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**The Importance of Business Development Services in
Supporting Egyptian Startups Ecosystem:
Proposing New Initiatives**

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Introduction

Entrepreneurship is widely recognized as a crucial driver of economic growth, particularly in the face of rising global unemployment, the escalating migration crisis, and ongoing conflicts that disrupt economies. Startups and entrepreneurial ventures are often seen as catalysts for economic advancement. By adhering to key success factors—such as securing adequate funding, recruiting skilled employees, especially programmers, and implementing effective marketing strategies—these businesses can achieve substantial success and make significant contributions to the economic growth of their respective countries.

When startups meet these milestones, they not only demonstrate high performance standards but also enhance their ability to increase economic value. However, achieving such outcomes requires extensive preparation before startups are established, involving multiple stakeholders, including governments, educational institutions, research centers, and the private sector. A critical aspect of this process is the development of a comprehensive system that offers business development services tailored to entrepreneurs and startup owners.

Accordingly, there is an urgent need to restructure policies aimed at enhancing the entrepreneurial ecosystem and supporting entrepreneurs and startups. This involves redesigning a new framework for business development services that aligns with emerging technologies, thereby contributing to growth, productivity, and improving the competitiveness of their ventures.

This paper will focus on presenting the key efforts of the Egyptian government in the field of business development services, with an emphasis on aspects related to digital transformation and supporting green activities, contributing to the achievement of sustainable development goals in Egypt. Moreover, this paper aims to present new initiatives enhancing business development services in Egypt.

Startup Ecosystem Overview in Egypt

Egypt's ecosystem includes over 2000 startups. The ecosystem value exceeds \$8 billion, reflecting its rapid growth and increased investment appeal. The total investment in the first half of 2024 reached \$88.69 million across 39 deals, with more than 50000 job opportunities in the ecosystem, showcasing a vibrant and evolving entrepreneurial landscape (Entlaq Holding,

2024). However, the recent data reveals fluctuations in investment amounts and deal numbers in the first half of 2024, reflecting varying investor confidence and market conditions (Wamda & EdVentures, 2024). Although the business environment in Egypt is viewed positively overall, persistent challenges remain in areas such as venture capital financing, ease of doing business, and cross-border capital flows. Therefore, the necessity for continuous collaborative efforts and improved dialogue between the government, private sector and the startup ecosystem in order to foster a more comprehensive, accessible and dynamic entrepreneurial ecosystem.

Entrepreneurial Ecosystem Performance in Egypt

Entlaq Holding has further developed the Egyptian Entrepreneurial Ecosystem Performance Index (EEPI) that helps providing insight through 8 critical segments within entrepreneurial landscape. According to the results of EEPI there is a clear need for more targeted investment strategies by the government, private sector, and development sector to support startups in less funded sectors, mixed gender founder composition, and remote geographic areas ensuring balanced and inclusive entrepreneurial growth across the ecosystem. Therefore, that requires to direct support and resources for startups through diversified channels of access to capital, tax and investment incentives, regulatory support and better integration into global value chains. The following table presents the results of segments (*) relevant to business development services:

No	Segment	Result
1	Policy & Government	The score of (3.09) for Policy & Government reflects a moderate level of satisfaction with policy and government effectiveness in Egypt's entrepreneurial ecosystem. The highest score in Rule of Law suggests that stakeholders have a higher degree of confidence in legal frameworks and property rights protection. It indicates that there are still areas for improvement
2	Social Inclusion	The score of (3.12) for social inclusion suggests a moderate level of satisfaction with the inclusiveness of

(*) 0= Very Inadequate: Completely unacceptable, lacking in every aspect.
 1= Inadequate: Poor performance with significant shortcomings.
 2= Below Average adequacy: Some areas meet expectations, but overall performance is lacking.
 3= Average adequacy: Meets basic expectations but doesn't stand out in any particular way.
 4= Above Average adequacy: Good performance with notable strengths.
 5= Very Adequate: Outstanding performance, exceeding expectations in all aspects.

No	Segment	Result
		Egypt's entrepreneurial ecosystem. That means Egypt's entrepreneurial ecosystem shows strengths in female inclusion and social participation, however it faces challenges in income inequality, inclusion of people with disabilities, and support for refugees and displaced persons. Targeted interventions in these areas could further enhance the overall social inclusiveness of the ecosystem.
3	Ease of Doing Business	The score of (2.74) for ease of doing business indicates a moderate level of satisfaction with the business environment in Egypt. Egypt's business environment shows strengths in starting a business and enforcing contracts, but significant improvements are needed in dealing with permits, property registration, electricity reliability, credit access, and international trade facilitation.
4	Private Sector Contribution	The score of (3.00) for private sector contribution suggests a moderate level of satisfaction with the engagement and support provided by private entities within Egypt's entrepreneurial ecosystem. Overall, while the private sector plays a valuable role in supporting Egypt's entrepreneurial ecosystem, there is a clear need for greater financial investment and enhanced support programs to further strengthen the ecosystem.
5	Development Sector Contribution	The score of (2.96) for development sector contribution suggests a moderate level of satisfaction with the support provided by entities within the development sector to Egypt's entrepreneurial ecosystem. While there are some effective contributions, there is still room for improvement. Although the development sector plays a valuable role in supporting Egypt's entrepreneurial ecosystem, particularly through capacity-building programs, there is a clear need for increased efforts to better impactful development initiatives.

Source: Entlaq Holding, & Nahdet Misr. (2024).

Ongoing initiatives for providing business development services in Egypt

There are numerous initiatives and projects that support enhancing entrepreneurial ecosystem and provide business development services (BDS) to entrepreneurs and startups across various

sectors. Below is an overview of the most significant projects and initiatives along with a description of their primary focus areas:

Initiatives for BDS	Main Focus
Hub for Advisory, Finance and Investment for Enterprises (HAFIZ Platform) established by the Ministry of Planning, Economic Development, and International Cooperation (MoPEDIC).	Hub for Advisory, Finance and Investment for Enterprises (HAFIZ Platform) : Hafiz Platform aims to provide both financial and technical support for the private sector to connect private sector companies of all sizes with financial and non-financial services provided by development partners, as well as present details of tenders and initiatives offered continuously in light of the state’s efforts to enhance the participation of the private sector.
MoPEDIC-GAFI Joint Cooperation	MoPEDIC and GAFI are focused on strengthening collaboration with development partners to improve the business environment and support emerging companies. Their efforts aim to advance international partnerships that foster innovation and entrepreneurship, enhance the implementation of existing collaborations, and boost the role of the startup growth and prosperity unit. The cooperation seeks to expand the impact of startups, refine the entrepreneurship environment and legislation, and attract international investments from development partners.
Cabinet of Ministers’ Entrepreneurship Unit	This unit is established according to decree in 2023 as a permanent unit for startups at the headquarters of the Council of Ministers. It is specialized in proposing such policies, laws, and regulations that would stimulate growth and prosperity of startups. The unit is headed by GAFI CEO. Its members are representatives from among governmental entities relevant to promoting entrepreneurship ecosystem. The Advisory Board is composed of prominent figures from among Egypt’s private sector startups and entrepreneurship influencers in Egypt. GAFI & ITIDA launched the Entrepreneurship Unit’s Online Portal entailing services pertaining to pre-establishment, during establishment, and post-establishment for startups.
Egypt-Italy African AI Hub in Egypt	The Egyptian Ministry of Communications and Information Technology and the Italian Ministry of Enterprises agreed to establish

Initiatives for BDS	Main Focus
	<p>a center for artificial intelligence (AI) in Cairo to advance AI development across Africa, provide training and support, and promote collaboration between Egyptian and Italian research institutions and businesses, while also discussing digital capabilities, data governance, and international digital infrastructure, emphasizing Egypt's strategic location and readiness to host the center.</p>
<p>The National Initiative for Green Smart Projects in Governorates</p>	<p>The National Initiative for Green Smart Projects in Governorates is a collaborative effort involving the Ministry of Communications and Information Technology (MCIT), Ministry of Planning, Economic Development & International Cooperation (MoPEDIC), the Ministry of Local Development, the Ministry of Environment, and the National Council for Women. Launched by the Ministry of Planning and Economic Development, the initiative aims to achieve sustainable and smart development by addressing the environmental aspects of climate change. It aligns with Egypt's National Climate Change Strategy of 2050. The initiative's objectives include supporting talent across Egypt's governorates, raising awareness of climate change and the capabilities of modern technology, and empowering women to tackle environmental issues. Additionally, it seeks to connect green and smart projects with funding agencies, attract local and foreign investors, and leverage ICT to advance the national digital transformation plan.</p>
<p>TIEC-MAECI</p>	<p>The Information Technology Industry Development Agency (ITIDA)'s TIEC unveiled the winners of the Startup10 program in Egypt, which was implemented in collaboration with CIHEAM Bari and 22 incubators, and funded by the Italian Ministry of Foreign Affairs and International Cooperation (MAECI). The program aimed to bolster local startups in the green and blue economy sectors and involved a six-month coaching period at TIEC, culminating in a pitch to a jury. The selected winner joined the community of Italian companies for an additional three-month collaboration and received vouchers worth up to €5,000 for various support tools and services.</p>
<p>EBRD 6th Round of Star</p>	<p>EBRD has announced its call for applications for the 6th round of the</p>

Initiatives for BDS	Main Focus
Ventures Program	<p>Star Ventures program. The program is delivered on a competitive basis and startups selected will join the cohort of dynamic venture teams in an intensive and tailored 18- month experience-based support program. The program includes systematic business diagnostics, customized consulting projects, online/in-person mentoring sessions, global networks of business partners, access to finance/market as well as advice on financing mechanisms, extended international networks of customers and channel partners, entrepreneurs, high-level business executives, and international soft landings.</p>
UNDP Green Growth and Jobs Accelerator 1st Cohort	<p>The Green Growth and Jobs Accelerator supports small and medium-sized enterprises (SMEs), including ones led by youth, in accelerating green growth and creating green jobs for youth in Morocco, Tunisia, Egypt, and Jordan. Through this, the project supports local transitions toward more green and sustainable economies. The project runs from 2023 to 2027, with the support of the Danish-Arab Partnership Programme (DAPP), as a collaboration between the UNDP Regional Bureau for Arab States and the UNDP Nordic Representation Office and is implemented by the UNDP Country Offices in the four mentioned countries. It is also part of a broader framework of UNDP SHABABEEK – Youth Empowerment, Engagement and Knowledge Project. The project consists of two five-month Accelerators, every year, in each of the four countries for selected SMEs. Each company develops green growth business plans to integrate relevant ways to create more jobs for youth. By doing so, the project aims to build a community of green growth-oriented SMEs, established enterprises, and youth across the region.</p>
Orange Corners Egypt	<p>It is a public-private partnership to support Egyptian entrepreneurs in Cairo and Upper Egypt supported by MoPEDIC, in partnership with the Dutch Government and implemented by local consultancy firms. Egyptian entrepreneurs can benefit strongly from the Orange Corners Egypt incubation program, which offers a wide range of capacity-building, mentorship, and networking opportunities. Through its 10 cycles in Upper Egypt and Cairo, the program has supported over 250</p>

Initiatives for BDS	Main Focus
	<p>startups with + 500 hours of training, notably, 59% of companies graduating from these cycles are female-led in Upper Egypt. The Orange Corners program has contributed to a 44% increase in business volume and over an 80% increase in revenue for the startups involved. This initiative provides a unique example of an innovative Public-Private Partnership (PPP), with the Bank of Alexandria, and Madinet Masr Company acting as key partners with the government. Moving forward, the Ministry aims to strategically expand the program, particularly by connecting agribusiness entrepreneurs with global development partners to support food security and advanced agricultural technologies. This will help Egyptian entrepreneurs upscale their businesses and access new markets, fostering sustainable development and economic growth.</p>
ITIDA's 34th Pre-Incubator Program	<p>Start IT Incubation Program 34th Round and program offers financial support and in-kind services in the form of consultancy services, software and hardware tools, and marketing support. Incubation also provides a working space with basic furniture and internet access, as well as access to technical, subject-matter advisory, business consulting, and mentoring. In addition, winners will receive incubation at one of TIEC's incubators for one year.</p>
Agri-Tech initiative	<p>MoU Signing between MSMEDA & Agriculture & Teachers' Unions: The initiative aims to raise awareness and provide support for young graduates to start and manage small agricultural projects, fostering self-employment and entrepreneurship in Egypt's agricultural sector.</p>
Gov-Tech initiative	<p>MCIT's GovTech Innovation Lab: The Ministry of Communications and Information Technology (MCIT) has launched the GovTech Innovation Lab to empower GovTech startups, enhance public service delivery, and improve Egypt's digital transformation ranking, supported by GIZ and in collaboration with partners like Flat6Labs, Robusta, Zero360, We Code For You and ITIDA. The GovTech Innovation Lab program is designed to foster innovation in the public sector by integrating startups into the development of solutions that</p>

Initiatives for BDS	Main Focus
	enhance government services and operations. It supports startups at the MVP and Growth stages, facilitating their participation in an accelerator program tailored to the specific needs of government agencies. This initiative collaborates closely with GovTech Innovation Labs and aligns with the Ministry of Communications and Information Technology (MCIT) requirements to ensure the program benefits all stakeholders.

Source: Entlaq Holding, & Nahdet Misr. (2024).

Recommendations

The most impactful success factors related to entrepreneurs and startups in Egypt are the ones that basically related to provide comprehensive consultancy services for entrepreneurs to give advice for the best tools to run their ventures by designing professional training and workshops for entrepreneurs (Abdellatif, T. K., 2019). Therefore, the Egyptian entrepreneurial ecosystem needs to be nurtured by providing impactful business development services that aim to enable entrepreneurs and startups to easily get access to the required consultant services and non-financial solutions. In this regard, the following table presents two proposed initiatives aiming at improving the business development services in Egypt.

(1) Enhancing Business Development Services for Startups Initiative by the Egyptian General Authority for Investment and Free Zones	
Objectives	This initiative aims to enhance the role of the General Authority for Investment and Free Zones in Egypt by expanding the business development services offered to startups. These services will be provided from a collective perspective to facilitate integration among their capabilities and resources according to practical visions. The focus of this initiative is to support "groups" of startup entrepreneurs, helping these startups achieve a leapfrog in their business scale and development returns.
Activities	<p>The activities required to implement this initiative can be outlined as follows:</p> <ul style="list-style-type: none"> ▪ Organizing Regular Networking Events: These events aim to facilitate connections, promoting communication, collaboration, and integration among startups. This includes both procurement of production materials and marketing of their products. Entrepreneurs will be categorized into groups—either by sector or geography—to enhance communication and integration within these groups, thereby supporting their business growth. ▪ Forming Business Consortiums: Business Consortiums among startups will be established to increase their market reach both nationally and internationally. These consortiums will enable participation in tenders, access to government procurement, and international markets. ▪ Providing Digital Business Development Services: This involves training in digital skills, cybersecurity solutions, and facilitating access to innovation

(1) Enhancing Business Development Services for Startups Initiative by the Egyptian General Authority for Investment and Free Zones

labs across various regions of Egypt.

- **Creating Bank for Ideas and Investment Opportunities:** This bank will compile entrepreneurial ideas and startups in alignment with national needs. It will offer viable investment opportunities based on the capabilities of entrepreneurs, ensuring these opportunities are practical and ready for implementation. This bank will rely on:
 - **Entrepreneurial Project Ideas:** Evaluating ideas based on entrepreneurs' interests and expertise, assessing their potential for encouraging green practices, replacing imports, and increasing exports.
 - **Integrated Investment Opportunities:** Preparing a list of opportunities with available land and licenses before implementation, addressing the practical requirements for turning ideas into viable projects.
- **Developing Business Clusters:** Plans will be created to establish business clusters for startups, building necessary links and relationships to form these clusters.
- **Identifying and Addressing Startup Challenges:** Sectorial and geographical classification of startup problems will be conducted, with collective solutions proposed for short, medium, and long-term challenges. This includes informing entrepreneurs about mechanisms for resolving and settlement of disputes and accessing available solutions.
- **Hosting Public-Private Dialogues:** Continuous dialogue between the public and private sectors will be organized to foster an environment conducive to business development, digitalization, and innovation.
- **Providing Accurate Startup Data:** Establishing a reliable updated database of actual startup activities.
- **Designing an Investment Map for Viable Projects:** An investment map will be created for economically viable entrepreneurial projects needing large-scale market entry and production, representing actionable investment opportunities for collaboration between entrepreneurs and investors.
- **Setting Economic Priorities for Entrepreneurs:** Special focus will be given to sectors such as telecommunications and information technology in line with Egypt's economic and social plans.
- **Creating a Comprehensive Database of Entrepreneurial Projects:** This database will classify projects on a geographical and sectorial basis and include a mechanism to track their development stages.

(2) Accreditation program for business development services providers in Egypt	
Objectives	This initiative aims to design a program to enhance the quality of business development services through fostering and increasing the professional level of the entities responsible for providing these kinds of supporting services to enhance the capacity of startups through professional and standardized support services and contributing to structured and effective delivery of services to these startups. In the light of the This initiative is proposed to be adopted by the Egyptian General Authority for Investment and Free Zones (GAFI) because of that Cabinet of Ministers' Entrepreneurship Unit headed by GAFI is responsible for coordinating of all entities relevant to entrepreneurship ecosystem.
Activities	<ul style="list-style-type: none"> ▪ Studying best practices related to Accreditation in the field of business development services providers. ▪ Coordinating with accreditation departments/ units responsible for the accreditation of professionals in GAFI. ▪ Creating a database of accredited providers specialized in business development services. ▪ Developing a system to monitor and evaluate the performance levels of accredited providing business development services

Conclusion

Developing and enabling entrepreneurial ecosystem for young people in Egypt require recreating new policies and reengineering entrepreneurship strategies. One of the main approaches to foster and improve this ecosystem is continuously monitoring and specifying the renewable evolving needs of entrepreneurs and startups in order to redesign the business development services including mentorship, training, and networking opportunities that meet their aspirations and guide them to expand their business, leading to startups thrive in Egypt. The aforementioned new proposed initiatives seek to enhance the level up quality of the business development services. The international experience of the international organizations supporting improving entrepreneurial ecosystem is required to give help activating such initiatives. Therefore, the NCTAD Empretec Programme is recommended to provide technical assistance in this field.

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