LOOKING BEYOND THE OBVIOUS: UNVEILING SME CONSTRAINTS IN EGYPT AND THE POLICY RESPONSES NEEDED

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This working paper builds on the outcomes of the joint ECES–European Bank for Reconstruction and Development (EBRD) project, which aimed to foster dialogue with Egyptian SMEs and gain a deeper understanding of the challenges they face. It extends the analysis through additional research and assessment.

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Abstract

Small and medium-sized enterprises (SMEs) are central to Egypt's private-sector economy, yet their capacity to grow and contribute fully to economic development remains constrained by persistent and interrelated barriers. This study examines the key constraints affecting SMEs in Egypt and translates the evidence into policy priorities for strengthening their operating environment. It combines a review of existing evidence on the SME ecosystem with primary insights from focus group discussions and a survey involving SMEs across sectors and geographical locations, complemented by an examination of relevant international experiences. The study identifies critical horizontal, sectoral and geographical areas where existing policies, institutions, and support mechanisms do not adequately correspond to the practical needs of SMEs. Based on these findings, the study proposes specific policy recommendations aimed at improving the conditions for SME development and strengthening their contribution to sustainable and inclusive economic growth in Egypt.

تعد المشروعات الصغيرة والمتوسطة ركيزة أساسية في اقتصاد القطاع الخاص في مصر، إلا أن قدرتها على النمو وتعظيم إسهامها في التنمية الاقتصادية لا تزال مقيدة بمجموعة من المعوقات والتحديات المستمرة والمتشابكة. وتتناول هذه الدراسة أبرز التحديات التي تواجه هذه المشروعات، وتسعى إلى تحديد أولويات السياسات اللازمة لتحسين بيئة عملها ودعم قدرتها على النمو. ولتحقيق ذلك، تجمع الدراسة بين مراجعة الأدبيات حول منظومة المشروعات الصغيرة والمتوسطة، وتحليل النتائج المستخلصة من جلسات مجموعات النقاش المركزة، إلى جانب نتائج استطلاع رأي أجراه المركز على عينة من المشروعات الصغيرة والمتوسطة تمثل مختلف القطاعات والمناطق الجغرافية، فضلًا عن الاستفادة من عدد من التجارب الدولية الناجحة ذات الصلة.

وتسلط الدراسة الضوء على مجموعة من المجالات الرئيسية، على المستويات الأفقية والقطاعية والجغرافية، التي تكشف عن فجوات بين السياسات والمؤسسات وآليات الدعم القائمة من ناحية، والاحتياجات الفعلية للمشروعات الصغيرة والمتوسطة من ناحية أخرى. واستنادا إلى هذه النتائج، تقدم الدراسة مجموعة من التوصيات المحددة بهدف معالجة هذه الفجوات، وتحسين البيئة الداعمة لتنمية المشروعات الصغيرة والمتوسطة، وتعزيز قدرتها على الإسهام في تحقيق نمو اقتصادي مستدام وشامل في مصر.

Keywords: SMEs, Egypt, Ecosystem, Challenges, International Best Practices, Policy Recommendations.

1. INTRODUCTION

Small and medium-sized enterprises (SMEs) constitute a fundamental component of Egypt's private sector and play a central role in employment generation, income creation, entrepreneurship, innovation, and local economic development. Representing more than 90% of enterprises in Egypt, SMEs are particularly important for broadening the productive base of the economy and creating opportunities for economic participation across sectors and geographical areas. Their contribution, however, extends beyond their numerical significance. Strengthening the performance and resilience of this segment is therefore closely linked to Egypt's broader objectives of achieving sustainable and inclusive private-sector-led growth.

Despite their importance, SMEs operate within an environment characterized by a range of structural, institutional, financial, regulatory, and market-related constraints. These challenges may affect different categories of SMEs in different ways, depending on their size, sector of activity, stage of development, location, access to finance and markets, and managerial and technical capabilities. Moreover, the business environment in which SMEs operate is not static. Changes in domestic economic conditions, technological developments, evolving consumer and market requirements, and increasing integration into global value chains continue to alter the opportunities and constraints facing smaller firms. Consequently, effective SME policy requires not only broad-based support measures, but also a clear understanding of the specific sectoral constraints that currently limit firms' ability to establish, survive, grow, innovate, and compete.

The need for such an assessment is particularly relevant in the Egyptian context, where considerable efforts have been undertaken by government institutions and other stakeholders to strengthen the SME ecosystem. Nevertheless, the existence of support programs and institutional mechanisms does not necessarily imply that they fully respond to the needs of SMEs or effectively address the constraints encountered at the firm level. There is therefore a need to examine the SME ecosystem from both a systemic and an enterprise perspective, identifying where existing arrangements facilitate business development and where gaps, bottlenecks, or unintended barriers remain. Such an approach can help distinguish between challenges that are common across the SME population and those that are particularly pronounced among specific sectors, locations, or types of enterprises.

Against this background, this study seeks to identify the most pressing challenges currently confronting SMEs in Egypt and to formulate policy recommendations that can contribute to a more conducive environment for their sustainable development. Although considerable research has examined the SME sector in Egypt, much of the existing literature has focused on its general characteristics and broad policy recommendations, with limited attention to an in-depth diagnosis of the specific constraints facing enterprises across different sectors and geographical locations. In particular, there remains a need for a more granular assessment of the challenges experienced by SMEs and for corresponding, context-specific solutions that address their distinct circumstances. This study seeks to address this gap through an evidence-based, multidimensional approach that combines an assessment of the broader SME ecosystem, direct insights from enterprises through focus group discussions, and lessons drawn from relevant international experiences. By integrating these different sources of evidence with ECES's accumulated research on SMEs, the study aims to develop policy recommendations that are grounded in the actual experiences and needs of small and medium enterprises themselves and responsive to the diversity of the Egyptian SME sector.

The paper's methodology proceeds along four complementary analytical dimensions. First, it undertakes a systematic review of the institutional arrangements to provide a concise yet comprehensive assessment of the key dimensions of the ecosystem within which Egyptian SMEs operate. Second, it complements the desk-based analysis with primary evidence collected through detailed focus group discussions (FGDs) and distributed surveys involving SME representatives across different sectors and geographical locations. This component provides direct insights into the constraints experienced by enterprises in practice and helps identify issues that may not be fully captured through secondary data or policy documents. Third, the study examines selected international experiences to identify approaches, institutional arrangements, and policy instruments that may offer relevant lessons for Egypt, while recognizing the importance of adapting international practices to the country's specific economic and institutional context. Fourth, the findings from these three analytical components are integrated with ECES's accumulated research on SMEs to identify the principal constraints facing Egyptian SMEs and translate these findings into targeted and actionable policy recommendations.

By bringing together secondary evidence, firm-level perspectives, international experience, the study seeks to contribute to a policy framework that is responsive to the diversity of Egypt's

SME population and capable of supporting a healthier, more resilient, and more sustainable development trajectory for this critical segment of the economy.

The remainder of this paper is structured as follows. Section 2 provides an overview of the Egyptian SMEs ecosystem. Section 3 describes the sampling methodology and presents the results of the statistical analysis of data collected from the surveys. Section 4 examines the problems and concerns raised in focus group discussions. Section 5 presents the main policy recommendations aimed at addressing these problems and improving the status of SMEs in Egypt. Finally, Section 6 concludes the study.

2. Overview of the Egyptian SMEs Ecosystem

There are 3.6 million micro, small and medium enterprises in Egypt with total labor of 9.7 million. There has been an exponential growth of SMEs in Egypt since the 1990s due the private sector's inability to provide decent jobs to accommodate the increasing labor supply, as well as a lack of job opportunities in the public sector (ILO, 2019). The Egyptian government has been promoting SMEs since the late 1900s and early 2000s and has sought to do so by adopting the "National Policy for SME Development".

Yet despite the importance of such enterprises for Egypt, obstacles often stand in the way of their development, such as financial and regulatory issues, inadequate infrastructure, and unskilled workers. Provided here is the framework of the SMEs ecosystem, followed by a detailed presentation of the regulatory and institutional frameworks within which SMEs operate.

2.1. General Framework of the Egyptian SMEs Ecosystem

This section outlines the main characteristics of Egypt's SME ecosystem, based on the literature, and examines the fragmentation of the institutional SME policy framework, measures undertaken to address it, and the multifaceted challenges that continue to constrain SME development.

2.1.1. Fragmentation of the institutional SME Policy Framework

The institutional SME policy framework in Egypt is highly fragmented. This institutional arrangement blurred the distinction between policymaking and policy implementation, as no single entity was entrusted with coordinating SME policy across government. As a result, the formulation and execution of SME-related initiatives were undertaken by multiple institutions with overlapping mandates, limiting the coherence and effectiveness of government support.

Within this framework, several public institutions assumed complementary but distinct roles in promoting SME development. The Social Fund for Development (SFD) acted as the primary provider of financial and business support services for micro and small enterprises. The General Authority for Investment and Free Zones (GAFI) concentrated on fostering investment and facilitating the growth of enterprises with strong expansion potential, while the Industrial Modernization Centre (IMC) focused on improving the competitiveness of industrial firms by offering technical assistance, modernization programs, and capacity-building services. Although these organizations addressed different dimensions of enterprise development, their activities were implemented under separate institutional arrangements, reducing opportunities for integrated policy delivery. Some form of co-ordination took place through cross-board representation in the implementation agencies (SFD, GAFI, IMC), but co-ordination remained difficult in the absence of a comprehensive SME development strategy, defining common objectives, institutional responsibilities, or implementation mechanisms.

2.1.2. Taken steps to address the fragmentation of the SME policy framework

Recognizing the institutional fragmentation that had constrained the effectiveness of SME support policies, the Egyptian government introduced a series of reforms aimed at strengthening governance, enhancing institutional coordination, and establishing a more coherent framework for MSME development.

- In November 2016: launching of a National Strategy for Enhancing Industrial Development and Foreign Trade until 2020 by the Ministry of Trade and Industry, under this strategy, the "National MSME & Entrepreneurship Development Strategy & Operational Plan 2018-2023" was developed.
- In April 2017: Establishment of the new MSME Development Agency (MSMEDA) under the direction of the Minister of Trade and Industry.
- MSMEDA absorbed the responsibilities of the SFD, the Industrial Training Centre (ITC), and the IMC's responsibilities related to entrepreneurship and SME support. One of the main roles of MSMEDA would be to ensure co-ordination among the different government structures dealing with SMEs, thereby reducing fragmentation and enhancing the effectiveness of public support programs.

Although these institutional reforms marked a significant step toward strengthening the governance and coordination of Egypt's SME ecosystem, they have not fully addressed the structural constraints affecting the sector. While the establishment of MSMEDA improved the institutional framework and centralized many SME support functions, several policies, institutional, and financial challenges continue to limit the growth and competitiveness of SMEs. Consequently, despite the progress achieved in reforming the governance architecture, the SME sector continues to face a range of multifaceted challenges that hinder its development and constrain its contribution to economic growth and employment generation.

2.1.3. Multifaceted challenges still impede further development of SMEs sector in Egypt

Despite the existence of multiple institutions supporting small and medium-sized enterprises (SMEs), a significant policy gap remains in addressing the needs of high-growth-potential SMEs, as these institutions are active but often operate in isolation rather than through a coordinated framework. Existing policy instruments also tend to favor medium-sized, well-established industrial enterprises over younger and emerging firms, limiting the latter's access to tailored support. This lack of institutional coordination reduces the effectiveness of support programs, preventing them from adequately serving their intended SME beneficiaries. Access to finance remains another major challenge, as banks have traditionally been reluctant to finance SMEs, while loan approval procedures for small and medium-sized enterprises remain as complex and demanding as those for large businesses. These financing constraints are further compounded by the limited financial, credit, and administrative capabilities of many SME managers, as well as the absence of robust feasibility studies that financial institutions can rely on when assessing loan applications.

2.2. Regulatory, Institutional, and Financial Framework of Egypt's SME Ecosystem

This section examines the regulatory, institutional, and financial framework of Egypt’s SME ecosystem, covering the laws and regulations that directly or indirectly affect SMEs, the institutional architecture and responsibilities of relevant entities, and SMEs’ access to finance’ status.

2.2.1. Regulatory framework

SMEs are subject to a long list of laws, either directly or indirectly related to SMEs operation in Egypt (Annex 1).

2.2.1.1 Laws directly related to small and medium enterprises

Egypt has established a dedicated legal and institutional framework to support the development of micro, small, and medium enterprises (MSMEs). A central component of this framework is **Law No. 152 of 2020 on the Development of Medium, Small and Micro Enterprises, together with its Executive Regulation** issued under Prime Ministerial Decision No. 654 of 2021. The law regulates the work of startups in terms of incentives, tax status, issuance of approvals, permits and operating licenses.

Another important piece of legislation is Law No. 155 of 2022, which amended provisions of Law No. 141 of 2014 regulating the financing of medium, small, and micro enterprises. The amendments sought to address obstacles encountered by financing entities in conducting their activities and to respond to practical deficiencies identified in the application of the existing framework. The law also regulates financial intermediation activities related to obtaining or granting financing, while seeking to strengthen the protection of parties involved in these transactions.

The direct SME framework is further supported by **Prime Ministerial Decision No. 947 of 2017, as amended by Decision No. 2370 of 2018,** which established the Micro, Small and Medium Enterprise Development Agency (MSMEDA). The Agency is mandated to formulate and develop strategic policies and plans for MSME and entrepreneurship development and to establish mechanisms for coordination among the entities and initiatives operating in this area. Its responsibilities also include developing programs to support the sector, including capacity-building and human-resource skills development, integration of MSMEs into supply chains, and the development of domestic and international marketing capabilities. The establishment of MSMEDA therefore represents an important step toward providing a dedicated institutional structure for SME development and coordinating relevant interventions.

2.2.1.2 Laws indirectly related to small and medium enterprises

In addition to the legislation specifically targeting MSMEs, a broader set of laws shapes the regulatory, investment, taxation, financing, market-access, and operational environment in which these enterprises operate. These laws do not exclusively target SMEs but have significant implications for their establishment, operation, growth, financing, and exit from the market.

Law No. 11 of 2018 regulating restructuring and preventive bankruptcy reconciliation, as amended by Law No. 11 of 2021, provides a framework for business restructuring and exit from the market. The amendments sought to address practical issues arising from the implementation of the original legislation and to strengthen preventive bankruptcy reconciliation mechanisms. Such provisions are relevant to SMEs given the importance of appropriate restructuring and exit mechanisms to the sustainability and orderly resolution of distressed enterprises.

Law No. 72 of 2017, the Investment Law, establishes a framework aimed at improving Egypt's investment climate, attracting and stimulating domestic and foreign investment, and providing incentives to investment projects. The investment environment created by this legislation is relevant to SMEs through its implications for business establishment, investment activity, and the incentives available to eligible projects.

The taxation environment is governed, among other legislations, by **Law No. 91 of 2005 on Income Tax**, which regulates the imposition of annual income tax on the total net income of resident and non-resident natural persons in relation to income earned in Egypt. Tax-related legislation is particularly relevant to SMEs because taxation constitutes an important component, and sometimes a bottleneck, of the regulatory and operating environment within which enterprises conduct their activities.

The financing environment has also been influenced by legislation governing non-banking financial activities. **Law No. 5 of 2022 regulating and developing the use of financial technology in non-banking financial activities** seeks to promote the use of financial technology, enhance financial inclusion, broaden the beneficiary base of non-banking financial services, improve efficiency, and reduce the costs associated with accessing such services. The law also strengthens the regulatory role of the Financial Regulatory Authority (FRA) over the use of modern and innovative technologies in non-banking financial activities, including requirements related to transparency, governance, consumer protection, and the use of technological tools.

Similarly, **Law No. 140 of 2014 regulating micro-finance activities, as amended by Law No. 201 of 2020,** regulates the provision of financing to micro-enterprises through non-banking channels. The legislation is particularly relevant to enterprises operating outside the formal banking system and seeks to establish a regulated framework for an activity that had historically been conducted, to a considerable extent, through informal financing mechanisms.

The tax administration framework was further amended through **Law No. 176 of 2022,** which amended provisions of the Unified Tax Procedures Law promulgated by Law No. 206 of 2020. The framework aims to consolidate procedures for the assessment and collection of various taxes and state financial charges, including income tax, value-added tax, stamp tax, and other related taxes and fees. By establishing common procedures for tax administration, the legislation forms part of the broader regulatory environment affecting enterprises.

Business licensing is addressed through **Law No. 15 of 2017 on Facilitating Procedures for Granting Licenses for Industrial Establishments.** The law regulates the requirements and documentation associated with obtaining industrial licenses, as well as procedures for regularizing existing factories, applicable fees, and the functioning of grievance committees. These provisions are particularly relevant to SMEs in manufacturing and other industrial activities, for which licensing requirements can directly affect market entry and continued operations.

The legal framework governing business registration was also amended by **Law No. 198 of 2020, which amended provisions of Law No. 34 of 1976 on the Commercial Registry**. Among other changes, the amendment addressed requirements concerning people registered in the commercial registry and the approvals required for conducting commercial or industrial activities. The commercial registration framework is consequently an important component of the formalization and establishment process for enterprises.

Law No. 4 of 2018, amending the Joint Stock Companies and Partnerships Limited by Shares Law No. 159 of 1981, also has relevance to smaller investors and enterprises. One of its objectives was to facilitate the establishment of companies by small investors, including enabling individuals to establish companies in the form of sole proprietorships. Such provisions can facilitate the formal establishment of smaller businesses and expand the available legal forms for entrepreneurial activity.

The availability of alternative financing instruments is supported by **Law No. 176 of 2018 regulating financial leasing and factoring activities**. The law establishes a regulatory framework for these non-banking financial instruments, which can provide financing alternatives for enterprises, particularly SMEs, while also regulating microfinance leasing activities intended to support microenterprises.

The non-banking financial sector is further governed by **amendments to the Capital Market Law introduced through Law No. 13 of 2022**. These provisions contribute to the regulation, development, control, and supervision of non-banking financial activities under the FRA, including insurance, securities, financial leasing, and real-estate mortgage activities. The framework is relevant to SMEs insofar as these activities constitute potential channels through which enterprises can access financial services and financing instruments.

Access to public procurement opportunities is also influenced by legislation concerning the use of Egyptian products in government contracts. **Law No. 5 of 2015 on the Use of Egyptian Products in Government Contracts**, as subsequently amended, establishes requirements concerning the share of the Egyptian industrial component in government contracts. Government agencies and companies in which the state holds a controlling interest are generally required to consider products meeting specified local-content requirements (40% of the project contract price), subject to the exceptions established by law. The framework therefore has potential implications for SMEs by creating opportunities for domestic producers and suppliers to participate in government-related markets.

Finally, **Law No. 92 of 2018 regulating and encouraging the work of mobile food units** establishes a framework for licensing and regulating mobile food activities. The legislation is relevant to small-scale entrepreneurial activity by providing a formal regulatory framework for food carts and other mobile food units, thereby facilitating their operation within the formal economy.

Overall, Egypt's SME-related legal environment extends well beyond legislation specifically dedicated to MSMEs. The direct framework provides targeted provisions for SME development, financing, and institutional support, while the broader body of legislation shapes the conditions under which SMEs enter, operate, finance, expand, and exit the market. Examining both dimensions is therefore essential for understanding the regulatory environment facing SMEs and

for assessing whether the overall legal framework is sufficiently coherent and responsive to their needs.

2.2.1.3 Key notes about SMEs Regulatory Ecosystem

Since 2008, Egypt has undertaken a multi-year regulatory reform program, the Egyptian Regulatory Reform and Development Activity (ERRADA). The activities of ERRADA include an inventory of all regulations related to the business environment and the participation in the review of laws such as the Franchise Law and the Bankruptcy Law. Regulatory Impact Analysis (RIA) has been applied in some cases, such as the revision of the Franchise Law. However, there is no evidence of the consistent application of RIA on business regulations.

A new Law on the Simplification of Industrial Licensing Procedures was issued in May 2017 as a response to outdated industrial laws from the 1950s. According to the Law, the license of the Industrial Development Authority (IDA) became the sole license required for establishing and operating an industrial facility.

In addition, the Ministry of Investment introduced reforms at the Investor Service Centre, which extends the necessary approvals, certifications and licenses needed for the establishment, operation and dissolution of a company. Those reforms include the introduction of a tool to measure users' satisfaction and new centers in different governorates.

Concerning reforms to facilitate the creation of new enterprises:

In 2014, Egypt worked on introducing a single identification number through its extensive network of one-stop shops, managed by GAFI, SFD, IDA and the chambers of commerce, all over Egypt. Additionally, according to the Investment law no. 72 of 2017 (in Article 51): "each facility or company, regardless of its legal form, shall have a unified national number to be used for all its investment dealings with all the different authorities and bodies in the state once it is activated.".

In terms of online registration:

The facilities were available, albeit on a limited scale. Additionally, the responses to this interim assessment note that companies can be created online by uploading the necessary documents. Moreover, the entrepreneur is nonetheless requested to physically sign the documents at GAFI's premises in order to obtain the tax card and the social insurance number. Also, these are done in a single step, while the relevant fees can be paid online.

Furthermore, according to Doing Business, in 2016, Egypt improved its one-stop shop for business registration by introducing a unit to liaise between the tax and labour authorities on one hand, and the firm on the other. Additionally, this means that the investor (or entrepreneur) now obtains the certificate of incorporation and the tax card, and registers for social insurance, in one window and one step.

In terms of bankruptcy procedures:

A new law was approved by parliament on 28 January 2018. Additionally, The Law effectively decriminalizes bankruptcy by abolishing prison sentences and allows companies more time and options for restructuring by introducing mechanisms to help settle commercial disputes outside the courtroom and simplify bankruptcy proceedings. Moreover, The Bankruptcy Law also reduces the liquidation period for companies to nine months, instead of the current average of more than two years.

The implementation of a single identification number, mandated by the new Investment Law, should facilitate dealings with different public agencies; nonetheless, there is no information on how and when this would be implemented.

There is also work ahead regarding the implementation of the reforms to the bankruptcy framework, especially given Egypt's rather lacking performance on resolving insolvency in Doing Business 2020 (ranked 104).

2.2.2. Institutional framework of SMEs in Egypt

The institutional framework supporting SMEs in Egypt comprises a range of government entities and institutions whose mandates and initiatives address different dimensions of enterprise development, including financing, entrepreneurship, market access, skills development, and business support.

The **Micro, Small and Medium Enterprise Development Agency (MSMEDA)** is the central entity concerned with the development of MSMEs and entrepreneurship. Its role includes coordinating and unifying the efforts of government authorities, civil society organizations, and other initiatives operating in the field. The Agency is also responsible for supporting the establishment of a national program for enterprise development and creating an enabling environment for SME growth.

The **Ministry of Social Solidarity** contributes to SME and productive-family development through cooperation with MSMEDA, particularly in relation to marketing opportunities. Its relevant activities include supporting the costs of temporary exhibition venues, encouraging Social Solidarity Directorates in the governorates to undertake marketing studies, following the development of productive-family products, and organizing local exhibitions.

The **Ministry of Local Development**, through the **"Your Project" (Mashroak) Initiative**, targets micro and small enterprises across economic activities. The initiative seeks to facilitate access to financing for young people and citizens wishing to establish businesses through cooperation between national banks and local administration. It also provides loans and supports the issuance of operating licenses, although the one-stop-shop mechanism was reported as not activated.

The **Ministry of Agriculture** supports small farmers through several financing and social-protection initiatives. These include concessional financing for agricultural and horticultural crops at an interest rate of 5%, with the state bearing an additional 7% annually. In coordination with the Central Bank of Egypt, eligibility under the SME initiative for agricultural activities was also adjusted by reducing the annual sales threshold from EGP 1 million to EGP 250,000. In addition, the Ministry participates with the Ministry of Social Solidarity in the **"Bar Aman"** presidential initiative, which provides support and protection to fishing workers.

The **Central Bank of Egypt (CBE), in cooperation with Egyptian banks**, plays an important role in expanding SME financing and developing financial and non-financial support services. According to the source, bank financing to these enterprises reached EGP 316 billion between December 2015 and December 2021, while Business Development Services Centers provided 111,000 services between July 2019 and January 2022, including assistance with financing, financial analysis, and licensing. The CBE also increased the required share of bank credit allocated to medium and small enterprises to 20–25% of total credit facilities, with at least 10% allocated to small enterprises, and developed a unified national definition for medium and small enterprises.

The CBE and Egyptian banks have also implemented targeted financing initiatives, including a **5% financing initiative** for small companies and enterprises in selected sectors, particularly industrial and labor-intensive activities, as well as a **7% initiative** providing medium-

and long-term financing for machinery, equipment, and production lines for eligible medium-sized enterprises in industrial, agricultural, and renewable-energy activities. In addition, the **"Nile Pioneers" Initiative** includes business incubators and Business Development Services Centers intended to support innovation and competitiveness.

The **Information Technology Industry Development Agency (ITIDA)** is also identified among the entities operating within the SME development framework. However, the material provided describes its role using the same financing and licensing functions attributed elsewhere to the "Your Project" initiative; therefore, these functions should be verified against ITIDA's establishment mandate before being presented as ITIDA-specific responsibilities.

The **Bedaya Center for Entrepreneurship and SME Development**, established in 2011 by a decision of the Board of Directors of the General Authority for Investment, was established to support the growth and development of small and medium investments in Egypt and contribute to job creation. Its activities include providing business development services, facilitating access to financing, encouraging young people to establish and manage entrepreneurial businesses, and coordinating initiatives and programs with the Egyptian, regional, and international business environment. The Center also aims to contribute to raising the competitiveness of the SME sector.

The **National Council for Women (NCW)** contributes to SME and entrepreneurship development through its **Women's Skills Development Center**, with a particular focus on strengthening women's productive and entrepreneurial capacities. Its initiatives include **"Adaha Wadoud,"** which provides skills training in various crafts, and **"Masryia,"** implemented in cooperation with the Sawiris Foundation for Social Development and the Ibdaa Initiative of Bank of Alexandria, which supports women entrepreneurs in marketing their products through an electronic catalogue.

The Council has also implemented the **"Mashghal"** initiative, which provides women with vocational training and production facilities, alongside the **"Basic Guide for Starting a Private Business"** program, implemented in cooperation with the Egyptian Banking Institute to strengthen the capacity of women who own microenterprises or have business ideas.

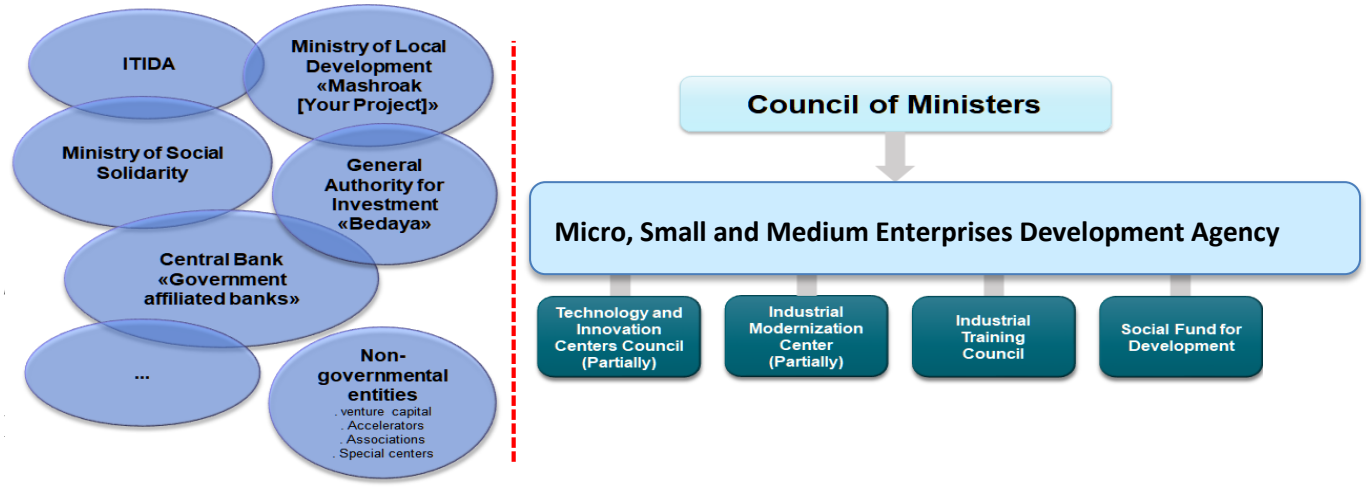
Further support is provided through the **Express Mentorship Program**, which connects businesswomen with experts for direct, interactive advice, as well as training programs implemented in cooperation with the Bank of Alexandria and the Egyptian Banking Institute

covering entrepreneurship and financial inclusion. The Council has also implemented the **"Food is a Craft"** initiative in cooperation with private-sector and international partners.

Taken together, the institutional landscape is characterized by the involvement of multiple entities operating across financing, business development, licensing, market access, entrepreneurship, skills development, and targeted support for specific groups. The range of mandates and initiatives demonstrates the breadth of institutional support available to SMEs, while also underscoring the importance of effective coordination among the various actors within the SME ecosystem.

Hereafter, an illustration summarizing the institutional framework of MSMEs and business services providers and provided as shown in figures (1), (2) and (3).

Figure 1. Illustration of the Status Quo of the Institutional Framework of MSMEs



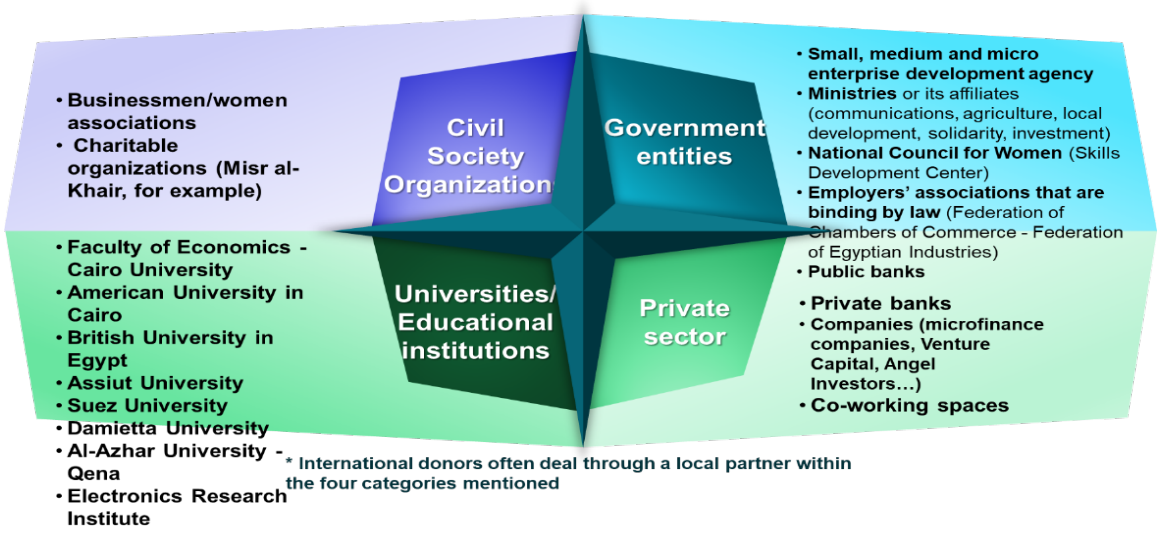
Source: Prepared by ECES.

Figure 2. Ecosystem of MSMEs



Source: Prepared by ECES.

Figure 3. Map of Business Services according to the Service Provider – Examples



Source: ECES, *Entrepreneurial Guide for Egyptian Women*, 2018.

Then, we deduce the main reasons for the need for a new institutional setup different from the existing one:

- Administrative and legal problems as a result of the inclusion of entities with different institutional frameworks
- Absence of performance oversight over the current body through performance follow-up indicators
- One entity performing both functions: Policy development and implementation
- The agency has no real authority concerned with coordination among all government agencies working in this field.

2.2.3. Access to finance

Egyptian authorities are trying to stimulate the supply side of finance and to establish tailored funding schemes. In 2016, the CBE launched an initiative to increase finance for SMEs and mandated national banks to dedicate at least 20% of their total loans to SMEs. In 2017 the Central Bank also launched an initiative to stimulate financing for microbusinesses by injecting a total financing of EGP 30 billion (EUR 1.4 billion) into the banking sector, which would benefit 10 million customers over the next few years. In 2018, the CBE launched an initiative of EGP 200 billion (EUR 9.3 billion) to finance SME projects over the next four years. The CBE started three plans to support SMEs by:

1) exempting banks from the reserve requirement for specific credit facilities;

2) creating financing facility for medium enterprises in the industrial, agricultural & renewable energy sectors to invest in equipment; and

3) with short term facilities for working capital.

In order to stimulate access to finance, the Egyptian Banking Institute (EBI), affiliated to the CBE, has developed the Small and Medium Enterprises Portal, summarizing a number of financial instruments and other support available to SMEs and banks, in addition to training programs, studies, reports and statistics. The goal of the portal is to inform SME managers in their decision making and to learn about different sources of support available. In terms of access to equity, a number of platforms continue to operate including Cairo Angels, Flat6labs, Sawari Ventures and others.

In addition, on May 2017, the Ministry of Trade and Industry announced the creation of Misr Venture Capital Company, a private fund with a capital of EGP 150 million (EUR 7.1 million), which aims to help distressed but viable SMEs through the provision of short-term financing mechanisms

Over the past few years, governmental institutions, particularly the Central Bank and the MSMEDA, have initiated a number of initiatives to increase SME access to credit and equity. However, there are no details and evidence on the specific target groups, results of these initiatives and their qualitative and quantitative impacts. Hence, the Egyptian government could do much more in terms of tracking and reporting the performance of public actors.

Financial Incentives:

Egypt's monetary policies have been directed towards boosting the industry and empowering entrepreneurs in recent years.

In addition to the initiative of CBE launched in 2016, it also capped rates for SME lending at low levels, ranging from 5% to 12%, depending on the firm's size. The SMEs initiative aims at allocating EGP 100 billion worth of banking financing at an 8% descending rate of return to fund private companies in the industrial, agricultural, and contracting fields. However, the company should have annual revenue of EGP 50 million or more.

Later in June 2020, the bank decided to include new categories of companies in the initiative effective since December 2019. The first category entails the newly established startups, while the second involves small firms affiliated to large institutions or owned by clients with high financial solvency. The banking sector provided, under the initiative, funding of approximately EGP 180 billion.

3. Focus Groups: Sampling Methodology

3.1. Rationale for Sample Selection

The sample of SMEs chosen for the focus groups is a combination of small and medium enterprises. Additionally, Sample selection is based on five criteria.

1) *Contribution of the sector chosen in GDP and employment:* The sectors were chosen according to SMEs sectoral concentration in Egypt, their importance and contribution to GDP, and their ability to create jobs (as shown in table 1).

Table 1. Sectoral Contribution in GDP and Employment (%)

Sector	Sectoral Contribution in GDP (%)	Sectoral Contribution in Employment (%)
Agriculture	11.5	19
Industry (Manufacturing)	16.8	13
Industry (Non- Manufacturing)	13	n/a
Services	56	62

Source: ECES, *Egypt's Economic Profile and Statistics*, 2023.

2) Quality of the ecosystem supporting SMEs: To identify the problems faced by SMEs and better understand their business needs and then formulate necessary actions.

3) Variability of SMEs in size and location: SMEs are diverse in size, hence defined by the Central Bank of Egypt (CBE) as follows: Small enterprises; with a business volume between EGP 1 million and 50 million. Additionally, Medium enterprises; with a volume from EGP 50 million to 200 million.

In Egypt, SMEs are very large in number, diverse in type of business, and are spread across urban, rural, and remote areas. It is crucial to identify the potential missed opportunities in different locations and highlight areas with weak SMEs ecosystems, where we seek to concentrate all stakeholders' efforts.

4) Gender dimension: Among Egypt's established businesses, women's participation is strikingly low at only 14.3%, which is less than one-third of men. While, globally, 30 percent of formal small and medium enterprises (SMEs) around the world are owned and run by women[1]. Therefore, our sample includes a number of women-owned enterprises to support the efforts towards women-led development.

5) Expected level of reliability of data collected from focus group discussions: Based on ECES' expertise and the long history of the Business Barometer report, we selected the companies of the

[1] Global Entrepreneurship Monitor, Egypt National Report 2021/2022.

sample considering high levels of reliability and validity of data obtained, from which we can draw specific conclusions.

Table 2. ECES Sample Distribution

A. Distribution by Sector

Enterprises	Number
Agriculture	4
Services	50
Industry	46
Total	100

Manufacturing (breakdown)	%
Food	11
Chemical	13
Engineering	9
Furniture industry	2
textile industry	6
Total	41

Industry (breakdown)	%
Non-manufacturing[2]	
Construction and Renewable Energy Solutions	5
Total	5

Services (breakdown)	%
Consultancy Sector	1
Communications	9
Financial services	12
Tourism	10
Trade and distribution	3
Transportation	5
IT	3

[2] ECES adopts the definition by the World Economic Forum (WEF) for the "Non-manufacturing" sector, which includes subsectors of mining and quarrying, electricity, gas and water supply and construction.

Services (breakdown)	%
Media	1
Health	4
Wholesale/Retail Distribution	2
Total	50

B. Distribution by Gender

Gender	%
Female	12
Male	86
Total[3]	98

C. Distribution by Geographical Area

Governorate	%
Cairo	54
Giza	13
Alexandria	15
Qalyubeya	5
El Monfia	5
Al-Gharbya	1
EL Beheira	1
Kafr El Sheikh	1
El Faiyum	1
Sohag	2
Ismailia	2
Total	100

Source: ECES' Analysis.

3.2. Statistical Analysis and Presentation of Results

A short survey (Annex 1) was distributed to the participants in the sample and an analysis of responses resulting from the survey was conducted at two levels. Level 1: Macro analysis of data collected from individual surveys. Level 2: Analysis of specific problems and concerns related to sectors based on survey data.

[3] Gender distribution for EBRD's enterprises is available for 28 enterprises only.

3.2.1. Level 1: Macro analysis of data collected from individual surveys[4]

Transportation: SMEs seem to have benefitted from all the country's recent investments in infrastructure. 81% of the attendees stated that they have no problem in transportation of labor, inputs of production or final goods. Cost of transportation went up due to tolls on roads and haphazard estimation of fees for trucks carrying products.

Innovation potential of SMEs: Innovation potential is limited and needs expansion as only 3% chose their business because of its novelty to the market and 6% as development of new technology, with Having high expertise the largest slice (~25%) followed by availability of feeding industries (~19%), and Profitability of the projects & access to investment incentives (14%).

Receipt of Support: Most of SMEs are on their own, as only around half of respondents had received any kind of support during the life cycle of their business.

Entities Offering Support and Their Provided Schemes: The financial schemes are dominant, as almost half of support comes from EBRD and Egyptian banks.

The Industrial Modernization Center (IMC) plays a limited role in supporting SMEs, although its core role is to provide SMEs with Business Development Services (BDS).

Awareness of legal framework: Only 20% of respondents know their enterprises belong to Law 152/2020 on the development of micro, small and medium enterprises.

3.2.2. Level 2: Analysis of specific problems and concerns related to sectors based on survey data

Location of Enterprises: Projects, established before 1991, are located mainly in the traditional locations of business: Cairo, Giza, Alexandria, and Qalyubia.

Aswan and Sohag, representing Upper Egypt, are emerging as new areas of economic activities.

Concentration of Services in Specific Areas: Services are more concentrated in Cairo, Giza and Alexandria, especially the financial services that constitute about 40% of services (will be clarified in next parts).

[4] The detailed statistical results are illustrated in Annex 2.

On Sectoral Diversification in Cairo and Giza compared to other governorates (Goods): SMEs in Cairo work in a variety of sectors, while the other governorates focus more on only one sector, such as Damietta which focuses on furniture and wood industries.

On Sectoral Diversification in Cairo, Giza and Alexandria compared to other governorates (Services): More variety of services in the main cities (Cairo, Giza and Alexandria), compared to other cities/ governorates, which focus on individual sectors.

Financial services and Information and communication services are concentrated in Cairo, Giza, and Alexandria.

On Exporting Status According To Transportation Availability And Receipt of Support: Only 39% of respondents are exporting while having access to widely available transportation facilities as well as receiving different forms of support, indicating that SMEs do not have the tendency to export and focus only on the local market and this is mostly due to difficult procedures.

On Positioning of Finance in SMEs Problems: The financial support represents more than half of amount of support received by respondents. However, when asked about their biggest problem, they mentioned the financial support as their second top problem, after the unavailability of raw materials.

Ranking of Major Problems: The two main problems of priority are unavailability of raw materials (23% of responses) and financial & regulatory issues faced by SMEs (20% of responses).

4. Focused Look at Problems and Concerns of SMEs Raised in Focus Group Discussions

This section presents the main problems and concerns raised by SMEs during the focus group discussions, categorized into horizontal, sector-specific, geographic, and gender-related challenges.

4.1. Horizontal Problems Classified by Category

This subsection examines the key horizontal challenges identified through the focus group discussions, which affect SMEs across all sectors and all locations. The challenges are categorized into institutional and regulatory framework, digital transformation, bureaucracy, access to finance, skills and labor, and taxation.

4.1.1 Institutional and regulatory framework

- Limited knowledge about the procedures and services of Medium Small And Micro Enterprises Development Agency (MSMEDA).
- Hardly any knowledge about existing public training centers for employees (locations, specializations, graduates qualifications, quality …). Attendees actually benefitted from information known by few colleagues on possibility of getting trained labor from Productivity and Vocational Training Department.
- Hardly any knowledge about any new measures, services and procedures by different relevant governmental entities. Also, most websites aren't updated, so enterprises are always surprised with new information upon physical arrival to different entities (high transaction cost).
- SMEs are not updated about any relevant laws and regulations in general.
- Most firms are not familiar with the SMEs new Law 152/2020, even though it provides a lot of incentives that solve many of their problems.
- Changes in laws and regulations are done haphazardly. There is no place where all the laws exist other than the Official Gazette and there is no explanation for laws and no grace period to reconcile the situation.
- The current definition of sizes of SMEs do not take into consideration the actual economic circumstances in Egypt and worldwide or the recent drastic changes in the value of the currency
- Most SMEs do not have the appetite to export and focus only on the local market.
- Unavailability of raw materials mainly because of the present currency problems but also because of complicated import procedures.

4.1.2. Digital transformation

- Unanimous agreement on benefiting from digitalization of personal services (birth certificate, issuance of ID….etc) but not with digitization of business services.

- Many procedures have become more difficult with the introduction of digital business services (such as electronic invoices of taxation (small writing, limited flexibility in data entry, acceptance for a limited number of applications at a time even if done by the same enterprise).
- Any slowness or malfunction in the electronic invoice system can cause cumbersome accounting problems. For example, a malfunction occurred to one of the enterprises in the electronic invoice system on the last day of the month, which led to its inability to register until the next day, i.e. the first day of the new month, resulting in accounting problems.
- There is no paperwork substitute for any of the digitized system facilities. There was one exception for the case of licensing if applicants have trouble with the electronic system, but even that is now cancelled which causes a lot of delays and frustrations.
- There is no unified central database of enterprises' information shared by all related official entities (e.g. The customs system does not recognize the format of the tax e-invoice).
- The digitalization system has been introduced fast before government employees were trained enough to know how to use it, so enterprises do not get the support help that can facilitate difficult steps or deal with hiccups in the system.
- In some sectors, such as the financial services, in order for the minutes of the Board of Directors to be approved from the Financial Regulatory Authority, they must be written on paper and taken to the Authority's headquarters, whereas in the past, firms would send the minutes via e-mail, and after approving them, firms go to the Authority's headquarters to collect them, indicating a step backward.
- The automation of customs procedures made the completion of the process longer and of higher costs in some sectors, or specific stages of operation for all, such as in logistics and shipping.

4.1.3. Bureaucracy

- While few services were actually digitalized, the vast majority are not (such as in the case of the National Organization for Social Insurance).
- Commercial register has to be renewed every three months and to be presented to governmental entities with every new transaction and in a hard original copy.

- Duration of the operating license was changed from a permanent license to a follow-up license that has to be renewed annually from the main branch of the organization (for example, although there is an office for the Industrial Development Authority in Badr City, the enterprise must go to the main branch in New Cairo to pay fees estimated at 7,500 monthly).
- Enterprise own logo is treated as an advertisement for others and so payment is due (The logos on the company' own vehicles are deleted if it does not pay for them). It costs 3000 EGP for each car.
- Security control is one of the restrictions in the system that is exaggerated and needs revision (example, suspension of personal bank accounts and vehicles licenses in case a firm files a complaint against the Tax Authority on ground of arbitrarily assessment of tax dues).
- Any change of activity even if minor in the same field of specialization is very complicated because of procedures at lDA. Procedures also involve New Urban Communities' Authorities (NUCA) different branches depending on the location. The process is costly and lengthy, to the extent that the enterprises prefer to add a new activity altogether instead of proceeding under the label of "change of activity within the same field". (Example: serious complaints specifically from New Cairo Development Authority).
- Extra unnecessary fees under the label of insurance are paid in the process of registration, enterprises are often frustrated because insurance gives impression that to be paid if an accident actually occurs.
- Cost of transportation went up due to tolls on roads and haphazard estimation of fees for trucks carrying products (كارتة).

4.1.4. Access to finance

- SMEs face high interest rates, although there are credit guarantee companies that assure the repayment of 90% of the loan, but the banks have not yet activated this system.
- Generally, difficulties faced by SMEs in obtaining financing compared to large firms because bank employees do not understand the culture of SMEs and do not have incentives

to increase the share of credit extended to SMEs, especially given that credit procedures are the same for large and small operations.

- SMEs miss a lot of profits/ good business opportunities because of delays in finalizing financing procedures in banks.
- Commercial banks generally have a low appetite for risks. So, innovative enterprises generally suffer from limited availability of financing opportunities.
- Available business development services BDS that precede finance obtainment are not enough, which in turn limits SMEs' benefits from financial support.
- Offered financial support to SMEs from banks is mostly for capital investment such as buying machines, when SMEs have other major needs of financing such as building warehouses and having liquidity to meet working capital needs.
- Early phases in a project (ideation, stereotype production) require types of finance that are not available at the proper scale in the Egyptian ecosystem (angel investment, venture capital...etc.)
- The problems of obtaining foreign currency needed for imports are still at the forefront of problems facing enterprises.
- The level of risk faced by enterprises has increased under the present circumstances and translate more often than not into the inability to pay interest and due for payment loans.

4.1.5. Skills and labor

- Lack of competent cadres in all goods and services' sectors because of the decline in the quality of labor and migration of highly skilled ones.
- Ineffectiveness of available public labor training centers, not to mention focus on quality control, as they are not aware enough of the needs of the labor market and the type of training needed.
- An information gap between the available supply of trained workers and demand for it. Enterprises seeking workers do not know of the availability of graduates from vocational technical schools.

- High labor turnover as workers are searching constantly for better remunerating opportunities.
- In spite of the existence of many labor training centers, there is a shortage of qualified workers, which forces some firms to seek workers from abroad, (more often than not illegaly).
- Enterprises pay fees under the title of training expenses to the Ministry of Manpower And yet no training actually take place for their workers.

4.1.6. Taxes

- Because of the high informality in the Egyptian economy, many of the expenses of enterprises are associated with informal transactions or transactions with the informal sector. For these there are no electronic invoices. To fill the gap, SMEs purchase electronic invoices. This created a layer of beneficiaries caused by the inability of the system to provide solutions for transactions with the informal sector.
- Many tax due estimates are excessive beyond reality, and enterprises have to challenge these estimates and file appeals/objections against the Tax Authority's decisions. This situation happens very frequently mainly because tax officers have targets to achieve irrespective of how they collect them.
- Tax officers are not familiar with Law 152 of 2020 and its incentives that SMEs can benefit from. This results in lots of tax disputes between the two sides (again high transaction costs even if the SME ends up paying the correct amount).
- Some SMEs complained about retroactive taxation for many years behind (a never closed file).
- The electronic invoice format is not recognized by the Customs Authority, which forces some factories to have two formats to comply with the requirements of Customs and Tax authorities, even though the two Authorities are under the same ministry, Ministry of Finance.

- Major shipping firms issue invoices in a specific format, while the Tax Authority requests an e-invoice in a different format, resulting in many problems when conducting tax inspection.
- The amount of taxes imposed on advertisements displayed on digital platforms is not specified and left up to the discretion of the tax officer.
- Enterprises have to keep hard documents for many years which is cumbersome for enterprises.
- The obligation of transfer of hard files, when enterprise transfer from one tax office to another مأمورية الضرائب
- Tax responsibility is considered a burden when paid as a bulk given the crisis situation of the Egyptian economy and the world.

4.2. Sectoral Problems

This subsection highlights the sector-specific challenges identified through the focus group discussions across key SME activities, including financial services; tourism; communications and information technology; agriculture, animal products and food industries; logistics and shipping; handicrafts; and quarries and marble.

4.2.1. Financial services

- In order for the minutes of the Board of Directors to be approved from the Financial Regulatory Authority, they must be written on paper and taken to the Authority's headquarters, whereas in the past, firms would send the minutes via e-mail, and after approving them, firms go to the Authority's headquarters to collect them, indicating a step backward.
- There is a problem of lack of qualified employees in the stock exchange because university graduates are not enough trained and the cost of training is very high.

4.2.2. Tourism

- Financing needs of the tourism sector are not met by the banking sector because it is considered as a high risk sector, which prevents enterprises having needed funds to improve the services provided to tourists.

- Small firms cannot get involved in the tourism sector. One of the requirements for establishing a new firm is paying approximately EGP 2.25 million to the Ministry of Tourism as insurance, which is extremely costly for small firms (a prohibitive condition). The other reason is that there has been no license for new firms since 2007, and the only solution has been to buy an existing firm.

4.2.3. Communication and information

- Banks do not prefer to work with firms of digital financial services (Fintech), considering that working with them is of high risk, because most firms are relatively new, with intangible assets and may incur losses in the beginning.
- Difficulty of finding quality university graduates to employ in this sector because of weak curriculum. Compensated only partially by programs offered by the Ministry of Communication.

4.2.4. Agriculture/ animal products/ food industries

- Deficiency in agricultural research by official governmental authorities specifically tailored to increase productivity. For example, Egyptian onions contain a large amount of water, and their size is significantly reduced following drying them for export.
- The existence of monopolistic practices in importing feed industry inputs, (especially corn, concentrates among others).
- There is no control over serums and veterinary medicines. There are informal factories that manufacture them, resulting in many losses.

4.2.5. Logistics and shipping

- Customs' automation made the release procedures longer and of higher cost.

4.2.6. Handicrafts

- Most workers in handicrafts are females, in addition to a percentage of disabled people of both genders, all of them receive pensions and refuse to work formally so as not lose their pensions.

4.2.7. Quarries and marble

- Government agencies control quarries, which led to a decline in private investment in this sector.

4.3. Geographic Problems

- Some sectors are concentrated only in specific governorates, such as the financial services and info and communication in the Greater Cairo (Cairo, Giza and Alex).
- The social insurance office in ***Nasr City affiliated to New Cairo Industrial Zone*** blocks all enterprise's accounts in all related entities if it did not pay the insurance even for a very short period of time.
- In ***New Cairo (Thousand Factories)***, The cost of the industrial sewage analysis is high, as firms pay the New Cairo City Authority EGP 1,800 as analysis fees if there is no problem with the wastewater, and an amount of up to EGP 180,000 if any percentage of acids is found in the analysis result, noting that the area is not equipped with industrial sewage!
- Although firms have electronic electrical meters, they are required to pay additional amounts.
- In ***Damietta,*** difficulty of issuing licenses to furniture workshops, as the tenant is required to register the property first in order to obtain a license for the workshop. This is extremely difficult, as these workshops have been rented for decades and the papers required to license the property may not be available, or the property owner may have died years ago, or travelling, which makes the procedure impossible.
- In ***Al Mutahra*** in Menya, there is no source of water in the industrial zone other than wells water, which is highly salty and is not suitable for use in food industries. This is just an example of similar weaknesses in the infrastructure of the industrial zones are observed all over Upper Egypt (Annex 2: Map of Industrial zones in Upper Egypt).
- A problem in the availability of qualified labor, as Upper Egypt lacks a culture of working in industry.
- In ***delta***, the Ashmoun Insurance Office in Menoufia Governorate refuses the payment of fees by check or bank transfer.

- In ***Sohag (Al-Kawthar Industrial Zone)***, The level of services declined, both electronically and paperwork. Obtaining a taxpayer document from the Investment Services Office to submit to the bank takes approximately three months. The same applies to the rest of services, such as obtaining a replacement for a damaged or lost tax card, noting that the services provided through the office were transferred to Luxor Governorate around seven months ago.
- Al-Kawthar Industrial Zone is the only industrial zone in the governorate that pays higher amounts of real estate tax (around 1600 EGP) compared to other industrial zones (pay around 250-300 EGP for the same area) under the pretext of its affiliation to the residential area.

4.4. Gender-Related Problems

In the sample, women face the same problems as men because all of the sample is in the operational stage.

Based on ECES previous research, most problems faced by women are in the ideation stage, as they lack the required information about how to start a project. More generally, there is a number of factors supporting economic empowerment of women (drivers of change) that are necessary to rely on to bring about empowerment over the coming period. They are listed as follows:

- Availability of technological means (availability of a computer and access to internet). Additionally, Openness to useful experiences and cultures. Moreover, Availability of information and the ability to deal therewith: ECES issued the "Entrepreneurial Guide For Egyptian Women" in 2018 to fill this gap of information and it is useful for both men and women, but the guide needs to be updated. Also, Supportive environment in the form of education, infrastructure and the economic structure of the governorate.

The figure below attempts to illustrate the differences between the factors/ drivers of change according to geographical location, age group, and social segment.

Figure 4. Differences between Drivers of Change

	Openness to useful experiences and cultures				Availability of information				Availability of technological means				Supportive environment			
Geographical distance	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Age group	i	ii	iii	iv	i	ii	iii	iv	i	ii	iii	iv	i	ii	iii	iv
Social segment	a	b	c		a	b	c		a	b	c		a	b	c	

Border governorates	(4)	Upper Egypt governorates	(3)	Lower Egypt governorates	(2)	Urban governorates	(1)	Geographical distance

60+	(iv)	46-60 years old	(iii)	30-45 years old	(ii)	18-29 years old	(i)	Age group

Poor–Modest segment	C	Modest–Medium segment	B	Medium–Upper segment	A	The social segment	

Weak appearance		Moderate appearance		Strong appearance		**Color code**

Source: Prepared by ECES.

In general, urban governorates are the most fortunate in terms of availability of the four factors, followed by the governorates of Lower Egypt. The governorates of Upper Egypt and border governorates are the least fortunate.

The most important driver of economic empowerment is access to technology. This was more achieved in urban areas than rural areas and seemed to work better in the case of younger females.

No special initiative is targeting women except for "Forsa" as a follow-up for Takaful and Karama and availability of few training programs in the ICT sector. Then chances of women to start business is the highest where they use ICT tools (Annex 3: Local initiatives for Women Empowerment using ICT tools).

5. Main Policy Recommendations for Improving the Status of SMEs in Egypt

This section presents international practices most relevant to addressing the challenges identified through the SME focus group discussions. It then develops policy recommendations for challenges drawing on these successful international experiences, the solutions proposed by participants themselves, complemented by ECES's accumulated research and experience on SMEs in Egypt.

5.1. Best International Practices Most Useful for Correction of the Observed Problems

5.1.1. Institutional and regulatory framework

Several countries have introduced measures aimed at reducing the regulatory burden on SMEs and making the regulatory environment more predictable and manageable. In the **United Kingdom**, the *Red Tape Challenge* and the *One-in, Two-out* rule were introduced to reduce unnecessary regulations. Under the latter, for every new regulation introduced, at least two existing regulations were required to be removed. In addition, rules concerning businesses were allowed to come into effect only on two predetermined dates each year, 6 April and 1 October. This arrangement helps small and medium-sized enterprises anticipate regulatory changes and plan accordingly.

South Korea has adopted several approaches to regulatory reform and experimentation. Its *Regulatory Sandbox* initiative allows SMEs to test innovative business ideas under temporary regulatory exemptions, enabling businesses to operate in a controlled environment without immediately complying with all applicable regulations. The country has also established *Regulatory Reform Zones* in selected areas to pilot regulatory reforms, which can subsequently be expanded nationally if successful. In addition, South Korea's *Regulatory Reform Plan* focuses on simplifying and modernizing regulations in order to support SMEs and startups.

In **New Zealand**, the *Better for Business* program includes initiatives aimed at reducing business compliance costs by reviewing and streamlining regulatory requirements and making compliance easier and more cost-effective for SMEs. **Australia**, meanwhile, has implemented the *Regulation Impact Statement (RIS)* process, under which government agencies assess the impact of proposed regulations on SMEs.

5.1.2 Digital transformation

Digitalization of public services has been used in several countries to simplify SMEs' interactions with government and facilitate access to information, licenses, permits, and other services. In the **United Kingdom**, the *GOV.UK* platform provides businesses with a user-friendly interface through which they can access government services and information, including applications for licenses and permits.

Singapore has established *LicenceOne*, a one-stop online portal that allows businesses to apply for multiple licenses and permits from different government agencies through a single

application. In **New Zealand**, *SmartStart* simplifies the process of starting a business by providing entrepreneurs with a step-by-step guide and directing them to the relevant agencies and resources. The *Business Connect* portal provides businesses with a single access point for interacting with government agencies and offers services including company registration, permit applications, and reporting. Businesses can use the platform to access information, submit documents, and track their interactions with government agencies.

Estonia has extensively digitalized administrative processes, allowing entrepreneurs to apply electronically for licenses and permits. Its *e-residency* program also enables non-residents to establish and manage businesses online through a secure digital identity that can be used to sign documents and conduct business transactions remotely. Estonia has additionally established the *X-Road* system, a secure data-exchange platform that allows government agencies to share information. This enables information submitted by a business to one government agency for a permit or license to be accessed by other relevant government bodies without requiring the business to submit the same information repeatedly.

In **Canada**, *BizPaL* is a web-based service that allows businesses to generate a customized list of the permits and licenses required from different levels of government, including federal, provincial or territorial, and municipal authorities. **Finland** has adopted a system for data sharing and document standardization through which companies and associations can submit declarations electronically to authorities collecting statutory data, allowing users to report the required information only once.

5.1.3 Bureaucracy

Several international experiences focus on reducing administrative complexity and simplifying interactions between SMEs and public authorities. **New Zealand** uses a unique single business number for each business entity. This number serves as a common identifier across different regulatory processes and simplifies interactions with government agencies.

South Korea has established startup support centers across the country that provide assistance to SMEs in different areas of business development. These centers can help startups navigate licensing and permitting requirements. South Korea has also introduced fast-track programs for selected industries and sectors, including information technology and software

development, biotechnology and life sciences, green technology and renewable energy, financial technology, and research and development.

In **Belgium**, individuals wishing to establish a business can visit a one-stop shop in their local area, where they receive a single identification number for communications with public administration and assistance with the formalities required to establish their business. In the **Netherlands**, companies are required to submit information to the tax authority, which is then responsible for sharing it with the Workers Insurance Authority.

Georgia adopted significant administrative simplification measures, including reducing the number of required licenses from 909 to 137. The country introduced one-stop shops and published guidelines specifying the requirements for obtaining licenses and other documents, while predetermined time limits were established for completing administrative tasks. Fees are paid through banks rather than directly to public officials. Georgia also introduced a *"silent is consent"* rule under which, where departments fail to respond within the specified timeframe, the relevant license or permit is granted directly.

Portugal established the *Simplex* Legislative and Administrative Simplification Program in 2006 as part of its e-government program. The program focused on eliminating certificates through improved information sharing among government departments and authorities, including an online permanent certificate accessible through the *Business Online* portal. It also sought to reduce obligations that were disproportionately burdensome or complex for citizens and businesses and to eliminate unnecessary licenses and permits. Another area of intervention was improving access to public services through greater integration and information and data sharing, including the creation of one-stop shops and the consolidation of services for specific sectors. In the maritime and port system, for example, the *Single Logistical Window* centralizes information and documentation relating to the different agents in the logistical chain and enables paperless procedures. In its initial phase, the Simplex program was based on addressing concrete problems and achieving *quick wins* rather than pursuing comprehensive reform across all sectors.

5.1.4 Access to finance

Several countries have developed targeted financial mechanisms to improve SMEs' access to credit and reduce the financing constraints they face. In **Japan**, the government supports regional financial institutions specializing in SME lending, while government-supported financial

institutions such as the *Japan Finance Corporation (JFC)* provide SMEs with low-interest loans ranging from 0.5% to 2%.

In **Germany**, *KfW Bankengruppe* provides SMEs with financing at interest rates around 1% to 2% below market rates. Its financing facilities cover areas including investment in innovation, environmental sustainability, and general business development, often with favorable terms and reduced collateral requirements. In the **United States**, the *Small Business Administration (SBA)* provides a range of loan programs, often with longer repayment periods and reduced down-payment requirements.

India's Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) provides credit guarantees for collateral-free SME loans, facilitating access to finance. Interest rates may be lower than market rates, depending on the lending institution. **South Korea's Small and Medium Business Administration (SMBA)** provides various financing mechanisms, including subsidized loans, venture capital funds, and credit guarantees. In **Nigeria**, the *Agri-Business Small and Medium Enterprises Investment Scheme (AGSMEIS)* provides SME loans at interest rates that can be as low as 5% per annum, with longer repayment periods for SMEs operating in agriculture and related activities. The program also provides technical assistance and business development services.

5.1.5 Skills and labor

International experiences also demonstrate different approaches to addressing SMEs' skills and labour needs. In **Canada**, the University of Waterloo operates a strong co-op program that enables SMEs to hire students for work terms and provides businesses with access to trained labour. The *Temporary Foreign Worker Program* also allows SMEs to hire foreign workers where there is a shortage of local talent.

Singapore provides subsidies for various training programs, reducing the cost to SMEs of investing in employee development. **Germany's dual education system** combines classroom education with on-the-job training. SMEs cooperate with vocational schools to provide apprenticeships, allowing students to obtain both practical experience and classroom education. Depending on the profession, apprenticeships can last between two and three and a half years.

In **Japan**, technical schools and vocational training centers provide specialized courses aligned with industry needs, while the government provides subsidies to SMEs to encourage them to hire and train young workers. **Switzerland** has a well-established apprenticeship system in which SMEs cooperate with vocational schools to provide apprenticeships combining workplace training with classroom education. These programs generally last between three and four years, with participants receiving a recognized certificate upon completion.

In the **United Kingdom**, the government provides financial incentives to encourage SMEs to participate in apprenticeship schemes. In the **United States**, the National Federation of Independent Business (NFIB) provides SMEs with resources and connections, including access to potential hires.

5.1.6 Taxes

A number of countries have introduced tax measures specifically aimed at supporting SMEs and encouraging investment and innovation. In **Canada**, the *Small Business Deduction (SBD)* reduces the corporate tax rate for eligible small businesses. Canada also provides a *Scientific Research and Experimental Development (SR&ED)* tax credit to encourage SMEs to invest in research and development.

In **Singapore**, the partial tax exemption scheme reduces corporate tax rates on the first SGD 300,000 of chargeable income, benefiting many SMEs. Singapore has also introduced the *Productivity and Innovation Credit (PIC)* scheme, which provides tax deductions for investments in innovation and productivity improvements.

Malaysia provides an *SME Investment Grant* through tax deductions for SMEs investing in machinery, equipment, and technology. It has also introduced a Goods and Services Tax (GST) refund scheme for SMEs to facilitate the management of tax obligations and the claiming of refunds. **Germany** provides tax credits for research and development expenditures.

5.1.7 Initiatives especially designed for women – experience of Canada

Canada's Women Entrepreneurship Strategy (WES), launched in 2018, forms part of the government's efforts to advance gender equality in entrepreneurship and support women-owned and women-led businesses. The strategy includes funding and investment support, including non-

repayable grants and loans tailored to the needs of women entrepreneurs, with the objective of improving access to capital and resources for starting, scaling, and growing businesses.

The strategy also promotes ecosystem support through collaboration among governments, financial institutions, business associations, and not-for-profit organizations. In addition, it supports mentorship and networking programs that connect women business owners with experienced mentors and peers. Skills development and training programs are provided to strengthen women's business management and leadership capabilities.

WES also provides support for women-owned businesses seeking to expand into international markets. It recognizes the importance of diversity and inclusion by supporting women from diverse backgrounds, including women with disabilities and women from underrepresented communities. The strategy also incorporates measurement and accountability mechanisms through which the Canadian government monitors progress and assesses its impact. In addition, federal procurement targets have been established for women-owned businesses, creating opportunities for women entrepreneurs to participate in government procurement contracts.

5.2. Policy Recommendations Categorized as Horizontal, Sectoral, and Geographic-Related Problems

This section presents policy recommendations addressing the challenges identified through the focus group discussions and the preceding analysis. The recommendations are organized into horizontal, sectoral, geographic, and gender-related measures, reflecting the different dimensions of the constraints facing SMEs in Egypt.

5.2.1. Policy recommendations for horizontal problems faced by SMEs irrespective of sector or location

5.2.1.1. Institutional and regulatory framework

Problems	Recommendations
• Limited knowledge about the procedures and services of Medium Small and Micro Enterprises Development Agency (MSMEDA). • Hardly any knowledge about existing public training centers for employees (locations, specializations, graduates qualifications, quality …). Attendees actually benefitted from information known by few colleagues on possibility of getting trained labor from	• MSMEDA is currently going through an attempt to digitize its services. It is important that this digitalization effort involves a simplified presentation and explanation of all steps involved not to mention all information of relevance to the small enterprises. • It also has to include a platform that allows for interaction between the small enterprises and MSMEDA in case they need clearer information.

Problems	Recommendations
Productivity and Vocational Training Department. • Hardly any knowledge about any new measures, services and procedures by different relevant governmental entities. Also, most websites aren't updated, so enterprises are always surprised with new information upon physical arrival to different entities (high transaction cost). • SMEs are not updated about any relevant laws and regulations in general. Most firms are not familiar with the SMEs new Law 152/2020, even though it provides a lot of incentives that solve many of their problems.	ECES' "Entrepreneurial Guide For Egyptian Women" produced in 2018 (available at https://eces.org.eg/en/entrepreneurial-guide-for-egyptian-women/) involves the type of info that have to be regularly updated on MSMEDAs portal/ platform. • It is also recommended that the mentioned guide be updated and used. • Special focus by MSMEDA need to be given to law 152 and its executive regulation because it has a lot of answers related to SMES, it also involves a lot of incentives that they can benefit from. One suggestion that can help is to have a seminar just on this law to explain the advantages to SMEs.
• Changes in laws and regulations are done haphazardly. • There is no place where all the laws exist other than the Official Gazette and there is no explanation for laws and no grace period to reconcile the situation.	• Issuing or amending any legislations twice a year in specific dates. • Conducting a community dialogue before issuing any law so that it is compatible with reality and does not require adaptation. • Information about new regulations must be made available to companies for a sufficient period.
The current definition of sizes of SMEs do not take into consideration the actual economic circumstances in Egypt and worldwide or the recent drastic changes in the value of the currency.	Revision of the definition of sizes of SMEs based on the real value of money today (for example, a small enterprise which exports for 2 million $ a year will be shifted to a higher size category because of change in exchange rate). So the definition of sizes is better to be in Dollars.
Most SMEs do not have the appetite to export and focus only on the local market.	Better acquaint SMEs by entities providing export services and create a special channel for easy export by SMEs directly or via intermediaries.
Unavailability of raw materials.	Facilitating access to raw materials by different sectors, which requires deeper analysis in sectoral studies to specify problems associated with each type of raw materials.

5.2.1.2. Digital transformation

Problems	Recommendations
Many procedures have become more difficult with the introduction of digital business services (such as electronic invoices of taxation (small writing, limited flexibility in data entry, acceptance for a limited number of applications even if done by the same enterprise).	• Establish a web-based service, allows businesses to easily generate a customized list of the permits and licenses required from all levels of government • Create user friendly online platform to provide businesses with single access for interacting with all government agencies. It should offer range of services including company registration, permit applications and reporting so that they can access information, submit documents, and track their interactions with government agencies through this portal and in a single application. (New Zealand and Singapore) • Apply some modifications to the e-invoice system so that more than one tax could be added to the

Problems	Recommendations
	same invoice (unified invoice) to save time and effort.
Any slowness or malfunction in the electronic invoice system can cause cumbersome accounting problems.	Developing the communications infrastructure to improve digital services.
There is no paperwork substitute for any of the digitized system facilities.	Return back to have an exception of the case of e-licensing if applicants have trouble with the electronic system to prevent any delay
There is no unified central database of enterprises' information shared by all related official entities	• Establishing a unified database. • Linking all government agencies together. • Create a system of data sharing and standardization of documents where the post office offers an electronic service so companies can make declarations to authorities, allowing users to report the data only once. (Finland)
The digitalization system has been introduced fast before government employees were trained enough to know how to use it.	Qualifying workers in the digital system through providing those employees with digital training courses to help them better use the digital services to fasten the whole process.

5.2.1.3. *Bureaucracy*

Problems	Recommendations
While few services were actually digitalized, the vast majority are not (such as the National Organization for Social Insurance).	• The digitalization system has to be completed and cover all the governmental system. • The electronic system should be introduced to the insurance office system and to be linked with other government authorities
Commercial register has to be renewed every three months and to be presented to governmental entities with every new transaction and in a hard original copy.	Revising the period of renewal of all licenses and registries and return back to issue the commercial register annually and accept copies (not originals) as well as share the same copies between all related entities.
Duration of the operating license was changed from a permanent license to a follow-up license that has to be renewed annually from the main branch of the organization.	Return back to issue the permanent operating license
Enterprise own logo is treated as an advertisement for others and so payment is due.	Change the decision making advertisement company's own logo as free and charge if advertisement is for other companies.
Security control is one of the restrictions in the system that is exaggerated and needs revision (example, suspension of personal bank accounts and vehicles licenses in case a firm files a complaint against the Tax Authority on ground of arbitrarily assessment of tax dues).	Limiting the penalty procedure or whatever action needed and ensure not to be extended to the entire business, to not paralyze enterprises and avoid giving a negative image for the ecosystem.
Any change of activity even if minor in the same field of specialization is very complicated because of procedures at lDA.	Streamlining the process of changing from an activity to another as long as it is consistent with the nature of industries in the industrial zone, consistent with the line of production and not harmful to climate (Intelligent process).
Extra unnecessary fees under the label of insurance are paid in the process of registration, enterprises are often frustrated because insurance gives	Any imposed fees should be credible and effective so that the enterprise feels it is worth the money and not just a burden on him.

Problems	Recommendations
impression that to be paid if an accident actually occurs.	
Cost of transportation went up due to tolls on roads and haphazard estimation of fees for trucks carrying products (karta).	Reducing cost of transportation (fees by trucks of SMEs) to encourage SMEs to continue to operate.

5.2.1.4. Access to finance

Problems	Recommendations
Generally, difficulty faced by SMEs in obtaining financing compared to large firms. SMEs face high interest rates, although there are credit guarantee companies that assure the repayment of 90% of the loan, but the banks have not yet activated this system.	• Activating the system of credit guarantee companies. • The need for stable monetary policies for long periods of time so that firms can make future plans for their projects. • Design more banking programs to fund SMEs and providing incentives to banks' employees to increase the share of credit extended to SMEs. • Offer subsidized loans, venture capital funds, and credit guarantees to support SMEs. • Providing loans to SMEs with interest rates lower than market rates (relaunching CBE initiative with more flexible criteria) in addition to providing credit guarantees for collateral-free loans to SMEs, making it easier for them to access financing.
SMEs miss a lot of profits/ good business opportunities because of delays in finalizing financing procedures in banks.	Reducing the time taken to grant loans, so that SMEs can benefit from their full potential.
Commercial banks generally have a low appetite for risks. So, innovative enterprises generally suffer from limited availability of financing opportunities.	• Providing incentives to encourage entrepreneurs to initiate innovative enterprises. • Encouraging and spreading information about venture capital and angel investors which are more eligible to fund risky and innovative projects.
Available business development services BDS that precede finance obtainment are not enough, which in turn limits SMEs' benefits from financial support.	Allocation by MSMEDA of funds for BDS for SMEs.
Offered financial support to SMEs from banks is mostly for capital investment such as buying machines, when SMEs have other more major needs of financing.	Funding entities must study thoroughly the needs of SMEs and provide tailored funding packages.
Early phases in a project (ideation, stereotype production) require types of finance that are not available at the proper scale in the Egyptian ecosystem.	• Provide incentives that lead to the expansion of financial and business development services whether by the regular banking system or by accelerators, business incubators, venture capital and angel investors. • Encouraging donor programs to provide support to SMEs as per their needs and their stage of operation (tailored made support)

Problems	Recommendations
The problems of obtaining foreign currency needed for imports are still at the forefront of problems facing enterprises.	Exploring the possibility of (commodity bargain/ counter trade[5]) with other countries as a solution, but this requires a detailed study which above the scope of this report.
The level of risk faced by enterprises has increased under the present circumstances and translate more often than not into the inability to pay interest and due for payment loans.	This should be the role of MSMEDA or through a fund operated by MSMEDA to mitigate risks faced by serious SMEs whose projects were well studied by MSMEDA itself.

5.2.1.5. Skills and labor

Problems	Recommendations
• Lack of competent cadres in all goods and services' sectors. • Ineffectiveness of available public labor training centers, not to mention focus on quality control, as they are not aware enough of the needs of the labor market and the type of training needed. • An information gap between the available supply of trained workers and demand for it. Enterprises seeking workers do not know of the availability of graduates from vocational technical schools. • High labor turnover as workers are searching constantly for better remunerating opportunities. • In spite of the existence of many training centers, there is a shortage of qualified workers, which forces some firms to seek workers from abroad. • Enterprises pay fees under the title of training expenses to the Ministry of Manpower And yet no training take place for their workers. • Skills labor concentration in specific geographic areas.	• Governmental incentives to firms undertaking training. Enabling government training centers and offering specialized courses aligned with industry needs. • Adopting the Spanish model, where firms pay 0.7% of profits, with the state undertaking the training, provided that firms request the type of training needed for their workers. • Creating accurate descriptions for all jobs. • Providing accredited licenses to different jobs with level definition. • The government should provide subsidies for various training programs, to make it affordable for SMEs to invest in employee development. • Incentivize different sectors to expand their activities in multiple governorates, which lead to create more jobs and maintain the labor force in their original locations.

5.2.1.6. Taxes

Problems	Recommendations
Because of the high informality in the Egyptian economy, many of the expenses of enterprises are associated with informal transactions or transactions with the informal sector. For these there are no electronic invoices.	Applying gradually the electronic system of taxation until all the invoices could be issued in e-formats.
Many tax due estimates are excessive beyond reality, and enterprises have to challenge these estimates and file appeals/objections against the Tax Authority's decisions. This situation happens very frequently mainly because tax officers have	The assessment of tax officers performance should not be based on the amount of taxes they collect but on other criteria, such as their accuracy in specifying the most approximate estimate of taxes.

[5] It includes a bargain agreement of fixed value and duration between two different countries, whereby they exchange products with each other without entailing a currency conversion).

Problems	Recommendations
targets to achieve irrespective of how they collect them.	
Tax officers are not familiar with Law 152 of 2020 and its incentives that SMEs can benefit from.	Spread awareness about related laws and regulations to public related employees.
Some SMEs complained about retroactive taxation for many years behind (a never closed file).	Preventing tax inspection of past years and when a settlement between the enterprise and the Tax Authority is reached, it should be once and for all.
The electronic invoice format is not recognized by the Customs Authority	Adopting one format for the e-invoice endorsed by and approved by all relevant public entities.
Major shipping firms issue invoices in a specific format, while the Tax Authority requests an e-invoice in a different format, resulting in many problems when conducting tax inspection.	
The amount of taxes imposed on advertisements displayed on digital platforms is not specified and left up to the discretion of the tax officer.	Continuation of Ministry of Finance's efforts to adopt a clear tax system for digital platforms.
Enterprises have to keep hard copies of for many years which is cumbersome for them.	Keeping hard documents could be for maximum two years only and expanding the use of technology in archiving.
The obligation of transfer of hard files, when enterprise transfer from one tax office to another.	Transfer of files from one tax office to another should be through the portal of Tax Authority and transfer the hard files later.
Tax responsibility is considered a burden when paid as a bulk given the crisis situation of the Egyptian economy and the world.	Payment of taxes on monthly basis will improve the enterprises' liquidity condition and at the same time, benefit the Ministry of Finance by receiving the flow of liquidity through the year.

5.2.2. Policy recommendations for sectoral problems

5.2.2.1. Digital transformation

Sector	Problems	Recommendations
Financial	In some sectors such as financial services, in order for the minutes of the Board of Directors to be approved from the Financial Regulatory Authority, they must be written on paper and taken to the Authority's headquarters, whereas in the past, firms would send the minutes via e-mail, and after approving them, firms go to the Authority's headquarters to collect them, indicating a step backward. It is a horizontal problem as well.	Modernizing the electronic system of the Financial Supervision Authority.
Non- manufacturing	The difficulty of issuing licenses electronically.	Fix technical problems that cause difficulties in issuing licenses. Provide training courses to employees and users.
Transportation and logistics services	Customs' automation made the release procedures longer and of higher cost. (Problem is also relevant to all other sectors and	Simplify the procedures, adjust faster the technical hiccups in the system, and improve connections and consistency with

Sector	Problems	Recommendations
	not just transportation and logistics).	the digitized systems of the other related organizations.

5.2.2.2. Bureaucracy

Sector	Problems	Recommendations
Tourism	Small firms cannot get involved in the tourism sector. One of the requirements for establishing a new firm is paying approximately EGP 2.25 million to the Ministry of Tourism as insurance, which is extremely costly for small firms (a prohibitive condition). The other reason is that there has been no license for new firms since 2007, and the only solution has been to buy an existing firm.	Developing a special arrangement to Tourism sector as it is a quick source of foreign currency, so a fast contributor to Egypt's current problems, which implies an agreement to be made between Ministry of Tourism and Banks. Changing the current tourism law to allow for small firms to exist. Setting a clear distinction between issuing licenses to Hajj and Umrah firms and to firms that attract tourism from abroad.
Financial Services	• Failure to implement the initial public offering (IPO) program announced by the government leads to a lack of trust between the government and investors. • After investors became accustomed to the stamp tax, it was abolished and replaced with the capital gains tax, which resulted in the Stock Exchange index falling for a long time.	• Although the IPO is not relevant directly the small enterprises, but its Immediate implementation will affect positively the trust in the system. • Changing of taxes in a very limited margin.
Agriculture /Animal products/Food Industries	• A decline in food processing exports as a result of delayed disbursement of export subsidies and high production costs. • Deficiency in agricultural research by official governmental authorities specifically tailored to increase productivity. For example, Egyptian onions contain a large amount of water, and their size is significantly reduced	• Expediting the payment of firms' export subsidies. • Importing onion seeds that do not contain large amounts of water, which are available in the United States. • Tightening the Ministry of Agriculture's control over informal market. • Direct ongoing donor programs on agriculture to restructure the sector in order to benefit small players.

Sector	Problems	Recommendations
	following drying them for export. • The existence of monopolistic practices in importing feed industry inputs, (especially corn, concentrates, among others). • There is no control over serums and veterinary medicines. There are informal factories that manufacture them, resulting in many losses.	
Non- Manufacturing	Government agencies control quarries of marble, and the conflicting triple role of the Egyptian Company for Mining (regulator , producer and exporter, which led to a decline in private investment in this sector.	Abolish the role of the Egyptian Company for Mining as a regulator, and confine this role to the Egyptian Mineral Resources Authority (EMRA) (return to the old system)

5.2.2.3. Access to finance

Sector	Problems	Recommendation
Tourism	Financing needs of the tourism sector are not met by the banking sector because it is considered as a high risk sector, which prevents having needed funds to improve the services provided to tourists.	Offer a range of governmental financing programs including subsidized loans and credit guarantees to support them.
Communications and Information Technology	Banks do not prefer to work with firms of digital financial services (Fintech), considering that working with them is of high risk, because most firms are relatively new, with intangible assets and may incur losses in the beginning.	• Offer at least tax deductions for SMEs that invest in technology to encourage them to join this sector. • Increase knowledge of Fintech and government to negotiate with banks on their perception of risk in that innovative sector and how it can be reduced.

5.2.2.4. Labor and skills

Sector	Problems	Recommendations
Communications and Information Technology	Difficulty of finding quality university graduates to employ in this sector because of weak curriculum. Compensated only partially by programs offered by the Ministry of Communication.	Regularly update curricula of the Faculty of Communication and Information Technology to keep up with technology changes and improve chances of youth for being employed. Strengthen the programs offered by the Ministry of Communication and scale them up to increase the number of qualified youth in this important domain.
Financial Services	There is a problem of lack of qualified employees in the stock exchange because university graduates are not enough trained and the cost of training is very high.	• The most immediate solution is to revisit the stock exchange model in Cairo University which needs promotion so all stakeholders know about it. It also needs revision of programs to be able to provide more specialized training so that financial services companies can benefit from that. • Creating a division for stock exchange in the faculty of commerce to specialize in stock exchange given its importance. • Establish strong co-op program that allows business to hire students for work terms, providing them with a source of subsidized training.

5.2.2.5. Taxes

Sector	Problems	Recommendations
Transportation and Logistics Services	Major shipping firms issue invoices in a specific format, while the Tax Authority requests an e-invoice in a different format, resulting in many problems when conducting tax inspection.	Unify and approve one specific format for all the invoices that will be accepted by all the authorities to avoid wasting time.

5.2.2.6. Insurance

Sector	Problems	Recommendations
Handicrafts	Most workers in handicrafts are females, in addition to a percentage of disabled people of both genders, all of them receive pensions and refuse to work formally so as not lose their pensions.	Revision of the insurance system so that it does not deprive vulnerable groups from getting pensions from other initiatives as they need both sources of income for survival. Best solution is to allow them to keep their pensions even if they get other jobs especially that these pensions are very low (no more than LE 500).

5.2.3. Policy recommendations for geographic problems

Region	Problems	Recommendations
Greater Cairo	Some sectors are concentrated only in specific governorates, such as the financial services and info and communication in the Greater Cairo (Cairo, Giza and Alex), which may encourage labor migration.	Given the growing importance of this sector, there is a need to offer incentives to encourage their creation in all other governorates. The creation of such companies will encourage the entire value chain to have specialized human resources all over Egypt and not just in these governorates.
Cairo	The social insurance office in Nasr City affialited to New Cairo Industrial Zone blocks all enterprise's accounts in all related entities if it did not pay the insurance even for a very short period of time.	• Improving the insurance system by having a Check and Balances system. • Clarifying all relevant rules. • Establishing system of penalty for government employees.
New Cairo (Thousand Factories)	The cost of the industrial sewage analysis is high, as firms pay the New Cairo City Authority EGP 1,800 as analysis fees if there is no problem with the wastewater, and an amount of up to EGP 180,000 if any percentage of acids is found in the analysis	• Elimination of irrelevant industries from industrial sewage analysis. • Improving the communication process between utilities and enterprises as well as making rules of payment transparent.

Region	Problems	Recommendations
	result, noting that the area is not equipped with industrial sewage!	
	Although firms have electronic electrical meters, they are required to pay additional amounts.	Revision of the unneeded paid fees by the Ministry of electricity.
	Change of activity is very difficult even if it is in the same specialty because of IDA and New Cairo Development Authority costly and lengthy procedures, to the extent that the factories prefer to add a new activity instead of change the activity. It is a horizontal problem as well.	Streamlining the process of changing from an activity to another as long as it is consistent with the nature of industries in the industrial zone, consistent with the line of production and not harmful to climate (Intelligent process).
Damietta	Difficulty of issuing licenses to furniture workshops, as the tenant is required to register the property first in order to obtain a license for the workshop. This is extremely difficult, as these workshops have been rented for a long time and the papers required to license the property may not be available, or the property owner may not be available for any reason, which makes this impossible.	Separation of status between workshops' tenants and property's tenants.
Minya (Al-Mutahra Industrial Zone)	There is no source of water in the industrial zone other than wells water, which is highly salty and is not suitable for use in food industries. A problem in the availability of qualified labor, as Upper Egypt lacks the culture of working in industry.	• Establishment of a water desalination plant and facilitation of procedures of wells licenses. • Training centers should customize specific training programs responding to the needs of Upper Egypt.
Sohag (Al-Kawthar Industrial Zone)	The level of services declined, both electronically and paperwork. Obtaining a taxpayer document from the Investment Services Office to submit to the	• Having a presentation of all services in all areas of Upper Egypt to reduce the transaction cost and transportation for

Region	Problems	Recommendations
	bank takes approximately three months. The same applies to the rest of services, such as obtaining a replacement for a damaged or lost tax card, noting that the services provided through the office were transferred to Luxor Governorate around seven months ago. Al-Kawthar Industrial Zone is the only industrial zone in the governorate that pays higher amounts of real estate tax (around 1600 EGP) compared to other industrial zones (pay around 250-300 EGP for the same area) under the pretext of its affiliation to the residential area.	small enterprises to receive these services. • Improving the quality of electronically delivered services particularly in Upper Egypt so that return to paper documentation stops to be seen as superior alternative. • All real estate taxes all over Egypt have to be equal irrespective of the location. • Reconsidering the imposition of real estate tax on SMEs because productive entities should not be treated as real estate.
Delta	The Ashmoun Insurance Office in Menoufia Governorate refuses the payment of fees by check or bank transfer.	• Upgrading the payment process to involve non- cash payment methods. • Ensuring that all governmental entities collect fees through online channels only and may use cash in case of break in systems only.

6. Conclusion

SMEs are a critical component of Egypt's private-sector economy, and playing an important role in employment, production, entrepreneurship, and local economic activity. Yet, the evidence examined in this study indicates that their potential contribution remains constrained not by a single obstacle, but by a combination of interconnected institutional, regulatory, financial, administrative, technological, human-capital, sector-specific, geographic, and gender-related challenges. Addressing these constraints therefore requires a policy approach that goes beyond individual support programs and focuses on the overall environment in which SMEs operate.

The review of Egypt's SME ecosystem shows that substantial efforts have already been made to establish a dedicated policy, legal, and institutional framework. Institutionally, MSMEDA

has a central mandate to coordinate SME development, while a broad range of ministries, financial institutions, and specialized entities provide financing, business development, training, marketing, entrepreneurship, and other forms of support. The CBE and Egyptian banks, for example, have significantly expanded SME financing, while initiatives provide business incubators and business development services.

The central issue emerging from the analysis is therefore not the absence of policies, institutions, or initiatives, but the extent to which these elements function as a coherent and accessible system from the perspective of SMEs. The institutional landscape involves multiple actors with different mandates, including MSMEDA, ministries, banks, business-support entities, and organizations providing targeted support to particular groups. While this breadth provides a basis for addressing diverse SME needs, it also makes coordination, communication, consistency of implementation, and clarity of responsibilities essential. The existence of numerous initiatives does not by itself ensure that SMEs are aware of them, can access them easily, or receive consistent services across locations. The institutional evidence itself illustrates the wide range of interventions currently in place, from financing and licensing to market access, skills development, and entrepreneurship support.

The focus group discussions reinforce this finding by demonstrating that many of the difficulties experienced by SMEs arise in their day-to-day interaction with the business environment. The findings suggest that the effectiveness of SME policy depends not only on the substance of regulations and support programs, but on how these policies are communicated and implemented. The gap between available support and SMEs' awareness or ability to benefit from it is particularly important. This makes better communication, clearer guidance, more consistent procedures, and more responsive public services important policy priorities alongside larger structural reforms.

The international experiences reviewed in the study provide useful reference points, but their principal value lies in identifying approaches that can be adapted to Egypt rather than replicated mechanically. The policy response should therefore be grounded in Egypt's institutional structure, the diversity of its SME population, and the problems directly reported by enterprises. In this respect, the focus group discussions are particularly important because they place the experience of SMEs at the centre of the policy discussion. They provide a basis for

recommendations that respond to practical constraints rather than relying solely on a top-down assessment of the ecosystem.

A number of short-term measures could generate visible quick improvements without requiring major fiscal resources or fundamental institutional restructuring. Better communication by MSMEDA, greater awareness of the benefits already available under Law No. 152 of 2020, and an updated practical guide for SMEs could help close the information gap. Similarly, reviewing minor procedures and fees that impose disproportionate burdens, separating tax disputes from unrelated operational restrictions, clarifying transaction costs, allowing appropriate tax installments for SMEs, and simplifying digital requirements could improve the daily business experience. These measures should be accompanied by stronger public-service delivery through effective complaint mechanisms, systematic training of government employees, incentives for officials who facilitate SME services, and consistent application of rules across governorates. Strengthening MSMEDA's capacity should underpin these efforts so that its coordinating role can translate more effectively into accessible services for SMEs.

Ultimately, the findings point to a clear policy direction: Egypt does not need to build an SME support system from scratch; it needs to make the existing system more coherent, accessible, responsive, and better connected to the actual needs of enterprises. The priority should be to reduce the distance between policy design and implementation, between available support and SME awareness, and between national frameworks and the experience of enterprises on the ground. Addressing immediate administrative obstacles while pursuing deeper institutional, financial, technological, skills, and sector-specific reforms would allow the considerable institutional infrastructure already established for SMEs to deliver greater practical impact.

ANNEXES

Annex 1

Survey: Policy Dialogue with Small and Medium Enterprises in Egypt- Focus Groups Discussion to Identify Current Challenges and Areas for Improvement

General Profile /بيانات أساسية

اسم الشركة: .....

اسم الحاضر/ ممثل الشركة في الاجتماع: .....

وظيفته بالشركة: .....

رقم الموبايل: .....

مكان العمل:

المحافظة: ..... المدينة: .....

متي بدأت هذا المشروع؟ عام .....

ما هو نوع منتجك؟

سلعة، اذكرها: .....

خدمة، اذكرها: .....

كيف تصف المرحلة التي يمر بها مشروعك حاليا؟

مرحلة بدء النشاط

مرحلة التوسع

لماذا اخترت هذا المشروع؟ .....

هل تغير نشاط الشركة في أي من الفترات منذ إنشائها؟

نعم، اذكر النشاط السابق: .....

لا

هل يقوم مشروعك بالتصدير؟

نعم، اذكر الدولة التي تصدر إليها: .....

لا

ما مدى توافر وسائل الانتقال الي مقر المشروع؟

متوفرة بشكل كبير

متوفرة نوعا ما

غير متوفرة

لا أعرف

هل حصلت على مساندة من أي جهة؟

..... :نعم، اذكر الجهة التي تلقيت منها المساندة

لا

ما نوع المساندة التي حصلت عليها؟

تمويل

تدريب

..... :أخرى، اذكر

ما القانون الذي يتبعه مشروعك؟

قانون الاستثمار

قانون الشركات

..... :أخرى، اذكر

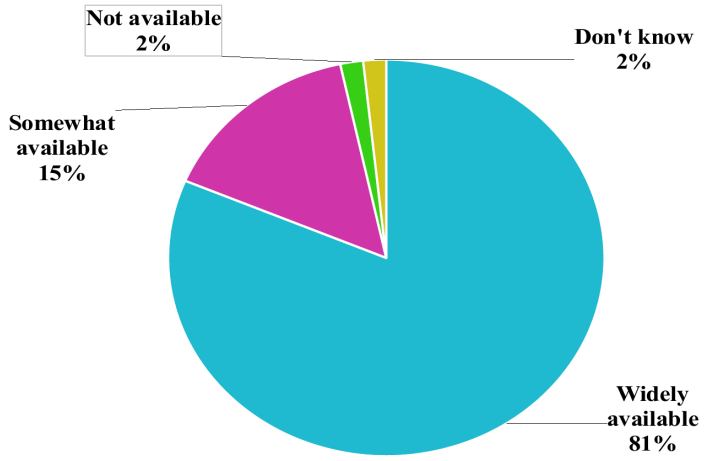
ما هي أهم مشكلة تواجه مشروعك في الوقت الحالي؟)في جملة واحدة(

.....

Annex 2

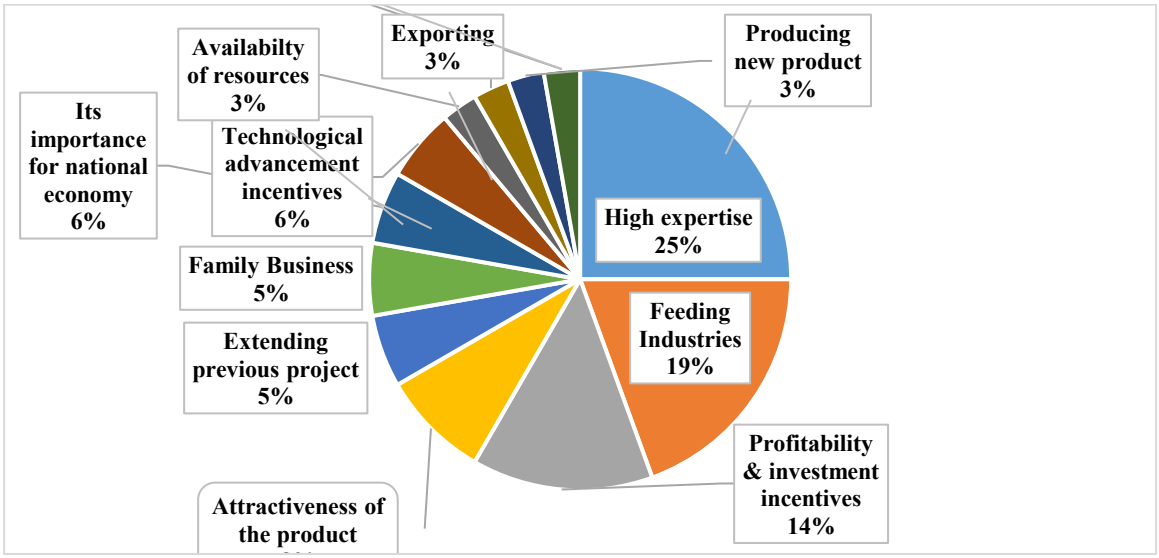
Statistical Results of the Survey

Figure A2.1. Distribution of SMEs based on Their Access to Transportation



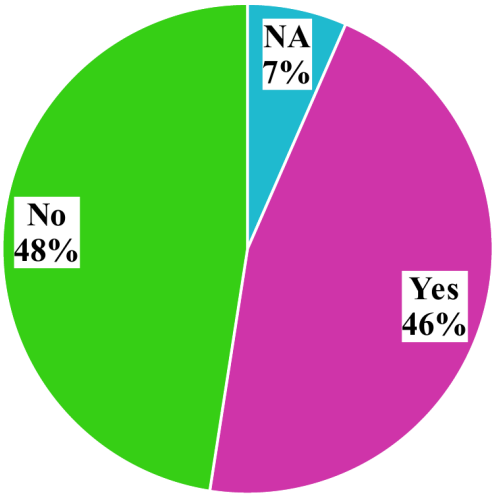
Source: ECES' analysis based on survey's results.

Figure A2.2. Distribution of SMEs based on Their Innovation Potential



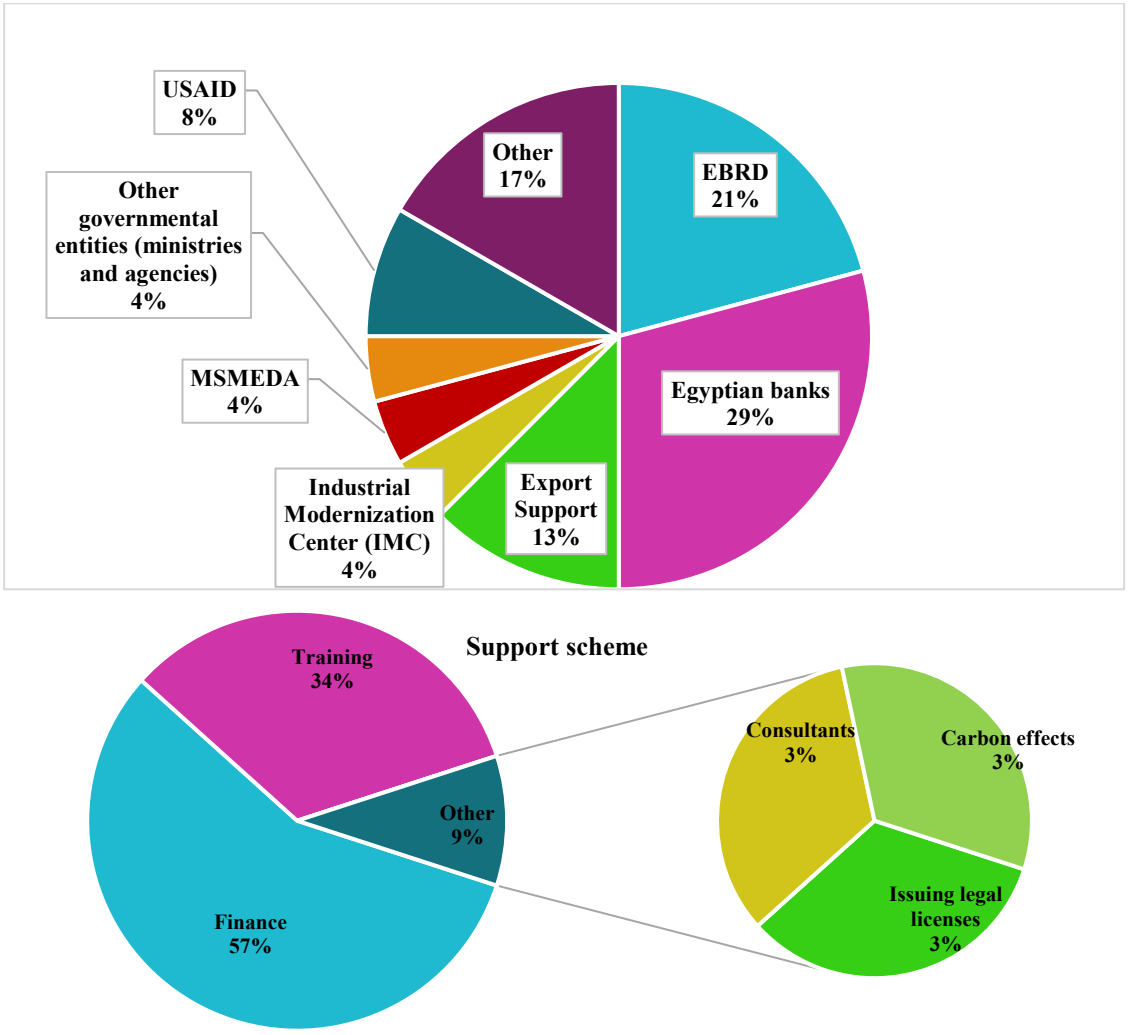
Source: ECES' analysis based on survey's results.

Figure A2.3. Receipt of Support



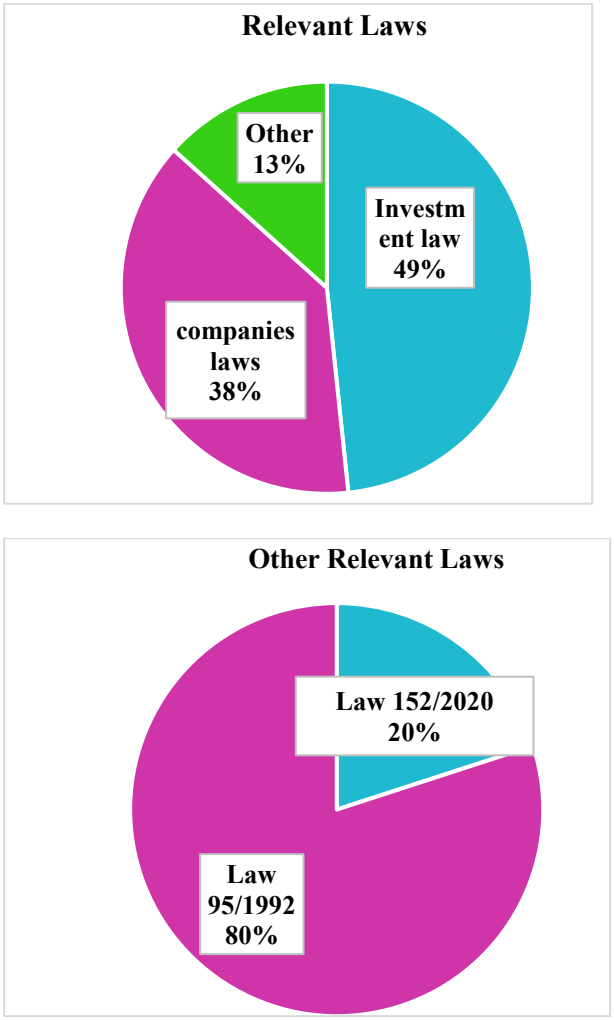
Source: ECES' analysis based on survey's results.

Figure A2.4. Distribution of SMEs based on Their Awareness about Entities Offering Support to SMEs and Their Provided Schemes



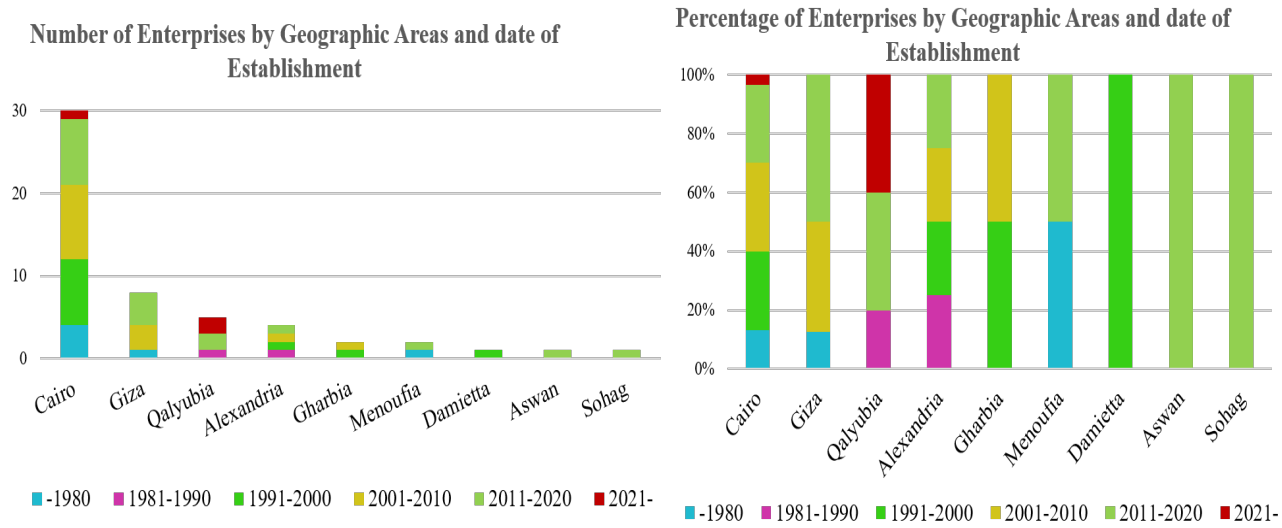
Source: ECES' analysis based on survey's results.

Figure A2.5. Distribution of SMEs based on Their Awareness about the Legal Framework



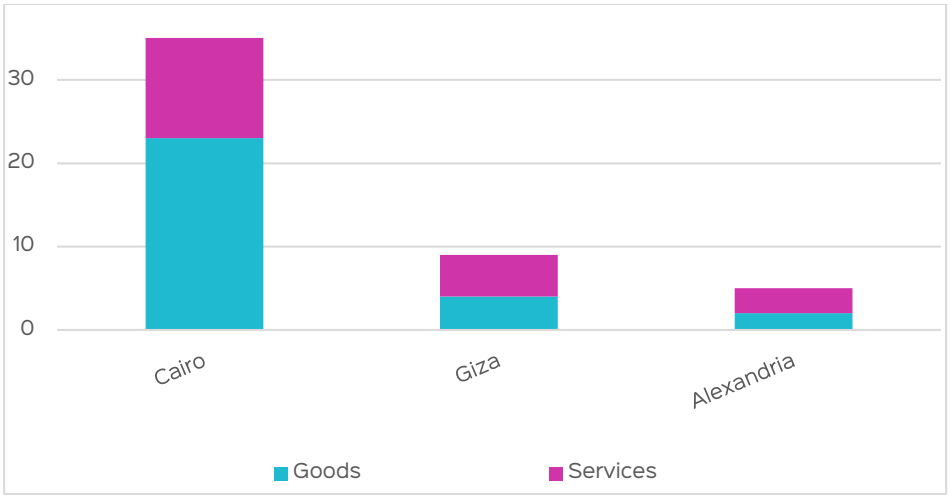
Source: ECES' analysis based on survey's results.

Figure A2.6. Distribution of SMEs based on Geographical Location and Date of Establishment



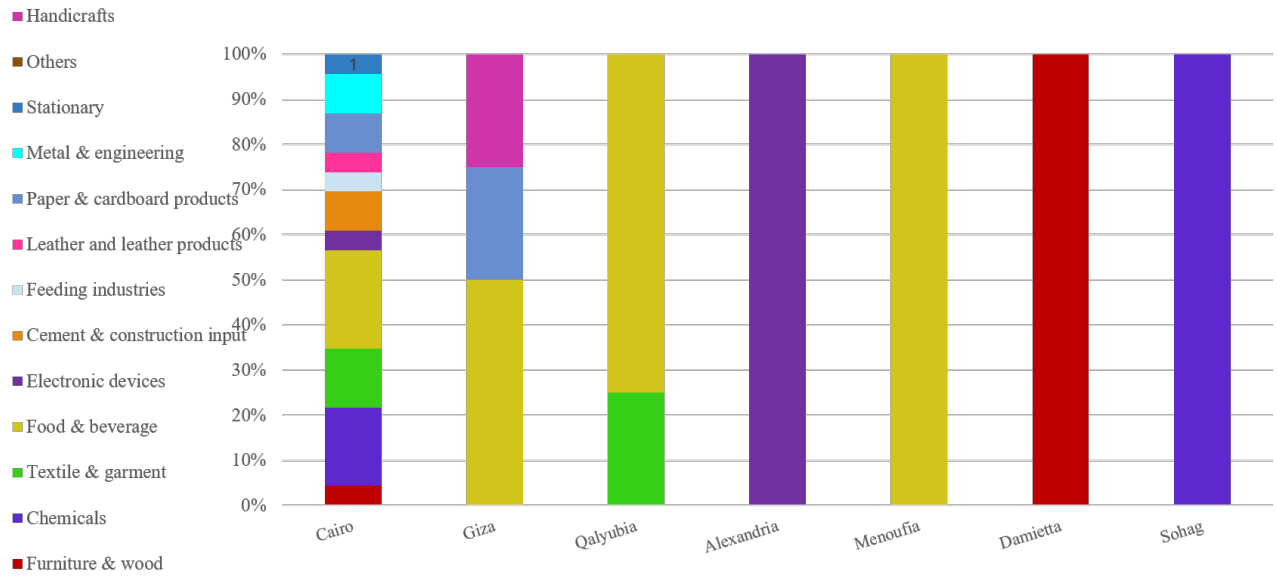
Source: ECES' analysis based on survey's results.

Figure A2.7. Distribution of SMEs based on Concentration of Services in Specific Area



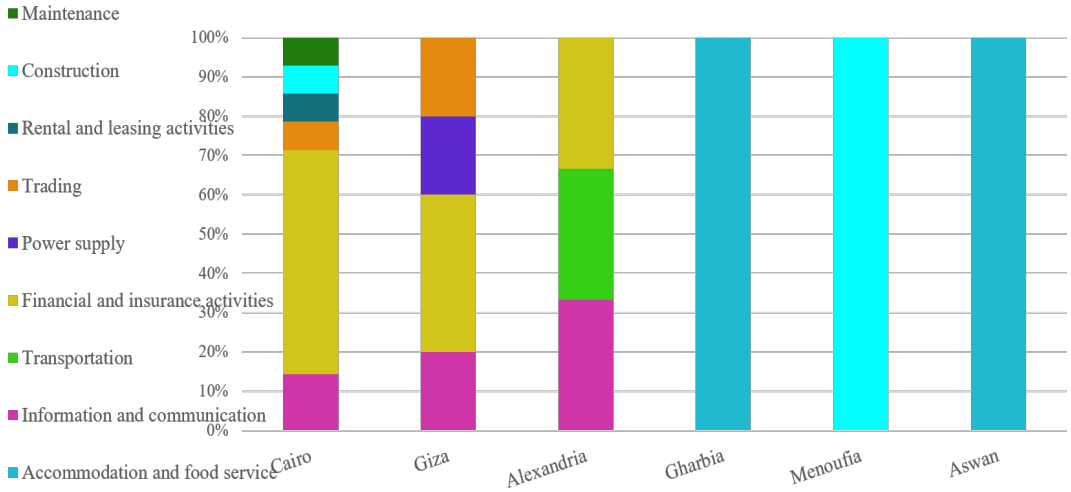
Source: ECES' analysis based on survey's results.

Figure A2.8. Distribution of SMEs based on Sectoral Diversification in Cairo and Giza Compared to Other Governorates (Goods)



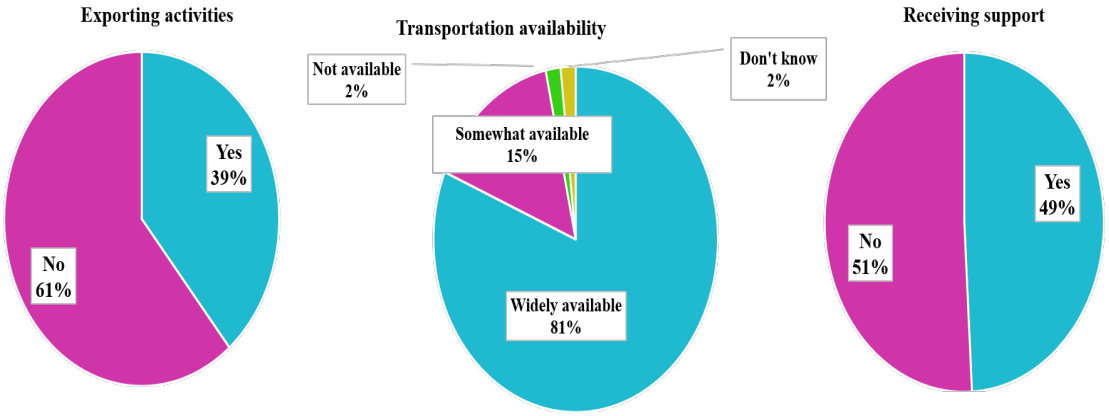
Source: ECES' analysis based on survey's results.

Figure A2.9. Distribution of SMEs based on Sectoral Diversification in Cairo, Giza and Alexandria compared to other governorates (Services)



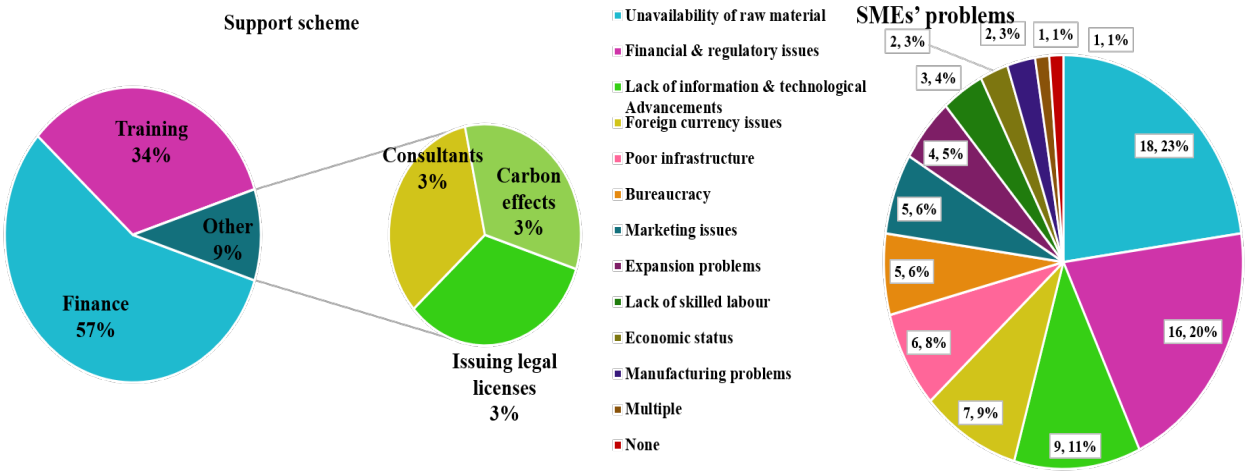
Source: ECES' analysis based on survey's results.

Figure A2.10. Distribution of SMEs based on Exporting Status According to Transportation Availability and Receipt of Support



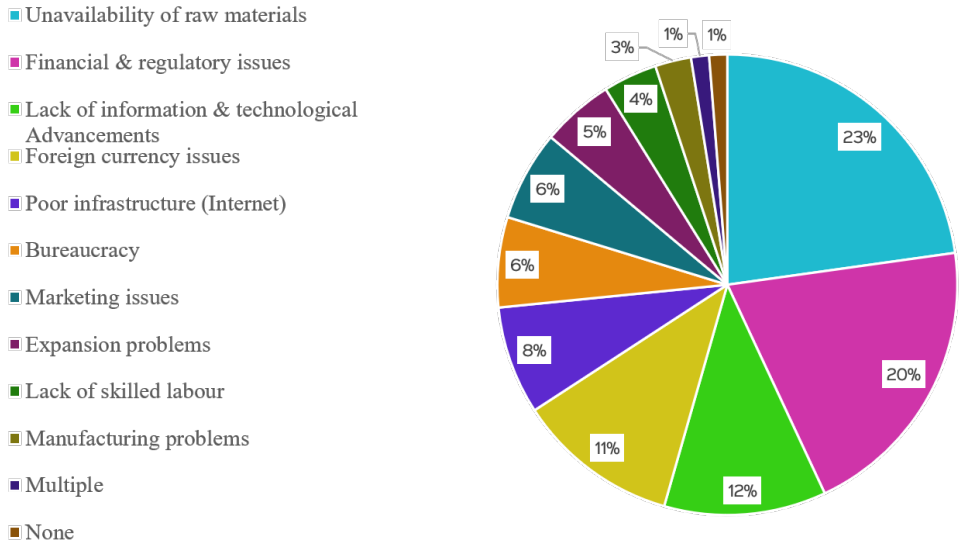
Source: ECES' analysis based on survey's results.

Figure A2.11. Distribution of SMEs based on Positioning of Finance in SMEs Problems



Source: ECES' analysis based on survey's results.

Figure A2.12. Distribution of SMEs based on Ranking of Major Problems Raised by Respondents



Source: ECES' analysis based on survey's results.

Annex 3

Industrial Zones in Upper Egypt

"Your Guide to Industrial Investment in Egypt" is an ECES initiative aimed at providing key information that investors need about Egyptian governorates. Updated periodically, the guide comprises general, region-specific and detailed information, including detailed maps of governorates with utility and energy prices, investment regulations, investment incentives, tax structure, customs regulations, trade agreements, and procedural steps. Such information is needed by investors and is often not found in one single place. The most updated edition of "Your Guide to Industrial Investment in Egypt" is available now at https://eces.org.eg/en/your-guide-to-industrial-investment-in-egypt/

Annex 4

Local Initiatives for Women Empowerment using ICT Tools

Table A4.1. Local Initiatives for Women Empowerment using ICT[6]

Name of the Initiative	Entity	Targeted Category	Initiative's Brief	Objective	Start Date	Results of the Initiative
Women Entrepreneurship Program "هي رائدة"	The Technology Innovation and Entrepreneurship Center (TIEC) of the Information Technology Industry Development Agency (ITIDA)	Egyptian Women Entrepreneurs	The program is focusing on supporting early-stage women entrepreneurs operating in the ICT sector. The primary target audience of this program are female entrepreneurs whose products center around technology, or the entrepreneurs who use technology as an assistive factor to commercialize their products. Examples of projects are ICT-related, including websites, mobile applications, software programs, or Internet of Things (IoT)-powered platforms; or those who have any project that can be upgraded with a digital marketing interface, such as handicrafts or Do It Yourself (DIY) kits and others.	The free program aims to train female entrepreneurs nationwide on startup methodologies and concepts and help them achieve their goals across all the governorates of Egypt. Program perks: 5000L.E. as support when the entrepreneur registers her company.	August 2022	n/a

[6] The end date of all the mentioned initiatives is not specified.

The National Initiative for Smart Green Projects in the Governorates of the Republic	Egyptian Cabinet, National Council for Women, Ministry of Planning and Economic Development	Egyptian women	The initiative aims towards achieving Egypt's vision, centered on 7 basic pillars: Developing methods that take into account women's needs during the process of adaptation and mitigation against repercussions of climate change; enhancing women's effectiveness and effective participation during the stages of environmental governance; benefiting from women's employment opportunities during the environmental transition process Fair green economy; rational consumption and blue economy within the framework of sustainable development goals, addressing the health and social impact and repercussions of environmental degradation on women; promoting awareness and behavioral change on women's issues and climate change; enhancing the production of data and knowledge on women's issues, the environment, and climate change; applying the principles of women's empowerment; and taking into account their needs during the process of financing	Raising awareness of the issues of women, the environment, and climate change; and the importance of women's role in facing climate change, highlighting Egypt's vision as presented during the meetings of the United Nations Commission on the Status of Women (CSW). Its main topic was "the issue of the impact of climate change on women." Spreading awareness of the initiative and its conditions and criteria for spreading availability to women across all governorates, and encouraging them to participate and compete within the initiative to present important projects for women that meet the basic conditions of being “green” and “smart”, referring to their focus on modern technology. Encouraging women to remain updated in terms of initiatives that promote the creation of distinguished and innovative projects. Spreading community awareness about the challenges of climate change, the capabilities of modern technology, mapping out green and smart projects at the	August 2022	18 successful projects

			climate change. The initiative aims to ensure the seriousness of dealing with environmental issues, and climate change within the framework of achieving the goals of sustainable development and digital transformation.	governorate level, linking them to financing agencies, and attracting the necessary investments for them, from home and abroad		
Tahwesha	The project is co-led by NCW and the Central Bank of Egypt (CBE), implemented with the support of UN Women Egypt, and co-funded by the European Union and the Kingdom of the Netherlands	Women	The first practical experience of using the digital application "Tahwesha" as part of the project carried out by the selected women on the ground; in the villages of Jawad Hosni, Abu Homs Center in El Beheira Governorate, which is the first governorate to apply this initiative. This step is the beginning of the actual launch of the work of the digital savings and lending groups on the ground; field facilitators and supervisors were handed smart phones that contain the application, and they have already started recording the data of the targeted women in the groups, and conducting all the steps of the project on them, whether they are savings or digital lending.	To help rural women benefit from financial inclusion and use savings and lending services via smart phones	March 2022	

The Fekretik platform and competition	The National Council for Women in cooperation with the Ministry of Communication and Information Technology, and Vodafone Egypt	Women	Fekretik initiative is based on creating a platform and competition to support girls, bring their ideas into reality, and enable them to engage and create project ideas using technology. During the year 2021, a competition was organized and financial prizes were awarded to the winners to enable them to transform their ideas into projects. Among the winning ideas are the "Fassah application" to promote tourist attractions in Egypt, the "Himma application" to support people with special needs and integrate them into the educational framework, and the "Fekret Mashrooa' Warshetik" to support Craftsmen and market their products. The Council also provided the winners with training on electronic marketing.	Women's economic and social empowerment and protection using information and communication technology through e-marketing training	March 2021	
Qodwa-Tech including the following programs: 'Future of Women Empowerment in the Era of Digital Transformation'	Ministry of Communication and Information Technology (MCIT) in cooperation with EgyptPost, UNDP, Microsoft Egypt.	Female Entrepreneurs	It tries to meet the needs of female entrepreneurs, through enahncing their technological capacities in digital marketing by attending online training on digital marketing, using social media platforms for promoting	Reaching female entrepreneurs nationwide, helping preserve traditional and heritage crafts, and catering to the needs of craftswomen in different governorates preserve their place in the value chain.	2019 and ongoing	Educating and empowering nearly 4,000 beneficiaries through a rapid transformation in the form of providing training services to

Qodwa-Tech Artificial Intelligence (AI) Hackathon: Reviving Culture and Heritage			and utilizing IT tools and applications in marketing handmade products to empower women economically and socially. The initiative's activities are carried out in different areas nationwide, especially in underserved areas. Consultancy sessions and awareness campaigns on digital financial inclusion, online safety, principles of packaging, shipping, pricing, and imaging, green marketing, and intellectual property were launched. Organization of workshops and sessions to present inspiring success stories of female entrepreneurs and supporting female participants in starting their own business and guiding them through entrepreneurship. Selecting ambitious female entrepreneurs from underserved areas, training, and guiding them to use IT applications. Creating an e-portal for successful female entrepreneurs to ease their access to training and	The aim is to reach 2000 craftswomen and female entrepreneurs annually, to develop their capacities and enhance their technological skills, to help them reach out to the market and promote their handicrafts, digitally, using modern technology. Facilitating women's collection and payment transactions through new apps such as Yalla Super App and Yalla Card. Raising awareness of the opportunities for technological empowerment available to women with specific sectoral focus. It also provides them with the skills and knowledge needed to develop solutions using technology and AI, to help revive heritage and culture.		different categories of women, from traditional methods to interactive methods through distance learning techniques. Additionally, 25 digital marketing batches were graduated, which allowed the female beneficiaries to meet their needs to be present in the virtual labor market, consequently consolidating the concept and importance of digital transformation in their minds.

			educational programs organized through the initiative using online and mobile applications.			
#SHEMEANSBUSINESS	Facebook is partnering with Sheraa Sharjah and Emirates Foundation in UAE, and with Ahead of the Curve	Women	This training is for all women entrepreneurs and women with entrepreneurial ideas who are looking to start their business. The training is for free and TIEC offers free transportation to and from smart village for the trainees.	Aims to celebrate the achievements and contributions of Egyptian female-owned businesses and highlight how Instagram and Facebook empower women to connect, share and grow. The training aims at training women entrepreneurs on how to use social media (Facebook and Instagram specifically) to run and scale their businesses.	May 2017	
AlMakinah's Gear Up .Women Edition	AlMakinah & local Global Shapers Hubs in Egypt	Young Women	This initiative provided need-based scholarships to 25 women in Egypt to help them launch their tech careers. The scholarship provides them with an opportunity to join AlMakinah's Gear Up Women Edition, which aims to teach young women	Aims to teach young women basics of web development.	2017	AlMakinah has been making continuous efforts to change the status quo of computer science education. In their eighteen months of operation, they've trained more than 60 coders, many of whom are now a

			basics of web development.			part of Egypt's booming start-up scene.
ICT for Women Portal	MCIT in partnership with USAID, UNDP, and Microsoft.	Girls and Women	To support females and empower them to use various ICT tools in all aspects of life. To enhance women's abilities and to overcome the challenges they are facing; to better serve their communities and improve their welfare.	The ICT for Woman Portal is the first Egyptian Bilingual (Arabic/English) Portal specialized in developing and empowering women through ICT. This initiative was developed by MCIT as a one-stop shop for all Egyptian girls and women belonging to different social groups, who are interested in the ICT field; among which are marginalized remote areas. The portal provides different services for them; including capacity building programs to encourage women to be entrepreneurs, and available ICT job opportunities offered by national and international companies in various specializations. It also displays the latest ICT female statistics in Egypt (accessibility and usage of ICT in the different sectors); based on up-to-date international methodologies. The portal provides different studies on how to empower	Ongoing from 20/09/2016 to 31/12/2020	n/a

				women through ICT, national ICT initiatives directed to females, and success stories. It developed a dissemination mechanism between the MCIT and the interested partners and stakeholders through organizing regional conferences across Egypt. Distinguished in the ICT filed are also being awarded on an annual basis to celebrate consolidation between ICT and Women in Egypt.		
Women's Skills Development Center	The center began its activity in 2001 under the cooperation agreement signed with the United States Agency for International Development, afterwhich the center came under the full supervision of the Council since September 2005	Women and youth	The services provided by the center vary between training, marketing and advisory services, linking women and technology, the center offers specialized computer skills-development, and also works to integrate women at a national level through a database that includes agencies, institutions and project owners. It also helps craftswomen in marketing their products, especially in remote governorates, by involving them in exhibitions, networking them with the commercial sectors, and marketing their products electronically through the "Al Masreya" series of catalogs..	The center aims to aid in women and youth's self-empowerment in order to optimally employ their capabilities and advance their societies through: Creating a suitable and encouraging environment for women who wish to enter the labor market. Preparing women and youth for entering the labor market and benefit from their skills and development through training and development programs in cooperation with partners and specialized agencies. Linking training with employment opportunities and available resources to achieve maximum benefit. Creating a network for	September 2005	

				communication and exchange of expertise and successful experiences. Maximizing benefit from the experiences gained by governmental and non-governmental organizations and partners. Networking women wishing to establish small or medium projects with agencies that provide business development services, as well as providing them with pertinent information related to business development. Linking and networking homogeneous groups of women (affinity groups)) with similar dwellings or economic activity in order to come up with integrated projects		
ICT Clubs	MCIT	Girls and women	Establishing "ICT Clubs" to make ICT available to all members of society.	To enhance and develop girls' skills in advanced technological fields. This is carried out through partnership with international IT companies. In this context, MCIT implemented the initiative.	n/a	n/a
The Women Techsters Initiative Fellowship	FinTech Egypt	Egyptian Girls and Women (ages 16 - 40).	It is a FREE 12-month intensive technology skills learning program (6-month training period and 6-month paid internship period) across	To help female technology startups or tech-enabled businesses.	n/a	

			eight learning tracks: - Software Development. - Mobile Development. - Blockchain. - Product Design. - Data Science and AI. - Product Management. - Cybersecurity. - 3D animation & Mixed reality (AR & VR).			
Integrated Development Project in Siwa	ICT Trust Fund, UNDP, Siwa Community Development and Environment Conservation Association (SCDEC), Ministry of Health, Ministry of Education, Magdy Yacoub foundation, Vodafone Egypt Foundation, World Health Organization (WHO)	Severely marginalized women.	The Integrated ICT for Development program has innovatively implemented a number of interventions using a variety of highly customized applications toward women empowerment, the enhancement of the children's health status, modernizing education, and increasing employability in the Siwa Oasis.	Empowering the local community in areas of literacy, education, health, and SMEs; through small, integrated, and focused interventions using ICT.	Accomplished	The project was selected as a "Best Practice" by the International Jury for the Dubai International Award for Best Practices 8th Cycle in the year 2010 for its outstanding contribution towards improving the living environment.

Sources: Prepared by ECES based on https://www.qodwatech.com, http://www.ictforwoman.gov.eg/initv_new.aspx, https://www.itu.int/net4/wsis/archive/stocktaking/Project/Details?projectId=1514831513, https://www.menabytes.com/almakinah-global-shapers-egypt-coding-grants/, https://tiec.gov.eg/english/programs/she-program/pages/default.aspx, https://egyptinnovate.com/en/events/shemeansbusiness-%E2%80%93-training-boot-camp

. n/a.: the information is not available

Annex 5

ECES' "Entrepreneurial Guide For Egyptian Women"

The "Entrepreneurial Guide For Egyptian Women" is a step-by-step guide, designed to provide support to entrepreneurs (either existing or potential). It provides information about the main concepts and definitions of the business environment, the procedural requirements to establish a formal business, available financial services, the places that provide these services and how to obtain them, as well as the non-financial services provided by the institutions supporting entrepreneurs. The guide also indicates the services provided to both men and women, and those provided to women only in order to maximize information availability. It is available at https://eces.org.eg/en/entrepreneurial-guide-for-egyptian-women/

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