATOR, HELIOPOLIS UNIVERSITY

USAID SEED designed customized capacity building programs and toolkits for incubators and accelerators across Egypt based on international best practices. These programs included How to Start-up your Incubator; How to Operate your Incubator; and Start-up Curriculum for Incubators—all aimed at helping incubators better support their clients—startups—in different industries.

USAID SEED endeavored to select three incubators and accelerators to pilot its support program for new incubators. 20 potential incubators and accelerators were identified, six of which were short listed, and after interviews three were ultimately selected: Injaz, Ebni, and Hemma.

The three incubators chosen for the pilot program received training by a USAID SEED-hired expert on proven practices of sustainability and success, and they received a toolkit of incubator/accelerator best practices, applicable to the Egyptian market. The toolkit’s modules included client selection criteria, market assessment for demand driven needs, financial sustainability, and the lean start-up model.



FINANCIAL LITERACY TOT FOR INCUBATORS AT THE BRITISH UNIVERSITY OF EGYPT (BUE)

The pilot program proved to be a success, and USAID SEED replicated the program with 11 additional incubators over the course of the four and a half year project. USAID SEED provided incubators with a Monitoring, Evaluation, and Learning (MEL) framework, which acts as a Management Information System (MIS) to help assess impact; document client feedback; and assist incubators in quickly identifying and applying corrective actions to achieve better outcomes.

IMPROVED SERVICES OFFERED BY INCUBATORS/ACCELERATORS

In addition to replicating incubators based on international best practices, USAID SEED also supported existing incubators to improve their operations and core offerings to startups. The team identified 15 incubators towards the beginning of the project with a high potential for growth and impact. All 15 incubators took part in a six month-long How to Startup Your Incubator toolkit program. The toolkit included seven modules on starting, operating, and sustaining an incubator. Topics included the design of a business model, financial sustainability, organizational governance, marketing, and legal structure.

After the series of workshops, trainings, and assessments, the incubators presented their detailed plans for managing and sustaining their respective incubators. SEED selected several of these incubators to participate on a study tour to the US to learn about the latest trends and best practices adopted by different entrepreneurship organizations, including academic institutions, incubators, accelerators, NGOs, co-working spaces, and value chain (VC) groups in Washington D.C., Michigan, and Pennsylvania.

USAID SEED also provided the incubators with one on one tailored technical assistance to strengthen incubators' capacities in strategic marketing, fundraising, and financial and operational sustainability.

USAID SEED provided essential ICT equipment and furniture to incubators to help them either establish or upgrade their current facilities. Technical incubators were provided with fab lab equipment such as 3D printers, laser cutting machines, and 3D scanners to assist participating startups in producing prototypes. The project also trained incubators on how to use the equipment.

In collaboration with the Academy of Science Research and Technology (ASRT), the project worked on enhancing the capabilities of Technology Transfer Offices (TTO). The purpose of TTOs is to bridge the gap between academia and industry through accelerating patent granting processes, supporting researchers and entrepreneurs in innovation, and commercializing new technology.

In 2016, USAID SEED provided ASRT's 32 TTOs with a Market Opportunity Mapping program, which improved TTO's technical abilities to conduct mapping exercises for opportunities, from discovery to commercialization, as well as improved project management, negotiation, sales, and leadership skills.

USAID SEED and ASRT then selected a few of the TTOs to provide further technical assistance on Sustainable Business Modeling and building short- and long-term deals and partnerships.



TTO WORKSHOP ON SUSTAINABLE PRACTICES AT NILE UNIVERSITY, CAIRO

INCREASED ACCESS, ESPECIALLY IN DISADVANTAGED COMMUNITIES, TO INCUBATORS / ACCELERATORS

One of USAID SEED’s main criteria in selecting incubators to support was geographic location. In addition to the three incubators that took part in the initial pilot program, the project supported the replication of 11 other incubators that span six governorates. This includes EBNI and AAST incubators, which each expanded by replicating their incubators in Borg El Arab and Alexandria, respectively.

To improve the incubators’ capacity to implement programming that is inclusionary towards women and youth, including through improved marketing tactics and the offer of additional incubation services in rural and remote areas, USAID SEED provided incubators with a series of trainings on gender sensitivity and mainstreaming. The incubators also received toolkits that included a self-assessment and guide on improving their offerings with a view to attracting more women and youth.



US STUDY TOUR

To expand outreach and improve the availability of information in the entrepreneurship ecosystem, USAID SEED designed and implemented an InfoMatch tool that allows startups and SMEs to do a targeted search for incubators, accelerators, and supporting entities. InfoMatch also permits incubators and BDS centers to be selective in the types of startups and SMEs they choose to support. The platform allows businesses and entrepreneurs to post job vacancies, including consulting opportunities, and it lets jobseekers browse those postings. InfoMatch includes content libraries, with basic business and financial training modules, and a simplified marketplace where entrepreneurs and SMEs can present and promote their products and/or services.

OUTCOME

- USAID SEED established and strengthened 14 incubators, some of which are sector-specific, operating in a variety of business sectors, and located across six governorates. Each incubator offers a range of business models, services, and funding programs. In aggregate, the incubators cater to a wide range of sectors and emerging businesses.
- Two of the 11 incubators supported (EBNI and AAST) have replicated their business models and physical presence to three total new locations. AAST has also expanded horizontally through creating two completely new incubation cycles—one for Tourism and another for Youth. AAST runs these at all three of its locations, including those replicated with USAID SEED’s support.
- USAID SEED-supported incubators serve as a network and can exchange knowledge, expertise, and collaborate to implement a variety of activities targeting entrepreneurs. Together, the network has helped raise funds for incubation cycles. HEMMA, EBNI, and HU, for example, were jointly awarded a EUR 2 million project from the EU to incubate 30 startups over 2 years. Another example is AAST, which collaborated with Rwaq Incubator of Qena University to conduct Business Plan Competitions nationwide with participation from the National Bank of Egypt (NBE) and a budget of EGP 6 million.
- The USAID SEED-supported AAST incubator also received funding from the Egyptian Ministry of Planning and Ministry of Tourism for their Supply Chain and Tourism Incubation initiatives, respectively.
- Sector-focused incubators provide entrepreneurs and startups in the industrial and service sectors with a completely new set of opportunities and help them tackle challenges that they face.
- Incubators now have better-equipped facilities, enabling them to efficiently serve more MSMEs.
- Technical incubators are now capable of supporting their startups in producing prototypes, enhancing both the startups’ and their own growth and sustainability.
- As a result of USAID SEED’s support in fundraising strategy, monitoring and evaluation, project management, storytelling, and marketing strategies, Rwaq Incubator won a three year, EGP 4 million project with Banque Misr, one of the largest public sector banks in Egypt. The funds will allow Rwaq to run Creative Technical Design House.
- The InfoMatch platform allows entrepreneurs, SMEs, and relevant service providers to connect and exchange services and resources in a manner that overcomes geographical and cultural constraints, improving access to entrepreneurship services by users all over Egypt, including women and youth. The platform also allows entrepreneurs and SMEs to increase their exposure and potentially their revenue by promoting their products through the marketplace.
- The startups supported through USAID SEED’s network of incubators have raised investments of over EGP 10 million and have won both local and international awards for their innovative and creative products and services.

- The Sustainable Business Modeling concept introduced by USAID SEED is now being used by 50 TTOs and 14 Incubators across Egypt.
- Gender and Youth mainstreaming efforts have led to over 30% of startups incubated having female founders, and AAST is establishing an incubation cycle dedicated to youth entrepreneurs.

SUSTAINABILITY

- The funding successes of several incubators, as mentioned in the outcome section, show the incubators' improved standing with the GOE and international donors. These successes demonstrate their ability to find financing through diversified sources of revenue, thereby improving their long-term sustainability.
- Egypt's political leadership encourages scientific research and its commercialization, as evidenced by Law 23/2018. It is expected that ASRT will continue to receive funding to sustain the operations of the 50 TTOs whose capacity was built through USAID SEED activities, which will help enable Egyptian industries to find local solutions to their challenges.
- USAID SEED provided training to incubators on the ICT equipment the project procured for them. Incubators understand the importance of contacting the equipment vendors for equipment troubleshooting. The ICT equipment, such as Fab Lab, will permit the incubators to generate revenue and continue to offer services needed by startups and aspiring entrepreneurs.
- The InfoMatch platform's ownership has been transferred to FEI to ensure sustainability, and FEI plans to partner with other entrepreneurship ecosystem stakeholders to ensure the platform maintains its relevance and impact. FEI has the technical and human resources required to run and maintain the platform efficiently. The platform was designed with ease of editing in mind—any good computer user can manage the InfoMatch platform without the need for expensive IT professionals.

COMPONENT B: FINANCIAL AND NON-FINANCIAL SERVICES

SEED Indicators Performance Results – Component B (Result 2)

- **61** potential BDS providers received training and support.
- **8,713** clients - **44%** of which are **female** - benefited from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors.
- **National Bank of Egypt (NBE)**, Egypt's oldest and largest bank, successfully lobbied the Central Bank of Egypt (CBE) to allow for financing milk collection centers under the low interest rate (5-10%) schemes dedicated to SMEs and Manufacturers based on USAID SEED's feasibility studies and investment linkage forums.
- **22,090** businesses formalized through OSSs centers established or improved with USAID SEED's support, **20%** of which are **female**-owned business.
- **1,082** businesses received BDS services, **65%** of which are **female**-owned.
- **16** BDSs established/supported throughout Alexandria, Assuit, Cairo, Menoufia, Minia, Sohag, and Qena.
- **10** OSSs streamlined the issuance of business licenses, established/supported in Assiut, Mansoura, Suez, Shoubra El-Khema, Gerga and Tahta (Sohag), Qalyubia, and the Federation of Egyptian Industries (FEI) in Cairo.



OSS SOHAG

BI. IMPROVED AVAILABILITY AND ACCESSIBILITY OF EFFECTIVE BDS

EFFICIENT BDS

INCREASED NUMBER OF EFFECTIVE ONE-STOP SHOPS

The informal sector connects to the formal sector at multiple points, including through individual transactions, sub-sector networks of commercial relations, or a value chain of subcontracted relationships. In most of these contacts, the rules of the game are set by the formal sector. The benefits of registering as a business include enforceable commercial contracts; potential tax breaks and incentive packages to raise competitiveness; membership with trade union associations; the ability to receive support from organizations like USAID SEED-supported incubators and BDS Center; as well as access to government subsidies and incentives like Law 5.¹

In Egypt, it is estimated that informal MSMEs make up 40 to 50% of the country's GDP. Part of USAID SEED's mandate was to make business registration quick and painless to entice more informal business owners to join the formal economy. To register as a formal business in Egypt requires a business owner to obtain a Chamber of Commerce Certificate, a Commercial Registry, and a Tax Card—each of which is issued by a different GOE entity too often located across town from one another. In the past, business owners had to take multiple trips to each agency to formalize their businesses. It was a process that could take from several days to several weeks and sometimes required paying a bribe.

The USAID ECP project (2010-2014) originally developed the One Stop Shop (OSS) / Tamayouz model as a means to facilitate a smooth business registration process. OSS centers were established in Cairo, Qalyubia, Sohag, and Port Said. The OSS concept is to deliver the three basic registration services at a single, convenient, well-equipped location. OSS clients—those interested in formalizing their business—interact with only one customer service officer. The customer service officer manages the issuance of the certificates and coordinates with in-house representatives from each the three agencies. Through this model, the client obtains registration in less than one hour. In addition to saving time and energy, the model reduces the cost of registration to officially-established fees.

USAID SEED built on that model and supported the creation or improvement of ten physical OSSes, including Shoubra El-Khema, Qalyubia, Sohag, Cairo Tamayouz Center, Tahta, Mansoura, Assiut, Girga, Suez, and one within the Federation of Egyptian Industries. USAID SEED successfully adopted a twinning methodology in establishing three different OSS centers in the governorate of Sohag.

The FEI OSS also includes an Industrial Development Agency (IDA) unit, which issues registration documents for industrial businesses. Additionally, the FEI OSS issues Law #5 certificates for local products that fit certain criteria, enabling industrial enterprises to take advantage of the preference given to local products in government tenders (public procurement).



OSS BANHA

¹ <https://blogs.worldbank.org/jobs/moving-informal-formal-sector-and-what-it-means-policymakers>

The availability of physical IT infrastructure, as well as software to support OSS personnel in providing quality services, make OSSs effective and efficient. USAID SEED developed a Customer Relationship Management (CRM) software that automates OSS centers' workflows, allows for tracking service status and progress, and collects statistics on the services provided and beneficiaries served. To further enhance OSS managers' ability to make informed decisions on the services provided, the CRM includes a reporting system capable of generating reports on service delivery parameters, including but not limited to: service delivery time, agent productivity, revenue reports broken down by service category. The system was developed to be simple and flexible enough to fit any work process order and to adapt to each center's workflow. Chamber of Commerce and FEI's IT personnel and CRM users received training on how to use the system.

USAID SEED also provided the necessary furniture, support in the selection and training of customer service staff, and training of the three agencies' staff on the business delivery cycle/workflow. Following the establishment of the centers, USAID SEED worked on coaching, on-the-job training, problem-solving, and regular follow-up with each of the centers to ensure a superior quality of performance and ensure sustainability.

OUTCOME

- The ease and speed of registering a business under one roof at an OSS / Tamayouz is an important improvement to the business environment in Egypt. The improved client experience makes informal business owners more likely to make the transition.
- The OSS model directly assisted the Chamber of Commerce and FEI in meeting the needs of their clients. The model provides needed services to those clients, and it has helped grow the ranks of registered member businesses.
- The CRM developed and installed by USAID SEED in the OSS centers helped automate workflows and more easily generate comprehensive reports on numbers of new and existing enterprises in different sectors. This in turn helped USAID SEED's Monitoring and Evaluation team to collect better data. These reports enhance the quality of research identifying the needs of the various types of businesses and improve the ability to recommend the necessary support for their development.
- The twinning methodology utilized in Sohag provided the business community with better access to needed services.

SUSTAINABILITY

- The financial sustainability of OSS/Tamayouz centers is secure because they are backed by the Chambers of Commerce and FEI. Members pay a fee, which in turn supports the OSS operational expenses.
- Operational sustainability is strengthened by the presence of USAID SEED-trained directors for each OSS, who have the responsibility and authority to monitor performance, maintain service quality, and capably address problems that may surge. The director is supported by carefully selected and trained team members, whose compensation is commission-based to enhance performance and reduce staff turnover.
- The simplicity and flexibility of the CRM system allows OSSs to adapt it to future needs. Having OSS personnel on staff who are proficient in IT and CRM enables the Chambers of Commerce to maintain the system beyond the USAID SEED Project. Reporting functionalities can also be used as advocacy tools for sustaining the OSSs, given that they indicate how the OSSs generate revenue for the chambers and how they serve to increase the beneficiaries' satisfaction with the chamber. Should the need arise in the future, the CRM system can be hosted on the cloud to connect all OSS centers.

INCREASED EFFECTIVENESS OF BUSINESS DEVELOPMENT SERVICE (BDS) PROVIDERS

BDS are defined as services offered to entrepreneurs at various stages of their businesses. These are primarily aimed at skills transfer or business advice. Many studies on MSMEs recommend that for MSMEs to thrive, attention should be balanced between access to finance and BDS. Enterprises capable of developing feasibility studies and business plans have better chances of accessing finance than those that do not. To develop and become profitable, MSMEs need support in business registration, planning, bookkeeping, product design, marketing, management, access to finance, and other technical services. BDS services covering all those areas are provided in Egypt by firms and individual consultants, but most are inaccessible or too expensive for MSMEs in general, and by small and micro businesses in particular.



BDS NETWORKING EVENT

USAID SEED identified partner institutions and encouraged them to establish BDS centers targeting MSMEs. The project selected the institutions based on a number of criteria, including current or past experience in establishing a BDS center, commitment and buy-in from the institution's board or senior management, capacity to dedicate a suitable facility, and a minimum number of staff to run operations. USAID SEED's work culminated in the establishment of 16 BDS centers over the course of the project.

Institutions selected received a package of training programs to build their capacity to be effective and efficient BDS providers. Those programs included introductory training on the BDS concept, global trends and best practices for service provision, and BDS facilitation. The partners were also trained on the use of strategic tools for establishing their BDSs, including stakeholder mapping, needs-assessment, risk analysis, monitoring and evaluation, exhibition management, pricing, financial sustainability, financial management, financial analysis, marketing, business diagnostics, and building strategic partnerships to

help sustain their BDS business (including Corporate Social Responsibility funding initiatives). BDS centers also received toolkits and a BDS operation manual.

USAID SEED supported some of the high-potential BDS partners by providing necessary IT equipment and office furniture. The project supported its partners in identifying important services for different types of clients and in pricing them at market-competitive prices. The project also mentored BDS partners on how to best attract new clients by bundling services offered into packages.

USAID SEED supported CEOSS in establishing an agriculture-focused BDS. The project provided technical training to milk collection centers.

IMPROVED MSME ACCESS TO EFFECTIVE BDS TOOLS AND SERVICES

USAID SEED's interventions with BDS partners focused on helping the centers offer demand-driven services to meet the real needs of MSMEs, especially in underserved areas. The project also worked to help BDS Centers see all their offerings and operations through the lens of sustainability. The majority of BDS providers have been concentrated in Cairo and Alexandria, with other governorates lacking locally-based BDS providers. This renders cash-strapped MSMEs in underserved governorates unable to access BDS services, and the outside BDS services available are not rooted in the local context.

To mitigate this shortcoming, 11 of the 16 BDSs that USAID SEED helped establish are based in traditionally underserved areas: ten in the Upper Egypt governorates of Qena, Sohag, Assiut, and Minia, and one in Lower Egypt's Menoufia governorate. The other five are located in Cairo and Alexandria.

USAID SEED closely monitored and regularly followed up on the performance of BDS partners to ensure the quality of services they offer and to provide advice on the problems they face.

USAID SEED developed a CRM system to help its BDS partners automate their internal workflow, keep track of their clients, maintain records of the services they provide, and ensure secure data storage. The CRM provides BDSs with the ability to generate reports on the number of services provided and the number of beneficiaries. The system is hosted as a website and is capable of merging data from all BDSs for Monitoring and Evaluation (M&E) purposes. SEED's M&E team provided technical input on the CRM system to better enable BDS providers and USAID SEED to analyze performance and validate data.

USAID SEED also developed an Online Matchmaking Tool that allows SMEs to search for and locate adequate BDS providers. The tool provides users with the ability to filter data by specific need, service provided and location.



MSMEDA'S HASSAN SHEHATA, INDUSTRIAL PROJECTS DEVELOPMENT MANAGER SPEAKING AT A BDS NETWORKING EVENT

OUTCOME

- USAID SEED successfully established 16 BDS Centers in seven governorates that are capable of providing efficient, affordable, and accessible services to MSMEs. The Centers vary in who they cater to, both in terms of target sectors and specific services provided. So far, 1,375 people have accessed their services.
- Go Global specializes in providing small and medium companies with export support. FEI's BDS is dedicated to serving industrial clients. CEOSS's BDS focuses on small-holder farmers and aims to help them transit from seasonal unplanned agricultural activities to micro-enterprises with well-planned agriculture business activities. Life Vision's BDS specializes in providing services to smallholder farmers in Minia, especially women, to improve agricultural practices with the goal of achieving higher returns. Al-Nour's BDS targets clients with disabilities, particularly visually challenged micro-enterprise owners. AYB's BDS targets women entrepreneurs working in the handicraft sector and offers them business planning, product design, and marketing training. In addition to other services for SMEs, Ibn Souq's BDS runs a fashion design program for women.
- USAID SEED provided the following nine BDS providers with the CRM system, as well as with ICT equipment, and related training:
 - Future Eve, Minia
 - Alexandria Business Association, Alexandria
 - Federation of Egyptian Industries, Cairo
 - Zeleusa, Sohag
 - Ro'ya, Assuit
 - Life Vision, Minia
 - Go Global, Cairo
 - Alashanek Ya Balady, Cairo
 - Ibn Souq, Cairo
- The CRM system allows BDSs to automate their workflow and maintain records in a user-friendly manner without having to rely on staff level of knowledge of technology or certain software (e.g. MS Excel), while shortening the time needed by USAID SEED to acquire beneficiary data for Monitoring and Evaluation purposes.

SUSTAINABILITY

FINANCIAL SUSTAINABILITY

- NGO-run BDSs have been hesitant to charge fees for services because they have traditionally covered costs through donor-provided grants. However, once BDSs succeed in providing tangible value to their clients, word-of-mouth plays a significant role in reducing resistance to charging for BDS services. Several BDS providers have succeeded at organizing exhibitions and providing training programs to clients for a fee.
- Some BDS providers have already managed to raise funds utilizing the skills developed through USAID SEED's support.
- FEI's BDS center currently charges a fee for services, but this only covers their direct operating cost. USAID SEED reached an agreement with FEI on the sustainability of their BDS Center. FEI will continue to subsidize the BDS Center until the BDS Center's revenue is able to cover the entirety of their operating costs.

OPERATIONAL SUSTAINABILITY

- The training and toolkit provided to BDS providers has helped BDS Centers operate efficiently and effectively and has supported capacity building for new BDS team members.
- The CRM enables BDS providers to keep records of their clients and services, assess client satisfaction, and generate reports necessary for decision-making, corrective actions, and the development of new services. The website hosting the CRM system can remain operational for one year beyond USAID SEED with minimum support and technical assistance. The system does not require technical expertise, as its web-based interface is user-friendly and can be operated by anyone familiar with the web. To guaranty sustainability, however, USAID SEED made sure to train BDS providers' personnel on using the system.

B2. IMPROVED AVAILABILITY AND ACCESSIBILITY OF FINANCIAL PRODUCTS AND SERVICES



FINANCIAL LITERACY SME FUNDS EQUITY ROUND TABLE

INCREASED CAPACITY OF PUBLIC/PRIVATE INSTITUTIONS TO DEVELOP, USE, AND MARKET FINANCIAL PRODUCTS AND FUNDING MECHANISMS FOR MSMEs

According to the World Bank, as of 2019 only 10-15% of Egyptians have bank accounts. This is one of the lowest bank account holding rates in the world. In recent years, experts have recommended increasing this rate as a means of bolstering the financial sector—increasing the funds in circulation within the banking system, thus augmenting access to and availability of financing.

To support GOE efforts in promoting the inclusion of more Egyptians in formal banking, USAID SEED developed a Financial Literacy Manual and delivered a TOT program to over 200 trainees from different types of organizations, including microfinance institutions, BDS centers, and incubators. The goal of the training was to cascade knowledge to individuals who do not interact with banking or non-traditional financial institutions. The training covered the basics of banking services, such as current account, remittances, savings, and financing for individuals and companies. The program also highlighted how MSMEs owners could benefit from these services to improve the financial management—and scaling up—of their enterprises. The training manual includes an introduction to non-banking services such as microfinance, insurance, leasing, and factoring.



FINANCIAL LITERACY TOT FOR ABA'S BDS TEAM

INCREASED FINANCIAL LITERACY, INCLUDING CAPACITY TO USE FINANCIAL PRODUCTS, AMONG MSMEs AND FINANCIAL INSTITUTIONS

Access to finance remains a challenge for Egyptian SMEs. On the supply side, banks are highly risk-averse (EBI 2010). On the demand side, currently available financial tools are unsuitable and insufficient for MSMEs' needs. To help reach common ground, USAID SEED organized four Business Linkage events, where financial institutions—including traditional banks, Islamic banks, factoring and leasing companies—and over 300 SMEs in various sectors had the opportunity to openly discuss issues related to access to finance. The linkage events permitted some SMEs to find financing opportunities. USAID SEED also supported the Agricultural Bank of Egypt (ABE) in building the capacity of 200 of their credit staff on financing SMEs. Microfinance institutions and several USAID SEED-supported BDS centers and incubators received financial literacy training—knowledge they can now cascade to their beneficiaries to support them in becoming “financially included”.

Support was provided to the Credit Guarantee Company (CGC) to help them develop a three-year strategic business plan and a marketing campaign aiming to improve credit guarantee services to reduce the risk of financing SMEs, thereby increasing their financing opportunities.

Based on the Value Chain (VC) analyses that USAID SEED performed at project start for five targeted VCs, the project developed a VC-based financing methodology where investment opportunities in dairy and fisheries VCs were identified, studied, and presented to financial institutions. To identify VC gaps, USAID SEED facilitated discussions between the stakeholders of the dairy and fisheries VCs, financial institutions and the SMEs required to be established in order to fill these gaps. Stakeholders identified the following investment opportunities:

- Dairy VC: Veterinary Clinics, Milk Collection Centers, and Silage Production
- Fishery VC: Fish Processing, Crop and Fish Integrated Farm, Fish Transport and Handling

COMPONENT C: INTEGRATION OF MSMES INTO PROGRESSIVE VALUE CHAINS

SEED Indicators Performance Results – Component C (Result 3)

- **\$2,134,852** revenue growth achieved by supported firms (solely attributed to SEED’s support)
- **239** supported enterprises integrated into larger Value Chains
- **92** deals reached by supported MSMEs participating in Matchmaking Events and Buyers’ Conferences

C.1 INTEGRATED MSMES TO PROGRESSIVE VALUE CHAINS (VC)

One of USAID SEED’s primary objectives was to integrate MSMEs into progressive Value Chains (VCs) to increase competitiveness, improve product quality, and increase MSME revenues and employment opportunities. Interventions focused on improving MSMEs’ access to market information; building MSMEs’ capacity to capitalize on opportunities and respond to supply chain demands; training industry associations on advocating for policy changes; and increasing networking between MSMEs and local and international buyers and suppliers of MSMEs’ goods.



CB PROGRAM SELLING AND MARKETING SKILLS AT 10TH OF RAMADAN INDUSTRIAL CITY

IMPROVED UNDERSTANDING OF MARKET AND OPPORTUNITIES FOR MSMEs IN VALUE CHAINS

VALUE CHAIN ASSESSMENT

At the beginning of the project, USAID SEED studied and conducted market research to focus its interventions on the most critical needs of industry and to identify the VCs with the greatest potential and need for improvement in forward and backward linkages.



FOOD SAFETY WORKSHOP AT TANTA



FOOD SAFETY WORKSHOP AT BEHERA

The process of selecting which VCs to support began by developing economic and socioeconomic qualitative and quantitative selection criteria. The analysis included 12 main economic sectors at the macroeconomic level, of which five main sectors were selected for further analysis. From there, 13 sub-sectors were identified and, after an analysis, USAID SEED decided to focus on the following five VCs: Dairy, Plastics, Fisheries, Automotive Parts and Accessories, and Ready Made Garments (RMG).

Among the key criteria used to select the VCs, the project looked at each VC's contribution to Egypt's economy and employment, growth potential, inclusion of youth and women, and alignment with the GOE's industrial priorities.

OUTCOME

As a result of the above, USAID SEED carried out an analysis of four sectors:

- A Plastic Sector Analysis mapped the entire VC, starting with raw materials all the way to the finished products.
- A Dairy Sector Analysis analyzed key constraints faced by MSMEs trying to integrate into the progressive dairy VC; identified required technical assistance interventions to be implemented; validated identified interventions with VC stakeholders; and identified potential stakeholders for collaboration with USAID SEED on those interventions. This resulted in the creation of a solid partnership with MSMEDA.
- A Fisheries Sector Analysis analyzed the integration of fisheries-focused MSMEs into the VCs of large buyers. It proposed value added activities for fish processing MSMEs. The results were later used during the implementation of the 100-Day Capacity-Building Program performed.
- A Technical Textile Sector Analysis resulted in a complete guide for Strategic Planning and Future Investments. The study is the first of its kind that provides a comprehensive analysis of the Technical Textiles VC in Egypt.

The results of the four analyses guided USAID SEED's interventions and helped it efficiently integrate MSMEs into larger VCs; sustainably improve the capacity of industry associations to build MSME competencies; improve the availability of and access to reliable and timely market information; facilitate relationship building between MSMEs and large-scale buyers; and provide direct technical support to MSMEs as part of a continuous learning effort.

MSMES' ACCESS TO MARKET INFORMATION

While identifying opportunities for MSMEs in VCs is beneficial, it does not automatically translate into MSMEs seizing—or even being able to seize upon—those opportunities. To ensure that MSMEs are capable of capitalizing on opportunities, USAID SEED planned and implemented various interventions to achieve integration objectives and push past the barriers of each VC. One such barrier was lack of information about integration opportunities and large buyers' requirements. To mitigate this gap, USAID SEED decided it was essential to improve the availability of and access to information about all stakeholders in the identified VCs through the creation of Market Information Systems (MIS). Three MISs were developed for the Plastics, RMG, and Textile VCs.

USAID SEED also provided support to MSMEs ready to be better linked to progressive VCs. Trainings included business development, marketing, strategy development, and creating market and business linkages. The project hired a consultant to conduct a business analysis of Yalla Nsadar, a platform for promoting Egyptian exports.

Developing MISs proved challenging because the industries' information was only available offline, rendering it difficult to access by stakeholders. Following the assessment of technical assistance required to create the MISs, USAID SEED identified partners who can help overcome those challenges e.g. the Egyptian Chamber of Apparel and Home Textile Industry.

OUTCOME

- USAID SEED launched the first online MIS for the Plastic Sector in Egypt, to serve as a consolidated resource for local plastic products manufacturers, importers, and exporters; provide all the information required for MSMEs to comply with the requirements of large buyers; act as a marketplace for all of the sectors' product categories; and educate SMEs on different regulatory requirements that directly affect trade within this industry. While providing a reliable source of information for the entire plastics VC, the MIS facilitates linkages between plastics raw materials suppliers, manufacturers, and potential customers. The MIS can be accessed through <http://cci-egy.com>.
- USAID SEED also launched a MIS for the Dairy VC, Albannet, which includes a comprehensive mapping of all the dairy producers and stakeholders across the VC. Stakeholders include smallholder dairy farmers, GOE entities, research institutions, technical experts, support services and technical assistance providers in the governorates of Gharbia, Behera, and Damietta. MIS URL: <https://albannet.net/>



FISH PROCESSING AT STAR COMPANY, PORT SAID

- With USAID SEED’s support, the Yalla Nsadar mobile application for both iOS and Android systems was launched. The application allows RMG manufacturers to professionally showcase and market their products and connect with potential buyers, which was an essential addition to the Yalla Nsadar MIS.
- USAID SEED launched an electronic directory for the textile and RMG VC, accessible to all of the VCs’ stakeholders, in both English and Arabic. The directory enables MSMEs in the textiles and RMG VC to boost their integration opportunities through access to reliable and updated digital directories of over 5,000 enterprises, companies, associations, and other stakeholders. The MIS can be accessed at <https://egyptiantextiledirectory.com/>

SUSTAINABILITY

All apps, tools, and online portals developed and supported by USAID SEED were launched in cooperation with relevant local partners who possess the capability and competence to run and maintain them, while realizing profits, which serves as a guarantee that the apps, tools and portals will be sustained.

IMPROVED SKILLS AND TOOLS TO TAKE ADVANTAGE OF OPPORTUNITIES IN VCS

In addition to providing MSMEs with access to reliable information, several technical and business capacity building programs were tailored to develop their skills and improve their processes in order to better position them to act on market opportunities.

CAPACITY BUILDING PROGRAMS

These capacity building programs were designed to provide SMEs with guidance on better understanding their VC; identifying, assessing, and activating backward and forward linkages; and establishing commercially viable business linkages with large buyers. The programs focused on meeting the needs identified in the project’s original VC analyses.

One need was enhancing SMEs’ manufacturing knowledge and improving their awareness and understanding of essential management concepts, such as: demand planning and forecasting in a manufacturing environment; sales and marketing; quality management systems (QMS); exporting; logistics.



CAPACITY BUILDING FOR THE DAIRY VC, MINYA

USAID SEED delivered these programs to key intermediary organizations in a TOT format to enable them to cascade the knowledge acquired to the SMEs they serve. The programs were conducted for the five VCs, in cooperation with key industrial partners, including MTI, FEI, Home Textiles Export Council, Industrial Training Center, and the Tenth of Ramadan Investors Association.

DAIRY AND FISHERY VCS CB PROGRAMS

USAID SEED delivered a Dairy Capacity Building Program that aimed to enhance the technical skills of SMEs in the dairy VC from seven governorates and improve their ability to manufacture various types of processed dairy products using fresh or powdered milk. This was achieved through off-site and on-the-job training.

In partnership with the Chamber of Food Industries (CFI), the National Food Security Authority (NFSA), MSMEDA, and the US Department of Agriculture TAIB project, USAID SEED delivered the 100-Day Food Safety Program. The program focused on:

- Raising awareness among dairy and fisheries MSMEs on basic food safety requirements and on improving handling practices to maintain quality and reduce losses in production.
- Introducing national legislation related to food safety; NFSA regulations and the registration process; and food safety requirements that MSMEs need to comply with in order to pass the NFSA audit and become whitelisted to export to regional markets e.g. KSA.
- Introducing MSMEDA's financial services that MSMEs can benefit from to improve their food safety practices at the factory level.



CAPACITY BUILDING FOR FOR THE FISHERIES VC, MANSOURA

USAID SEED succeeded in enhancing the skills of SME employees by providing training to 143 SMEs. The project conducted support visits to nine dairy and fisheries SMEs to coach them on food safety principles and monitor the progress they made towards compliance. To document the methodology used to implement the program, USAID SEED developed a Final Assessment Report for the program. The report shed light on the program's objectives, design, preparation protocols, partnerships, SME selection criteria, implementation actions, training evaluation, competency assessment tools, and lessons learned.

PLASTIC VC CB PROGRAM

To help develop the plastic sector, USAID SEED worked with its partner stakeholders e.g. CBE-funded Nilepreneurs Initiative, FEI, PTC, Pharos University, and TRIA, to encourage SMEs to adopt new products and manufacturing processes that could fill gaps in the market, as identified by the VC analysis.

To achieve this goal, USAID SEED designed and delivered a training program for plastics SMEs on Biodegradability and Additives Technology Transfer. Those workshops incorporated input from both industrial (technical consultants, potential buyers, and raw material suppliers) and academic partners. Representatives of popular brands in the electronics, cosmetics, and retail sectors were also invited to inform participating SMEs of their requirements and buying commitments.

RMG VC CB PROGRAM

In cooperation with MTI's Fashion and Design Center (FDC), USAID SEED designed the methodology for establishing a Fashion Design Marketplace. The intervention hit the target of building the capacity of the FDC and 18 of its students, and was followed by a networking event to facilitate linkages between FDC designers and MSMEs. An action plan was developed with the FDC to guarantee sustainability of the Fashion Design Marketplace Program.



FASHION DESIGN MARKETPLACE TRAINING RMG VC IN CAIRO

EXPORT AWARENESS WORKSHOPS

USAID SEED developed and delivered training programs to raise export awareness and improve access to export markets for RMG MSMEs. The workshops aimed to encourage SMEs to access and explore international markets; improve the quality of their products in order to comply with export markets' requirements; improve their understanding of export logistics; and increase their awareness of financial facilities that they can benefit from when exporting. Those workshops were delivered with the full involvement of the Export Development Authority (EDA) and FEI. SMEs from other VCs attended the workshops to benefit from the non-industry-specific export knowledge provided.

TECHNICAL TEXTILES VALUE CHAIN ANALYSIS AND FEASIBILITY STUDIES

USAID SEED conducted feasibility studies for three Technical Textiles products identified in the Technical Textiles Value Chain Analysis as having the highest potential for profit. The goal of carrying out the studies was to generate new opportunities for MSMEs, increase localization of products, and eventually boost exports. The studies also serve as practical turnkey blueprints for potential investors because they include detailed local and international market analysis; technical requirements for local manufacturer labor; and production, financial, and marketing plans for the new enterprises. MSMEDA reviewed the studies from both the technical and financial perspectives and added them to their database of feasibility studies, so they are now available to any investor interested in applying for industrial land plots in new industrial clusters being established across the country.



KIDS AND MOTHER EXHIBITION, CAIRO

OUTCOME

- 52 SMEs registered with NFSA and began working towards meeting its standards, a pre-requisite for exporting to high-potential markets.

SUSTAINABILITY

- USAID SEED delivered the capacity building programs to key intermediary organizations in a TOT format to better cascade the knowledge to SMEs.
- GOE representatives attended the dairy CB program, empowering them to cascade the knowledge acquired.
- 100-Day Food Safety Program: USAID SEED shared the program’s Final Assessment Report with the relevant stakeholders and beneficiaries, enabling them to replicate it beyond USAID SEED’s period of performance.
- CCI representatives attended the Plastics CB training program to be able to cascade acquired knowledge down to the chamber’s member SMEs, even after USAID SEED ends.
- USAID SEED developed an action plan with the FDC to guarantee sustainability of the Fashion Design Marketplace Program.

INCREASED ACCESS TO FINANCE TO TAKE ADVANTAGE OF MARKET OPPORTUNITIES

To increase access to finance for MSMES in need in cooperation with more than ten banks, USAID SEED implemented two integrated Investment Linkage Forums for MSMES in the dairy and fisheries VCs, providing the SMEs with direct channels of communication with traditional lenders.

OUTCOME

Companies’ appetite for formalization increased, along with a desire to benefit from CBE’s low-interest rate financing schemes for MSMEs and manufacturing enterprises.

SUSTAINABILITY

Banks benefit from providing financial products to SMEs—the loan products earn interest, and loaning to SMEs helps banks meet the CBE requirement of making 20% of their loans to SMEs.

FORWARD AND BACKWARD LINKAGES FOR MSMES DEVELOPED AND STRENGTHENED

MATCHMAKING

USAID SEED employed various mechanisms to connect large buyers with SME suppliers, one of which was holding matchmaking events where buyers get to meet SME suppliers that can fulfill the buyers’ needs. Two forms of matchmaking were implemented: “one-to-many” and “many-to-many.”

One-to-many matchmaking is where a large buyer meets with a group of suppliers. Buyers included Samsung Egypt, General Motors (GM), and Telecom Egypt. Implementing interventions entailed:

- Performing a technical assessment of the buyer’s needs and requirements
- Establishing supplier selection criteria
- Performing technical assessments of the selected suppliers
- Engaging key sustainable stakeholders to review the entire cycle

- Encouraging the large buyer, whenever possible, to keep an open mindset to allow for flexible negotiations of conditions with SMEs
- Performing matchmaking events where the large buyer and selected suppliers present their needs, product specifications, requirements, and prices
- Following up with buyers and suppliers until deals materialize
- Key stakeholders were included in reviewing all the phases of the matchmaking process.

Many-to-many matchmaking is where multiple buyers and multiple suppliers meet. USAID SEED supported Many-to-Many B2B matchmakings between Dairy processing MSMEs and large buyers from Africa and the Gulf. Prior to attending these events, SMEs attended the Export Awareness Workshops to maximize benefits gained from the intervention.

B2B BUYER CONFERENCES AND EXHIBITIONS

USAID SEED, in cooperation with its industrial stakeholders in the RMG and Plastics sectors, supported SMEs from the targeted VCs in participating in relevant buyer conferences and exhibitions, covering part of their participation fees and in some instances providing them with technical training materials. The events selected were ones that traditionally attract a large number of buyers, which provides the SMEs with enhanced exposure and the opportunity to network with hundreds of potential buyers.



This significantly allowed the SMEs to forge new business relationships, enhancing competitiveness in the process.

OUTCOME

- RMG and Plastics SMEs that attended any of the nine B2B Buyer Conferences and Exhibitions with USAID SEED's support generated \$1,710,619 in revenues as a result of their participation, of which \$1,368,495 is solely attributed to USAID SEED.
- SMEs that attended any of the ten SEED-organized Matchmaking Events generated \$1,490,746 in revenue as a result of their participation.

SUSTAINABILITY

- The benefits of networking and relationship building that resulted from SMEs attending matchmakings and buyers' conferences will continue to be reaped by the SMEs beyond the project's lifetime, given the traditional societal nature of Egyptian business.

- The deals made as a result of SMEs' participation in matchmakings and buyer conferences will help SMEs generate word-of-mouth marketing, which is expected to benefit them with additional clients and deals. This in turn will help them generate more revenue, which they can use to reinvest in their business and hire more employees.
- Including key stakeholders in reviewing all the phases of the matchmaking process ensures that they have the blueprint to follow once they run their own matchmaking events.



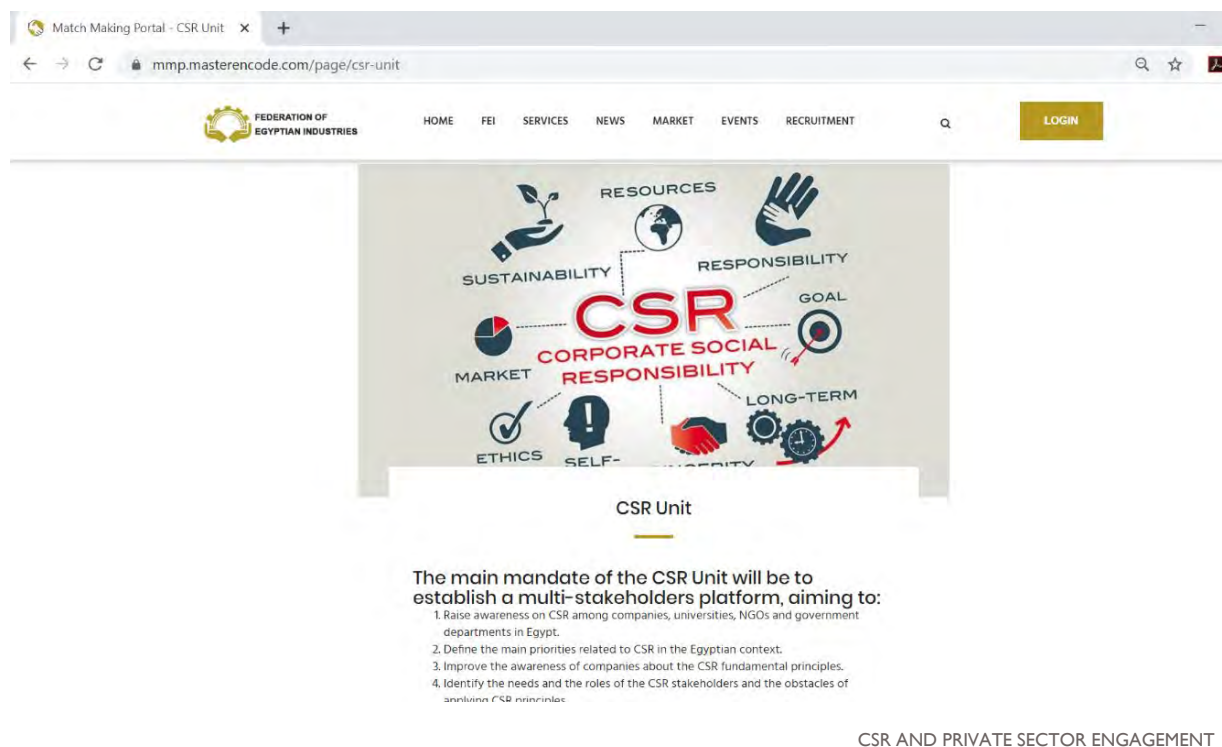
DESTINATION AFRICA INTERNATIONAL EXHIBITION 2019, ROBAN CO. BOOTH, CAIRO

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND PRIVATE SECTOR ENGAGEMENT

A major barrier to MSMEs' ability to capitalize on identified market opportunities is lack of access to finance. One of the non-traditional tools that USAID SEED succeeded in implementing was leveraging the efforts of corporations to improve MSMEs' skills, capacity, and linkages to large buyers' supply chains. To achieve that, it was mandatory to increase corporations' awareness about CSR, and on how they can utilize their CSR funds to integrate SMEs.

USAID SEED initiated its CSR interventions by engaging with the American University in Cairo's (AUC) Gerhart Center to deliver a CSR capacity-building program for companies based in Upper Egypt. The goals of the intervention were to raise awareness about CSR and train senior level company officers of large and medium-sized companies on developing and implementing CSR initiatives that address sustainable development issues and objectives, including support of MSMEs and creating opportunities for them to integrate into larger VCs. 23 large private-sector businesses, as well as MSMEDA representatives, received the training.

USAID SEED developed an Inclusive Business Cases Manual and provided it to six corporations to help them act on CSR principles and opportunities even after the end of USAID SEED.



Despite its benefits, some companies perceive CSR initiatives as an unnecessary hassle when they could just donate to charities or provide cash or in-kind assistance. CSR principles call for a change to this mentality because cash and in-kind assistance do not always lead to sustainable development. To ensure that capacity building and technical assistance do not go to waste, USAID SEED targeted companies with progressive owners or management who were more likely to implement recommended initiatives.

On the demand side, USAID SEED provided CSR training to the middle and senior management of CEOSS, one of the leading sustainable development-oriented NGOs operating in Upper Egypt. The training focused on building win-win relationships with the private sector, with the goal of helping the NGO diversify its funding sources.

OUTCOME

- The CSR initiative led to the implementation of successful partnerships and engagement with different private sector enterprises, such as the Commercial International Bank (CIB), Pyramids International Group, Sharkawy & Sarhan Law Firm, Daltex Corporation, and Blue Nile for agricultural products. Such engagement resulted in the launch of CSR initiatives at the total value of \$910,000. It is worth noting that USAID SEED not only exceeded its target value of CSR initiatives (US\$550,000), but was also able to increase financial management knowledge for over 50 MSMEs and fulfill the needs of its partners by enhancing the legal knowledge of its 14 supported incubators.
- The Inclusive Business Cases manual helped corporations develop their own CSR action plans.

SUSTAINABILITY

- CSR is sustainable because its budget is deducted from corporations' taxes, while improving corporate image.
- Providing the corporations with the Inclusive Business Cases manual enhances their ability to independently design and implement more CSR initiatives in the future, even if the employees who had received training or technical assistance through USAID SEED are replaced by new ones.



FOOD SAFETY WORKSHOP, FAYOUM

CROSS CUTTING

SEED Indicators Performance Results – Cross Cutting

- **539** companies received Law #5 Certificates through the SEED-built Law 5 Online Registration System
- **235** judges and prosecutors trained in Non-Banking Financial Regulations

ENABLING ENVIRONMENT

ADVOCACY TRAINING FOR KEY STAKEHOLDERS FROM GOE AND PRIVATE SECTOR TO ADVOCATE FOR THEIR NEEDS

To build the capacity of the public and private sectors to advocate for an improved enabling environment that is responsive to the needs of the private sector, one that empowers business and industry representatives to engage effectively with the GOE, USAID SEED provided Enabling Environment training led by one international and two Egyptian experts. The training program included three training modules and manuals that focused on:

- Analyzing policies relevant to business environment
- The necessity to prioritize development topics
- Key factors in developing successful advocacy strategies
- Tools for structuring effective PPDs and RIA



LAW #5 AWARENESS SESSION, CAIRO

Representatives from various GOE and private sector entities attended the training, including FEI, the Egyptian Regulatory Reform and Development Activity (ERRADA), Alexandria Businessmen Association (ABA), and the Alexandria Chamber of Commerce. With the support of USAID SEED, FEI held a TOT for a selected group of private sector and GOE representatives aimed at activating a knowledge-cascading model within these organizations using the three training modules.

OUTCOME

Seven organizations that attended the trainings developed their advocacy plans and put into practice the key methodologies presented in the trainings, such as public private dialogue, and they planned for additional consultation sessions on certain laws. One of those consultations was organized by the FEI to discuss the new Bankruptcy Law with the business community as part of their advocacy plan. The recommendations resulting from the consultation process were then submitted to the Prime Minister's office to be considered while drafting the law.

SUSTAINABILITY

- The TOT provided will ensure the cascading of knowledge in both GOE and private sector organizations.
- The successes of advocacy efforts shall make the private sector feel heard, and hence it will seek expansion of such efforts in the future.

IMPROVE RULE OF LAW THROUGH ACTIVATION OF EXISTING LAWS

Law 5/2015 (Law #5) on the Preference of Local Products in Governmental Contracts

requires the GOE to purchase local goods when their quality is equivalent or superior to imported goods. While the law was a breakthrough, it was never truly activated or enforced.

MTI created a permanent committee for the law, based at FEI. USAID SEED supported the effort to design an outreach campaign to raise awareness among key stakeholders on the law and its implications. The project worked hand-in-hand with the committee to implement public awareness initiatives and conduct training on improved implementation of the law.



FRA AND MOJ TRAINING GROUP PHOTO, CAIRO

USAID SEED developed and established a fully automated Online Registration System through which MSMEs can procure the certificate that allows them to take advantage of preference for local products in public procurement processes. The system allows MSMEs seeking to benefit from subsidies provided by the Export Promotion Fund to procure the IDA's Local Componentry Percentage Certificate, automating the calculation of local component percentage, which simplifies the process. Key partners for this system are the FEI, IDA, GAGS (a Ministry of Finance subsidiary), and the EOS. FEI's and IDA's teams participated in the implementation and testing processes to ensure system stability and increase their sense of ownership.

Law 23/2018 for Incentivizing Research and Development (R&D) and Innovation. USAID SEED held a number of meetings with the ASRT President to offer opportunities for supporting R&D once the law goes into effect, with the ultimate goal of connecting the R&D agenda with that of industry. USAID SEED conducted two consultation sessions in March 2019 to provide suggestions for the executive regulations, to be considered during the course of drafting. A report of the incubators and accelerators managers' suggestions during the two workshops was submitted to the ASRT, which

consequently submitted it to the Minister of Higher Education. USAID SEED has provided ASRT with a plan for activating the law.

Law 17/2018 (Amendment to Law 95/1995). Capital Market Law Amendments introduced new mechanisms, concepts, and up-to-date financial tools, as well as regulation on the issuance and trading of Sukuk. The law also introduced a means of organizing future exchanges with the establishment of a consortium of securities companies to strengthen the role of the financial market as a platform for financing economic entities and the achievement of sound and sustainable economic growth.

In support of its protocol with the Ministry of Justice (MOJ), the FRA requested USAID SEED organize training sessions for the MOJ Economic Court and State Council judges and prosecutors. The goal of the SEED training was to ensure judges' and prosecutors' improved understanding of the mechanisms and concepts introduced through the amendment to the law.

OUTCOME

- **Law 5/2015:** The number of companies obtaining Law #5 Certificates increased by 75%, providing MSMEs with a competitive advantage against imported products and consequently better chances of revenue growth of Egyptian MSMEs.
- Automating the local component percentage calculation simplifies the process for MSMEs to obtain the Export Promotion Fund Certificate, which offers MSMEs a better opportunity to increase exports and grow revenues.
- **Law 23/2018:** The executive regulations were issued in May 2019. A memorandum was sent to the Minister of Higher Education to allow the ASRT to establish a company per the new law. Some incubators like Hemma in Assuit has requested approval to establish a company with the university and the approval is still in progress.
- **Law 17/2018:** Dr. Khaled El-Nassar, FRA Deputy Director indicated that the number of relevant cases processed increased substantially following the USAID SEED-delivered training.

SUSTAINABILITY

- **Law 5/2015:** Beyond USAID SEED, the online system for Law #5 and Export Promotion Fund Certificate will be managed by the FEI and IDA. Both entities are established and have the capacity and willingness to sustain the system.
- **Law 23/2018:** Both the Ministry of Higher Education and ASRT intend to activate this law. The activation plan provided by USAID SEED to ASRT ensures that its objectives are achieved.
- Following the success of training provided to MOJ judges and prosecutors, and FRA's satisfaction with its impact on court cases, FRA has agreed to replicate the training for additional judges and prosecutors to ensure that court cases are properly filed and processed.

ADVOCATING FOR NEW LAWS TO PROMOTE EGYPT'S BUSINESS ENVIRONMENT

Law 3/2005 on the Protection of Competition and the Prohibition of Monopolistic Practices was promulgated to ensure that economic activities are undertaken in a manner that does not prevent, restrict, or harm the freedom of competition.

To improve and enhance this freedom, USAID SEED hired an international legal expert to support the ECA in amending the law.

Franchising: The Egyptian legislative framework does not include specific laws to govern franchising. Franchising agreements are therefore dealt with under the umbrellas of the Trade Law (Law 17/2009)

and the Commercial Agency Law (Law 120/1982), which often creates serious challenges in legal disputes. To improve the environment in which franchise businesses operate, USAID SEED supported ERRADA in organizing over four roundtables for drafting a Franchising Law in collaboration with various stakeholders including MTI, EFDA, FEI, FEDCOC, and leading law firms.

Crowdfunding: While the mechanism has the potential to increase Egyptian MSMEs' access to finance, no legislation exists to regulate crowdfunding yet. In 2019, USAID SEED performed a crowdfunding study, the findings of which were sent to FRA to be used as a reference. During a USAID SEED PPD session, the FRA presented its vision for the anticipated law. FRA also recently requested additional USAID SEED support in drafting the law, but SEED was unable to assist because the project was ending.



ADVOCATING FOR NEW LAWS, CAIRO

Tax Law 91/2005: While the Egyptian tax system benefitted from various positive amendments since 2008, several MSMEs still find the system hard to deal with. A new law that simplifies tax procedures for MSMEs would help reduce the constraints they face and boost their chances of revenue growth. Toward that end, USAID SEED, in collaboration with ENCC, MTI, and MOF, conducted a study that identified the main obstacles faced by MSMEs under the current tax system and proposed a Simplified Tax System. The project submitted the proposed Simplified Tax System for MSMEs to the Minister of Finance. The Minister confirmed the proposal would be presented to the Prime Minister and suggested developing a similar proposal for a simplified Social Insurance system for MSMEs.

OUTCOME

- The ECA sent the proposed amendments to **Law 3/2005** to the Prime Minister, who approved and forwarded them to Parliament for discussion. Prior to the COVID-19 outbreak, it was anticipated that amendments to the law would be ratified during the legislative session that was scheduled to start at the beginning of 2020.
- The draft **Franchising Law** is currently under review by MTI.
- The Ministry of Finance is currently working on a new simplified tax law and posted it on its social media channels for feedback. The Ministry is also holding consultations on the law with key stakeholders.

SUSTAINABILITY

- USAID SEED involved key public and private sector stakeholders who have an interest in building on the project's efforts.

PUBLIC-PRIVATE DIALOGUE (PPD)

To improve business environment-impacting lawmaking and service provision to businesses, USAID SEED held four Public-Private Dialogue (PPD) sessions between 2018 and 2020 in coordination with key GOE entities, including MTI, as well as Member of Parliament, Nadia Henry, who sits in the Parliament's Economic Committee.

- The first PPD session offered an overview of laws that relate to MSMEs and entrepreneurship, as well as an analysis of regulations, with a focus on women and youth. Discussions revolved around mechanisms for carrying out Regulatory Impact Assessments (RIA), with the purpose of enhancing the quality of drafting laws and regulations.
- The second PPD discussed the role of Parliament in promulgating laws, with the goal of developing practical ideas for improved financing methodologies supported by stakeholders.
- The third PPD session focused on presenting and consulting the audience on the draft of the new **MSMEs Law**. MSMEDA's board member Judge Hesham Ragab presented the law and ENCC provided an orientation on the Simplified Tax System for MSMEs study.
- The fourth PPD session focused on non-conventional financial tools available for women and youth such as crowdfunding, angel investment, microfinance, venture capital, and private equity. USAID SEED shared the workshop's recommendations with participating stakeholders, including parliamentarians, MTI, MIIC, CBE, MSMEDA, FEI, IMC, NCW, IDA, GAFI, CGC, ASRT, FRA, IDSC, ENCC, banks, and private sector companies. The session was broadcast online in real time to allow those who could not attend to provide their input.



PPD SESSION TO SUPPORT MSMEs AND ENTREPRENEURS

OUTCOME

- MP Nadia Henry stated that recommendations made as a result of PPD sessions were very constructive and useful, and that they were adopted by MPs during the latest Parliamentary Committees' discussions held.

SUSTAINABILITY

- MSMEDA's new mandate requires it to have a PPD unit to tackle MSMEs' issues in coordination with other public entities and ensure that the voice of the private sector is heard while drafting new laws and regulations. Accordingly, MSMEDA is currently working on establishing a Policy and Advocacy Unit.

GENDER & YOUTH

SEED Indicators Performance Results – Gender & Youth

- **1,350** individual accessed mentorship (43% of total beneficiaries)
- **47%** of entrepreneurs who attended events and programs provided through USG assistance were **women**
- **919 female**-owned microenterprises were supported (50% of total enterprises supported)
- **4,413 female**-owned enterprise formalized through OSSs (20% of total enterprises formalized)
- **3,915 women** were able to access finance
- **4,632 women** received new or better employment
- **EGP 5,605,344** generated in revenue by incubated female-owned enterprises (24% of total revenues generated)

The entrepreneurship ecosystem-related needs of women and youth were taken into consideration while implementing all interventions thanks to USAID SEED's utilization of different methods, including:

- The assessment of gender- and age-based constraints and opportunities that relate to women and youth in entrepreneurship and Small and Medium Enterprise (SME) development.
- Mapping entrepreneurship ecosystem initiatives that were replicable and scalable.
- Mapping and identifying key partners interested in and capable of serving women and youth in the fields of education, technology, and innovation, then building those partners' capacity to serve women and youth more effectively.
- Active outreach throughout the project to women and youth to share knowledge, skills, and resources to thrive as entrepreneurs.



STARTUP WEEKEND WOMEN EDITION AT BIBLIOTHECA ALEXANDRINA

STARTUP WEEKEND: WOMEN EDITION

USAID SEED held the first Women Edition of Startup Weekend, which shed light on the need for more women-specific educational events that stimulate entrepreneurship.

WOMEN ENTREPRENEURS NETWORK (WEN)

The WEN was a notable achievement of the USAID SEED project. As the project began researching the entrepreneurship ecosystem-related needs of women in Egypt, USAID SEED recognized the important impact it would have if all of Egypt's women-focused organizations could combine efforts to support women entrepreneurs. After two years of partnership building with the National Council for Women (NCW), Flat6Labs, Alexandria Business Women Association (ABWA), Business Women of Egypt (BWE21), and the Federation of Egyptian Industries (FEI), the WEN was created. USAID SEED and its partners, through the WEN, identified innovative activities and initiatives that would support women entrepreneurs.

USAID SEED provided technical support and capacity building to four organizations from WEN's Steering Committee, namely ABWA, FEI, NCW, and BWE21, and designed a five-year strategic plan for each organization. The strategic plans aimed to assist the organizations in advancing their efforts to support women entrepreneurs and build the network. The strategies were designed to improve each organization's governance structure and quality of services provided. This helped to develop an efficient and effective networking mechanism to enhance coordination with other organizations, improve access to finance, and increase market linkages.

A five-year action plan was developed by the WEN steering committee, empower them to manage the network, outreach to more aspiring and existing women entrepreneurs, and provide a multitude of high-quality services through its member organizations.

To complement these technical support efforts, USAID SEED trained WEN's steering committee on proposal writing and held multiple planning sessions on unsolicited proposals for WEN to ensure its financial stability.

USAID SEED designed, implemented, and installed a website for the network that can be easily be managed by junior developers. The website has a dedicated domain hosted by FEI.

WEN has been recognized as an umbrella entity to lead and implement CTEK's Women in the Middle East and North Africa Initiative (MENA). CTEK is a Colorado-based organization whose Women in the MENA Initiative focuses on developing female entrepreneurship and technical prowess. CTEK is currently developing an open-source online program that teaches women how to code as freelance entrepreneurs, with the prospect of offering this program to women in more rural areas of the MENA region. CTEK aims to accomplish its mission by collaborating with local organizations, such as



WEN MENTORSHIP PROGRAM WORKING GROUP AT TIEC

accelerators and coding Bootcamps, to roll out and host the curriculum through WEN. USAID SEED assisted CTEK in recruiting a part-time initiatives manager to support in performing various tasks that contribute to the daily operations of the initiative across the region, as well as sending a steering committee representative to attend CTEK's conference on coding in the MENA region.

WOMEN ENTREPRENEURS' ACCESS TO FINANCE

Through WEN, USAID SEED identified a need for additional women-focused initiatives within the ecosystem in order to support women-led businesses in scaling up. Due to cultural restraints and other limitations, women entrepreneurs find themselves at a disadvantage in accessing traditional financing. To help provide women with access to non-traditional financing sources, USAID SEED established the first Women Angel Investors' Network, Tiye Angels. Tiye aims to increase the number of women angel investors in the ecosystem, raise awareness of angel investment, prepare female-led startups to become investment-ready, and raise their awareness of alternative financing sources.

In an attempt to improve women's access to traditional financing, USAID SEED cooperated with its partners to improve the financial literacy of women-owned SMEs by holding multiple workshops for business owners, entrepreneurs, and students from a variety of sectors, including handicrafts, events management, clothing manufacturing, and ICT. The workshops provided women with the opportunity to interact with bank representatives and network with like-minded peers.

MENTORSHIP



WEN SPEED MENTORING EVENT - ONE-TO-ONE SESSIONS

To support aspiring and established women entrepreneurs in scaling up, USAID SEED established the first women-to-women Mentorship Program under WEN's umbrella. The program started off by selecting 25 experienced and successful businesswomen to be mentors, each with at least seven years of experience in various fields and some of whom are members of the SEED-supported BDS Centers and incubators. The project trained these women on mentorship skills, gender mainstreaming tools, and gender-sensitive considerations. Those mentors were then connected with 40 women-led startups in

order to share their knowledge and experience, assist the startups in scaling up, and help the mentees overcome the unique challenges they face.

USAID SEED ensured that products and strategies were customized for the specific needs of both women and youth entrepreneurs and paid close attention to how services are designed, promoted, and provided in order to ensure a wide audience.

YOUTH ENTREPRENEURSHIP NETWORK (YEN)

As mentioned on page 9, USAID SEED created a physical and virtual hub that centralizes and streamlines entrepreneurship activities and services available for youth, including university-based groups. The YEN provides youth-owned startups access to incubators, entrepreneurship training programs, co-working spaces, and investment opportunities.

USAID SEED PARTNERS

Through the support provided to partner institutions—including incubators, accelerators, high schools, universities, Business Development Services (BDS) providers, and financial institutions—USAID SEED managed to raise awareness of the needs of women and youth entrepreneurs. It also built the capacity of service providers and women-focused organizations to implement USAID SEED-provided gender mainstreaming tools and manuals, which in turn resulted in more effective outreach to women and youth, as well as improved measurement of the impact of outreach and inclusion efforts.

Additionally, USAID SEED’s focus on gender extended to its grantees and partner organizations such as Yadawee, which focuses on the employment and development of marginalized women workers in the handicrafts sector in Upper Egypt. Given that the handicrafts sector mostly employs women, USAID SEED extended its support to the sector through collaborating with NCW on a plan to establish a handicrafts BDS within the NCW; building on previous efforts to map out service providers and key stakeholders in the handicrafts VC; and building the NCW staff capacity.

PPD SESSIONS

USAID SEED public-private dialogue sessions brought attention to challenges faced by women and youth entrepreneurs. These sessions allowed women leaders to lobby policymakers to take those challenges into consideration when amending existing and drafting new legislation.



WEN SPEED MENTORING EVENT - ONE-TO-ONE SESSIONS

OUTCOME

Prior to USAID SEED’s Mentorship Program, there was a limited number of mentors available to women-focused organizations. Adding new mentors to the ecosystem allows for more tailored knowledge and skills to be transferred to mentees from diverse industries and backgrounds. Mentors have been able to link mentees to people within their networks who can help their businesses thrive.

Through the WEN, USAID SEED provided women entrepreneurs with technical support, business linkages, access to exhibitions for artisans, access to knowledge and information (e.g. financial literacy), and different networking opportunities with key players in the ecosystem (e.g. banks, business providers, and chambers of commerce and industry). Additionally, WEN supported TIEC's Heya Ra'eda program in its efforts to train women entrepreneurs from Alexandria, Assiut, Minia, and Luxor on startup methodologies and concepts.

The strategic plans developed by WEN's Steering Committee member organizations, with USAID SEED's support, boosted those organizations' efficiency and focus. With a focused and efficient Steering Committee, WEN's efforts have been targeted and impactful.

WEN's website has provided the network a way to publicize itself, announce its activities, and engage aspiring and established women entrepreneurs.

As recognition and respect for WEN has grown, the network has enlisted more member organizations, including MCIT's Technology Innovation and Entrepreneurship Center (TIEC), Entreprenelle (a social enterprise focused on women entrepreneurship), Arabize (a women-focused technology localization company), Assila Foundation (an accelerator for NGOs), Nile University, Etijah, and the Federation of Egyptian Chambers of Commerce (FEDCOC).

Establishing the First Women Angel Investment Network (Tiye Angels) will improve access to finance for women entrepreneurs.

SUSTAINABILITY

- Five-year action plans that were developed by the WEN steering committee with USAID SEED's support will guide the network in its efforts to support women entrepreneurship.
- The proposal writing training provided to WEN's steering committee goes to ensure the network's financial sustainability.
- WEN's website will enable the network to sustain its outreach and visibility to more women with minimal technical support required.
- USAID SEED's partnership-building approach helped unify Steering Committee members behind a common vision of creating a transformative leadership models to sustain WEN initiatives.
- USAID SEED's key partners on the Tiye Angel Investors Network initiative continue to train women angel investors on making profitable investments and investing in more women-led startups.
- The mentors of the WEN's Mentorship Program have already completed one round of mentoring and have agreed to continue providing mentorship to women entrepreneurs. Being a mentor helps build their personal brand, provides them with networking opportunities, and provides them with exposure to potential startups in their same sector that they may want to invest in. This has the added benefit of potentially providing aspiring entrepreneurs with more financing opportunities.
- Training, mainstreaming tools, and manuals that USAID SEED provided to BDS Centers and incubators have been used to bolster organizations gender-sensitive programming. USAID SEED's support has enabled those organizations' staff to implement mainstreaming measures and educate new hires on the concept and methodologies.

COVID-19 IMPACT

The COVID-19 pandemic coincided with USAID SEED's last quarter. Given the closure of universities and the GOE's decision to cancel events and gatherings, the following interventions scheduled during the last two months of the project were unmet:

- I - Universities Certificate Developed
- I - Advocating for Crowdfunding Law / Regulations Session
- I - Matchmaking Event
- I - Public Procurement Law #182 Workshop.

To offset the shortcomings resulting from the global pandemic, USAID SEED worked with the COR to plan substitute interventions that were largely virtual. These virtual initiatives saved costs and were highly successful, constituting an excellent basis for future implementation of similar activities.

- The projected final in-person Entrepreneurship Program for Universities was converted to an online Learning Management System called Talent LMS (Talentlms.com). In total, 46 participating university professors from eight universities across Egypt participated, 25 of whom have completed the program to date. The program was designed with sequential modules, combined with knowledge assessments. Once the participant completes one module, he/she moves to the next until all modules are completed.
- A workshop that was pre-planned for end of March 2020 on gender mainstreaming for incubators was converted into a successful virtual workshop. The session promoted gender sensitivity and equal representation of women and assisted incubators in drafting mainstreaming strategies for implementation.
- USAID SEED held an online meeting with members of WEN's Steering Committee to strategically plan for writing and submitting an unsolicited proposal to USAID to support women entrepreneurs and women-owned businesses in response to COVID-19 and to mitigate the negative impacts of the pandemic on women's businesses.
- USAID SEED carried out multiple virtual follow up meetings with all female mentees to assess the pandemic's impact on startups and provide them with support to continue working despite the crisis.

The Value Chain Unit Structure Plan deliverable was also cancelled, but this was because MSMEDA postponed their internal restructuring, which prevented SEED from achieving the deliverable.

As a result of COVID-19, DT Global indeed was unable to meet all Performance Standards, but proactive measures were taken to restructure implementation to a virtual platform.

PROJECT LEARNING

USAID SEED has documented important lessons learned and recommendations from the project's four and a half years of working to improve the entrepreneurship ecosystem for MSMEs.

PROJECT DESIGN

- Sustainability measures must be integrated into interventions in the design and planning phases.
- GOE partner entities' names should be avoided in the design phase. This will allow for objectives to still be achieved in the event the mandates are changed or transferred from one organization to another, or when entity names are changed.
- To ensure effective mentorship interventions, focus should be given to developing a rigorous selection process for both mentors and mentees to ensure commitment, as well as building a strong relationship between the mentor and her mentees.

MONITORING AND EVALUATION

- Helping partners implement Management Information Systems and electronic data collection processes that feed into the project's performance monitoring needs (e.g. CRMs installed by USAID SEED at OSSs and BDSs should be required in projects working with large numbers of partner entities). Mirroring a project's M&E tools and MIS systems within partners' processes, while tailoring them to the needs of those partners, facilitates USAID project data collection and improves the quality of data collected, results in the mainstreaming of all tools everywhere and the institutionalization of knowledge.
- The response to COVID-19 provides an opportunity to demonstrate the effectiveness of online tools to provide workshops, meetings, training, mentoring, and knowledge exchange sessions, while helping identify downsides and mitigate them in real time. This opportunity should be acted upon to increase the use of those formats and maximize budget utilization in future interventions without compromising outcomes.

OSS

- Federation of Egyptian Chambers of Commerce (FEDCOC)'s new leadership provides an opportunity to replicate the OSS/Tamayouz model of providing business registration services for SMEs in more governorates and locations. The new president has a good reputation and a good relationship with all involved governmental institutions. He has expressed interest in supporting all the Chambers of Commerce to establish their OSSs, starting with Giza, Kafr El Sheikh, Luxor, and the Red Sea. OSSs currently cover only six governorates out of 27 (Suez, Cairo, Qalyubia, Mansoura, Assuit, and Sohag).
- The FEI has branches at the 6th of October City, Alexandria, and Aswan, where additional OSSs can be established.
- More services can be added to those established at OSSs, especially those tailored to serve MSMEs in the industry area. Candidate services include those provided by National Social Insurance Authority and Export Development Authority. This would support the GOE's plan to move to the New Administrative Capital by minimizing the need to visit the authorities' offices.
- Enabling networking between OSS centers is essential for exchanging experiences, improving performance, and allowing MSMEs to obtain registration documents from any OSS center,

regardless of the location of the enterprise. It also paves the road for providing the services online in the future.

- Future interventions should give high priority to organizations that have the will, commitment, and capacity to provide services to MSMEs in disadvantaged areas, especially rural Upper Egypt and those owned by women and youth.

BDS

- As BDS providers were only established in the third year of the project, further support should be provided to BDS partners in order for them to extend their services to more target group members, improve the quality of services, recruit capable staff, and reach financial and operational sustainability, including the following suggestions:
 - Providing networking opportunities for BDS providers would allow for integration of services, exchange of experience, and increased awareness of the initiatives and projects that can support them.
 - Outreach and marketing have been identified as key challenges for BDS providers, one that they will need support to overcome.
 - BDS advisors need to undergo a professional education program to improve the quality of services they provide MSMEs. CBE-funded Nilepreneur initiative and ILO developed a curriculum that could help in this regard.
- Assistance provided to BDSs should be based on a detailed needs assessment for the specific needs of each BDS, ensuring that each BDS is best serving the needs of their respective markets.

Financial Services, Financial Inclusion, and Access to Finance:

- The results of applying a value chain-based approach to financial service provision for MSMEs in Dairy and Fishery value chains should be monitored and replicated to improve access to finance for MSMEs in other high potential value chains.
- Providing training for microfinance institutions, banks, and MSMEDA on value chain-based financing approach would support reaching more MSMEs with financial services.
- NBE and other interested financial institutions need more support to expand their reach to fishery and Dairy MSMEs, as some of their clusters are far from the centers typically served by banks.
- Investment opportunities in other high potential value chains that Egypt enjoys a competitive advantage in, such as Plastics and RMG, should be identified. This will improve access to finance for more MSMEs.
- To achieve financial inclusion objectives, it is recommended to develop an educational curriculum for school and university students and improve integration with educational programs.

ENABLING ENVIRONMENT

- PPD sessions have proved a significant success with both the private sector and GOE. Some GOE entities have come to accept and appreciate the concept and requested follow on sessions. Future interventions should sustain this intervention and give attention to institutionalizing such forums through MSMEDA, whose new mandate includes establishing an Advocacy and PPD Unit.
- Including Members of Parliament in PPD sessions encouraged GOE entities to participate and it paved the way for fruitful discussions between parliament committees and GOE members during

those committees' relevant sessions. Some recommendations arising from the PPDs were also considered in Parliamentary discussions.

- Automation of public services provided to businesses is critical to improve the quality of services provided to the private sector, freeing up resources that can be used to support the growth of MSMEs.
- Activation of the new Governmental Authorities' Procurement law (Law 182/2019) is crucial for MSMEs to increase their access to finance.
- ASRT needs further support in implementing the activation plan for Law 23/2018 provided by USAID SEED.
- FRA needs further support to ensure that its vision for the Crowdfunding Law is in line with international trends and is conducive to the law's intended objectives.
- Connecting the public tenders' website with the Law 5/2015 website and the Egyptian Organization for Standards and Quality's will improve access to comprehensive information.
- As of now, only 260 companies possess Certificates of Quality. Future interventions should work with FEI and Chambers of Industry to find ways to increase the quality of Egyptian products and reduce the fees for quality testing.
- Automating IDA services is essential to improve Egypt's manufacturing landscape and competitiveness, especially the issuance of industrial licenses.
- Once the amended Law on the Protection of Competition and the Prohibition of Monopolistic is ratified, awareness sessions should be held for GOE and the private sector for orientation in order to educate MSMEs on how to obtain fair market opportunities.
- Continue to support the Ministry of Higher Education and the ASRT with plans and automation system allow activating Law 23/2018, which aims to encourage scientific research and its commercialization.
- MSMEDA should receive support in developing executive regulations for the anticipated MSMEs Law once it is ratified.
- Support to the FRA in drafting the Crowdfunding Law should be sustained.

ICT

- Major web portals, such as Law #5 online system or the InfoMatch platform, need a reliable partner institution to oversee them, one that has the capacity and willingness to sustain them beyond the LOP.
- Training partners on any automation or technology-based system should be done in-person or in small groups to ensure the greatest impact and efficacy of the training. This should be followed by hands-on testing by system users to allow for discovering bugs and enhancing the system, while ensuring familiarity with and exposure to the new workflow process.

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