SUSTAINABLE SERVICES ACTIVITY (SSA)

PROGRESS REPORT

August 13, 2020 through December 31, 2020

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SUSTAINABLE SERVICES ACTIVITY (SSA) PROGRESS REPORT (AUGUST – DECEMBER 2020)

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<td>ABA</td>
<td>Alexandria Business Association</td>
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<td>Alexandria Businesswomen Association</td>
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<td>AmCham</td>
<td>American Chamber of Commerce</td>
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<td>ASRT</td>
<td>Academy of Scientific Research &amp; Technology</td>
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<td>AAST</td>
<td>Arab Academy for Science Technology &amp; Maritime Transport</td>
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<td>AUC</td>
<td>American University of Cairo</td>
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<td>AYB</td>
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<td>BACO</td>
<td>Business Advisory Councils</td>
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<td>Business Development</td>
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<td>Business Development Services</td>
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<td>BTL</td>
<td>Below the Line (Direct Marketing Tools)</td>
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<td>British University of Egypt</td>
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<td>Business to Business</td>
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<td>CB</td>
<td>Capacity Building</td>
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<td>CBE</td>
<td>Central Bank of Egypt</td>
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<td>Community-based Organization</td>
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<td>CCI</td>
<td>Chamber of Chemical Industries</td>
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<td>CEOSS</td>
<td>Coptic Evangelical Organization for Social Services</td>
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<td>CFI</td>
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<td>Commercial International Bank of Egypt</td>
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<td>Computer Numerical Control</td>
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<td>COC</td>
<td>Chamber of Commerce</td>
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<td>COP</td>
<td>Chief of Party</td>
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<td>Acronym</td>
<td>Description</td>
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<td>COR</td>
<td>Contracting Officer’s Representative</td>
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<td>CRM</td>
<td>Customer Relationship Management</td>
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<td>Corporate Social Responsibility</td>
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<td>DCOP</td>
<td>Deputy Chief of Party</td>
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<td>DIY</td>
<td>Do It Yourself</td>
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<td>EBI</td>
<td>Egyptian Banking Institute</td>
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<td>EBRD</td>
<td>Egyptian Bank for Reconstruction and Development</td>
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<td>EBWA</td>
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<td>ECAHT</td>
<td>Egyptian Chamber of Apparel and Home Textile</td>
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<td>ECASE</td>
<td>Education Consortium for the Advancement of STEM in Egypt</td>
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<td>ECP</td>
<td>Egypt Competitiveness Project</td>
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<td>ECTI</td>
<td>Egyptian Chamber of Textile Industries</td>
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<td>EEIP</td>
<td>Entrepreneurship, Enterprise, and Innovation Partnership Fund</td>
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<td>Egyptian Franchise Development Agency</td>
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<td>EJBA</td>
<td>Egypt Junior Business Association</td>
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<td>ENCC</td>
<td>Egyptian National Competitiveness Council</td>
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<td>EPEMA</td>
<td>Egyptian Plastics Exporters and Manufacturers Association</td>
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<td>ERRADA</td>
<td>Egyptian Regulatory Reform and Development Activity</td>
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<td>FabLab</td>
<td>Fabrication Laboratory</td>
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<td>FDC</td>
<td>Fashion and Design Center</td>
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<td>FEDCOC</td>
<td>Federation of Egyptian Chambers of Commerce</td>
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<td>FEI</td>
<td>Federation of Egyptian Industries</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>FIB</td>
<td>Faisal Islamic Bank</td>
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<td>FRA</td>
<td>Financial Regulation Authority (formerly EFSA)</td>
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<td>FSI</td>
<td>Financial Service Institute</td>
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<td>GAFl</td>
<td>General Authority for Investment and Free Zones</td>
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<td>GAP</td>
<td>Gender Action Plan</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>Abbreviation</td>
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<td>NGO</td>
<td>Non-governmental Organization</td>
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<td>NM</td>
<td>Nahdet Misr</td>
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<td>OSS</td>
<td>One-Stop Shops</td>
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<td>PIRS</td>
<td>Performance Indicator Reference Sheets</td>
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<td>PPD</td>
<td>Public-Private Dialogue</td>
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<td>PTC</td>
<td>Plastic Technology Center</td>
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<td>PWS</td>
<td>Performance Work Statement</td>
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<td>QMS</td>
<td>Quality Management System</td>
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<td>REDEC</td>
<td>Regional Enterprise Development Center</td>
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<td>RMG</td>
<td>Ready-Made Garments</td>
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<td>RMGEC</td>
<td>Ready-Made Garments Export Council</td>
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<td>ROI</td>
<td>Return on Investment</td>
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<td>SBDC</td>
<td>Small Business Development Center</td>
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<td>RIA</td>
<td>Regulatory Impact Assessment</td>
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<td>SFD</td>
<td>Social Fund for Development</td>
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<td>SME</td>
<td>Small and Medium-sized Enterprise</td>
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<td>SOW</td>
<td>Scope of Work</td>
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<td>STA</td>
<td>Science Training Academy</td>
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<td>STDF</td>
<td>Science and Technology Development Fund</td>
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<td>STEM</td>
<td>Science, Technology, Engineering, and Math</td>
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<td>STTA</td>
<td>Short-term Technical Assistance</td>
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<td>TA</td>
<td>Technical Assistance</td>
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<td>TICO</td>
<td>Technology Innovation and Commercialization Offices</td>
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<td>TIEC</td>
<td>Technology Innovation and Entrepreneurship Center</td>
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<tr>
<td>TOT</td>
<td>Training of Trainers</td>
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<tr>
<td>TTL</td>
<td>Through the Line (Events networking and direct engagements)</td>
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<td>TTO</td>
<td>Technology Transfer Office</td>
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<td>VC</td>
<td>Value Chain</td>
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<td>WEN</td>
<td>Women Entrepreneurs Network</td>
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<td>WIB</td>
<td>FEI Women in Business</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>WISE</td>
<td>Workforce Improvement and Skills Enhancement Project</td>
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<td>USAID SEED</td>
<td>USAID Strengthening Entrepreneurship and Enterprise Development Project</td>
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<tr>
<td>YEN</td>
<td>Youth Entrepreneurship Network</td>
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I. Executive Summary

During this reporting period (August 13, 2020 – December 31, 2020), the focus was on onboarding the team, setting up the office, and conducting a rapid assessment survey to determine the required interventions and develop the SSA work plan. The survey also provides the required information to (a) ensure that both TA and rescue program plans are responding to the actual needs of the beneficiaries, and, (b) guarantee that the support provided to Egyptian MSMEs is optimized to mitigate COVID-19 impacts and sustain the MSMEs operations until the Egyptian economy recovers from the Corona pandemic.

The assessment process also allowed team members to reconnect with partners that they have already worked with under USAID SEED, for the purpose of gauging their commitment and interest, and setting expectations by clarifying the difference between what SEED offered their organizations and what SSA will offer. The first draft of the assessment survey report has been submitted to the AOR, and SSA is currently editing the report in response to her feedback. SSA will finalize technical assistance plans for its different beneficiary groups, and will submit them to USAID in the upcoming reporting period.

In this reporting period, the SSA team also developed the draft Monitoring, Evaluation, and Learning (MEL) plan. The MEL Plan is USAID and FinBi’s primary tool to monitor and evaluate the work undertaken, and learn and adapt activities to better achieve the activity’s intended results. The MEL Plan will also ensure that USAID receives adequate activity progress information, and that the data collected is consistent with the data and learning needs of SSA, the Mission’s Performance Management Plan (PMP), and the Mission’s annual Performance Plan and Report (PPR). The MEL unit worked hand-in-hand with the FinBi SSA technical advisors to develop indicators to monitor the progress of the interventions throughout the agreement’s timeline. The SSA team completed the first draft of the Monitoring, Evaluation, and Learning (MEL) plan, and submitted it to USAID. SSA then incorporated the feedback received from USAID in a revised version of the MEL plan that has been sent to USAID on November 11, 2020. SSA’s team will finalize the MEL plan once it receives USAID’s comments on the last revised plan.

To Assist the MSME Development Agency (MSMEDA) in finalizing the first draft of the Executive Regulations of the recently-issued MSME law by mid-November, SSA held an online Public-Private Dialogue (PPD) session on November 10. Around 25 MSMEs participated in this PPD, where they shared their concerns with the drafting committee, and received answers to their questions. The online delivery mechanism proved satisfactory in this context, but it remains to be seen whether this platform will be efficient for other SSA activities.
II. Activity Implementation

Result 1: Sustainability of USAID-SEED established BDS centers and incubators enhanced

Output 1.1: BDS Centers become financially sustainable

Key activities implemented during this reporting period:

In this first quarter, the BDS team focused on getting in touch with all former USAID SEED BDS partners to introduce SSA, and briefly discuss the current status of BDSs since the USAID SEED’s closeout, and in light of the post-COVID-19 situation. The objective of these meetings was to develop a more accurate picture of the BDS centers’ current status, challenges, and their technical assistance needs. To achieve this rapid assessment, the team designed a comprehensive assessment tool to review multiple aspects of the BDS centers’ operations, including: BDS management and strategy, human resources, day-to-day operations and service provision flow, outreach, client portfolio, BDS infrastructure, accounting and financial management systems, and financial sustainability prospects.

A self-assessment was requested from 15 former USAID’s SEED partners¹. To support the BDS centers in filling the self-assessment tool, SSA held an online Question & Answer (Q&A) session on October 18, 2020. During the session, the assessment tool was presented and thoroughly discussed with the BDS centers, and all questions regarding the tool and the process were addressed. BDS centers have submitted their self-assessment by the third week of November. The SSA team analyzed the BDS centers self-assessments, data using an evaluation matrix and developed summary reports for each partner, in addition to a collective assessment report that includes the challenges that partners are facing, and their needs in the next two years.

The assessment findings have helped the SSA Team identify the USAID SEED-supported BDS centers that are cooperative and willing to benefit from technical support opportunities that SSA can provide. These BDS partners were then categorized into four tiers according to their required assistance needs.

Based on the data collected and the analyses undertaken, the SSA Team will focus its interventions on the BDS centers in tiers 1 and 2, providing these with focused and customized TA matching their needs. Tier 3 BDS centers are medium priority and will receive general TA. Tier 4 centers are medium to low priority and will receive online training.

¹ One of the BDS centers (Beity in Asyut) is no longer operational.
The first draft of the assessment report was submitted to USAID in the last week of December. USAID provided feedback and the team developed a revised assessment. Based on the revised assessment, the SSA team has now developed a draft Technical Assistance plan based on the assessment findings, and approached select BDS partners, namely CEOSS, Ibn Souq, Zeleusa and FEI, to prepare for field visits to discuss the technical assistance plans, and STTA needs.

- **National BDS Strategy:**

  In order to engage government partners in drafting a national strategy for BDS centers, SSA has approached two major government entities: MSMEDA, and the Central Bank of Egypt (CBE). In the initial meetings with MSMEDA to explore their interest in drafting the BDS strategy, MSMEDA showed limited interest due to their preoccupation with drafting the executive regulations of the recently-issued MSME Law.

  CBE on the other hand, had shown great interest in developing the strategy towards the end of the SEED project, however, due to time constraints no action was taken then. Therefore, SSA has approached the non-financial services management department in CBE to re-engage them on this task. This group in CBE
has changed however after the SEED project was completed and the new CBE nonfinancial services department requires more time to get acquainted with nonfinancial services’ activities.

Key activities planned for the upcoming reporting period (QTR II, FY 2021):

- Submitting the final assessment report;
- Finalizing the TA plans for the first quarter for Tier 1 and Tier 2 BDS partners;
- Drafting customized TA plan and corresponding protocol/TA collaboration MOU/agreement with Tier 1 BDS partners;
- Conducting field visits to ABA, CEOSS and Ibn Souq; and online workshops with Zeleusa and FEI to discuss the TA plans and identify STTA needs (if any);
- Preparing a discussion paper on how to proceed with drafting the BDS strategy. SSA will then discuss this paper in a roundtable discussion with all relevant parties, including government agencies such as CBE and MSMEDA, donor agencies (such as ILO, GIZ, EBRD), BDS representatives, private sector representatives, NGOs, and governmental institutions.

Output 1.2: Incubators become financially sustainable

Key activities implemented during this reporting period:

The team carried out an assessment of incubators established or supported under SEED, to assess their current performance and the performance of their startups, and their TA needs with a focus on the impacts of COVID-19 on their operations. This assessment provided valuable information for the design of the technical assistance plan that will support the targeted incubators under SSA. The team reached out to seven incubators (two of which have two branches) and developed an assessment questionnaire to collect the data required.

The assessment revealed the following potential TA support needs:

- Expanding incubators’ funding opportunities and models
- Capacity Building in Angel investment and BDS establishment
- Developing and implementing a performance management system
- Standardizing incubation programs
- CRM systems
- Digitizing incubation programs
- Developing a robust online infrastructure to allow for a virtual incubation program.

The first draft of the assessment report was submitted to USAID on December 20, 2020. Feedback was received and SSA will submit the final report after making the requested modifications.

Key activities planned for the upcoming reporting period:

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2 Please note that 4 incubators of the 13 established under SEED are not included in this list, these incubators are: The Faculty of Economics and Political Science (FEPS) and IceAlex (both these incubators had stopped cooperating with USAID SEED); Hemma (is no longer operational); and, Naseej (is dormant since the Summer of 2020).
• Submitting the final assessment report;
• Selecting the incubators that SSA will work with to improve financial sustainability, and those with which it will work on the rescue program;
• Carrying out a desk review of best practices for incubators’ financial sustainability models,
• Developing a TA plan for the incubators support needs;
• Drafting the scopes of work for identified areas of support (STTA, digital platforms, etc.);
• Working with incubators that showed interest in the mentorship and angel investment programs to include some of their female members who fit the selection criteria of the two programs.

Activities involving both Incubators and BDS centers

Key activities implemented during this reporting period:

Skills Training and Cooperation with Google:
SSA BDS and Incubators’ respective teams conducted a meeting with Google, coordinated by USAID, in order to collaborate on extending Google’s skills training program “Maharat Men Google” to the SEED supported BDS centers and Incubators. Following the meeting with Google, the SSA teams submitted to Google the training topics that could be beneficial for the incubators and BDS centers, so that Google can tailor their training programs to the needs of the SSA beneficiaries.

Key activities planned for the upcoming reporting period:
• Receiving Google’s feedback on the proposed training needs and an implementation timeline.

Output 1.3: Pool of SEED mentors expanded

Key activities implemented during this reporting period:
In September 2019, USAID SEED designed and implemented the “WEN Mentorship Program”. The program was designed to develop the knowledge and skills that can help women entrepreneurs/professionals become effective mentors for other female entrepreneurs, and enhance their businesses. The program also created a strong community of mentors. SSA plans to expand the pool of SEED women mentors by training 50 more women entrepreneurs/professionals and integrating this new pool of women mentors in the community of Women Entrepreneurs’ Network’s (WEN). SSA also plans to provide an advanced training cycle to the group of mentors trained by SEED, and to support WEN in running a mentorship cycle. for women entrepreneurs.

To inform the design of mentorship-related activities, SSA reached out to the 25 mentors that were trained under SEED to introduce SSA and its planned activities and to discuss their experience with the SEED mentorship program. SSA held the mentors meeting on November 23, 2020. In this meeting the mentors shared their feedback on the training received and the main obstacles they faced while supporting mentees. The assessment tackled the training content, duration, mentees selection criteria, outreach methods, as well as recommendations for a future SSA mentorship program. The assessment revealed that the mentors were largely satisfied with the training received, but showed that there was a need for focusing on practical issues rather than theory, and a preference for a blended (in-person combined with online) training delivery model under COVID-19.
In the preparation of the design and implementation of the mentorship program, SSA and WEN’s Chairperson held a meeting with a training provider to discuss the possibility of replicating the mentorship program previously carried out under USAID SEED. The main topics discussed were: the training delivery mode (face-to-face vs. online), the choice of trainer/facilitator, content, and experiential training components.

Regarding the advanced training program that SSA plans to provide to the old group of SEED mentors, the assessment identified a need for focusing on strengthening their design thinking mindset and their understanding of the ecosystem, and for providing them with specific tools that they can use to keep the mentees focused and motivated. A series of webinars discussing different topics, rather than a traditional mentorship training programs would be more fitting for those training needs.

As for the mentorship cycle, the assessment revealed a need for: (a) extending the cycle by one month, making it four-month long; (b) developing stricter mentee selection criteria to ensure that only committed mentees qualify; and, (c) establishing a rotation process that allows mentees to work with different mentors according to their needs.

In December 2020, SSA finalized the first version of the assessment report and discussed it with USAID.

In Mid-September, WEN was approached by MTI’s Industrial Modernization Center (IMC) in order to collaborate in the WEN mentorship program. WEN and SSA conducted a meeting to decide on the mode of this collaboration, and the following three approaches were proposed to IMC:
- SSA would hold a mentorship cycle solely for IMC advisors,
- IMC advisors would enroll in the next mentorship cycle for a certain fee,
- WEN mentors would participate in speed mentorship sessions with IMC-supported entrepreneurs and MSMEs.

**Key activities planned for the upcoming reporting period:**

- Submitting the final assessment report;
- Reviewing the mentorship training material;
- Receiving IMC’s feedback regarding their choice of collaboration mechanisms;
- Issuing a call for mentors;
- Issuing a call for mentees;
- WEN’s chairman Ms. Osman will meet with LCE to discuss the mentorship training program proposal structure and content;
- Contracting a service provider to deliver the training program for the selected mentors by the end of the next quarter;
- Supporting WEN in drafting and signing an MOU with FEI to host WEN.
- Finalizing and submitting the assessment report and submitting it to USAID.
Result 2: Startups and MSMEs negatively affected by the COVID-19 economic crisis supported

Output 2.1: Incubators and/or BDS centers adopt COVID-19 rescue program

Key activities implemented during this reporting period:

The assessment has revealed that Tier 1 BDS centers have continued to perform well post SEED project closure, despite the impact of the COVID-19 pandemic. This group of BDS centers had been growing slowly but steadily under USAID SEED and beyond, and have clearly established business model resilience that has enabled them to continue to operate under the pandemic, if not expand in some cases, and tap into new business opportunities including online BDS provision and vertical sectorial growth.

BDS Centers in Tier 2 however, the formerly “average yet promising” centers under USAID SEED, have suffered stagnation and decline in activities and outreach and had only very limited growth. In these Tier 2 Centers, the BDS management and/or the BDS host organization, have kept the BDS resources running in the “business as usual” mode and have not shown any proactive approach to counteract the post COVID-19 impacts on their operations and their clients’ businesses. The assessment shows that these BDS centers have not implemented the BDS business plans developed under USAID SEED and remained in a stagnant state (operating without growing and without significant progress). The assessment also showed that the Tier 2 BDS centers teams have not adopted any alternative plans or crisis management measures and have focused on other non-BDS activities to sustain their activities and keep their doors open. In some cases, the BDS centers have continued to perform minimally, and merely followed up with their clients, without adding substantial value to their clients’ businesses.

All BDS centers tiers stand to benefit, to varying degrees, from developing and adopting a service suite that enables them to mitigate the impacts of the COVID-19 pandemic as well as help out their clients in this pandemic which is which is expected to persist in the foreseeable future, even under the most optimistic vaccination scenario.

As for incubators, the assessment revealed that most incubators managed relatively well throughout COVID-19, but they had to suspend or postpone some activities, for example, day-to-day engagements with startups were put on hold. The incubators also faced a challenge serving some startups that relied on access to equipment in the incubators to produce their products (this is also one of the incubator’s sources of revenues). Due to the pandemic, some incubators faced delays in receiving funds from supporting organizations which left them under financial stress.

The team has identified the following potential technical support areas for SSA’s partner incubators:

- Including a COVID-19 business rescue training module for all the BDS tiers,
- Enhancing/creating ICT Platforms and infrastructure to enable partners to deliver their services remotely, and to keep them connected to their clients while respecting social distancing measures. Delivering services remotely can be performed with high performance computers, especially for ICT- and IoT-related startups in incubation,
- Providing access to an efficient pool of mentors who can support their clients remotely,
• Developing performance management systems for incubators,
• Standardizing incubation programs.

**Key activities planned for the upcoming reporting period:**
• Investigating in depth different support mechanisms for different partners, such as platforms, STTA programs, ICT systems, etc.;
• Developing the rescue program after determining the most suitable tools to support partners,
• Integrating rescue plans into the BDS centers’ respective TA plans; developing SOW documents based on an agreed upon rescue program design for STTAs, RFPs, etc.,

**Output 2.2: Most vulnerable/negatively affected startups and MSMEs identified and provided with support services**

SSA’s mandate includes providing MSMEs affected by the COVID-19 pandemic with services that enable them to mitigate the impact and survive the crisis. This will be mainly achieved through leveraging SSA’s supported partners and initiatives, including BDS centers, incubators, the Youth Entrepreneurship Network, and the Women Entrepreneurs Network. Through this collaborated effort, SSA will identify the affected MSMEs and provide them with the support needed.

- **Youth Entrepreneurship Network**

**Key activities implemented during this reporting period:**

The Youth Entrepreneurship Network (YEN) was launched under USAID’s SEED with the goal of empowering young people and raising their awareness of entrepreneurship as a path to economic empowerment and creating social impact. Under USAID SEED two physical hubs were launched: one in Sohag (serving Upper Egypt), the other in Kafr El Sheikh (serving the Nile Delta region).

SSA will continue SEED’s work to both strengthen the existing physical YEN hubs as well as creating a strong virtual network of entrepreneurship activities. SSA’s focus will be on reaching out to MSMEs, such as co-working spaces/hubs, to help them mitigate the negative effects of COVID-19. In addition, SSA will help YEN in working with various partners in the eco-system to facilitate, sharing of resources, and providing opportunities for young people and startups with partners including universities, incubators, student groups, co-working spaces, service providers, startups, investors, etc...

The assessment has revealed that co-working spaces all over the country (including YEN’s two physical hubs) were shut down in March 2020 for a duration of six months as a GOE COVID-19 preventive measure. These co-working spaces are now slowly re-opening but they are still struggling to regain normal levels of operation and they need support to do so. COVID-19 had some positive effects on some larger youth organizations, mostly those based in Cairo, who had the ability to deliver services online – and made that switch quickly. However, stakeholders outside of Cairo struggled with weak internet connections, which affected implementation and the provision of online services. All organizations faced challenges trying to create communities without the face-to-face interaction.
Based on the assessment' findings SSA decided that its first-year priorities regarding YEN will be:
- facilitating a mechanism that brings together the different youth organizations in order to reach consensus on the most suitable structure for the network;
- facilitating the creation of a roadmap for the network’s sustainability umbrella/model that in the future can lead to a subscription model or other revenue streams models, if possible;
- supporting YEN in reactivating the two existing physical hubs.

During the reporting period, SSA received two proposals from its partners; Etijah and E-Youth. E-Youth approached SSA and showed interest in collaborating to develop a capacity building program for startups. By December 2020, YEN and E-Youth had co-designed a capacity building program focusing on co-working spaces, which are at the heart of YEN’s design. The program was designed with virtual delivery in mind, and aims at helping the co-working spaces and the youth hubs to re-assess and re-direct their strategies under COVID-19, and to create a strategy for 2021. The program is divided into three phases:

1- Intensive training over the period of four weeks, where the startups come up with an updated business model. Topics covered are:
   a. Understanding current market opportunities (Introduction to the new era of Corona),
   b. Re-discovering your business model,
   c. Managing your enterprise,
   d. Marketing: keeping and creating new customers,
   e. Thinking out of the box: new revenue streams,
   f. leadership and presentation skills,
   g. Final presentations.
2- Virtual support for five months after the training to implement the business model through monthly mentorship, meet-ups, and coaching.
3- Support for an additional year to ensure that co-working spaces and youth hubs are implementing the strategic plans.

YEN’s previously-established two physical hubs which will receive the capacity building program, along with other co-working spaces.

Since E-Youth is one of the USAID SEED startup success stories, they are “paying it forward” by offering the one-year capacity building program free of charge.

The second key partner, Etijah, helped launch the first training for young people in YEN, and the two physical hubs in Kafr-El-Sheikh and Sohag. Etijah have submitted a proposal that is currently under review, to support the two physical hubs that they have helped establish. The proposal includes the following:

- Implementing 4 training batches for 100 selected entrepreneurs to improve their growth plans and investment readiness,
- Conducting monthly online meetings to introduce entrepreneurial service providers to YEN members,
- Conducting an online mentorship program for 20 startups,
- Organizing a national summit to promote entrepreneurship for young people and women.
During this reporting period, YEN reached out to various partners in order to collaborate on different interventions. The partners included:

- E-Youth,
- Etijah,
- ElSewedy Education – Innovation Hub,
- United Nations Development Program (UNDP),
- Fekretak Sherketak (Ministry of Investment),
- Giza Systems Education Foundation,
- Rise Up,
- Enroot,
- The African Development Bank (AfDB),
- In addition to various co-working spaces, universities and incubators.

All the partners listed above expressed their interest in being a part of YEN, and contributing to its needs. For example, the ElSewedy Education-Innovation Hub (a multi-University hub in the New Administrative Capital) expressed its interest in providing YEN with access to a FabLab, co-working space, and workshops and training programs for the YEN members.

**Key activities planned for the upcoming reporting period:**

- Implementation of the program co-designed with E-youth targeting co-working spaces and youth hubs around the country which will start in January 2021;

- Submitting the final assessment report;

- Working with E-Youth on an outreach strategy that would include: a Facebook page; newsletters that aggregate eco-system activities segmented by location; and other interactive multimedia to spread entrepreneurship knowledge e.g., podcasts, interactive interviews with entrepreneurs, etc.;

- The SSA’s Entrepreneurship team will coordinate with SSA’s outreach and communications manager to link the E-Youth program to SSA’s Facebook page (currently under construction);

- Working with Etijah on their proposal to strengthen and revitalize YEN's two existing physical hubs. The goal would be to help the entities shift from physical to virtual presence, ensuring continuity of resources and service provision through the use of online solutions; as well as optimizing outreach to the underserved governorates;

- Developing a plan to link all partners and activities and expand the network’ members’ services and outreach.

- Initiate a dialogue on a mechanism that brings together the different youth organizations to reach consensus on the most suitable structure for the network
Women Entrepreneurs Network

Key activities implemented during this reporting period:

SSA conducted a rapid assessment of the impacts of COVID-19 on its beneficiaries and partners in an attempt to prioritize their needs and tailor interventions that can help them mitigate the impact of the pandemic. Accordingly, SSA developed a questionnaire and conducted one-on-one semi-structured interviews with ten female entrepreneurs who are members of Business Women of Egypt (BWE21), a member of WEN. The interviews focused on the impacts of COVID-19, highlighting the areas most affected by the pandemic, the needs of their businesses in light of COVID-19, and how SSA can assist them to meet these needs.

Furthermore, SSA has conducted a meeting with the WEN’s steering committee members in order to identify their needs, and the measures that their respective organizations have undertaken to mitigate the COVID-19 impacts on their organizations and their beneficiaries. The assessment indicated that most organizations that were not digitized faced hardships, and their work was affected by the pandemic, while those who were more tech-enabled were able to better address their beneficiaries’ needs and adapt faster to the new measures forced upon them by the pandemic. The WEN steering committee members have highlighted the need to raise awareness and provide training on the digitization process, and on digital literacy and online training. These measures are very important to enable women so that they can pivot their businesses and digitize them following the successful digitization process example of the Entreprenelle Hub.

Based on the assessment outcomes, SSA’s first-year priorities regarding WEN will be:
- Providing WEN with the required technical assistance to create a good governance model and a network that is efficient and sustainable;
- Collaborating with Google and other relevant organizations to support WEN member organizations to enable them to provide some of the following services to female entrepreneurs:
  - Digital marketing training,
  - Financial crisis management training,
  - Product and/or service development,
  - One-on-one mentorship and coaching activities,
  - Support WEN member organizations in assessing their beneficiaries’ needs and the impacts of COVID-19’s on their beneficiaries,
  - Human resource management during crisis training,
  - Digitization of events and/or online programs.

WEN Capacity Building

In an effort to build the capacity of WEN’s member organizations, and support women-owned MSMEs impacted by COVID-19, SSA and Assila (an NGO and member of WEN) have conducted an assessment of the Akhmim Community Center in Sohag (affiliated with the Association of Upper Egypt for Education and Development, another WEN member organization). This assessment identified the needs of the Akhmim Community Center, the impact of COVID-19 on their operations, and how to empower them
to design more informed interventions. The assessment results will generally enable WEN and SSA to determine how they are going to assist the Akhmim Community Center during the project lifetime.

- **WEN’s Partnerships and Collaborations**

  - **SeedStars**

    SeedStars is an organization that aims to improve people’s lives in emerging markets through entrepreneurship and technology.

    SSA introduced WEN to SeedStars in order to: (a) increase the network’s visibility and outreach to female entrepreneurs, (b) help WEN build partnerships on multiple fronts, and (c) design gender transformative, and gender inclusive programs in the future. In collaboration with SeedStars, SSA held a webinar on December 8 on “How to Implement Gender Transformative Initiatives”. The aim of the webinar was to raise awareness on gender transformative initiatives and their importance, as well as increase WEN’s visibility and presence which would increase its partnerships and collaborations with eco-system players. More than 30 participants from Egypt and across the Middle East and North Africa (MENA) region attended this event.

  - **AfDB**

    In another effort aimed at building WEN’s partnerships and collaborations, SSA’s team has conducted a meeting with the African Development Bank, in which potential areas of cooperation between the bank and WEN were discussed. The bank has showed interest in supporting WEN with establishing a digital platform, and supporting women working in handcrafts.

  - **CHF**

    Additionally, SSA has coordinated between the WEN Team and other partners, and linked the network with CHF Management and Consulting Services Egypt S.A.E. CHF in collaboration with the Egyptian Council for Training and Development, were planning to conduct a digital marketing training for businesswomen. WEN’s member organizations, namely, BWE21, ABWA, and Nile University, recommended 15 women to attend the training. CHF has recommended that seven of the attendees be provided with digital marketing plans to facilitate their businesses. SSA will try to provide, in collaboration with Google, the digital marketing plans for the seven women-owned businesses.

  - **CTEK**

    CTEK (Colorado-Tech) is a Colorado based public non-profit company aiming at increasing women entrepreneurship participation’ in the Middle East and North Africa Region (MENA) through technology-based initiatives. CTEK approached WEN to collaborate on mitigating COVID-19s impacts on Egyptian women, through training them on the principles of coding and entrepreneurship. WEN and CTEK aim to train 1000 women on coding and entrepreneurship for the purpose of income generation. The trained women would then, either start their own businesses, or provide their services to other start-ups in a consulting capacity thus benefiting themselves and benefiting the Egyptian ecosystem. WEN and CTEK collaborated with multiple national and international stakeholders in order to design a two-week training program for women that would be accredited by
Colorado University (Colorado, USA). SSA provided WEN and CTEK with technical assistance during the CTEK Program Design workshop that was held on October 22 at the Federation of Egyptian Industries (FEI). SSA also helped connect CTEK with various potential national and international partners such as Nile University; Technology, Innovation and Entrepreneurship Center (TIEC); CARE Egypt; Microsoft, the International Labor Organization (ILO); and, FEI, all of whom will become implementing partners in the program. SSA has also assisted in designing the workshop aimed at identifying collaboration opportunities for the implementation of the stakeholders' joint program in technology and entrepreneurship.

To follow up on the workshop’s outcome, SSA conducted a meeting on October 27 with CTEK's Coordinator. The meeting was to follow up on the aforementioned workshop’s outcomes, discuss the different approaches of the different stakeholders that the workshop included, and the outline of the training program. SSA also participated in a meeting with CTEK, WEN and Microsoft on November 4 to further define the main aspects of potential collaboration on the aforementioned training program.

**Key activities planned for the upcoming reporting period:**

- Submitting the final assessment report;
- SSA and WEN, along with CTEK, will continue to conduct one-on-one meetings with the different stakeholders who participated in the program design workshop in order to agree upon the exact points of entry and collaboration, target governorates, and training content, as well as a timeline for program implementation and outreach strategies required to launch the program;
- Assisting WEN member organizations such as ABWA and FEDCOC in assessing the needs of their beneficiaries (female entrepreneurs and women-owned MSMEs); assessing the impacts of COVID-19 on female entrepreneurs and Women-Owned Businesses (WOB); and, assisting WEN member organizations understand how they can increase technical assistance to their beneficiaries in order to mitigate the effects of COVID-19 on their businesses;
- Conducting a meeting with the FEI’s Executive Director in order to discuss a framework for the agreement to host WEN, and providing technical assistance for drafting the agreement in cooperation with WEN and FEI.
Result 3: Access to finance by startups and MSMEs improved

Output 3.1: TIYE Angels’ members trained on assessing investment opportunities and startup needs; and

Output 3.2: Startups pitched to TIYE angel investors

Background:
TIye Angels was launched under the USAID SEED project, and under the umbrella of WEN after the team had seen first-hand the need for more investments in startups, particularly women-led startups. During educational entrepreneurship programs, the team observed that more than 50% of the participants were female. However, as one progresses along the entrepreneurship journey, the number of females dwindle. Therefore, there was a demonstrated need for more specific programs to help female-led startups become investment-ready, and a need to create more women angel investors in the eco-system. An important component of this training is increasing awareness of angel investment and access to startups/entrepreneurs. USAID SEED has launched Tiye Angels, in addition to hosting several angel investing awareness sessions and mini-training sessions led by investors. SSA will build on these activities and create a cohort of trained female angel investors that will have the capacity to invest in female-led startups and respond to their needs, in addition to carrying out other interventions as detailed in the assessment report.

Key activities implemented during this reporting period:

The SSA assessment showed that Angel Investing is a long-term investing strategy that is expected to eventually rebound from the COVID-19 hit. However, current investments are at a diminished scale and are focused on reinvesting in existing businesses to ensure survival of the enterprises, and hence, minimize losses to investors. Diversifying, and promoting new investments in new businesses is not a priority at this point. Therefore, the current environment will not be conducive to the emergence of new Angel Investors. The assessment also shows that the ideal training program for potential angel investors should not be academic and should include investor-led interactive sessions that discuss the practical aspects of angel investment.
TIYE’s angel investors that were trained under SEED remain committed, and willing to engage and to onboard new members.

SSA is planning to deliver a robust angel investment training that includes both technical modules and interactive sessions where investors share their real-life investments and experiences. SSA will work closely with Malaikah, investment professionals from the ecosystem, as well as other Angel Investment groups. Accordingly, the SSA team has started discussions to promote investments in female-led startups with other angel investment groups such as Cairo Angels, Alex Angels, Nile Angels, etc., SSA also believes that experienced entrepreneurs and angel Investors with regional and global experience should deliver the angel investment training program.
Finally, SSA has forged partnerships with multiple angel investment groups. On the regional level, a partnership with Womena³ was established, whereby Womena plans to extend an invitation to Demo Day for Tiye Angels’ members. The founder of Womena will also provide an “Investor Perspective” session for the attendees. Meanwhile on the national level, other partnerships were forged with Cairo Angels, and Alex Angels, who are willing to promote female-led startup investments.

**Key activities planned for the upcoming reporting period:**

- Submitting the final assessment report;
- Developing a best practices matrix for structuring angel networks;
- Continuing to reach out to, and onboard, potential female Angel Investors to increase the network;
- SSA plans to create and finalize the training program for angel investors and to start implementing both the technical sessions and interactive modules, which will include:
  - Early stage investing
  - Risks and rewards of early stage investing
  - Investment Process: screening and sourcing
  - Due diligence
  - Structure and valuation
  - Term sheets
  - Closing
  - Monitoring the investment and exits

**Output 3.3: Supported banks issue loans for MSMEs operating in SEED-supported value chains**

**Background:**

USAID SSED had worked on increasing access to finance for MSMEs in two value chains (VCs); the dairy and the fishery VCs. In support of the dairy VC, USAID SEED had provided the National Bank of Egypt (NBE) with financial, marketing, and technical information to develop the lending program and the quantified aggregate investment demand to upgrade the dairy VC. USAID SEED had also developed and presented three feasibility studies detailing investment opportunities in the dairy VC, specifically in the areas of Silage Production, Milk Collection Centers (MCC) and Veterinary Clinics.

Additionally, SEED had completed a VC gap analysis for the fishery sector. The analysis pointed out the need for addressing the VC gaps in the areas of fish processing, cold transportation chain, and integrated farming. For each of the identified gaps, the project developed an investment study that covers aggregate demand, supply, and economic feasibility.

³ An institutional angel investment platform for women in the Middle East. They also provide innovation consulting; education, and workshops for the community, with the aim of achieving knowledge-based and globally competitive economic growth in the MENA region and reducing the region’s dependence on natural resources.
Website: [https://www.womena.com](https://www.womena.com)
Key activities implemented during this reporting period:

SSA conducted a rapid assessment of the status of USAID SEED’s interventions with previous partners, namely NBE, the Agricultural Bank of Egypt (ABE), the Aquatic Union, and the General Authority of Fish Resources Development (GAFRD). The assessment focused on (1) assessing the impact of COVID-19 on Aquaculture and Dairy VCs, (2) identifying the areas of support needed by the banks to sustain the dairy program, (3) facilitating the aquaculture sector’s access to finance with selected financial institutions, (4) conducting a situational assessment to review the result of SEED’s cooperation with NBE, and (5) investigating the interest of Aquaculture VC stakeholders and financial institutions to use the feasibility studies developed by SEED to facilitate access to finance for MSMES in this VC.

The assessment revealed that NBE had great success extending credit lines through the credit program they developed for the dairy VC with SEED’s support. NBE has issued 34 loans to dairy collection and production centers, worth EGP 105 Million, also, between September and November 2020, around 250 applications were pending review. During the assessment meetings with ABE, the bank expressed interest in supporting the fishery VC and requested SSA’s assistance in building the capacity of the relevant staff members to understand the production cycle of the aquaculture industry, and the risks associated with this industry. The bank also requested SSA’s assistance to gain a better insight in the investment potential of this sector, developing lending tools, and facilitating linkages with potential clients. The ABE team has confirmed that fish transport was the main issue impacted by COVID-19, therefore they need to use the fish transport feasibility study developed by SEED to improve the fish transport system and to finance SMEs working in this field.

In December, the team finalized the first draft of the assessment report and discussed it with USAID’s AOR. Feedback was received, and will be incorporated into the final version of the assessment report.

- Supporting ABE in Financing Fishery SMEs

USAID SSA team conducted a meeting with the Executive Director of the SME department at ABE to further discuss financing fish transport and fish industry enterprises. ABE were interested in cooperating with SSA and expressed their willingness to study the possibility of financing SMEs in the fish industry areas as long as they can identify creditworthy clients. The bank is also willing to utilize the findings of a SEED modular financing study for refrigerated fish transport vehicles. ABE credit officers and targeted clients will need training on the technical aspects related to fish transport and processing.

In order to support ABE in financing SMEs in the fishery VC, SSA has met with the Chairman of the General Authority for Fish Resources Development (GAFRD) to discuss the possibility of obtaining a list of credible fish farm owners. This list of fish farmers would be presented to ABE as a list of potential clients. The Chairman showed great interest in sharing such a list of fish farm owners; however, he requested to obtain first a brief summary of the two feasibility studies for the fish transport and the fish processing. SSA developed the requested summaries and shared them with GAFRD Chairman.

- Building on success in the dairy VC

Capitalizing on the assessment findings, the team has worked closely with SSA’s outreach manager on the development of a success story highlighting the success of the NBE MSMEs dairy credit program, and another success story with an entrepreneur who benefited from the program.
In order to build on SEED’s success in the dairy VC, SSA agreed to develop an action plan to continue supporting NBE’s dairy VC financing program, and to assist NBE in studying investment in manufacturing white cheese, constructing stainless tanks for milk collection, and mixing feed, (needs that NBE have been highlighted during the assessment). Based on these findings, the SSA team has drafted the Scopes of Work (SOWs) for the feasibility studies for stainless-steel equipment fabrication, and for cheese manufacturing. These feasibility studies will support NBE in financing MSMEs working in these areas.

**Key activities planned for the upcoming reporting period:**

- Submitting the final assessment report;
- Organizing a meeting with the fishery VC stakeholders to discuss financing MSMEs in the VC, specifically in the area of refrigerated transport and processing. The team plans to follow up with the Chairman of GAFRD to arrange a meeting with ABE and the Aquatic Union to discuss the process;
- Regarding the feasibility studies requested by NBE, SSA plans to review and discuss with NBE and targeted clients the feasibility studies SOWs developed for Stainless Steel Equipment Fabrication, Cheese Manufacturing, and the Total Mixed Rations (TMR)li to ensure that the SOWs will generate the information required to make an informed decision by an investor or a financing institution wanting to work in these activities. USAID SSA will recruit the required STTAs for these studies and start implementing the feasibility studies during the next quarter.
Result 4: SME BUSINESS-ENABLING ENVIRONMENT ENHANCED

Output 4.1: Public-Private Dialogue sessions held

Key activities implemented during this reporting period:

Implement an assessment of needed technical assistance to foster the business environment

In September 2020, SSA has embarked in an assessment of the key needs of its Enabling Business Environment partners. Several meetings were conducted with different partners such as the Academy of Scientific Research & Technology (ASRT), MSMEDA, FEI and the Financial Regulatory Authority (FRA).

The Enabling Environment assessment has revealed that ASRT received a PM decree approval to establish its own company that will promote innovation and Research and Development (R&D). The company has been officially registered, and the company’s board members were appointed, but it is still not operational and does not yet have a business strategy, business model, implementation framework, and staff. The assessment also showed that ASRT is interested in activating law #23 to incentivize innovation and R&D, through encouraging universities to establish their own R&D companies in partnership with the private sector. The assessment also revealed the need for revising and amending Law #23 to provide better access to funding, and to provide better incentive packages (a need that is well recognized by ASRT).

FRA needs support for both focused awareness sessions and/or consultation sessions on: a) Modification of selected laws such as the microfinance law; b) new laws under development such as the crowd funding and the FinTech law; c) Activation of existing laws such as the consumer finance law.

FEI needs support for focused awareness sessions to fully implement the new procurement Law #182 and Law #5 and its pertaining sections/articles giving preference to local products. The target audience of these awareness sessions are consultancy offices and other government and private entities.

MSMEDA is currently working on the development of the executive regulations for the new MSMEs Law (#152 for 2020), which was issued in July 2020. MSMEDA needs support to hold consultation sessions on the articulation and enforcement of the law’s executive regulations (once they are issued). There is also a need to further promote awareness of the different laws and regulations that affect and regulate MSMEs, as well as to hold public-private dialogue sessions that would foster a more conducive business environment.

The analysis and discussions of the finding of the assessment has proposed the following activities for the first year of SSA:

- For FEI: Support the awareness and dialogue sessions on the activation of Law #182 (Public Procurement Law) and Law #5 (Preference for local products) for consulting offices that are tasked with writing technical specifications for public procurement transactions, in addition to other government and private entities;
- For the FRA: support for the crowdfunding law consultations with the business community and other relevant stakeholders;
- For MSMEDA: continue to support the consultation sessions on the executive regulations for the new MSMEs law;
- For ASRT: in pursuit of activating Law #23, support the organization of workshops with ASRT and other stakeholders to discuss the need to operationalize the new ASRT Company, and to establish two companies in partnership with the private sector (ASRT is encouraging universities to undertake this task).
- Consultation session on the executive regulations of the MSME law

MSMEDA’s first draft of the executive regulations of the new MSME law was due before mid-November. SSA supported MSMEDA in this task by conducting an online consultation session between MSMEDA’s executive regulation drafting committee and a group of MSMEs. The session was conducted on November 10, 2020, and lasted 2 hours. Around 25 MSMEs participated in the consultation session and shared their concerns with the committee and received answers to their questions.

Following the consultation session, SSA sent MSMEDA a report on the recommendations made by MSMEs in the sessions which included the following:

1. Clarifying the difference between incubators and accelerators.
2. Clarifying how the size of a business is determined under the new law.
3. Clarifying if the law will be applicable to professionals such as doctors, engineers, and lawyers.
4. Facilitating the procedures to close registered companies. Companies close for many reasons, especially during the COVID-19 pandemic. One of the biggest obstacles in closing a company is closing the company’s tax file. One of the participants stated that he has been trying to close his company for more than two and a half years, and he was told that it will take 10 years according to a notification that he received from the Egyptian Tax Department. Another attendee highlighted the need to clarify the protocol for angel investors wishing to exit entrepreneurial ventures.
5. Clarifying ways to support innovative projects, protecting intellectual property rights of small companies, and protecting small companies in an environment where large companies control the technology sector.

Key activities planned for the upcoming reporting period:

- Submitting the final assessment report;
• Planning, organizing and conducting public-private dialogue events between the GoE and the private sector;
• Developing a TA plan for each of the partners based on the findings of the assessment report;
• Conducting a meeting with FRA to discuss plans for the consultation sessions on the crowdfunding law;
• Planning a meeting with ASRT to better understand its needs, and to review with them the SOWs for the STTAs required to operationalize the ASRT company that would be responsible among other tasks for R&D funding for incubators and accelerators;
• Delivering the first public procurement awareness session for FEI, MoF, and other concerned entities;
• Continuing to communicate with MSMEDA to identify possible dates for the next PPD session on the new MSMEs law.

Output 4.2: OSSs supported to improve their business provision

Key activities implemented during this reporting period:

SSA reached out to FEDCOC to collaborate on ensuring the sustainability of the OSSs that were established under USAID SEED. SSA’s COP, DCOP, and OSS Senior Advisor organized and conducted a meeting with the Chairman of FEDCOC to develop a better understanding of FEDCOC’s needs in order to improve the operational sustainability of OSSs, the meeting also explored other possible areas of cooperation between SSA and FEDCOC.

SSA designed an assessment tool for the OSSs established under USAID SEED to gauge COVID-19 impacts on them, and to identify OSSs’ needs, and identify the OSSs that require further support under SSA. To carry out this assessment, the SSA team undertook several field visits to OSS centers in the FEI, Suez, and Mansoura. The OSSs that have been selected to receive SSA TA are those in FEI, Suez, Mansoura, Gerga (in Sohag), and Asyut.

The OSS assessment has shown that most OSSs are receiving strong support from their respective Chambers of Commerce boards. The OSSs assessed are financially secure, and their operational expenses and staff salaries are covered by their respective Chambers of Commerce. All of the OSSs surveyed showed a strong interest to provide their services online and the Sohag OSS is in the early stages of designing a system that would allow it to do so. The assessment also showed that some OSSs made their own modifications to improve the Customer Relationship Management (CRM) system that was developed by USAID SEED.

While the OSS assessment revealed the positive findings mentioned above, the assessment also identified some of the challenges that some of the OSSs are facing. To address these challenges, the main areas of support that the OSSs require are:

• Reviewing and adjusting the incentive scheme for OSSs in Suez, Asyut, Gerga and Mansoura,
- Developing the capacity of OSS managers and staff in the fields of communication, problem solving and time management skills,

- Improving the CRM systems,

- Piloting online registration services in one of the OSS centers to secure the provision of services during future lockdowns and to also facilitate the registration process,

- Developing a customer satisfaction and complaints management systems to ensure the sustainability of service quality.

The OSS Advisor developed the TA plan, and resumed the process of developing the OSS operational manual that was initiated under USAID SEED, and which will be used as a reference for OSS managers and staff, especially in training newly-hired team members.

**- One-Stop Shop in GAFI and/or one in MSMEDA transformed into Tamayouz model:**

In their efforts to support and assess the needs of the Micro, Small, and Medium Enterprise Development Agency (MSMEDA), SSA’s COP and DCOP held a meeting with the organization’s Head of Non-financial Services, who stated that the agency’s highest priority at this time is to draft the Executive Regulations for the new MSME law. He also mentioned that the agency is already working with the European Bank for Reconstruction and Development (EBRD) on an OSS model.

GAFI’s Sohag branch had requested support from USAID SEED to apply the Tamayouz OSS model in their branch. GAFI’s head office also requested a copy of the Trade and Investment Promotion in Egypt (TIPE) agreement between USAID and the GoE, in order to study the legal basis for potential cooperation with SSA. SSA provided GAFI with the agreement.

**Key activities planned for the upcoming reporting period:**

- Conduct field visits to assess the Gerga and Asyut OSSs (two of the aforementioned OSSs identified to receive SSA TA);

- Conduct, per USAID’s request an additional assessment for the Tahta and Sohag OSSs;

- Start implementing the TA plan and provide capacity building programs to the OSSs’ staff;

- Follow up with MSMEDA’s management after the executive regulations are finalized to reassess their interest in applying the Tamayouz model;

- Arrange for a meeting with the Head of the OSS Sector at GAFI to explore the possibility of cooperation to apply the Tamayouz model as a pilot unit in the GAFI’s Sohag OSS.
III. Cross-cutting issues

3.1 Gender Equity and Female Empowerment

**Key activities implemented during this reporting period:**

WEN: Please see WEN under output 2.2.

- Gender Consultation Session with USAID SIMPLE

SSA has conducted two gender consultation sessions with USAID SIMPLE in order to share lessons learned from USAID’s SEED gender unit, and to assist SIMPLE in drafting a USAID country-wide gender strategy for 2021 – 2026. SIMPLE required information to identify successful and non-successful gender interventions across different USAID projects in order to take them into account in this new USAID Gender Strategy. SSA’s representative gave a presentation focused on M&E approaches in gender interventions and the lessons learned from USAID’s SEED interventions, and introduced SIMPLE to the WEN’s steering committee

**Key activities planned for the upcoming reporting period:**

- The SSA Senior Gender Advisor will start working with technical advisors to ensure gender equity in the design of their planned activities.

3.2 Monitoring and Evaluation

**Key activities implemented during this reporting period:**

SSA’s Monitoring and Evaluation (M&E) advisor developed the first version of the MEL plan, in a participatory process with the SSA technical advisors to develop the MEL Plan indicators and targets. The plan was submitted to USAID on November 11, 2020. USAID provided feedback, which was incorporated in the second version of the plan which was sent to the AOR on December 27, 2020.

The M&E advisor also developed a template to help technical advisors in summarizing the assessment results and to provide them with data for developing the SSA’s work plan and the TA plan.

Finally, the M&E advisor carried out an online satisfaction assessment survey for the online PPD session that was held with MSMEDA on November 10, 2020. Attendees were sent an email soon after the session ended explaining the rationale for the assessment process and asking them to fill out the assessment form (a Google form). However, only a small number of attendees filled out the form. The next day, the M&E advisor sent the attendees a reminder, in which the anonymity of respondents, and the fact that the form only takes 3 minutes to fill, were emphasized. This led to a larger increase in the number of responses (a lesson learned for future similar sessions).

**Key activities planned for the upcoming reporting period:**

- Receiving and incorporating USAID’s feedback on the MEL plan.
3.3 Communications and Outreach

Key activities implemented during this reporting period:

- Branding & Visibility Support

USAID SSA’s Communications and Outreach Manager supports the USAID SSA team in complying with the branding and visibility standards outlined in the branding strategy that was finalized and approved by USAID. The Communication and Outreach manager also designed the backdrop, rollups, and other communication material for the project, including factsheets and a general infograph\(^4\) including the entrepreneur’s business growth road map, and what SSA’s supported networks offer BDS centers, incubators, and OSSs.

- USAID SSA Success Stories\(^5\)

USAID SSA has developed three success stories during this reporting period:

The first story highlighted the impact of a financial product for MSMEs that USAID SEED had advocated for, and supported the National Bank of Egypt in developing. The second success story focused on an Egyptian entrepreneur whose enterprise had benefited from a SEED financial product, and how that product impacted his business. The third success story highlighted the support that USAID SEED has provided to E-Youth\(^6\), and the initiative of E-Youth to pay back this support through the implementation of a program supporting YEN.

Key activities planned for the upcoming reporting period:

- In the upcoming quarter, USAID SSA plans to develop two more success stories covering the progress and success of two BDS centers, namely Ibn Souq and AYB. These stories will focus on the success of the centers in mitigating the effects of COVID-19 and in developing innovative business ideas to sustain their business and benefit their clients;
- Upon receiving USAID’s approval of the submitted infograph, the USAID SSA team plans to develop three more infographs covering in detail, the services provided by BDS centers, Incubators and OSSs;
- Finally, USAID SSA plans to launch a Facebook page for the project that will showcase the project’s activities and achievements, as well as increase its outreach through linking it to partners such as E-Youth.

\(^4\) The infograph is pending approval from USAID and is attached in Annex A for reference.

\(^5\) The Success Stories are pending USAID approval and are attached in Annex B for reference.

\(^6\) A youth organization dedicated to entrepreneurship education and training
IV. Lessons Learned

- COVID-19 had varying impacts on different organizations, proving that it is wrong to make blanket assumptions regarding business operations under the pandemic. Since the COVID-19 outbreak, some entities were able to cope more efficiently than others. Some entities also expanded their operations because of, not despite, the impact of COVID-19. Generally, some organizations managed to adapt, while others did not. To get an accurate picture of the situation, it is imperative to utilize a case-by-case approach, and study cases in different sectors to get a more accurate picture of the impacts of COVID-19. Therefore, it is essential that SSA waits until all assessments are finalized before completing the design of the rescue program.

- Working remotely and through online tools is not a luxury, but a necessity. A solid infrastructure on both organizational and personal levels is critical, and having the right setup to work online or remotely is integral to sustaining operations in some instances. Startups working in the tourism sector which pivoted to using Virtual Reality to take their products/services online are an example of successful approaches to address COVID-19 impacts. Evidence in the field make it clear that enabling SSA’s partners to move to digital service delivery is pivotal to their sustainability.

- The success of MSMEs in growing and expanding their business is evidence of SSA’s success, so SSA should keep its eyes on the impact of the project interventions on end beneficiaries. The 43 milk collection centers that received financing as a result of SEED’s efforts are a proof of this concept.

- Resource utilization will be maximized if activities are informed by the real need of partners and beneficiaries. The success of SEED’s efforts with NBE makes it imperative that SSA does not proceed with implementing the dairy feasibility studies until it ensures that implementation will meet the needs of MSMEs and financial institutions.

- Online assessments and surveys for online activities face the challenge of high non-response rates, compared to in-person activities where survey responses from attendees are guaranteed due to a certain amount of social “pressure” to reciprocate for the instructor’s/moderator’s time and efforts. As SSA’s experience with the satisfaction assessment conducted for the online PPD on Executive Regulations of the MSME law shows, response rates can be improved by sending attendees reminders to fill out the forms a day after the initial request. The reminder also emphasized the message that filling out the assessment form will not take a long time, and that responses are anonymous; so SSA will adopt those messages in future similar activities. The SSA team will generally maintain a flexible mindset, and will continue tweaking their plans and implementation approaches by introducing small changes when needed, depending on the nature of the activity and the target audience.
V. Annexes
Annex A: Infograph

The Entrepreneurs Road Map To Business Success

Enabling Environment
Laws/Regulations/Executive Orders, Digitalization/E governance, Financial Sustainability

WHAT WE Supported
MENTORSHIP  BUSINESS DEVELOPMENT  FINANCIAL SERVICES  NETWORKING

14 Incubator  16 BDG Center  10 One Stop Shop (OSS)
2116 MSMEs  1082 MSMEs  16000 MSMEs

19198 MSMEs Served

Know More!
Get in Touch!
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Annex B: Success Stories
Sustainability in Practice: A Success Story from the Dairy MSMEs Sector Reforms


Over the past few years, the Government of Egypt (GoE) has actively pursued a number of successful economic reform programs, aiming to help the Egyptian economy become one of the fastest growing emerging markets in the Middle East and Africa. The United States Agency for International Development (USAID) has always partnered with national entities to capitalize on the economic power and potential of MSMEs. Those collaborative efforts aim to develop Egyptian MSMEs, a vital key for unlocking economic growth, job creation, and improved livelihoods – especially for marginalized and underserved populations.

The agricultural sector accounts for 11.3% percent of Egypt’s Gross Domestic Product, and 28% of all jobs. To support this critical sector, USAID Strengthening Entrepreneurship and Enterprise Development (SEED) Project (November 2015 - April 2020) carried out a set of activities aiming to identify and better understand investment opportunities in the dairy value chain, amongst others.

USAID SEED’s initiative was based on a holistic approach that aimed to fully understand the VC and hence, it consisted of several phases starting with the research phase which focused on creating a comprehensive inventory of the Dairy VC’s needs, assessing the technical and financial gaps, and ranking those gaps in terms of severity and impact.

This information was then utilized to inform the development of investment opportunity profiles, which enable banks and sector-specific financial institutions to better analyze and understand the specifics of the dairy business cycle and hence, identify financing needs and how to address them.
This was done in close collaboration with the National Bank of Egypt, one of the country’s oldest bank, and a bank with a vast presence in rural areas were the dairy VC players are concentrated.

As a result of collaborative efforts of USAID SEED, investment profile, and investment linkage forums, the Central Bank of Egypt (CBE) removed one of the major impediments to the Dairy MSMEs, through making milk collection centers eligible for benefiting from the discounted interest rate financing scheme, at 5-10% APR available for manufacturing MSMEs. This was not previously possible as those centers used to be considered agricultural businesses. Moreover, NBE launched its first dairy lending initiative in August 2020, targeting milk collection centers looking for financing to upgrade their operations and transportation methods, while larger stakeholders can receive financing to establish milk collection centers. This is particularly valuable for milk production facilities in remote and underserved governorates like Sohag and Minya.

The initiative has provided 34 loans to dairy collection and production centers, worth 105 Million EGP. Mr. Tamer Badr Ali, SMEs Products Development Manager at NBE, stated that 54 investors have received 30 Million Egyptian Pounds in the time between September and November 2020. An additional 250 loan applications are currently under review by the bank, with an expected annual investment growth of 50 Million Egyptian Pounds.

Building on USAID SEED’s successes, and to sustain the project’s achievements in supporting MSMEs in Egypt, USAID’s newly launched activity, Sustainable Services Activity (SSA), continues to work on this initiative. USAID SSA will extend its cooperation with NBE, and any other interested financial institutions, to broaden the reach of the initiative.
Egyptian MSMEs, as a vital key player for economic growth, job creation, and improved livelihoods—especially for the marginalized and underserved populations. One of the focused sectors that employs MSMEs is the agricultural sector, more specifically, the Dairy Value Chain (VC). One of its main activities is the dairy production industry, where dairy investors continuously search for development opportunities in all steps of the operation, whether it’s crop production, animal welfare, milk quality, processing techniques or transportation efficiency.

With the help of the USAID’s SEED and NBE initiative that was based on a holistic approach aiming to fully understand the value chain, investment profile, and investment linkage forums, the Central Bank of Egypt (CBE) removed one of the major impediments to the Dairy MSMEs, through making milk collection centers eligible for benefiting from the discounted interest rate financing scheme, at 5-10% APR available for manufacturing MSMEs. This was not previously possible as those centers used to be considered agricultural businesses. Moreover, NBE launched its first dairy lending initiative in August 2020, targeting milk collection centers looking for financing to upgrade their operations and transportation methods, while larger stakeholders can receive financing to establish milk collection centers.

One of the Dairy investors is Ehab el Saeed Rashed, owner of a milk collection center in El Garbayia Governorate, who started working in the dairy field in 2010, collecting milk from large farms. In 2015, dairy factories of large size stopped dealing with milk collectors and switched to dealing directly with large farms.
Mr. Ehab pivoted to collecting milk from small and medium farms that produce 20-100 tons/day and established his own self-financed milk collection center. He started his business with 2 transport vehicles, and a limited number of cooling tanks that can hold 15 to 18 ton of milk per day. Lack of access to finance with a low interest rate, was a major challenge facing Ehab in growing his business and scaling it up. In order to expand the capacity of his center, he turned to NBE’s newly lunched dairy lending initiative.

After receiving the investment, Mr. Ehab doubled his center’s coolers and transport vehicles, boosting the processing capacity from 40 to 50 ton per day and quadrupled his number of employees. As a result, his suppliers increased from 12 to more than 50. This led Mr. Ehab to double his revenue, and encouraged him to apply for additional financing from NBE, which is expected to be issued near the end of December 2020.

In sustainment of USAID SEED’s successes and to building on its achievements in supporting MSMEs in Egypt, USAID’s newly launched activity, Sustainable Services Activity (SSA), continues to work on this initiative. USAID SSA will extend its cooperation with NBE, and any other interested financial institution, to broaden the reach of the initiative.

Some of the milk collection staff

While testing the quality of the milk
Young entrepreneurs in Egypt are changing the economic landscape of the country. They are creating jobs, solving problems and creating their own futures. The staggering unemployment rates along with the prosperity of innovation, have given youth an incentive to seek alternative methods to upgrade their status and standards of living. Entrepreneurship can successfully promote economic growth, offer jobs to decrease unemployment rates, and provide a pool of innovative services needed in the country. Entrepreneurship also helps promote competition as it changes the market structure by allowing for new entrants to be included in the economy. For these reasons entrepreneurship has become a crucial aspect of Egypt’s economic activity making it a cornerstone and an important pillar in the economic development process. While youth still lack access to information and resources, this entrepreneur’s journey contributes to the creation of educational programs for young people.

Identifying the need of young people and education beyond the University system is how Mustafa Abd el Latif, a young Engineer-who graduated from Assiut University in 2017 with a degree in Electronics and Communication Systems Engineering, started. He is currently the Co-founder and CEO of EYouth. EYouth started by a group of friends as a student’s initiative in 2011. The initiative aimed to provide educational programs for young people between the ages of 18 to 40 years old. EYouth started teaching young people how to become entrepreneurs and empower them to make well-informed decisions about their future, whether they choose to become entrepreneurs or not, and help resolve the youth unemployment crisis, rescue low-income communities and consequently close the wealth gap.

When they started implementing their program, they chose to reach young people by going to them all over Egypt’s governorates rather than bring their clients to Cairo. It is a model built on reaching out to young people, rather than centralizing all activities in the capital; going to young people in their local communities.
During their journey working with youth all over Egypt, EYouth participated in a USAID SEED Project’s program “Saqiat el Saeid” in Sohag in 2016, accordingly USAID’s SEED started encouraging E-youth to formalize their business and they created a social enterprise company to increase their revenues and guarantee sustainability. Additionally, USAID’s SEED supported EYouth technically by providing a consultant who worked with EYouth to build their capacity as an organization and restructure the business. That step helped EYouth to implement business plan competitions throughout Egypt for the USAID’SEED project.

Currently, EYouth is a social enterprise that empowers youth by educating, training and connecting them with suitable resources in the field of entrepreneurship, career development and personal development. They have activities and training in all governorates across Egypt through 24 branches. The current market value of the company is 60 million Egyptian pounds with 200 employees and has trained more than 4,000 trainers implementing programs with different Ministries, UN agencies, Corporates Companies. They are currently expanding outside of Egypt and starting to implement programs in Saudi Arabia and are planning future cooperation to work in Sudan, Emirates and Kuwait.

Harvesting the result of all efforts in November 2020, EYouth, won the Best Company award in the field of sustainable development from the “Tanmia” initiative launched by the Ministry of State for Information, Ministry of Youth and Sports, Ministry of Planning and Economic Development and Ministry of Environment.

EYouth is currently cooperating with USAID’s Sustainable Services Activity (SSA) program and providing a virtual training at no-cost to help co-working spaces/youth hubs across the country that suffered greatly because of COVID-19. EYouth is helping to sustain the work that started during the USAID SEED project and through this program helping to support the Youth Entrepreneurship Network (YEN). The youth hubs program is a step in developing a strong base for transforming YEN to be a virtual hub that centralizes and streamlines entrepreneurship activities and services available for youth and providing them with some services to survive the COVID-19 pandemic. EYouth is an example of an organization that is started by a group of young people and was able to transform to a successful company through the help of USAID and is now giving back to young people in a program supported by USAD SSA.
Annex C: Performance Indicator Tracking Table (PITT)
USAID Goal: Foster Egypt’s self-reliance

| Indicator Statements                                                                 | Target FY 2022 | Cumulative Achieved to Date | Output 1.1: Incubators enhanced | Output 1.2: BDS Centers became financially sustainable | Output 1.3: Pool of SEED | Output 2.1: Most affected startups and MSMEs received COVID-19 assistance | Output 2.2: BDS Centers adopted COVID-19 rescue program | Output 3.1: Startups and MSMEs improved services and provided with support | Output 3.2: Startups pitched to investment opportunities and mentors expanded | Output 3.3: Supported banks issued loans for MSMEs | Output 4.1: Public-Private environment enhanced | Output 4.2: OSSs supported to
|
| Number of USG-supported entrepreneurs who launched startups and grew their business models | 18            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Percentage change in sales of firms receiving USG-funded assistance | 0%            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Full-time equivalent employment of firms receiving USG assistance | 25            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Total Number of clients benefiting from financial services provided through USG-assisted financial intermediaries, including non-financial institutions or actors | 320           | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of affected startups and MSMEs receiving assistance | 25            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of microenterprises supported by USG assistance | 25            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of new women mentors trained to join mentors network aimed at increasing access to productive economic value chains operating in SEED-supported BDS centers and BDS centers that became financially sustainable | 2            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of successful transfers from non-seed ventures to seed-stage businesses | 20            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of startups seeking to take advantage of investment opportunities in angel investors and mentors | 25            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of TIYE Angels receiving training on assessing opportunity and startup needs | 20            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of women-owned startups that pitched to TIYE Angels' investment opportunities and startup needs | 18            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
| Number of OSSs receiving TA aiming at improving service quality, access, and support | 18            | 0                            | 0                               | 0                                                      | 0                      | 0                                                             | 0                              | 0                  | 0                             | 0                                               | 0                                                      | 0                                                          | 0                                                          |
|
| USAID SSA Logframe                                                                 | 2022(Project Y2) | 2021(Project Y1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |