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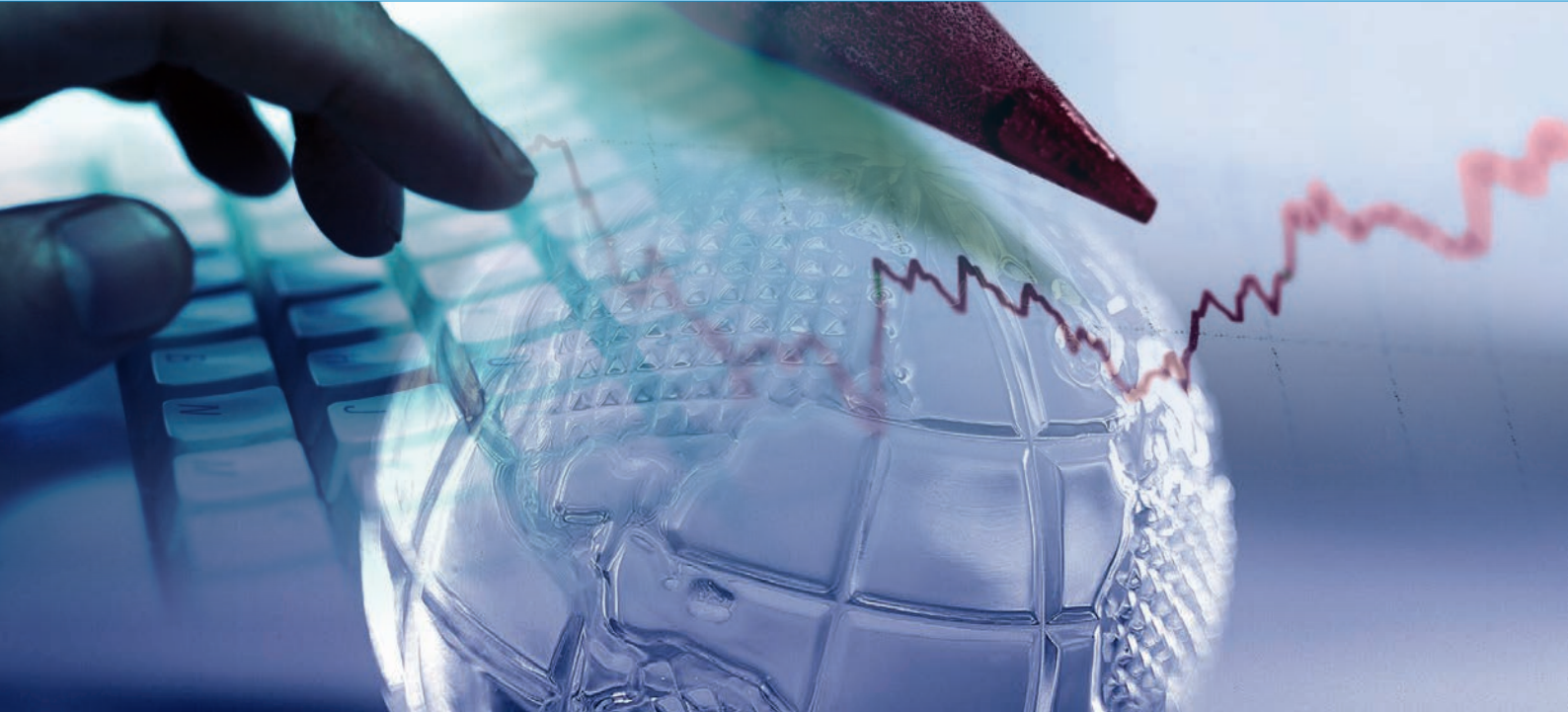
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# **Youth productive employment through entrepreneurship development in the Arab Region: State of the art of interventions in Egypt and Tunisia**



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



DEVELOPMENT POLICY, STATISTICS AND RESEARCH BRANCH  
WORKING PAPER 5/2013

**Youth productive employment  
through entrepreneurship development  
in the Arab Region:  
State of the art of interventions  
in Egypt and Tunisia**

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION  
Vienna, 2014

## **Acknowledgements**

UNIDO would like to acknowledge the substantive support offered in the realisation of this paper by the United Nations Country Team in Tunisia that has been actively engaged in the implementation of the MDG-F Youth Employment and Migration; in particular, UNIDO would like to thank for their support FAO, IOM, ILO and UNDP.

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## **Abstract**

Over the last few years, youth unemployment has become a structural problem for the Arab region. Governments, international organizations, NGOs as well as the private sector have turned their attention to entrepreneurship as a viable solution to (youth) unemployment.

This report **takes stock of present initiatives in Egypt and Tunisia** that promote entrepreneurship for youth employment creation.

It **clusters and analyses ongoing interventions** in Egypt and Tunisia and explores the different stages that constitute the entrepreneurial life cycle and the **six impact dimensions** identified as the most crucial factors to be promoted in order for entrepreneurs to thrive: entrepreneurship culture, education and training, support services, access to finance, access to market and technology transfer and the promotion of innovation. At the same time, the report offers an **inventory of the different actors** involved in the promotion of entrepreneurship.

Ongoing interventions are evaluated and **best practices** to boost youth employment through productive activities are identified from selected **case studies**.

Furthermore, the report provides an overview of **women and green entrepreneurship** in Egypt and Tunisia and presents examples of ongoing interventions that aim to promote women's entrepreneurship.

## 1. Introduction and contextual background

Youth unemployment has become a structural problem in the Arab region where youth unemployment rates have soared for many years. Although the region has been relatively resilient to the global economic crisis, economic growth has decreased following the Arab Spring, and the youth unemployment rate increased sharply by 4.9 percent in 2011. In the North Africa region, youth unemployment was 27.9 percent in 2011. Moreover, the impact of the economic crisis was much greater for women, with female youth unemployment in North Africa increasing by 9.1 percent in comparison to 3.1 percent among male youths (ILO, 2012a).

Youth unemployment and situations in which young people work under poor conditions (especially in the informal sector) entail very high social and economic costs for a country. Youth unemployment is closely linked to social exclusion and can lead to political instability as the Arab Spring has evinced. It also implies a high opportunity cost as young people have a high level of motivation with a strong potential to develop new ideas or visions. Young people can and should be strong drivers of economic development, and not taking advantage of this potential is an economic waste.

The Arab region is now at a critical crossroads in terms of its development and how the problem of youth unemployment is addressed will determine whether the Arab countries will transition into stable and progressive economies and consequently reduce the social gap and establish a durable middle class. The challenge, therefore, is twofold: on the one hand, countries have to be able to create diversified internal demand for both skilled and unskilled labour while they must be able to absorb the existing unemployed youth, which includes a high share of female graduates.

In this context, governments, international organizations, NGOs as well as the private sector have turned increasing attention to entrepreneurship in recent years. Although a number of different definitions exist, entrepreneurs can generally be defined as “those individual (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets” (OECD, 2012). It is important to differentiate between *need-based entrepreneurs* who establish their activity (usually micro or small businesses) out of necessity to maintain their livelihood, and *high growth entrepreneurs* who start a business by choice and focus on emerging market opportunities. Whether *need-based* or *high growth entrepreneurship*, both have strong economic potential and entrepreneurship is now generally deemed crucial for economic development and a serious option for fighting unemployment through job creation. As a result, the pace at which new



initiatives have been launched in the MENA region has increased drastically in the last few years, from 1.5 new initiatives per year recorded in 2010 to 10 in 2011. To date, over 150 initiatives have been implemented in the region (World Economic Forum, 2011).

In this rapidly evolving environment characterized by a wave of enthusiasm for entrepreneurship, this study heeds the call of the United Nations Industrial Development Organization (UNIDO) for an evaluation and better understanding of ongoing initiatives by taking stock of technical cooperation interventions and of the actors supporting youth employment through entrepreneurship development, enterprise creation and growth in Egypt and Tunisia. The study provides a snapshot of existing initiatives and identifies best practices and lessons learnt that could be useful for other programmes and activities in MENA countries in general and in Egypt and Tunisia in particular.

## **2. Methodological approach**

### **2.1. Objectives of the assignment**

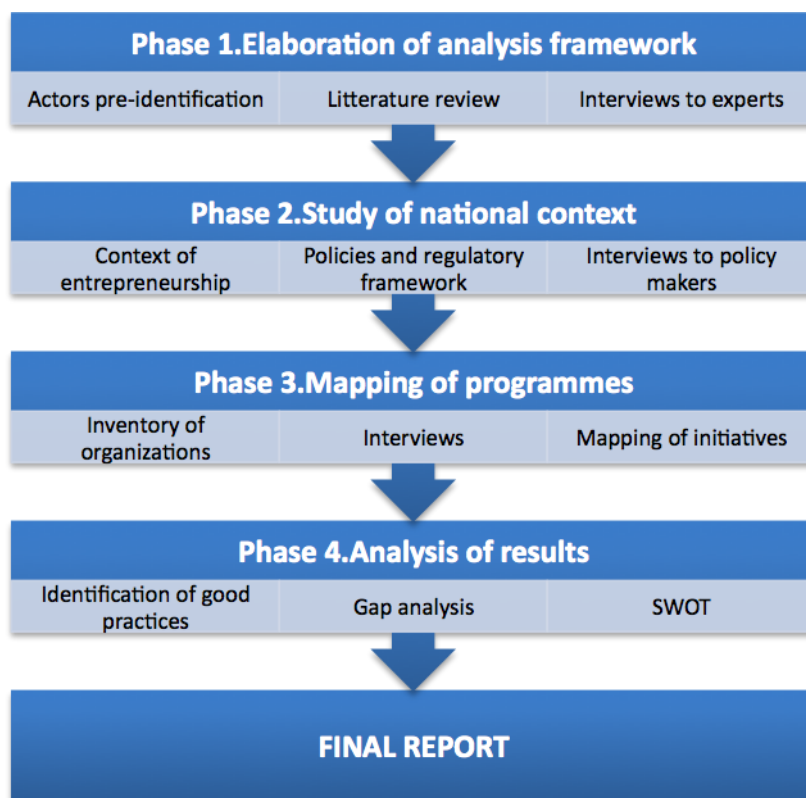
The study's specific objectives were as follows:

- Compiling an inventory of multilateral and bilateral interventions in the field of entrepreneurship, enterprise creation and development with a focus on young graduates (especially women) in Tunisia and Egypt;
- Mapping national and regional institutions involved in the implementation of the identified programmes and initiatives;
- Evaluating ongoing interventions and identification of good practices to boost youth employment through productive activities from selected case studies;
- Providing an overview on women entrepreneurship in Egypt and Tunisia, and presenting examples of ongoing interventions that aim to promote women entrepreneurship.
- Determining the status of green entrepreneurship in Egypt and Tunisia and presenting case studies of interventions that promote green jobs and green entrepreneurship.

### **2.2. Methodological phases**

The team of experts consisted of three consultants, two in Tunisia and one in Egypt, and carried out their work during a three month period running from May to September 2012 based on the following four step methodology (see Figure 1):

**Figure 1: Methodological phases**



#### **Phase 1: Elaboration of the analysis framework**

In the first phase, the structure and focus guiding the study was developed. It included the following tasks:

- Literature review of existing reports listing and mapping actors, publications on entrepreneurship, existing analysis frameworks, etc. More than 40 relevant publications were identified and classified according to topic and geographical scope (see Annex 1).
- Development and validation of the analysis framework used for the mapping.
- Pre-identification of over 150 actors on the basis of existing documents from UNIDO, the UN and literature review.
- Selection of organizations to be prioritized through a series of interviews with experts in entrepreneurship.

#### **Phase 2: Study of national contexts**

The second phase consisted of identifying and reviewing the main national strategic documents and policies developed at national level to promote entrepreneurship in the two countries and providing an overview of the national situation through existing analysis tools and publications.

Due to the extensive scope of the analysis, the present report focuses in particular on the status of entrepreneurship, the mapping of programmes and actors (phase 3) and an in-depth analysis of good practices and lessons learnt (phase 4):

**Phase 2 concentrated on:**

- A status quo of entrepreneurship in Egypt and Tunisia based on existing analyses and evaluation tools. The main references used include the Global Entrepreneurship Monitor, the Doing Business report and the World Economic Forum Global Competitiveness Report (Schwab, 2012).
- Five interviews with policymakers.

**Phase 3: Mapping of programmes**

The mapping of programmes was based on a survey conducted in both countries, and included:

- An inventory of organizations.

Since the objective was to gain a broad vision of the initiatives developed to promote entrepreneurship and enterprise creation, the inventory included the following actors:

- International organizations (multilateral and bilateral)
  - Public sector
  - Private sector and private sector organizations
  - NGOs and foundations
  - Universities and academic world.
- 
- Interviews

A series of interviews were conducted on the basis of a questionnaire (see Annex 3) focusing on three main aspects relevant for the study:

- (i) Description of youth entrepreneurship programmes developed by surveyed organizations and their impact;
- (ii) Perception of the entrepreneurship ecosystem;
- (iii) Identification of best practices and recommendations on priority actions.

A total of 68 interviews were conducted in Egypt and Tunisia and 47 questionnaires completed.

**Table 1 Breakdown of completed questionnaires**

	Civil society	International organizations	Public institutions	Companies and private sector organizations	TOTAL
Tunisia	8	6	11	8	33
Egypt	9	5	3	6	24
TOTAL	17	11	14	14	47

- The mapping of initiatives was based on a six dimensions model building on six crucial factors for promoting entrepreneurship: entrepreneurial culture, education and training, business support services, access to finance, access to market and technology transfer and innovation (see section 2.3).

#### **Phase 4: Analysis of results**

The information collected from secondary sources and questionnaires involving a total of 82 organizations—42 in Egypt and 40 in Tunisia—were analysed. Based on the analysis, we were able to:

- Identify and classify types of actions and actors;
- Identify main challenges encountered in the development of programmes;
- Analyse the perception of needs for the promotion of entrepreneurship.

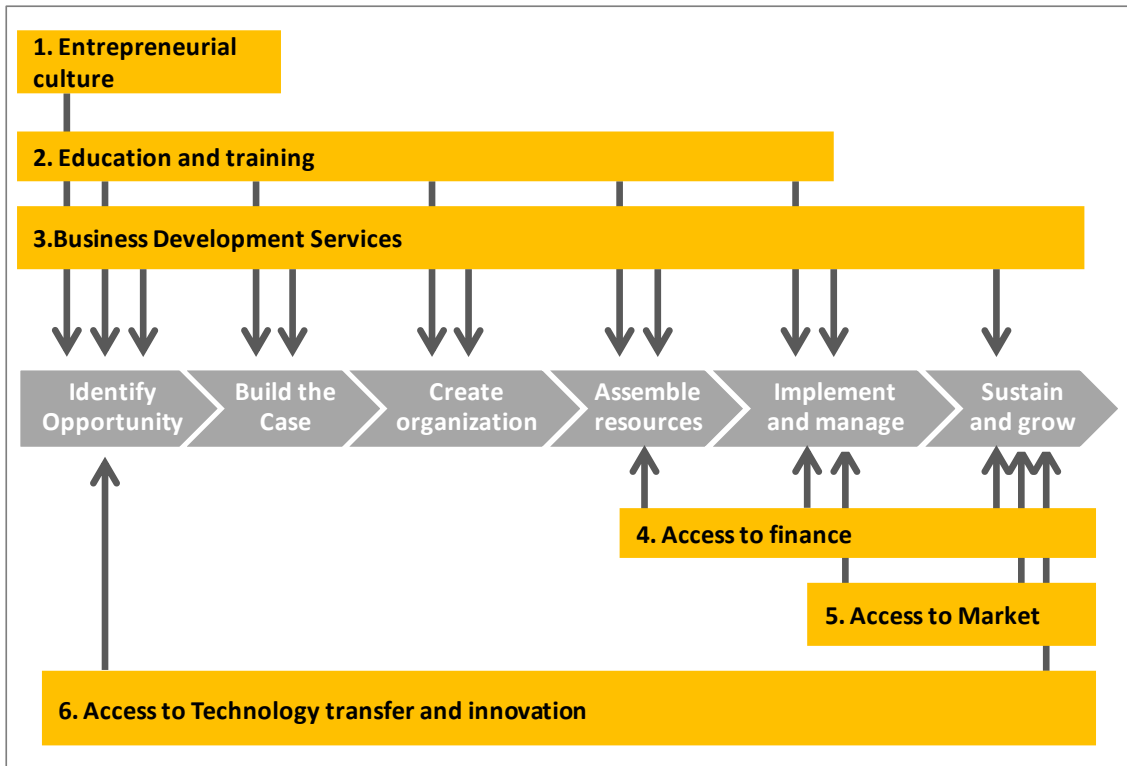
Subsequently, a series of good practices and gaps could be identified.

### **2.3. Analytical framework and structure of the report**

#### **2.3.1 Analytical framework**

The study was carried out taking the various stages of the entrepreneurial life cycle into account. This includes opportunity identification, business case formulation, legal creation of the enterprise, identification of resources (funding opportunities, markets, technology, etc.), managing and sustaining the growth of the new business. The analytical framework was developed accordingly, building on the six impact dimensions identified to be the most crucial factors to be promote in order for entrepreneurs to thrive: entrepreneurship culture, education and training, support services, access to finance, access to market and technology transfer and the promotion of innovation (see Figure 2).

**Figure 2: Analytical framework**



**i. Entrepreneurial culture**

A given country’s level of entrepreneurship and start-up activity is highly interlinked with cultural aspects such as relation to risk, fear of failure, image of entrepreneurs, opportunity perception, family influence, history, etc. Initiatives fostering the development of business entrepreneurship and creativity play an important role in promoting an entrepreneurial mindset and a culture favourable to entrepreneurship, which are two necessary preconditions for enabling the establishment of new businesses. The most common initiatives promoted include:

- Competitions (business plan, ideas, innovation);
- Organization of conferences and workshops on entrepreneurship;
- Networking through the creation of links between potential and actual entrepreneurs (websites, portals, clubs or meetings);
- Publications: presentation of successful case studies, entrepreneurs, publications, articles, etc.

**ii. Training and education**

Teaching entrepreneurship is a complex endeavour that implies combining a set of hard skills, specific and teachable abilities necessary to establish and run a business (e.g. developing a

business plan, marketing, management tools or specific technical components) with more intangible soft skills that usually characterize successful entrepreneurs (e.g. self management, interrelation abilities, leadership, etc.). Areas of intervention for training and education usually include:

- Formal education based on the academic curricula, from primary school to higher education, either complementary modules or complete curricula;
- Vocational and non-formal education, professional, continuing, virtual education, etc.;
- Promoting internships within companies.

**iii. Entrepreneurs support services (non-financial)**

In a normal context, non-financial business development services (BDS) include services such as:

- Linking up entrepreneurs with business opportunities;
- Business plans and business advice;
- Project management;
- Strategic management planning;
- Marketing;
- Monitoring and evaluation of projects.

In the case of young entrepreneurs, it also implies the following:

- Providing information on the process and formalities;
- Providing guidance to future entrepreneurs;
- Coaching in the start-up phase of the business;
- Mentoring during the set up period and thereafter.

For the purpose of this study, the different factors have been summarized in the following way:

- Information and guidance - prior to the establishment of the business;
- Support for start-up businesses, including legal, strategic and technical advice as well as coaching and mentoring;
- Sustaining new businesses, with a special focus on mentoring and evaluation.

#### **iv. Access to finance**

Access to finance is a crucial prerequisite for the establishment of a business and an essential feature which determines whether or not the environment is favourable to the emergence of entrepreneurship. The needs of entrepreneurs, which vary widely depending on the phase of the entrepreneurial cycle, include:

- Grants and incentives in the form of tax cuts, donations, etc. from the government, private sector, international organizations, etc.
- Access to equity, either seed funding (funds raised at the outset of a new business venture), angel investing or venture capital;
- Access to credit, mostly from the banking system in the form of loans, microcredit, seasonal credit, revolving funds, etc.;
- Guaranty, i.e. a mechanism that provides safeguards to entrepreneurs assuming responsibility for debt obligations in case of default;
- Access to information and linking entrepreneurs with potential investors.

#### **v. Access to markets**

Access to markets is another crucial factor for the survival and success of new enterprises. Whether the new business aims to enter national or international markets, the products and services offered must be innovative and match existing or potential demand, comply with a series of features and overcome a number of barriers that often require specific support. Initiatives aiming at improving access to markets include:

- Special support provided to entrepreneurs to ensure that their products and services comply with technical or regulatory standards (national or international);
- Product design and development;
- Sales and marketing support, from strategic advice to the organization of exhibitions and fairs, online stores, distribution support, etc.
- Value chain support, i.e. initiatives focusing on creating value along the value chain.

#### **vi. Access to innovation**

It is widely accepted that research and development play a crucial role in enhancing entrepreneurship and promoting new high growth ventures. To this end, establishing a strong link between different sectors, particularly between the academic and the private sectors, is essential. Scientific and technological developments must be accessible to a wider range of users who can further develop and exploit these technologies to create new products, processes,

applications, materials or services. The most common initiatives supporting access to innovation include:

- Technology transfer of skills, knowledge, technologies, methods of manufacturing, ensuring that scientific and technological developments are accessible to young entrepreneurs who can then further develop and exploit the technology to create new products or services;
- Promoting innovation through coaching, technological support, valorisation of R&D, spin-off strategies or the provision of facilities and infrastructure, etc.;
- Connecting innovative individuals by organizing workshops and fairs, or through the creation of networks, clubs, etc.;
- Competitions: stimulating innovation through competitive processes.

### **2.3.2 *Structure of the report***

The report aims to provide a brief overview of the interventions for each of the six dimensions previously defined and identify potential areas for action. The report is structured as follows:

- Current initiatives promoting youth entrepreneurship: information on both Egypt and Tunisia on each of the six dimensions is provided:
  - Context of the dimension
  - Overview of interventions
  - Inventory of initiatives and actors
- Evaluation of initiatives promoting youth entrepreneurship in Tunisia and Egypt:
  - Analysis of the six dimensions: lessons learnt, major gaps and good practices
  - Women and green entrepreneurship
  - Conclusions.
- Special focus on initiatives promoting women and green entrepreneurship in Egypt and Tunisia:
  - Context
  - Case studies.



### **3. Current initiatives promoting youth entrepreneurship in Egypt and Tunisia**

#### **3.1. Egypt**

##### ***3.1.1 Entrepreneurial culture***

###### **Context**

According to the GEM Egypt 2010 report, entrepreneurship is perceived positively in Egypt. This is reflected in the high percentage of adults who consider entrepreneurship a desirable career choice (77.7 percent), 89.9 percent of respondents stated that successful entrepreneurs have a high status in society and 70.5 percent claimed that sufficient media attention is being paid to entrepreneurship. Egypt ranks 15, 4 and 15 (out of 59 countries), respectively, for these factors, ahead of many efficiency- and innovation-driven economies (Hattab, 2010).

According to the survey, respondents believe that promoting a culture of entrepreneurship is crucial for a country's entrepreneurial strategy to be successful. However, experts assert that there still is significant potential for action. While there seems to be a growing momentum for entrepreneurship since the Arab Spring in 2011, it is important to foster awareness to overcome the stigma associated with failure and to promote the concept of entrepreneurship as a viable career alternative. In fact, 50 percent of the organizations surveyed pointed out that the lack of an entrepreneurial culture represented a major challenge.

The United States Agency for International Development (USAID) in Egypt claims that the lack of an entrepreneurial mindset is one of the key barriers to the development of entrepreneurship in Egypt. This, according to the Agency, is attributable to an unsupportive business environment, to entrepreneurs not being market- or customer-oriented and a lack of trust in others, which limits delegation and outsourcing (Ducker and Austin Associates, 2010).

Furthermore, the survey results indicate that there is still a lack of motivation among Egyptians to start their own businesses and that the majority prefers wage employment or employment in government. Around 33 percent of the organizations surveyed stated that this was a key challenge to promoting entrepreneurship. The table below provides an indication of the type of employment preferred by Egyptians.

More interestingly, an analysis by the Population Council of youths' perception of entrepreneurship showed that youths tend to view entrepreneurship as either a supplemental income-generating activity or as an option they could pursue later in life once they have established themselves financially or professionally (Sieverding, 2012). This was confirmed in

the Egyptian Human Development Report 2010, which highlighted that only 1 percent of youth between 15 and 29 are either employers or self-employed (UNDP, 2010).

**Table 2: Type of employment**

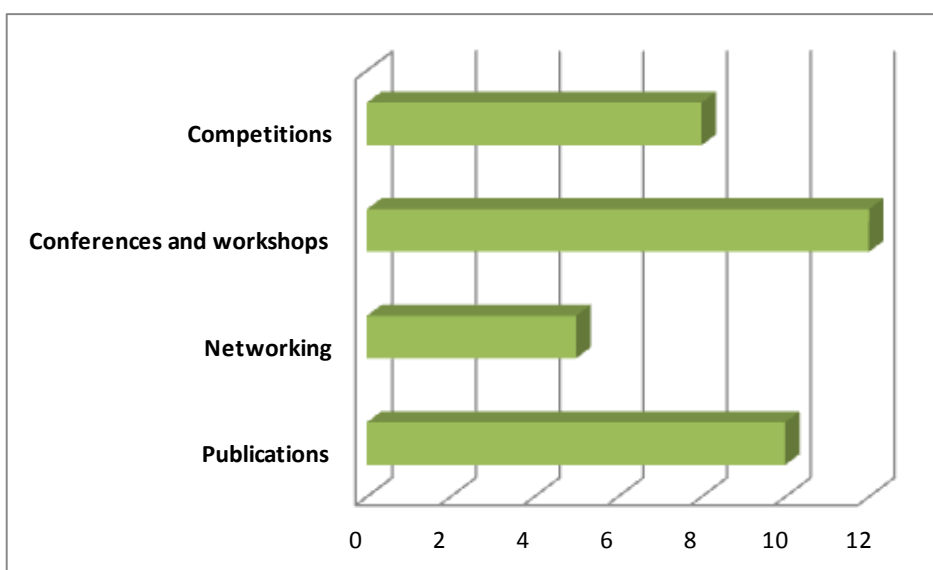
Employment Status	%	2005	2006	2007	2008	2009	2010
Wage worker	%	60.0	61.8	58.5	60.0	60.6	62.2
Self-employed	%	12.3	11.7	13.3	10.8	11.1	12.2
Employer	%	14.7	13.4	14.1	15.0	15.1	14.7
Family worker	%	13.0	13.1	14.1	14.1	13.2	10.9

Source: CAPMAS

*Overview of interventions promoting an entrepreneurial mindset*

Thirty-eight percent of organizations surveyed (16) engage in the promotion of an entrepreneurial mindset. A total of 31 different interventions have been identified (see Figure 3). Nevertheless, only 18 percent of these initiatives focus on youths or integrate a youth component. Such initiatives are usually developed within the educational system, primarily at universities (Faculty of Commerce, American University of Cairo). Interventions in this area are quite varied, ranging from the organization of conferences and workshops on entrepreneurship (12), publications (10), competitions (8) or networking activities through virtual platforms or the creation of clubs, groups, etc. (5). Only one intervention focusing on green entrepreneurship (UNDP Young Social Innovation programme) was identified.

**Figure 3: Total number of activities in the culture dimension**



USAID and the Entrepreneurship Business Forum (EBF) emphasize the importance of promoting entrepreneurship in the media and the impact that the sharing of success stories could

have on Egypt's entrepreneurial culture. While several organizations publish reports on Egypt's entrepreneurial environment and explore the possibilities and challenges, more efforts need to be made in terms of highlighting actual success stories and case studies in the media, be it on television, in newspapers or in digital media. This could have a significant positive impact on the perceptions of youths regarding the possibilities associated with entrepreneurship.

### ***3.1.2 Education and training***

#### *Context*

Egypt ranks 53 out of 53 countries surveyed in education and training (GEM, 2010). According to experts, Egypt's education system, at all levels of schooling, compares unfavourably with other GEM countries where entrepreneurship education has been made a priority by government.

Experts argue that primary and secondary schools have little effect in terms of encouraging creativity, self-sufficiency and personal initiative. Education at this level does not provide adequate instruction in market economic principles nor pays adequate attention to entrepreneurship and new firm creation. This, however, also applies to the university and college level, where experts claim that students are not exposed to the necessary provisions to start a business. On the other hand, vocational training is viewed less negatively, and experts feel that it can, to some extent, provide adequate preparation for starting up and developing firms (Hattab, 2010).

This result was supported by our surveys, with the lack of a supportive education system being cited as a major obstacle to entrepreneurship development. The majority of actors we surveyed have undertaken efforts to intervene in this dimension. While some actors intervened in the formal education system, others provided independent training courses and entrepreneurship education.

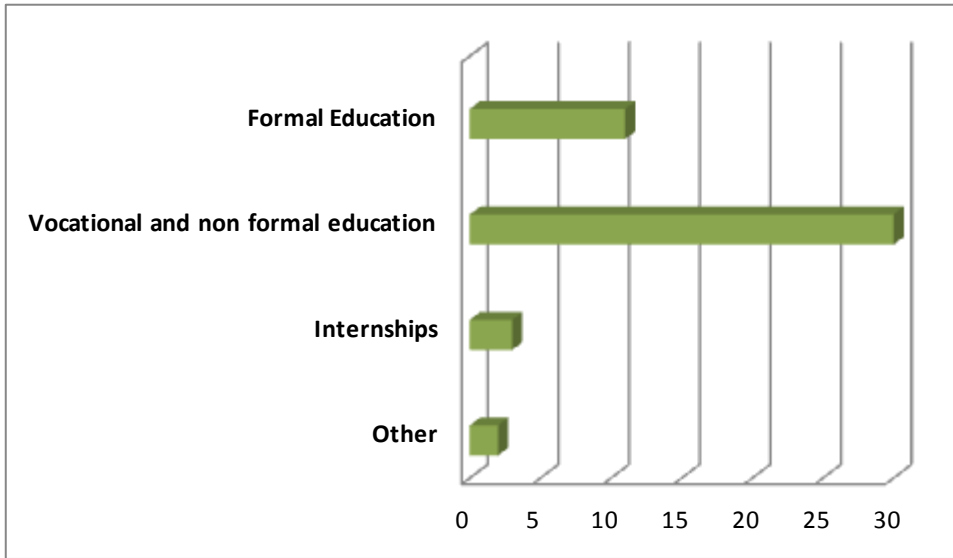
**Table 3: Inventory of interventions promoting an entrepreneurial culture in Egypt**

Organization	Competitions	Conference and Workshops	Networking	Publications	Includes youth component	Activities
<b>International Organizations</b>						
AFDB – African Development Bank		X			X	Grant for building awareness of entrepreneurship at the university level, mainly targeting the Faculty of Commerce. This is coupled with skills development.
UNDP – United Nations Development Programme	X				X	Support for social enterprise ideas that focus on green entrepreneurship by selecting youths through a national competition (Young Social Innovation Programme).
USAID – United States Agency for International Development	X	X		X		<ul style="list-style-type: none"> <li>• Organization of different conferences on entrepreneurship.</li> <li>• The Agency organizes start-up weekends and business competitions, with different events targeting the different stages the enterprises are in.</li> <li>• Working with Bamyam Media on a reality show on the challenges of entrepreneurship in Egypt.</li> <li>• Publications on entrepreneurship.</li> </ul>
<b>Public Sector</b>						
EBI - Egyptian Banking Institute		X		X		<ul style="list-style-type: none"> <li>• SME Web Portal at <a href="http://www.sme-egypt.org">www.sme-egypt.org</a>, which makes available the latest data (including a National SME Census finalized in 2011), information and economic activity indicators of SMEs. The portal also provides selected information on training activities, research and technical support provided by the Institute.</li> <li>• Conferences.</li> </ul>
IMC – International Modernization Center		X		X		IMC's Entrepreneurship Development Program consists of four pillars, including a component on awareness and culture building.

TIEC - Technology Innovation and Entrepreneurship Center		X	X	X		<ul style="list-style-type: none"> <li>• Events and workshops.</li> <li>• Competitions.</li> <li>• Publications.</li> </ul>
<b>Civil Society Organizations</b>						
EBF - Entrepreneurship Business Forum		X		X		<ul style="list-style-type: none"> <li>• Conferences.</li> <li>• Policy advice paper on entrepreneurship: “Enabling entrepreneurship in Egypt: Towards a sustainable dynamic model (2010)”.</li> </ul>
Endeavor		X	X			Organizes local and global networking events, mixers, seminars and roundtables. Official presence in 16 emerging countries.
INJAZ	X	X	X		X	INJAZ al-Arab Young Arab Entrepreneurs Competition: the INJAZ al-Arab Young Arab Entrepreneurs Competition has served as an annual cross-cultural platform over the past four years for students to meet with peers and professionals from all over the Arab world. Innovative ideas are presented to a panel of judges which awards students with a series of prizes such as ‘Most Innovative Product’, ‘Best Marketing Plan’, ‘Best Company of the Year’ and ‘Young Entrepreneur of the Year’.
MAKSABY - Middle East Council for Small Business and Entrepreneurship		X		X		<ul style="list-style-type: none"> <li>• Hosted the Global Entrepreneurship Week (GEW) in 2008, 2009, 2010 and 2011.</li> <li>• Hosted the National Conference on Entrepreneurship in 2009, 2010 and 2011.</li> <li>• Hosts monthly entrepreneurship events to promote awareness and culture, often with an industry-specific focus.</li> <li>• Contributor to the Global Entrepreneurship Monitor Report for Egypt 2008 and 2009 and to the Global Entrepreneurship Monitor Report for the Arab Region 2009.</li> </ul>
NM - Nahdet El Mahrousa	X	X			X	<ul style="list-style-type: none"> <li>• Social entrepreneurship competition: high-potential young social entrepreneurs are identified through an annual competition which individuals or organizations can participate in. NM seeks social entrepreneurs who can act as agents of change in their communities, have demonstrated social entrepreneurial and leadership skills; a strong passion for building new ventures and an appreciation of Egypt and its diversity, and social enterprises that address the root causes of a societal issue, scalable and with a clear vision on how to affect large segments of society, take an innovative approach to development, and promote sustainability.</li> <li>• Events on social entrepreneurship.</li> </ul>
Enactus Egypt	X		X		X	Mobilizes university students to form teams on their university campuses and apply business concepts to develop outreach projects that improve the quality of life and standard of living for people in need, while developing skills to become socially

						responsible business leaders. This allows SIFE to spread awareness of an entrepreneurial mindset and to be proactive. An annual series of regional and national competitions provides a forum for teams to present the results of their projects, and to be evaluated by business leaders serving as judges. National champion teams advance to the SIFE World Cup.
<b>Private Sector</b>						
AMCHAM – American Chamber of Commerce in Egypt			X			The initiatives of the Innovation and Entrepreneurship Committee at AMCHAM aim to raise awareness within the private sector of the importance of supporting and contributing to the development of start-ups and entrepreneurship.
Egypreneur		X	X	X		<ul style="list-style-type: none"> <li>• Online network for entrepreneurs.</li> <li>• Plans to host nationwide events to promote a culture of entrepreneurship.</li> <li>• Plans to publish a report on Egypt’s entrepreneurial ecosystem.</li> <li>• Plans to launch a media content portal to provide the latest news and updates on the field of entrepreneurship.</li> </ul>
Google	X					Google Ebda’ (Begin) Initiative, launched together with Egyptian businesses, Innoventures and Science Age Society, aims to identify Egyptian entrepreneurs who benefit from financial support from the company. The process includes identifying talents by travelling across the country, as well as mentoring and coaching young entrepreneurs. In May 2012, “Bey2ollak”, a community-based traffic information service, won first price.
<b>Academic Sector</b>						
AUC – American University in Cairo	X		X		X	<ul style="list-style-type: none"> <li>• Junior Business Plan Competition held by AUC’s Entrepreneur’s Society, which aims to support young entrepreneurs. In 2012, the first prize winners won EGP 5,000.</li> <li>• Fekrety National Business Idea Competition. Launched by the School of Business’s Entrepreneurship and Innovation Program (EIP). Prizes amount up to EGP 50,000.</li> <li>• Launched a virtual platform (www.wamda.com) to connect entrepreneurs, innovators and thought leaders.</li> </ul>

**Figure 4: Total number of activities in the education dimension**



Entrepreneurship programmes or degrees are offered primarily at private universities such as the Nile University (NU) and the American University in Cairo (AUC), which serve a more privileged segment of the population. A number of interventions implemented by international organizations serve underprivileged youth in rural communities, especially in Upper Egypt where poverty and inequality levels are among the highest in the country. In fact, most large organizations surveyed including UNDP, ILO, USAID, CIDA and AFDB have implemented interventions in rural areas or interventions that include a component that focuses on these areas. A number of NGOs surveyed including the Green Economy Development Association (GEDA) and Plan Egypt also focus on rural areas, while private sector organizations tend to focus their efforts on Cairo.

**Table 4: Inventory of interventions in entrepreneurship education and promotion in Egypt**

Organization	Formal education	Vocational and informal	Internships	Other	Includes youth component	Description
<b>International Organizations</b>						
AFDB	X	X			X	<ul style="list-style-type: none"> <li>Provides entrepreneurship skills development courses for graduates in universities (mainly at the Faculty of Commerce).</li> <li>Women entrepreneurship training under the AWIB (African Women in Business) initiative.</li> </ul>
CIDA – Canadian International Development Agency		X				The Egypt Enterprise Development Program provides entrepreneurship training to support the development of new businesses. The project includes an Entrepreneurship Training of Trainers component.
GIZ – German Agency for International Cooperation		X				Plans to set up an Innovation Collaboration Entrepreneurship (ICE) Hub, which will provide training courses in green skills and entrepreneurship.
IFC – International Finance Corporation	X	X				<ul style="list-style-type: none"> <li>Education for Employment (e4e) initiative to be launched in 2012. Aims to provide young people with education that matches market needs. Will include an entrepreneurship component. The objective of the e4e is to fill a niche need, not to replace public education. The e4e will thus involve the private sector as an education provider, which will ensure that the project provides the skills required by the private sector.</li> <li>Together with Egypt's Bank of Alexandria, the IFC launched the SME Toolkit, which aims to help MSMEs in Egypt acquire the necessary skills to become more competitive and profitable. The Bank of Alexandria has launched and promoted a localized, freely available version of the IFC's</li> </ul>



						SME Toolkit web platform in Egypt in both English and Arabic. The SME Toolkit offers online business management information, interactive tools and educational resources that help users implement sustainable business management practices, improve their managerial skills, access finance and enter new markets.
ILO – International Labour Organization	X	X			X	<ul style="list-style-type: none"> <li>• Promotes entrepreneurship education in schools and universities through its Know About Business (KAB) entrepreneurship curriculum offered in universities, secondary schools, technical schools and dual system schools. The KAB programme consists of 10 modules which were developed through a participatory approach. An online version in Arabic was launched in 2012.</li> <li>• The programme <i>Decent Jobs for Egypt's Young People</i> also includes an entrepreneurship training component as part of a larger project to promote employable skills of youth.</li> <li>• Together with the Ministry of Manpower and Migration, the Ministries of Education and Higher Education and the Ministry of Industry and Foreign Trade, the ILO is implementing a School to Work transition through career information and guidance for youths. The aim is to develop more and better jobs for youths through a package of integrated initiatives mobilizing employment offices, education institutions and the media.</li> </ul>
UNDP	X	X	X	X	X	<ul style="list-style-type: none"> <li>• Several ongoing and planned initiatives aimed at promoting youth employment and entrepreneurship through entrepreneurship and vocational training and skills development. UNDP's <i>Youth Employment Generation Programme in Egypt in its Transitional Phase</i> and its <i>Youth Capacity-Building and Outreach Programme</i> (Social Contract Center) include both entrepreneurship training and capacity building components.</li> <li>• Young Social Innovation Program (YSIP) will provide youths with the opportunity to participate in internships in the private sector.</li> <li>• Lobbying for the adoption of an entrepreneurship curriculum at national level.</li> </ul>

UNIDO		X			X	Provides skills development for youth employability; this includes the provision of specific technical skills requested by the private sector as well as life skills. UNIDO further plans to provide training in areas currently not covered by the educational system, such as agro-business, energy management or waste and water management.
USAID	X	X			X	<ul style="list-style-type: none"> <li>• USAID and MAKSABY aim to implement an entrepreneurship curriculum in public universities and technical schools</li> <li>• Several of USAID's projects include entrepreneurship or employable skills training components.</li> </ul>
<b>Public Sector</b>						
EBI - Egyptian Banking Institute		X			X	<ul style="list-style-type: none"> <li>• Training courses for undergraduates and new graduates interested in setting up a business. The programme contains 4 modules which cover the key areas of entrepreneurship, innovation, management, marketing and finance. The course concludes with a business plan project.</li> <li>• In 2008, EBI began developing training programmes for banks to encourage lending to SMEs. These trainings address topics such as "Principles of Financing and Risk Management for SMEs" and "Principles of Financing and Risk Management for MSMEs" aimed at enhancing bankers' understanding and competencies with regard to lending to SMEs and MSMEs. The Institute has a far-reaching network of 42 member banks.</li> </ul>
ELCC - The E-Learning Competence Center (part of the Ministry of Communications and Information Technology)		X			X	<p>Focuses on education, training and capacity building through the use of e-learning technology in Egypt.</p> <ul style="list-style-type: none"> <li>• ELCC's <i>Entrepreneurship Education Program</i> is designed to help Egyptian entrepreneurs start and develop their own businesses based on practical and professional strategies using Cisco Entrepreneur Institute's content and know-how through a bundle of e-learning courses and an innovative delivery mode that relies on mentoring, networking, case studies, role modelling, videos, illustrations, action learning and group projects.</li> </ul>

Government of Egypt		X			X	Plans to set up Information Technology Clubs to introduce youths to modern technology. The clubs will train youths in technology, thus qualifying them for new employment opportunities in different fields. The aim is to also qualify young professionals in computer science to work as trainers in order to solve the problem of youth unemployment.
IMC – International Modernization Center		X				The Entrepreneurship Development Program consists of four pillars, including know-how development.
Ministry of Military Production		X			X	National Project for Youth Training, a project to be implemented between 2013 and 2017, aims to train young graduates and qualify them for the labour market to overcome the problem of unemployment among youths with medium, high and higher education. The project will train graduates for professions and vocations and provide them with skills that will enhance their chances of obtaining employment.
SFD – Social Fund for Development		X			X	<ul style="list-style-type: none"> <li>• Several training courses aimed at preparing youths for the job market as well as promoting entrepreneurship.</li> <li>• Offering training courses developed by the France-based Association Nationale Pour la Formation (AFPA), which have been tailored to the Egyptian context (course/curriculum). This intervention includes a Training of Trainers component.</li> <li>• Vocational training.</li> </ul>
TIEC	X	X				Provides entrepreneurship education through its incubator.
<b>Civil Society Organizations</b>						
ADEW - Association for the Development and Enhancement of Women in Egypt		X			X	The Girls Dreams Project provides life skills training for young women. The intervention aims to (i) empower young women with knowledge, skills, tools and opportunities to recognize and develop their potential; (ii) raise girls' self esteem and improve perception of self; (iii) create active citizens and role models with the capacity to influence their peers and community in a constructive manner.

AKF – Aga Khan Foundation		X			X	<ul style="list-style-type: none"> <li>• Provides vocational (administrative and technical) and business development support services training through the <i>Cairo Economic Livelihoods Project (CELP)</i>.</li> <li>• Under its <i>Head Start for Youth Entrepreneurship and Employment Program</i>, the organization provides vocational training for youth aimed at supporting entrepreneurship and enhancing youth employability.</li> </ul>
EFE – Education for Employment Foundation Egypt		X			X	<ul style="list-style-type: none"> <li>• Provides the right mix of skills and knowledge for disadvantaged youths, those limited by socio-economic constraints or inadequate education to gain employment and build careers. The programmes offer both soft skills (e.g. professional skills) and technical skills (e.g. accounting, sales) training to ensure participants acquire a well-rounded skill base to apply in future positions.</li> <li>• The EFE Banking Training Program teaches participants how to obtain and successfully keep their first job. It also teaches teamwork, communication, goal-setting, critical thinking, professional behaviour and technical training on how to become bank branch professionals.</li> </ul>
Etijah		X	X		X	<i>The Egyptian Initiators Project – Mobaderoon</i> will provide 1,000 youths with internship and training opportunities, among other activities.
INJAZ	X				X	Several programmes are offered at the middle school, high school and university levels. Injaz works with the private sector, which provides funding as well as volunteers to teach the courses. In its company programmes, Injaz links young entrepreneurs with mentors. Injaz works with both private and public academic institutions. The programmes offered include: 1. It's my business, 2. Be entrepreneurial, 3. Company programme.
MAKSABY	X	X			X	<ul style="list-style-type: none"> <li>• Offers training courses in entrepreneurship by working with a network of volunteer trainers and advisors.</li> <li>• Plans to launch an entrepreneurship curriculum in public universities in cooperation with USAID.</li> </ul>

Nahet El Mahrousa		X			X	In addition to the incubator of social enterprises programme, which has historically been the landmark activity of NM, the organization has entered into major partnerships to promote youth training and employment.
Plan Egypt		X		X	X	The Forsa programme for the economic empowerment of disadvantaged youth through capacity building and access to employment opportunities. In Forsa, students enrol in a three month training programme and participate in life skills courses, English, IT skills as well as a specialized course (tourism, customer service and sales and health services) of their choice.
Planet Finance		X			X	Plan to offer training courses on how to start a business as well as courses to match youths' skills with labour market needs in its <i>Microfinance and Education Project</i> .
Enactus Egypt		X	X		X	<ul style="list-style-type: none"> <li>• Through a comprehensive training and coaching approach, SIFE teaches students entrepreneurial and business skills to be successful through practical, hands-on experimental learning.</li> <li>• SIFE's leadership and career initiatives create meaningful opportunities for learning and exchange among participants as well as the placement of students and alumni with companies in search of emerging talent.</li> </ul>
<b>Private Sector</b>						
EJB – Egyptian Junior Business Association	X	X			X	<ul style="list-style-type: none"> <li>• Provides capacity building in universities by offering training in English and entrepreneurial concepts.</li> </ul>
Microsoft		X			X	<ul style="list-style-type: none"> <li>• Microsoft's <i>Entrepreneurship in IT pilot project</i> will target 5 IT start-ups established by youths and offer them a 3-month training course on business development as well as on the latest Microsoft technology.</li> <li>• In its <i>Masr Works project</i>, the company provides training courses through an online portal.</li> </ul>

Academic					
AUC - American University in Cairo	X			X	<p>The School of Business established the Entrepreneurship and Innovation Program (EIP) to help realize the school's mission 'to create an environment that fosters the development of principled and innovative business leaders and entrepreneurs who can make a difference'. To educate students as to what entrepreneurship is and infuse them with the desire to create and innovate, by connecting them to venture capitalists, angel investors and mentors. Since it was initiated in 2010, EIP has held over 20 events to date, including business plan competitions, launched a virtual platform (<a href="http://www.wamda.com">www.wamda.com</a>) to connect entrepreneurs, innovators and thought leaders, promoted social entrepreneurship through the Global Social Venture Competition (<a href="http://www.gsvc.org">www.gsvc.org</a>) and is currently establishing an incubator innovation centre. Ten to 12 percent of the entrepreneurs EIP works with have either accelerated their business or have been taken over by other companies.</p> <p>10,000 Women Entrepreneurship Leadership Program (WEL) is a five-year investment of the Goldman Sachs Foundation to provide 10,000 underserved women around the world with a business and management education. The programme consists of a full range of modules that lead to the development of a business plan and is delivered in the Arabic language.</p>
Nile University	X			X	<p>Business Bachelor Degree with option to major in Entrepreneurship. The programme focuses on developing knowledge and skills in core areas of management applicable to manufacturing and service industries. The curriculum is designed to equip students with the necessary competencies and attitudes for success in the local and global workplace. The courses include entrepreneurship and small business management. New teaching methodologies are applied that do not focus on textbooks and theory only, but on practical experience as well, such as meeting with local entrepreneurs. Management simulations are also used.</p> <ul style="list-style-type: none"> <li>• Entrepreneurship graduate course.</li> </ul>

### **3.1.3 Business development services (non-financial)**

#### *Context*

Egypt ranked 41 out of 53 surveyed countries on the availability and effectiveness of its government support programmes for entrepreneurs. Experts assert that there is still a lack of availability/accessibility of assistance to new and growing firms provided by government programmes. Furthermore, experts claim that people working for government agencies lack competence and are often ineffective in supporting new and growing firms.

In the 2012 Doing Business Report, Egypt ranks 110 (out of 183 countries) in terms of its *business environment*, which covers the overall regulatory framework. Egypt thus ranks lower than the Middle East and North Africa's (MENA) regional average, which ranks 93, with Saudi Arabia ranking 12, the best rank in the region.

Several public institutions promote MSME and entrepreneurship promotion programmes. They engage in a number of initiatives ranging from business development services (BDS) units to enterprise incubators, one-stop shops and online services.

The Social Fund for Development (SFD) and the General Authority for Investment (GAFI) have played a key role in supporting the development of new businesses by setting up one-stop-shops which aim to simplify the licensing and registration process. The SFD has established a one-stop shop in each governorate of Egypt, which offer advice and counselling.

The International Modernization Center (IMC) and the SME Development Unit at the Ministry of Finance also provide business support to new businesses. The Ministry has developed a "Government Services" guide that assists MSMEs and potential entrepreneurs in identifying the necessary steps, and the services offered by different government bodies for establishing, operating and/or closing a business.

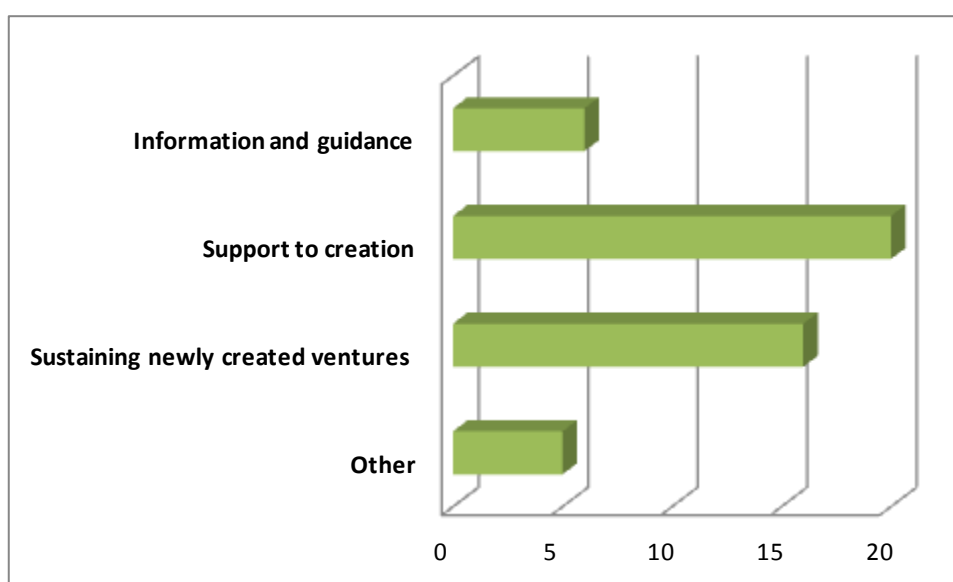
Many experts agree that the main obstacle to achieving an impact at national level is the lack of a unified strategy with one implementing organization for these initiatives. Furthermore, there is a lack of monitoring and evaluation practices, according to experts.

While the government has highlighted the importance of MSME promotion on several occasions, a number of stakeholders we spoke to stated that while there is great potential for growth in entrepreneurship in Egypt, the lack of an enabling environment continues to be one of the major challenges faced by entrepreneurs as well as by organizations supporting and promoting entrepreneurship.

*Interventions promoting business development services (non-financial)*

Fifty percent of organizations (21) intervene in this dimension, with a total of 47 interventions. Of these interventions, the majority (20) focus on providing support for the creation of start-ups through legal, strategic and technical support as well as coaching services. Efforts have also been undertaken to provide sustained support to newly created ventures through mentorship or consultancy services, with 16 interventions. Nevertheless, this dimension is characterized by a lack of focus on youth, with only 6 percent of interventions specifically addressing youths or including a youth component, and only one intervention (UNIDO Dahshur Programme) focusing on women.

**Figure 5: Total number of activities providing BDS (non-financial)**



Most organizations provide short-term business support; this applies especially to international organizations, NGOs and public institutions. This differs slightly in the private sector, with venture capital firms taking a longer term approach in their support for new businesses as part of their own core business. Investments such firms can make in start-ups naturally imply support services, technical advice and monitoring over a longer period. The NGO Nahdet El Mahrousa offers incubation and mentoring for up to 7 years. Endeavor supports entrepreneurs for as long as they remain part of the Endeavor network. Temporary quick fix solutions might undermine sustainability, as emphasized by several actors who believe that mentorship and handholding through a supportive system is key to a start-up's success.



**Table 5: Inventory of interventions providing business development services (non-financial) in Egypt**

Organization	Information and guidance (prior to creation)	Support for creation/start-ups (legal, strategic, technical, coaching)	Sustaining support for newly created ventures	Other	Includes youth component	Description
<b>International organizations</b>						
Aga Khan Foundation		X	X			Provides BDS services via the CELP project by implementing the First Microfinance Foundation Egypt.
CIDA		X	X			<i>Egypt Enterprise Development Project (EEDP)</i> provides demand-driven, non-financial services to M/SMEs in six selected governorates.
UNIDO		X		X	X	Promotion of creative entrepreneurship in the Dahshur community, especially among youth and women, developing small enterprises in the creative and handicraft industries. This is being implemented as part of the Dahshur World Heritage Site for Community Development Programme (2009-2013), a joint UN programme that aims to protect the area of the Dahshur pyramids and its ecosystem whilst fostering sustainable development, cultural and ecological management and revenue generation in the surrounding community.
USAID	X	X	X			Provides business support to start-ups and growing businesses through its <i>Economic Competitiveness Program</i> . ECP targets human resource development and the interaction of business and government to support increased competitiveness, entrepreneurship, job creation and SME development. The projects implement several entrepreneurship initiatives, including awareness building, supporting start-ups and supporting growing businesses.

Public Sector						
ELCC - The E-Learning Competence Center	X	X		X		The Egypt Entrepreneurship Network Portal is an electronic social and interconnection networking. The portal allows entrepreneurs and owners of small and medium enterprises to communicate, interconnect and exchange experiences to obtain information, academic and practical sources and to learn about different funding sources that contribute to the development and performance of their business. It also helps entrepreneurs start their projects and obtain the necessary direction and guidance.
GAFI Bedaya Center for Entrepreneurship and SME Development		X	X			<p>BDS services provided by GAFI include feasibility studies, business plans, technical consultancy, legal consultancy, product development, marketing as well as the reduction of production costs and problems of industrialization and the use of technology.</p> <ul style="list-style-type: none"> <li>The BDS programme is currently being implemented in Cairo through the “SME Clinic” initiative and will soon be launched in Alexandria and Sohag. The SME Clinic aims to provide the necessary BDS services to foster the growth of SMEs, especially during the first 5 years, through the mobilization of a volunteer network consisting of multinational and large Egyptian firms through their CSR (corporate social responsibility) programmes.</li> </ul>
IMC – International Modernization Centre		X	X			The IMC provides industry-specific business support for SMEs across the different industrial sectors with the aim of making Egyptian industry internationally competitive.
Ministry of Finance – SME Development Unit	X					The “Government Services” guide assists MSMEs and potential entrepreneurs in identifying the necessary steps, and the services offered by different government bodies for establishing, operating and/or closing a business.
SFD – Social Fund for Development	X	X	X			<ul style="list-style-type: none"> <li>One-stop shops in all of Egypt’s governorates. The shops host representatives from different line ministries and provide support for issues related to licensing. Within these shops, the SFD also provides BDS services.</li> <li>6 business incubators which are currently undergoing an assessment and restructuring with the help of USAID.</li> </ul>

TIEC - Technology Innovation and Entrepreneurship Center		X	X			TIEC is a state-run incubator that promotes working with enterprises in the high-tech sector, but also focuses on agribusiness. TIEC usually works with each enterprise for a period of two years; under certain circumstances (e.g. if one of its entrepreneurs is negotiating with investors or is negotiating a business deal), this time frame can be extended. A precondition for participation is the existence of a business plan; industry experts evaluate the plan and potential opportunities.
<b>Civil Society Organizations</b>						
Endeavor	X	X	X			<ul style="list-style-type: none"> <li>• Business support to high-impact entrepreneurs; these can be start-ups or existing businesses that need help to expand their business.</li> <li>• Endeavor creates Advisory Boards of top executives to provide its entrepreneurs with strategic advice and mentorship. The organization has set up a mentor network which includes 72 business and industry leaders.</li> </ul> <p>Endeavor entrepreneurs receive support for as long as they are members in the network.</p>
Etijah		X	X		X	<p>“The Egyptian Initiators Project – Mobaderoon” aims to promote social entrepreneurship among youth through the following means:</p> <ul style="list-style-type: none"> <li>• Providing financial and technical support to 50 social enterprises;</li> <li>• Providing technical support to 200 start-up social enterprises. Mainly targeting fairly established enterprises (including NGOs).</li> </ul>
Green Development Association		X	X			Business support to farmers at village level in rural Egypt to promote entrepreneurship, ownership of small/micro projects to provide products and services and contribute to easing the unemployment problem.
Nahdet El Mahroussa		X	X		X	Provides business support to young social entrepreneurs through its social enterprise incubator. NM is the first Incubator of Innovative Social Enterprises in Egypt and the region. NM acts as a platform that provides a legal umbrella, logistical support, physical space, a network of like-minded people (members and friends of NM), technical assistance, networking and seed funding (where available) to initiatives that have potential.

Planet finance			X		Provides business support in the form of coaching.
<b>Private Sector</b>					
AMCHAM			X	X	AMCHAM is in the process of setting up a Mentors Network (with USAID, INJAZ and Endeavor). A small group has been created, which aims to develop a structure to support a mentor network. The objective is to promote mentoring at corporate level. This project is currently in the planning phase and is expected to be launched in November.
EJB – Egyptian Junior Business Association		X			EJB is in the process of setting up a <i>National Waste Management Council</i> . The council plans to provide technical, financial and administrative assistance to SMEs (as well as larger companies) and provide capacity building (awareness, skills, market-oriented education).
Flat6Labs		X	X		Flat6Labs is the business accelerator of the venture capital firm Sawari Ventures which provides mentoring to IT start-ups, makes available office space and business acumen over a period of 3 months in addition to an investment ranging from EGP 60,000 - EGP 75,000. In return, Flat6Labs receives a 10-15 percent equity stake in each of the companies. Flat6Labs continues to support the companies throughout their life cycle, as Flat6Labs also has a board seat in each company. It thus continues to monitor the companies with monthly follow-up meetings.
Google		X			Google Ebda' (Begin) Initiative, launched in partnership with Egyptian businesses, Innoventures and Science Age Society, aims to identify Egyptian entrepreneurs and provides financial support (seed investment). The process includes the mentoring and coaching of young entrepreneurs.
Innoventures		X	X	X	Innoventures provides business support in the form of incubation. It provides incubation for a period of six months, including mentoring, training, support in business plan development and provision of office space. The company currently incubates 7 start-ups.
Wamda	X			X	Launched by AUC and supported by Abraj Capital, Wamda is a platform designed to empower entrepreneurs in the MENA region. It takes a 360-degree approach to provide the support entrepreneurs need, filling the gaps in the emerging MENA business environment.

### **3.1.4 Access to finance**

#### *General context*

Egypt's financial sector remains underdeveloped and is a serious bottleneck for economic development and job creation. The banking sector appears to enjoy sufficient liquidity with the loan-to-deposit ratio recorded at 50 percent in December 2011. However, major banks prefer to extend loans to larger companies and the government rather than SMEs (African Economic Outlook, 2012).

The Doing Business Report ranks Egypt 78 (out of 183 countries) for *Getting Credit*. This compares with MENA's regional average of 119. Saudi Arabia ranks 48, the highest ranking in the region. The *Getting Credit* dimension reflects the level of a country's credit information system and the legal rights of borrowers and lenders in collateral and bankruptcy laws (IFC, 2012). In the GEM Egypt 2010, Egyptian experts rank the country 27 out of 53 countries in terms of financial support for new and growing firms (Hattab, 2010).

Several initiatives have been promoted over the last years. In 2007, the government launched the SME bourse on the Egyptian Stock Exchange and the Nile Stock Exchange (NILEX) which has less rigorous listing requirements for eligible SMEs. This has provided SMEs with the opportunity to access finance through public offerings (GEM Egypt, 2008). In 2009, a new regulation was introduced which exempts banks from the reserve requirement of 14 percent when lending to SMEs (GEM Egypt, 2008). In 2009, the Central Bank of Egypt (CBE) issued new regulations which allow borrowers to inspect their data in the private credit bureau. In 2010, access to credit information was extended with the addition of retailers to the private credit bureau's database (Doing Business Egypt, 2012).

Financing SMEs remains difficult as major banks face high transaction costs and lack the incentives and infrastructure to serve smaller local economic actors. Moreover, smaller firms often do not have the capability to comply with banks' requirements, develop a business plan or feasibility study and provide their own collateral. Generally, access to finance remains a problem for SMEs which account for about 90 percent of businesses.

A law was passed which aims to double the size of microfinance in coming years. At present, microfinance is limited to non-government organizations that are solely funded by grants. Donors also provide credit lines for the SFD targeted at smaller companies. Yet the SFD which sought to create jobs by promoting MSMEs has a limited outreach strategy, and complex procedures to obtain financial assistance from the fund have been a major obstacle for youth to access such opportunities (African Economic Outlook, 2012).

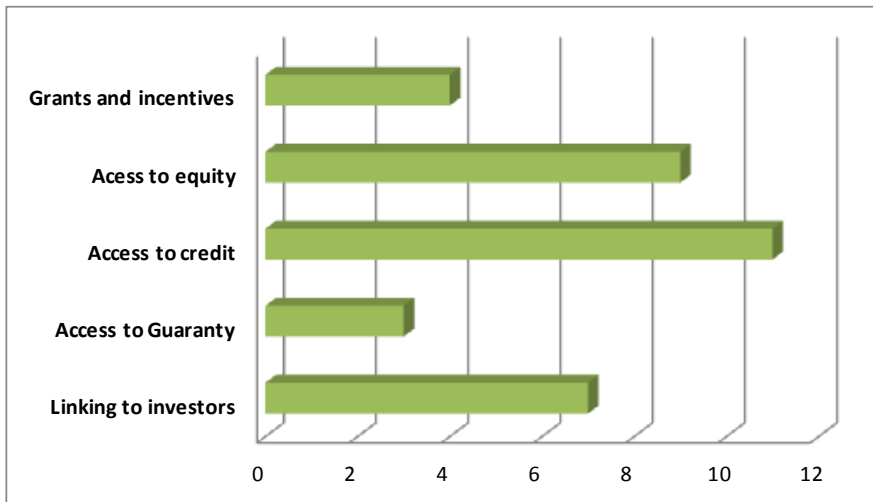
A number of commercial banks have created financing units for small and medium sized firms and the government plans to transform a state bank into a funding bank for SMEs. The government is also exploring a banking sector development project using the wide network of postal agencies (Hattab et al., 2010). In 2009, the Egyptian Banking Institute (EBI) set up a specialized small and medium enterprises (SME) unit to improve access to finance. The SME Unit offers a wide range of capacity building services to SME units and staff in all banks and enhances entrepreneurs' awareness of access to finance.

With regard to equity financing, the legal and regulatory environment is a major impediment to venture capital and private equity industry (Hattab et al., 2010). Our interviews indicate that the lack of equity financing in the form of angel investors also limits the growth of start-ups. Start-ups are thus often funded through personal savings or family money, which limits start-ups to upper-middle or higher income classes.

#### *Interventions to provide access to finance*

Fifty-three percent of identified organizations (23) are involved in the provision of access to finance, which is acknowledged by many interviewed organizations as a critical factor for the development of entrepreneurship in Egypt. Of 32 identified interventions in this area, only 26 percent focus on youth or integrate a youth component. None focusing specifically on women or green entrepreneurship have been identified. The funds are usually offset aside for larger programmes focusing on entrepreneurship and complement BDS services with funding options (Etijah, Microsoft) or directly fund financial institutions to provide loans to youth (AfDB, USAID). Most funding options are found in the field of provision of credit (11 interventions) secured by guaranty mechanisms (4) or equity (9 interventions of which 5 focus on providing seed funding). A number of grants and incentives are also promoted (4), usually in the form of prizes awarded to young entrepreneurs. Finally, a number of initiatives (7), while not directly providing funds, include linking entrepreneurs with potential investors and support the development of financial plans as part of broader programmes accompanying entrepreneurs through the process of establishing a new business.

**Figure 6: Total number of activities providing access to finance**



### **3.1.5 Access to market**

The GEM 2010 report ranked Egypt 13 out of 53 surveyed countries in terms of *internal market dynamics* (e.g. opportunities for new and growing firms created from expanding markets for products and services), and ranked Egypt 43 in terms of *internal market burden* (e.g. the extent to which new firms can enter existing markets and the barriers to market entry created by high entry costs and blocked competition) (Hattab et al., 2010).

According to USAID, new firms entering the market often face difficulties. Many of the larger markets tend to be blocked because of corruption or the lack of political connections of new entrepreneurs. The agency highlights that the government is the biggest customer and SME procurement in government agencies must therefore be advocated. Meanwhile, entrepreneurs are not linked to commercial value chains due to market protection by large businesses as well as a mind set against outsourcing (Ducker and J. E. Austin Associates INC, 2010).

This is verified in the GEM Egypt 2010 report which indicates that experts believe that new and growing firms in Egypt cannot easily enter new markets since they are being unfairly blocked by established businesses, as anti-trust legislation is ineffective and not properly enforced, rendering the cost of market entry high (Hattab et al., 2010).

**Table 6: Inventory of interventions providing access to finance in Egypt**

Organization	Grants and incentives	Access to equity	Access to credit	Access to guaranty	Linking to investors	Includes youth component	Description
<b>International organizations</b>							
AECID				X		X	Partner of the African Guarantee Fund (AGF), developed under AfDB in partnership with DANIDA (see AfDB).
African Development Bank	X		X	X		X	<ul style="list-style-type: none"> <li>Provides credit lines and grants aiming to support entrepreneurship, including:                             <ul style="list-style-type: none"> <li>- Credit lines for MSMEs operating in various sectors, for smallholder farmers and to support microfranchizes implemented through the SFD.</li> <li>- Grants for technical assistance and value chain development (RIEEP).</li> <li>- Grants for awareness building by entrepreneurship for university graduates (mainly Faculty of Commerce).</li> </ul> </li> <li>African Guarantee Fund (AGF), developed in partnership with DANIDA and AECID, provides financial guarantees to financial institutions to stimulate financing to SMEs and to unlock their potential to deliver inclusive growth in the region (2012).</li> </ul>
CIDA			X				The EEDP (Egypt Enterprise Development Program) project's (2010-2013) objective is to generate improved employment opportunities by supporting micro/small and medium enterprise development. CIDA's partners include micro-finance NGOs and SFD.
International Finance Corporation			X				Education for Employment Initiative (2012-2015/2016): it is expected that the initiative will lead to the establishment of start-ups and the IFC will provide loans for that purpose.



ILO			X			X	Under the Decent Jobs for Egypt's Young People programme, SFD has agreed to make USD 5 million in credit available, which can be used by young entrepreneurs to launch entrepreneurial activities
USAID		X	X	X			<ul style="list-style-type: none"> <li>The Egypt Competitiveness Project is engaged in several entrepreneurship initiatives, including the provision of access to finance for SMEs and start-ups. Together with AMCHAM, USAID also supports the setting up of an angel investors' network.</li> <li>The Aswan Governorate Microfinance Program aims to improve the quality of life of low-income households in the Aswan governorate by increasing access to credit and financial services in urban and rural areas, and by assisting in the establishment of an efficient and modern financial sector in the region.</li> <li>Involved in several other programmes that aim to promote entrepreneurship and SMEs through improved access to finance (start-up loans and micro fin.)</li> <li>Support for private credit guarantee through a number of different funds.</li> </ul>
<b>Public Institutions</b>							
EBI – Egyptian Banking Institute						X	In 2009, EBI set up a specialized Small and Medium Enterprises (SME) Unit in collaboration with the Business Development Services Support Project (BDSSP/CIDA). The SME Unit offers a wide range of capacity building services to SME units and staff in all banks and enhances entrepreneurs' awareness of access to finance.
GAFI Center for Entrepreneurship and SME Development		X		X	X		<ul style="list-style-type: none"> <li>A family of private equity\venture capital funds dedicated to ensure the growth of SMEs: the fund has a target size of EGP 1 billion and a fixed term of 10 years. The fund's main objective is to provide investment capital and know-how support to promote SMEs.</li> <li>In order to facilitate access to information about available sources of finance, GAFI is currently preparing a directory for all financial service providers at governorate level in collaboration with and building on the efforts of the Egyptian Junior Business Association and the Egyptian Banking Institute.</li> <li>The Credit Guarantee Initiative, in collaboration with the Credit Guarantee Company An MOU, was signed on 22 May 2011 between GAFI and the Credit Guarantee Company by virtue of which the company will extend credit guarantees for SMEs that apply through GAFI to facilitate their access to bank credit facilities required for their growth. GAFI assists SMEs in preparing all documents required by the CGC to facilitate their timely access to the credit guarantees and then follow up with the banks to ensure that the SMEs are granted the requested credit facilities.</li> </ul>

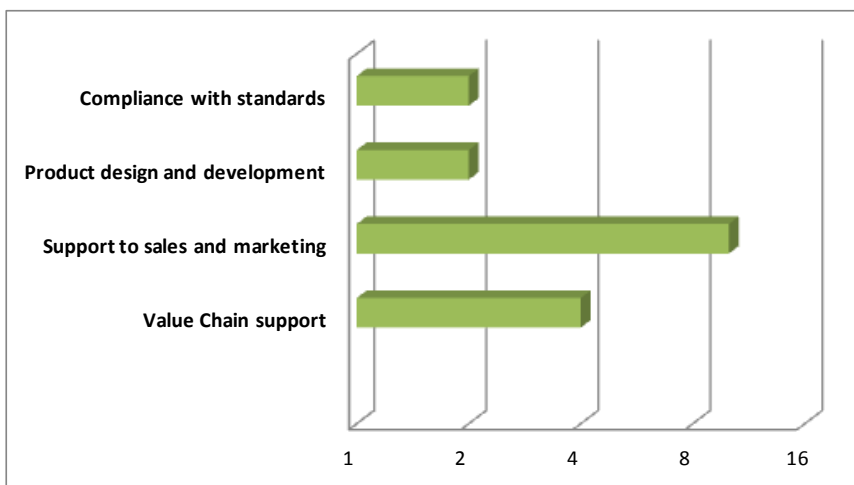
IMC – International Modernization Centre	X		X		X		<ul style="list-style-type: none"> <li>The Entrepreneurship Development Program aims to assist entrepreneurs with loans and funding options by assisting them with the preparation of the plans that must be submitted, organizing and attending meetings with banks and investors and training and coaching entrepreneurs on how to negotiate in these meetings.</li> <li>Support for SMEs in the different industrial sectors by facilitating access to credit or providing grants.</li> </ul>
TIEC - Technology Innovation and Entrepreneurship Center		X					The incubator provides funding (angel and seed capital). TIEC targets a 50-60 percent success rate, with success defined as firms that are able to generate revenues or attract investment during their incubation period. A precondition for participation is the existence of a business plan; industry experts evaluate the plan and opportunities. Funding of up to about USD 250,000 is provided per project.
<b>Civil Society Organizations</b>							
Aga Khan Foundation			X				Access to credit through the First Microfinance Foundation Egypt of the CELP project.
Etijah	X					X	The Egyptian Initiators Project – Mobaderoon, a two-year programme (launched in 2012) promoting social entrepreneurship among Egyptian youths, includes support for funding through the disbursement of grants to high impact grassroots initiatives.
INJAZ		X				X	Provided seed funding of 25,000 for 9 start-ups and 60,000 for one start-up.
Nahdet El Mahrousa		X				X	The social enterprise incubator works with young professionals to cultivate and develop innovative development project ideas until they become independent and successful national models. NM provides seed funding (where available) to initiatives that have potential.
Plan Egypt			X				Banking on Change ("Zeyada"): together with Barclays Bank, this project aims to improve the quality of life of disadvantaged people by developing access to basic financial services. While Plan Egypt did not dictate how these loans are to spent in the first phase from 2009 - September 2012, and only a very small percentage was used for income generating activities (IGAs) and projects. The second phase which was launched in 2013 aims to strongly promote IGAs.
Planet Finance					X	X	The Microfinance and Education Project provides training to youth associations on how to best provide micro-finance.

Private Sector						
AMCHAM		X				<p>The Angel Investors Forum (with USAID): the Forum is held on a quarterly basis and aims to support the development of angel investor groups in Egypt. This has promoted the development of the Cairo Angels Network as well as the establishment of an Angel Investors NGO, which seeks to promote awareness and conduct advocacy. This initiative has been supported by education bodies from abroad.</p> <p>The Cairo Angels group now holds monthly meetings and members must commit to certain investment amounts and the provision of mentors.</p>
Credit Guarantee Corporation			X			<p>Created by USAID and the Ministry of International Cooperation in 1991, the Credit Guarantee Corporation provides guaranty to the financial institutions financing M/SMEs.</p>
EJB – Egyptian Junior Business Association	X				X	<p>Provides finance to entrepreneurs through a grant of EGP 1.25 million. Over the past two years, the association has financed industry loans for 10-20 entrepreneurs.</p>
Flat 6 Labs		X				<p>Investments in 5-7 start-ups per cycle with seed funding of EGP 50,000-75,000 in each and an additional investment of EGP 250,000 for 1 company. In return, Flat6Labs receives a 10-15 percent equity stake in each of the companies.</p>
Google		X				<p>Google Ebda' (Begin) Initiative, launched in partnership with Egyptian businesses, Innoventures and Science Age Society, aims to identify Egyptian entrepreneurs who will benefit from seed funding in an amount of EGP 1.2 million.</p>
Innoventures		X				<p>The company is currently in the process of setting up a fund that will invest in the start-ups it is incubating; expected to be finalized by the end of the year. Innoventures works with early stage start-ups and plans to invest between EGP 100,000 - 1 million per start-up.</p>
Microsoft				X	X	<p>Targets 5 IT start-ups founded by youths and will provide them with a 3-month curriculum to develop the start-ups. At the end of the 3 months, the start-ups will have prepared business plans and Microsoft will link them with financiers.</p>
Sawari Ventures		X				<p>Primarily funds technology companies in the Middle East and North Africa. Currently invests in six companies, all of which are in Egypt.</p>

### *Interventions promoting access to market*

A small number of organizations (10) implementing interventions specifically focused on providing market access have been identified, accounting for 23 percent of organizations (see Figure 7). A total of 16 different activities have been identified in this dimension, with only one focusing on youth (Nahdet el Mahroussa) and none with a specific focus on women or green entrepreneurship. Interventions in this area include support for product innovation (1), value chain support (4), access to local or international markets (4), marketing strategy support or training (3) as well as others (3), including provision of networks.

**Figure 7: Total number of activities providing access to market**



### *3.1.6 Access to innovation*

#### *Context*

In the GEM 2010, Egypt ranked 50 out of 53 surveyed countries in the dimension access to R&D and technology. Experts assert that the acquisition of the latest technology presents a burden for start-ups due to its high capital investment requirement. Thus, these firms do not have as much access to new research and technology as do large, established firms with greater financial resources. Experts also criticize the adequacy of government subsidies and support for start-ups to acquire new technology. They specifically refer to the lack of investment of public funds in R&D grants which would reduce risk and equity gaps for innovative projects. This results in a lack of knowledge transfer and commercialization of R&D and innovation.

**Table 7: Inventory of interventions providing access to market in Egypt**

Organization	Compliance with standards (technical and regulatory)	Product design and development	Support to sales and marketing	Value chain support	Includes youth component	Description
<b>International Organizations</b>						
AFDB		X	X	X		Within the Rural Income and Economic Enhancement Project (RIEEP) (2009-2014) the bank aims to provide support for (i) participatory value chain analysis for horticulture and dairy, and (ii) creating business linkages between farmer associations and private sector agribusinesses in value chains through improved information on market opportunities, value addition (processing), entrepreneurial and business skills development and reliable trade relations.
UNIDO			X	X		Pro-poor horticulture value chains in the Upper Egypt Program (2009-2013) seeks to enhance the efficiency and productivity of Upper Egypt's small farmers and agricultural workers, and to build the capacity of small farmers' associations, improving their position in export and domestic markets. UNIDO's role involves promoting and sustaining agribusinesses by providing customized technical business development and marketing assistance to post-harvest centres as well as guiding them to self-reliance.

Public Institutions						
GAFI Bedaya Center for Entrepreneurship and SME Development	X		X	X		Pilot project in collaboration with a number of multinational companies which have expressed interest in engaging SMEs in their supply chain, provided that they comply with their requirements. The programme includes identification of opportunities for new ventures to enter the supply chain, support for technical upgrade and matchmaking events.
IMC – International Modernization Center			X			<ul style="list-style-type: none"> <li>Provides marketing support for new ventures.</li> <li>Hosts trade fairs and exhibitions and provides access to international fairs.</li> </ul>
SFD – Social Fund for Development			X			<ul style="list-style-type: none"> <li>Marketing support and access to local as well as international markets.</li> <li>Hosts trade fairs in the different governorates.</li> </ul>
Civil Society Organizations						
Aga Khan Foundation		X	X			<ul style="list-style-type: none"> <li>Provides access to trade fairs for the artisans it supports through its <i>CELP</i> project and hosts a continuous exhibition at the Al Azhar Park in the vicinity of the community it supports.</li> <li>Established an online catalogue of products developed in the community.</li> <li>Product design support and marketing strategy support.</li> </ul>
Endeavor			X			Provides entrepreneurs with access to consultancy on marketing and hosts local and international networking events.
Flat6Labs			X			Supports market access through its extensive network in the ITC sector.
Green Economy Development Association	X		X	X		Primarily works with smallholder farmers to develop agricultural produce value chains. It supports farmers to produce to market requirements and to provide an alternative marketing channel. It helps growers decide what to grow, assists them through the agricultural cycle to harvesting and post-harvest logistics (sorting - packing - transport - receiving - testing - accounts & payment to farmers in their villages).
Nahdet El Mahroussa			X		X	Provides support to its incubated projects in terms of market access.

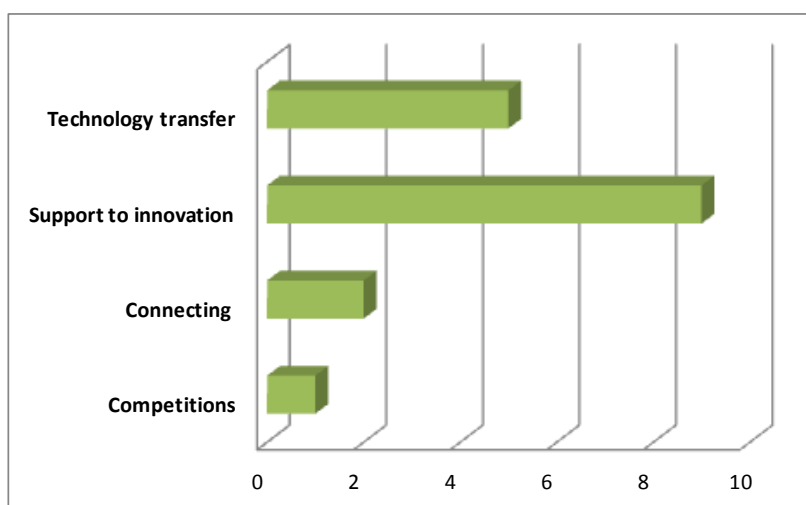
Upgrading the level of technology used by Egyptian enterprises is critical to improve product quality, efficiency and competitiveness. With regard to innovation, the percentage of total early-stage entrepreneurial activity (TEA) enterprises focusing on new product market combinations only amount to 1.04 percent of TEA enterprises, mainly in the medium- to high-tech sectors, placing Egypt at the bottom of the list of all countries surveyed. Yet it was observed that a higher percentage of early-stage TEA businesses are planning to undertake a market expansion based on new technologies; they are using technologies that are less than one year old; are established in the medium- to high-tech sectors; show indications of new product market combinations; and are competing in markets with few or no competitors in the same product (Hattab et al., 2010).

*Interventions promoting technology transfer and innovation*

This is the most neglected of the six dimensions of youth entrepreneurship initiatives, with only 21 percent of actors involved in such interventions (see Figure 7). Twenty-five activities were identified of which 16 percent focus on youth or include a youth component but none focus specifically on women or green entrepreneurship. Of these, 10 interventions support innovation, while 5 focus on technology transfer and training. Other interventions include competition and providing access to IT networks.

Interestingly, a number of organizations interviewed suggest that support for innovation should not be the priority; instead, basic needs such as education and training and access to finance should be.

**Figure 8: Total number of activities providing access to innovation**



**Table 8: Inventory of interventions providing access to innovation in Egypt**

Organization	Technology Transfer	Support to innovation	Connecting innovative individuals	Competitions	Includes youth component	Description
<b>International organizations</b>						
USAID	X	X	X		X	<ul style="list-style-type: none"> <li>Leveraging New Media to Create Jobs in Egypt (2012-2014): implemented by Kaizen Company and Dynamics Management Consulting, the programme aims to support Egyptian business advisers and consultants to grow their business by leading online and in-person communities of professionals by leveraging social media, peer-to-peer networks and new technology;</li> <li>Employment through Technology and Innovation (USAID) seeks to increase employment and income generating opportunities (especially for youth) in disadvantaged areas in Egypt through information and communication technology.</li> </ul>
World Bank		X		X		<p>The Cairo App Challenge is an open initiative organized by the World Bank (2012) in partnership with dotopen, GDG, Google, Orange, Vodafone, Ministry of Communications and Information Technology (MCIT), Ministry of Transportation, TIEC, ITIDA, Green Arm, AYB, GUC, Arabnet and Wamda. The initiative entails a multi-month process that aims to increase awareness of the transport challenges Egypt faces, engage multiple stakeholders and experts in the field of transport and urban development as well as a volunteer technology community to conceptualize and develop technology applications which address pressing transport challenges in Cairo by leveraging new information and communication technologies (ICTs) such as mobile phones, smartphones and GPS-enabled devices, and building on the talents of Egyptian software developers and innovators.</p>



Public Institutions						
Government of Egypt	X	X	X		X	Aims to set up Information Technology Clubs to introduce youth to modern technology. The clubs will train youths on technology, thus qualifying them for new employment opportunities in different areas. The goal is to qualify young professionals in computer science to work as trainers in order to resolve the problem of youth unemployment.
TIEC - Technology Innovation and Entrepreneurship Center	X	X				As a state-run incubator providing support to entrepreneurs, TIEC emphasizes collaboration with high-tech industry and agribusiness. Organizes a series of workshops including: <ul style="list-style-type: none"> <li>○ 6-week training in mobile applications development using Android, and</li> <li>○ 5-week training in web development using open source by PI Technologies</li> </ul>
Civil Society Organizations						
Green Development Association GEDA		X			X	"Return to the Productive Village/ Productive Community (PV/PC) in the 21st Century Program" – a comprehensive model that can be used to develop projects for youth and women (the target beneficiaries) at village, township or district (of cities) level to support innovative processes.
TechWadi		X	X			Aims to build bridges between Silicon Valley and the Arab world. The organization has evolved into a powerful platform for collaboration, with members and events spanning across the world. In Silicon Valley, TechWadi brings together technology movers and shakers through conferences, networking events, workshops and mentorship programmes. In the MENA region, TechWadi works with leading regional and international organizations to empower high-impact entrepreneurs and help build a sustainable infrastructure so entrepreneurship can thrive and succeed.

Private Sector						
Flat6Labs	X	X				Flat 6 Labs Accelerator: makes use of an innovative method of business acceleration to support entrepreneurs in the IT sector.
Innoventures		X				Start-up incubator: Makes use of an innovative method of business incubation to support entrepreneurs.
Microsoft	X	X			X	<ul style="list-style-type: none"> <li>• “Entrepreneurship in IT”: pilot project provides beneficiaries with training on the latest Microsoft technology.</li> <li>• Plans to train 1,200 people across Egypt in basic IT skills. The programme also includes a training-of-trainers component: an agreement is concluded with 1,200 beneficiaries who will receive training free of charge but must in return train 50 people at a later date.</li> </ul>

## 3.2. Tunisia

### 3.2.1 *Entrepreneurial culture*

According to the GEM Tunisia 2009 report, cultural norms tend to be favourable to entrepreneurial activity in the country, with Tunisia ranking 16<sup>th</sup> out of 54 countries (Mansouri and Belkacem, 2009). The report indicates that 89.1 percent of Tunisians consider starting a business to be a desirable career choice (average rate of 68 percent) and 92.7 percent claim that successful entrepreneurs have a high social status (average rate of 72 percent) (Kelley et al., 2011). This result was confirmed by a survey conducted by the Centre des Jeunes Entrepreneurs in 2011, with 54 percent of the 200 individuals surveyed between the age of 20 and 30 indicating a desire to establish their own start-up companies<sup>1</sup>. Another key characteristic of Tunisian entrepreneurs is that they tend to be driven more by opportunity than necessity: out of four early stage entrepreneurs who are engaged in entrepreneurial activity, three are driven by opportunity (77.7 percent vs 23.3 percent). Entrepreneurs prefer being “pulled” into entrepreneurship as a result of attractive, potentially profitable business opportunities rather than “pushed” into it by negative situational factors, such as lack of suitable employment.

However, interviews with experts reveal that despite a major improvement in the past years, and especially since the revolution, much remains to be done to change Tunisians’ mentality towards entrepreneurship. Fifty-six percent of the organizations interviewed stated that the lack of an entrepreneurial spirit was one of the biggest challenges to entrepreneurship nationwide. The years of the Ben Ali regime took their toll. Corruption and nepotism considerably eroded the national entrepreneurial spirit since successful ventures had to systematically deal with the family of the deposed President. In this context, public sector positions were increasingly considered a desirable career choice among young qualified men and women, while the cultural gap between young people and the private sector grew wider, as affirmed by most experts interviewed.

#### *Interventions promoting an entrepreneurial mindset*

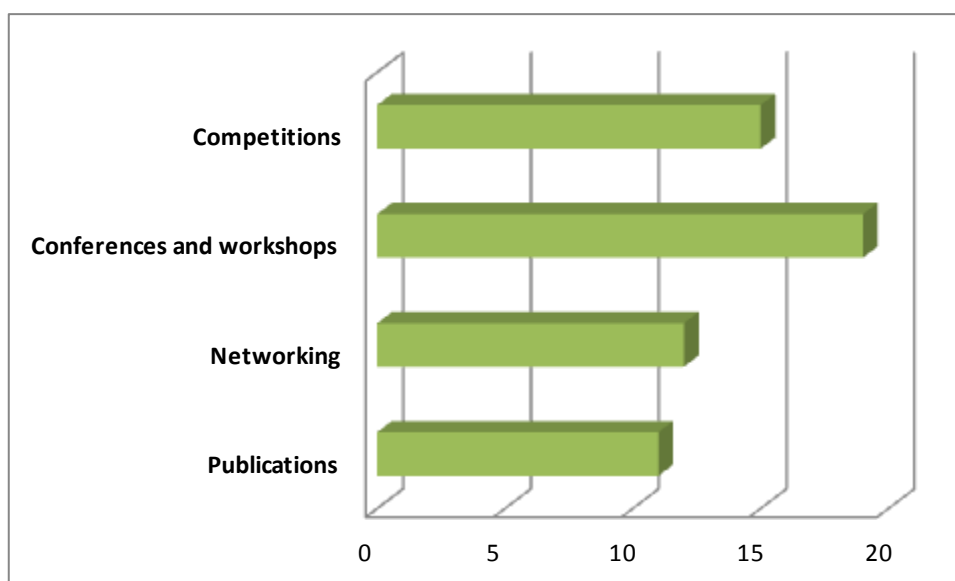
This study clearly indicates considerable interest by organizations from all industries to advance entrepreneurship culture in Tunisia. Sixty-five percent of organizations (26) surveyed offer programmes promoting an entrepreneurial mindset, with a total of 44 interventions identified (see Figure 8). Nevertheless, only 17 percent of these focus specifically on youth or integrate a youth component, and only one intervention each involved green issues (Tunisian Center for Social Development) or women entrepreneurship (CAWTAR). These initiatives vary and range

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<sup>1</sup> Intentions entrepreneuriales, enquête réalisée par le CJD (2011).

from the organization of conferences and workshops (19 interventions) to business plans and ideas competitions (15), fostering entrepreneurs' networks through the creation of websites, portals and meetings (12) or publish on entrepreneurship (11). This interest is widely shared by the different organizations since all sectors (the international community, public institutions, civil society organizations and the private sector) are involved in this dimension. Seventy-five percent of these interventions were ongoing when this study was being conducting.

**Figure 9: Total number of activities promoting an entrepreneurial culture**



### 3.2.3 Education and training

#### *Context*

Tunisia ranks 6th out of 53 surveyed countries in terms of its entrepreneurial level of education at vocational schools and universities land 18th out of 53 for primary and secondary school education (GEM 2010 Cross National Comparison). This good position seems to be the result of the previous regime's promotion of entrepreneurship in education programmes, a tendency which is still observed today. A decree was signed in 2008 to generalize the integration of entrepreneurial modules at universities, and a number of public structures today offer training programmes on entrepreneurship. This effort seems to have been effective, as 53.1 percent of 18–64 year olds (GEM 2009 Tunisia) believe that they now have the required skills and knowledge to establish a business.

**Table 9: Inventory of interventions promoting access to entrepreneurial culture in Tunisia**

Organization	Competitions	Conferences and workshops	Networking	Publications	Includes youth component	Activities
International Organizations						
African Development Bank	x		X	X	X	“Souk At-tanmia” is a programme that promotes innovative projects developed by youth. This close partnership between international organizations and private companies primarily aims to stimulate innovative ideas among young entrepreneurs and civil society organizations through the organization of competitions. Selected projects benefit from grants and support to develop their projects.
GIZ		x	x	x		Number of interventions to support entrepreneurship and innovation, including: <ul style="list-style-type: none"> <li>• Organizations of workshops (green entrepreneurship);</li> <li>• Research and publications on entrepreneurship: GEM (GIZ, 2009), mapping of public institutions (CJD, 2011), etc.</li> </ul>
International Labour Organisation		X		X	X	Know About Business (KAB) programme aiming to promote entrepreneurial culture within the education system.
Swiss Cooperation		X	X			Organization of workshops (ateliers Entreprendre) in the regions of Kef, Sidi Bouzid et Kasserine to identify and finance youth projects through a fund from BFPME.
UNIDO			X		X	Digital Entrepreneurship Platform - this initiative, launched in November 2012, is a digital platform which focuses on youth aiming to promote national dialogue on entrepreneurship and project creation. It focuses on promoting peer-to-peer exchange between young entrepreneurs (or potential entrepreneurs) and an improved dialogue between youth and government on topics related to business start-up and employment. Its final objective is to enable an improved environment for project creation and innovation for Tunisian youth.

US Government	X	X	X	X	X	<ul style="list-style-type: none"> <li>• PNB NAPEO – Partnership between the US Department of State and Partners for a New Beginning. Network of U.S. and North African business leaders, entrepreneurs, civil society and public sector leaders with a mission to foster job creation, regional cooperation and entrepreneurship with a focus on youth. Over the next five years, this network is committed to having a positive impact on 100,000 people through 1,000 cross-border partnerships.</li> <li>• Support to SIFE (see CJD).</li> </ul>
<b>Public Sector</b>						
ANETI		X		X		<ul style="list-style-type: none"> <li>• Programme MORAINÉ focused on generating new enterprise ideas.</li> <li>• Raising awareness on entrepreneurship through the organization of workshops and events.</li> </ul>
APIA - Agence de Promotion des Investissements Agricoles		X	X	X		Organization of workshops to raise awareness on opportunities in the agricultural sector.
Centre d'Affaires		X	X	X		Organization of a series of events, including raising awareness events on business opportunities, web portals, monthly newsletters.
DGPME - Direction Générale de la promotion de la PME (Ministry of Industry)	X					Inter-Ministerial Business Plan Competition " <i>Entreprendre et gagner</i> ".
INSAT - Institut National des Sciences Appliquées et des Technologies	X	X			X	<ul style="list-style-type: none"> <li>• Organization of competitions: <ul style="list-style-type: none"> <li>○ "Let's do it" for ideas generation;</li> <li>○ Carthage University Challenge, a one-week competition in which engineers and business school students meet to develop a business plan.</li> </ul> </li> <li>• Raising awareness among engineering students, including the creation of an entrepreneurs club, of a website, etc.</li> </ul>
Pôle Elgazala des technologies de la communication	X	X	X	X	X	<p>Number of initiatives promoted:</p> <ul style="list-style-type: none"> <li>• Participation in start-up competitions at universities;</li> <li>• Organization of workshop on entrepreneurship at universities;</li> <li>• Business breakfast, linking students with professionals;</li> <li>• INNOV –organization of a caravan tour to various regions to provide information, training, consulting, etc.</li> </ul>
Pépinière Sfax Innovation		X	X			<ul style="list-style-type: none"> <li>• Entrepreneurship summer villages;</li> <li>• Univexpo.</li> </ul>

Civil Society Organizations						
CAWTAR		X		X		<ul style="list-style-type: none"> <li>• Seminars on "economic empowerment and women's leadership";</li> <li>• Number of publications on women entrepreneurs in Tunisia and the Arab world.</li> </ul>
Education for Employment	X					"Maghreb Startup Initiative" – competition of ideas to establish innovative businesses in Morocco, Algeria and Tunisia.
INJAZ	X				X	"Junior achievement" programme (2008 and 2012), fostering work-readiness, entrepreneurship and financial literacy skills to inspire children to 'dream big' and reach their potential in primary and secondary school.
Maghreb Enterprise Development Initiative (MEDI)		x		x		<p>MEDI is a newly created think tank initiated by the Mediterranean School of Business to promote entrepreneurship and job creation in the Maghreb. Its activities include:</p> <ul style="list-style-type: none"> <li>• Research analysing the ecosystem of entrepreneurship in Tunisia and the Maghreb;</li> <li>• Organization of events on entrepreneurship.</li> </ul>
SUST	X	X			X	"Start-Up Week End" – event convening young entrepreneurs and professionals to "launch a start-up in 54 hours" (since February 2011).
Tunisian Center for Social Entrepreneurship	X	X	X	X		<p>Newly created centre (2012) aiming to build awareness and accountability on social entrepreneurship.</p> <ul style="list-style-type: none"> <li>• Creative workshops "Holdups" (September 2012);</li> <li>• Conferences on social entrepreneurship;</li> <li>• Social business and green economy competition;</li> <li>• Identification of 10 success stories in Arab and global organizations.</li> </ul>
Union des Diplômés Chômeurs		X	X			<ul style="list-style-type: none"> <li>• Seminars on entrepreneurship led by experts;</li> <li>• Meetings with business leaders and government administration;</li> </ul>
Private sector and private sector organizations						
BFPME		X				<ul style="list-style-type: none"> <li>• TUNITHON, national fund raising campaign on TV to finance enterprise creation projects;</li> <li>• "Atelier entreprendre" (Kasserine, Sidi Bouzid, Le Kef et Médenine) aims to identify projects to be financed by the Swiss Fund (Fonds Suisse) within the framework of the partnership between the Swiss Confederation and BFPME.</li> </ul>

CJD	X	X	X		X	<ul style="list-style-type: none"> <li>• SIFE (Student in Free Enterprise) since 2009 - mobilizes university students to form teams at their university campuses and apply business concepts to develop outreach projects that will improve the quality of life and standard of living for people in need while developing skills to become socially responsible business leaders. An annual series of regional and national competitions offers a forum for teams to present the results of their projects, and to be evaluated by business leaders serving as judges. National champion teams advance to the prestigious SIFE World Cup;</li> <li>• Business awards competition – for nascent entrepreneurs.</li> </ul>
IACE (Arab Institute of Business Leaders)				X		Study on entrepreneurship with Stanford University (publication in 2013).
Microsoft	X					<ul style="list-style-type: none"> <li>• “Imagine Cup” – competition aiming to foster innovation for the MDGs.</li> </ul>
Wiki Start Up	X					Participation in the competition “Maghreb Start Up Initiative“ (see Education for Employment).
<b>Academic Sector</b>						
Sup'Com - Ecole Supérieure de communication de Tunis	X					<ul style="list-style-type: none"> <li>• “Challenge de l’Université de Carthage” – one-week competition in which engineers and business school students convene to develop a business plan.</li> </ul>

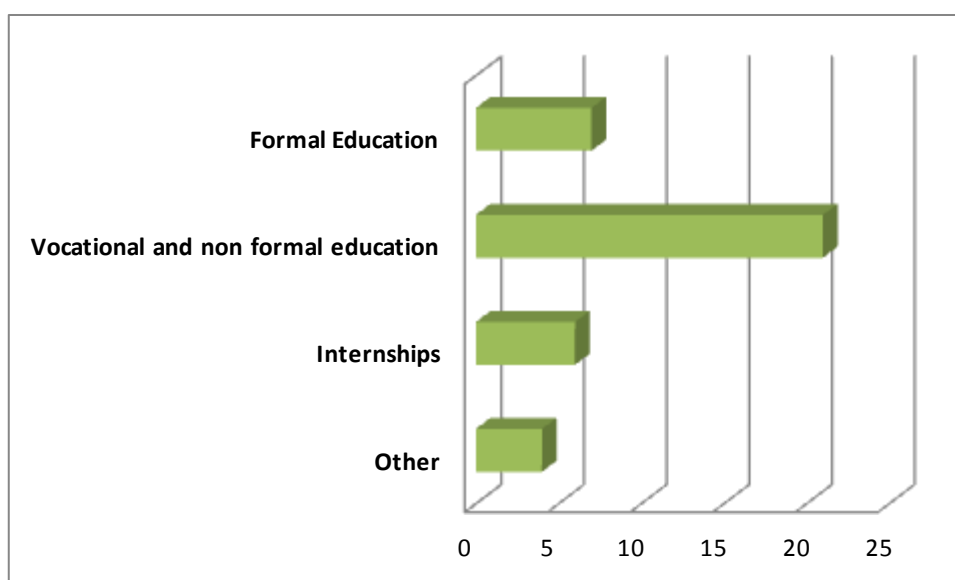


One surprising outcome of this study is that 94 percent of interviewed organizations claimed that there was still a major need for training and education, if entrepreneurship is to flourish in Tunisia. The majority state that the focus should be on the *quality* of the initiatives instead of on *quantity*. The experts also point out that there is still a gap between entrepreneurship programmes and the private sector. A great deal needs to be done to inculcate entrepreneurship culture from an early age up to university age, combining both hard and soft skills and fostering partnership and collaboration with the private sector.

*Interventions promoting education and training*

Interventions in education and training are the most prevalent among the identified organizations. Fifty-five percent (22 organizations) are involved in promoting entrepreneurial education and 43 percent of interventions focus on youths or integrate youth components. The most common interventions (21) occur in informal education through the provision of modules on different aspects of enterprise creation (business plan creation, feasibility studies, legal aspects, finance, marketing, management, etc.) or technical aspects (ITC, agriculture, etc.). Increasing efforts are being made to promote entrepreneurship in the formal education sector (6 interventions) by supporting the integration of entrepreneurship in formal education (GIZ) or providing education on entrepreneurship (INJAZ, Master of Entrepreneurship in P epinni ere Sfax Innovation). Another set of interventions (6 interventions) aim to promote the acquisition of competencies and experience through internships in the private sector.

**Figure 10: Total number of activities promoting entrepreneurship education**



**Table 10: Inventory of interventions promoting access to education in Tunisia**

Organization	Formal education	Vocational and informal	Internships	Other	Includes youth component	Activities
<b>International Organizations</b>						
African Development Bank		X			X	Training programmes for candidates of Souk At-tanmia.
GIZ	X			X	X	Interventions to strengthen the capacities to teach entrepreneurship in universities.
International Labour Organization	X				X	The Know About Business (KAB) programme aims to promote entrepreneurial culture within the education system.
UNIDO		X		X	X	Youth, Employment and Migration: Engaging Tunisian youth to achieve the MDGs – joint UN programme (2009-2102) involving UNIDO, FAO, IOM, UNDP and ILO, implemented in Great Tunis, Le Kef and Gafsa. UNIDO’s contribution includes: <ul style="list-style-type: none"> <li>• Direct support for unskilled youth and graduates through technical training in ICT and management tools (HP Life) and occupational training (EDIP).</li> <li>• Training of trainers (more than 61) in entrepreneurship development and 16 representatives from partner institutions on UNIDO/EDIP and UNIDO/HP’s “Learning Initiative for Entrepreneurs”(with API, ANETI, ONGs).</li> </ul>
UNDP		X	X		X	Youth Employment Promotion Programme (launched 2012): The programme, funded by the Japanese Cooperation and developed in partnership with ODNO and CGDR, aims to create employment with a special focus on green employment in the governorates of Bizerte, Jendouba and Siliana. It includes vocational training, modules on entrepreneurship as well as a programme for facilitating access to internships in the private sector.
US Department of State - Middle East Partnership Initiative (MEPI)				X	X	Provides financial support to a series of initiatives promoting entrepreneurship education, including: <ul style="list-style-type: none"> <li>• Initiatives promoted within the framework of PNB NAPEO;</li> <li>• Support to EFE (see EFE) for internship programmes (ongoing);</li> <li>• Online entrepreneurship training (2011-2012) for young artisans;</li> <li>• Training modules within the Women’s Incubator Programme (2012-2013).</li> </ul>

World Bank		X			X	Project “Youth Emergency” (launched July 2012): Training of 400 youth in business management with the possibility of obtaining a grant after training is completed in the governorates of Kasserine and Siliana. The programme is implemented by the National Office of Youth (ONJ).
<b>Public Sector</b>						
ANETI		X	X		X	A series of modules are offered to new or potential entrepreneurs: <ul style="list-style-type: none"> <li>• CEFE entrepreneurship training – 20 days of full-time training for young entrepreneurs who seek to transform ideas into viable enterprise projects.</li> <li>• SPE: complementary technical training for new companies;</li> <li>• CREE: training for business plan creation and feasibility studies;</li> <li>• Graduate Entrepreneurship Training through IT - teaches practical IT solutions for daily business challenges relating to finance, management, marketing and technology management. It teaches youth how to master the dynamics of using information technology in very small businesses. Provides training in "how to create a business".</li> </ul>
APIA		X	X			Training programmes to develop agricultural projects, including technical and general education.
Centre d'Affaires		X				Provides technical and managerial training programmes (business plan, legal aspects, tax, marketing, management).
Pépinière de Bizerte		X				Technical and managerial modules on business plan creation, legal aspects, tax, marketing, management, etc. Provision of external resources (expert coaches, university professors, chartered accountants, etc.).
Pépinière Sfax Innovation	X	X	X		X	<ul style="list-style-type: none"> <li>• Entrepreneurship module (culture, project management, entrepreneurship, management skills, etc.);</li> <li>• Teaching entrepreneurship toolkit;</li> <li>• Training of trainers;</li> <li>• Certified training organization in soft skills;</li> <li>• Master of Entrepreneurship (Mastère en Entrepreneuriat et Développement International) in partnership with IHEC Sfax, financed by the European Commission.</li> </ul>
Pôle Elgazala des technologies de la communication		X	X			Managerial and specialized training sessions (on demand or according to the need of the project leader).
<b>Private Sector</b>						
CJD -Centre des Jeunes Dirigeants d'entreprises		X			X	PDE (Entrepreneurship Development Programme): 15-day training in business plan creation since 2006. Has benefitted 70 candidates since the programme was launched in 2006.

Microsoft		X	X		X	Various education and training initiatives in different programmes (BizSpark, start-up sponsoring programme, Info Youth Center – in partnership with UNESCO): <ul style="list-style-type: none"> <li>• Technical training through classes or virtual teaching on information technologies;</li> <li>• Training modules on business management;</li> <li>• Student to Business –improving the link between students and the private sector through internships.</li> </ul>
Pôle de Compétitivité de Bizerte	X	X	X			Provides training as needed to the entrepreneur; provides additional training specific to the agri-food sector to complement existing courses; Master in Food Management in partnership with Food-MAIM Montpellier and INAT, Tunis.
<b>Civil Society Organizations</b>						
CAWTAR		X			X	<ul style="list-style-type: none"> <li>• PDE (Entrepreneurship Development Programme): training sessions organized in CAWTAR facilities on how to set up a business – coordination provided by CJD. 15-day trainings in business plan creation since 2006. Has benefitted 70 candidates since its launch in 2006;</li> <li>• Various education modules involving different projects (rural projects for women, etc.).</li> </ul>
ENDA		X			X	<ul style="list-style-type: none"> <li>• Training module on start-up creation within the “Projet Jeunes” developed with the support of the Swiss Cooperation.</li> </ul>
INJAZ	X	X			X	Injaz signed several conventions with the Ministry of Education and the Tunisian Agency of Vocational Training in 2011 to deliver entrepreneurship modules in secondary schools, universities, etc. The programmes to be implemented include “Banks in Action” (simulating bank activities), “Company Programme” (reviewing the entire process of enterprise creation through role games) (16 sessions of 1,5 h for 4 months).
Union des Diplômés Chômeurs		X				Organization of training seminars led by experts in entrepreneurship.
Education for Employment		X	X	X	X	EFE-Tunisia is currently negotiating with several partners, including public universities, to develop a series of training programmes on entrepreneurship and employability. Programmes will include: <ul style="list-style-type: none"> <li>• Training of trainers and implementation of the programme on employability in universities;</li> <li>• Entrepreneurship training programme;</li> <li>• Promotion of internships in companies through partnerships with private sector companies (Magasin Général) – ongoing.</li> </ul>
<b>Academic</b>						
Sup'Com Challenge	X				X	Entrepreneurship module (entrepreneurial culture; project management; entrepreneurship; management skills, etc.).

### 3.2.3 *Business development services (non-financial)*

#### *Context*

Tunisia stands out at the international level for having prioritized entrepreneurship through a number of government policies and support initiatives. This is reflected in the GEM 2009 Tunisia report which rates Tunisia first out of 44 countries in terms of support provided to entrepreneurs by the government. This, however, must be put into perspective, with poor results obtained in terms of bureaucracy and taxes that position the country below the average score (1,81 with the average being 2,44) (Mansouri and Belkacem, 2009).

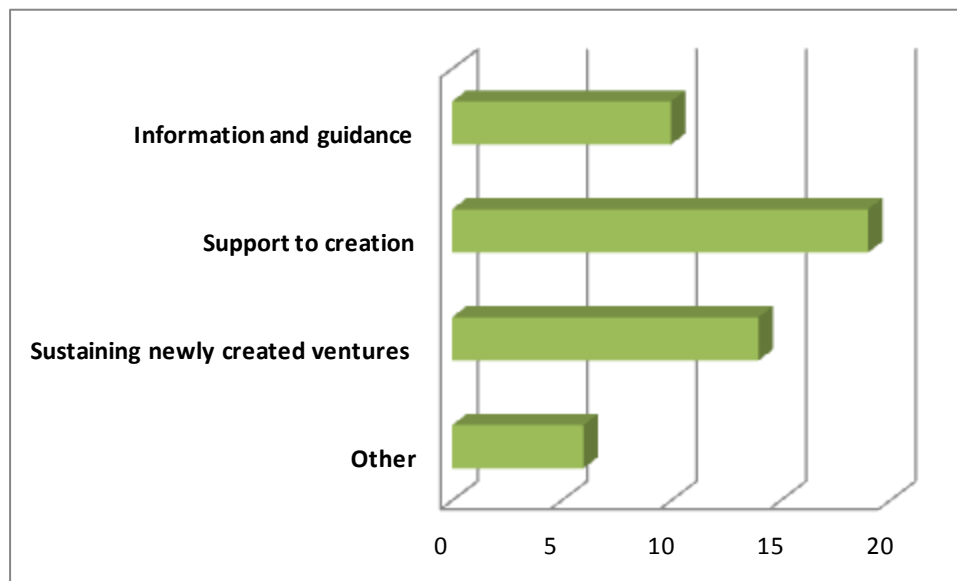
In the 2012 Doing Business Report, Tunisia ranks 46th (out of 183 countries) in terms of *Business Environment*, which refers to a country's overall regulatory framework. Tunisia lost 6 positions compared to 2011, mainly due to the instability resulting from the revolution. This is above the Middle East and North Africa (MENA) regional average, which lies at 93. Tunisia also dropped 10 positions in the *Starting a Business* ranking, falling from 46 to 56.

These results are confirmed by the interviews conducted for this study. There appears to be a general consensus among the organizations surveyed that Tunisia benefits from a number of important public institutions and programmes supporting entrepreneurship and business creation. Nevertheless, a great majority expressed the pressing need to increase the efficiency of these programmes and coordinate and consolidate the services provided, since a number of overlaps exist between the different structures.

#### *Interventions providing business development services*

Forty-eight percent of organizations provide business development services with a total of 51 different interventions (see Figure 11). Of these interventions, the majority (19) focus on providing support for the creation of start ups through legal, strategic and technical support as well as coaching services. Efforts have also been made to provide sustained support to newly created ventures through mentorship or consultancy services, with 14 interventions having been identified. A number of interventions focus on providing information and guidance prior to the creation of the start-up (10). Among other initiatives (6) identified is one on capacity building for public structures (GIZ, UNIDO, UNDP). Nevertheless, like in Egypt, the BDS dimension is characterized by a lack of focus on youth, as only 8 percent of the interventions identified integrate a youth component like the Souk At-tanmia, YEM joint UN or ENDA programmes ("Projet Jeunes" funded by the Swiss Cooperation).

**Figure 11: Total number of activities providing BDS**



#### **3.2.4. Access to finance**

##### *Context*

Tunisia supports the provision of access to finance for young entrepreneurs through a number of incentives and measures that have been developed by the government during the last years. This is reflected in the GEM 2009 Tunisia Executive Report which ranked Tunisia in 7th position out of 44 countries with regard to the financial environment related to entrepreneurship and first in terms of the availability of sufficient debt funding for new and growing firms (Mansouri and Belkacem, 2009).

Nevertheless, the results of the Doing Business Report are less positive, ranking Tunisia 98th out of 183 countries with regard to *Getting Credit*. This compares with Egypt's rank of 78 and Saudi Arabia's rank of 48, the highest ranking in the region. The African Economic Outlook states that the banking sector remains weak because of the high proportion of non-performing loans, under-capitalization and inadequate control, especially in risk management (African Economic Outlook, 2012).

A national programme, which was adopted in 2010 and originally scheduled to run until 2014, listed the strengthening of the financial system as a key objective (though the future of this programme remains to be determined). With targets to increase minimal capital requirements and reduce the non-performing loans ratio to below the 7 percent mark by 2014, the programme aims to consolidate fundamentals, enhance the role of banks in the economy and restructure the public banking system.

**Table 11: Inventory of interventions promoting business development services in Tunisia**

Organization	Information and guidance (prior to creation)	Support for creation/start-ups (legal, strategic, technical, coaching)	Sustaining: Support to newly created ventures	Other	Includes youth component	Interventions
<b>International organization</b>						
African Development Bank		X	X		X	Support services, accompaniment and coaching of nominees (Souk At-tanmia).
GIZ		X		X		Capacity building for public structures fostering entrepreneurship in Tunisia, including training for counsellors, coaches (40 trained in 2010), women entrepreneurship, etc. (Programme of Support to Entrepreneurship and Innovation).
UNIDO		X	X	X	X	Youth, Employment and Migration: Engaging Tunisian youth to achieve the MDGs – Joint UN programme (2009-2102) involving UNIDO, FAO, IOM, UNDP and ILO, implemented in Great Tunis, Le Kef and Gafsa. UNIDO’s contribution includes: <ul style="list-style-type: none"> <li>• Building capacities of institutions supporting entrepreneurship (training for 16 representatives from partner institutions on UNIDO/EDIP and UNIDO/HP’s “Learning Initiative for Entrepreneurs” with API, ANETI, ONGs);</li> <li>• Counselling and coaching for 200 young entrepreneurs in the 3 regions (EDIP).</li> </ul>
UNDP				X	X	The Youth Employment Promotion Programme (launched 2012) includes a component that aims to strengthen the capacities of ODNO (North West Development Office) to identify opportunities for employment creation.

Swiss Cooperation		X		X		<ul style="list-style-type: none"> <li>• Support for youth micro enterprise creation through the project SEMER (Swiss Initiative for Employment and Rural Micro and Small Enterprise) in four disadvantaged governorates of Tunisia;</li> <li>• Training to support business creation for ENDA staff (Projet Jeunes);</li> <li>• Financing support services for new initiatives financed by BFPME within the scope of their partnership with this institution.</li> </ul>
<b>Public Institutions</b>						
ANETI	X	X	X			<ul style="list-style-type: none"> <li>• Information and guidance for potential entrepreneurs (espaces entreprendre);</li> <li>• Support services throughout the creation process (business plan creation, market studies);</li> <li>• Support for implementation: coaching and follow-up.</li> </ul>
Centre d'Affaires	X		X			Information, guidance and support throughout the various stages of the project (developing a project idea, financing plan, legal and administrative procedures, etc.).
DGPME		X	X	x		<ul style="list-style-type: none"> <li>• Provides information and guidance prior to creation and start-up support;</li> <li>• Capacity building programme with the ACIM and GIZ (training of entrepreneurship advisors).</li> </ul>
INSAT		x				Incubation of innovative projects.
Pépinière de Bizerte	x	X	X			Incubation, support services (including coaches) and facilities for innovative start-ups.
Pépinière Sfax Innovation	X	X	X			Incubation services: facilities and logistics support, personalized coaching, links to strategic partners, start-up accompaniment, etc.
Pôle Elgazala des technologies de la communication	X	X	X			Incubation, support services, facilities for innovative start-ups in the field of ITC.
Pôle de Compétitivité de Bizerte	X	X	X			Incubation, support services, facilities for innovative start-ups in agro-business sector.
<b>Civil Society Organizations</b>						
ENDA		X	X			<p>Series of support services associated with the provision of micro-financing products:</p> <ul style="list-style-type: none"> <li>• Support to business plan creation;</li> <li>• Coaching on implementing phase (Projet Jeunes).</li> </ul>



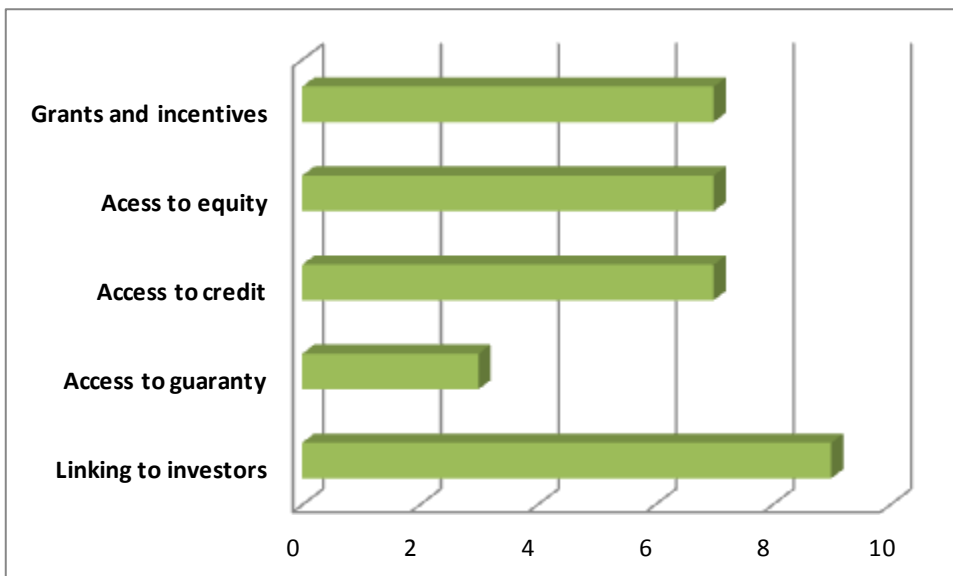
Private sector						
BFPME	X	X	X			Support and accompaniment to projects financed by the Swiss Fund and identified during “ateliers entreprendre” (see <i>entrepreneurship culture dimension</i> ).
CJD		X	X	X		Business awards: support services, mentoring and communication provided to the nominees.
IACE	X	X	X			Support from American students to unemployed Tunisian graduates in the creation of new businesses that respond to the most pressing needs of the most unprivileged areas of Tunisia (Partners for Tunisian Development).
Microsoft	X	X	X	X		Number of services provided throughout different programmes: <ul style="list-style-type: none"> <li>• BizSpark: free access to software, technical support, access to global BizSpark, network;</li> <li>• StartUps sponsorship programme: free access to software, technical support, networks, certification, etc.</li> </ul>
Réseau Entreprendre	X	X	X			Mentorship from business leaders throughout the entire start-up process and business consolidation.
Wiki Start Up		X				Support for project ideas: development of business plans, investment advice and due diligence, assistance in planning innovative projects, coaching and consulting in strategy and management.

The unsatisfactory international rankings are confirmed by the interviews which indicate that access to finance remains a major obstacle for young entrepreneurs in Tunisia. Despite the existence of a diversified financial system in Tunisia, access for Tunisian SMEs to financing remains difficult. The organizations surveyed often mentioned the complexity of the procedures and access to information as the two greatest hurdles for young entrepreneurs. The lack of commercial banking and equity financing in the form of angel investors or seed funding were also frequently mentioned as limiting factors.

*Interventions providing access to finance for young entrepreneurs*

Forty-five percent of organizations identified (18) are involved in the provision of access to finance, which is considered by many of the organizations interviewed to be a critical factor for the development of entrepreneurship in Tunisia (see Figure 12). Nevertheless, of 33 of the identified interventions in this area, only 12 percent focus on youth or integrate a youth component, namely the initiative Souka At-tanmia, the World Bank project “Youth Emergency”, the Agency for the Promotion of Agricultural Investments (APIA) des Investissements Agricoles and SUST. No interventions specifically focusing on women or green entrepreneurship have been identified. The most frequent intervention consists of linking entrepreneurs to investors (9 interventions). In terms of the funding of the majority of projects, credit, equity or grants are equally represented with 7 interventions each.

**Figure 12: Total number of activities providing access to finance**



**Table 12: Inventory of interventions promoting access to finance in Tunisia**

Organization	Grants and incentives	Access to equity	Access to credit	Access to guaranty	Linking to investors	Includes youth component	Activities
<b>International Organizations</b>							
African Development Bank	X					x	Souk At-tanmia – platform providing funding through grants to support the creation of innovative projects in Tunisia. The project initiated by the AfDB is a cross-sector partnership between a number of international organizations (US Embassy, MDG Fund, UK Aid), the private sector (Total, Tunisiana, Microsoft, CONECT, etc.) and NGOs.
Swiss Confederation		X	X				<ul style="list-style-type: none"> <li>• TND 4,8 million provided to BFPME to complement FOPRODI through specific equity funding;</li> <li>• TND 3 million provided to ENDA (Bidaya) to support micro credit loans to young entrepreneurs.</li> </ul>
US Department of State	X	X					Provides funding for projects or structures providing access to finance for entrepreneurs, including the Social Solidarity Federation of Tunis (FTSS) and the initiative Souk At-tanmia (see AfDB).
World Bank	X					X	Project “Youth Emergency” (launched July 2012): grants offered to the beneficiaries of the management training programme offered to 400 young people in the governorates of Kasserine and Siliana. Implemented by the National Office of Youth (ONJ).
<b>Public Institutions</b>							

APIA - Agence de Promotion des Investissements Agricoles	X					X	Provides tax and financial incentives for young entrepreneurs in the agriculture and fishing sectors.	
Centres d'Affaires					X		Facilitates access to funding through cooperation agreements with a number of financial institutions (SICAR, BTS, BFPME and other banks) and the organization of workshops linking entrepreneurs with investors.	
DGPME	X	X	X			X	<ul style="list-style-type: none"> <li>Facilitates access to funding through cooperation agreements with a number of financial institutions (SICAR, BTS, BFPME and other banks) and the organization of workshops linking entrepreneurs with investors;</li> <li>Seed funding to the winners of the Business Plan Competition.</li> </ul>	
Pôle Elgazala des technologies de la communication	X	X	X				<ul style="list-style-type: none"> <li>Facilitates access to funding through cooperation agreements with a number of financial institutions (SICAR, BTS, BFPME and other banks) and the organization of workshops linking entrepreneurs with investors.</li> <li>Information on funding mechanisms and support for financial plan elaboration.</li> </ul>	
ANETI						X	Support for financial plan development and submission to funding organizations.	
<b>Civil Society Organizations</b>								
ENDA			X				As an entity specialized in microfinance, it provides a number of programmes supporting access to finance for young entrepreneurs for income generating activities in the informal sector (Baraka et Mechia), MSMEs (Mawalni), agriculture (Mawsem) or young entrepreneurs (Bidaya - financed by the Swiss Cooperation).	
Social Solidarity Federation of Tunis (FTSS)		X					Global NGO under MEPI. Trains lenders, regulators and venture capitalists on how to strengthen regulatory and legal frameworks, financial institutional practices and the venture capital sector to increase entrepreneurship.	
SUST						X	X	Links prize winners with potential investors and financial institutions.
<b>Private Sector</b>								
BFPME	X	X	X	X	X			Public bank whose mandate is to provide support to SMEs in all the different phases of their life cycle. Provides advice and counselling on access to different existing public grants or subsidies, equity funding (through actual partnership with the Swiss Confederation), long- and medium-term loans (with limited guarantees). Cooperates closely with SOTUGAR Guarantee Fund (see below).

Microsoft					X	Provides links to investors for young entrepreneurs to benefit from their different programmes.
Réseau Entreprendre			X	X	X	<ul style="list-style-type: none"> <li>• Unsecured loans without interest or guarantees provided to prize winners;</li> <li>• Links to potential investors through its network.</li> </ul>
SOTUGAR				X		The Tunisian Guarantee Company (SOTUGAR) is a public company meant to reinforce the mechanisms set up for the development and promotion of SMEs during the most decisive phases of their life cycle (creation, development, innovation and restructuring). The guarantee system is intended to guarantee certain categories of loans granted by credit institutions to small- and medium-sized enterprises in industry and services and certain categories of shareholdings of capital risk investment companies and common funds of risk investment (SICAR & CFRI) in their capital.
Wiki Start Up		X	X		X	Private business centre and incubator providing support to innovative projects. Financial support includes pre-seed funding, venture capital and investment advisory services.

### 3.2.5 Access to market

#### *Context*

The GEM 2009 Tunisia report ranked Tunisia 22nd out of 44 surveyed countries in terms of internal market dynamics. This means that the level of change in the market from year to year is slow and there are only few opportunities for new and growing firms to expand their markets for products and services. On the other hand, the GEM report ranks Tunisia 6th out of 44 surveyed countries in terms of internal market burden, i.e. new firms are free to enter existing markets and there are no obstacles to market entry created by high entry costs and blocked competition.

These results are confirmed by the Doing Business Report 2012 which ranked Tunisia 32nd out of 183 surveyed countries in terms of *Trading Across Borders* (i.e. the total number of documents required per shipment to export and import goods, documents required for clearance by government ministries, customs authorities, port and container terminal authorities, health and technical control agencies and banks, the time necessary to comply with all procedures required to export and import goods, the cost associated with all procedures required to export and import goods).

Despite these positive indicators, 91 percent of organizations surveyed note that access to market is a very important need that needs to be covered to promote youth entrepreneurship. According to our survey, young entrepreneurs often face the following problems:

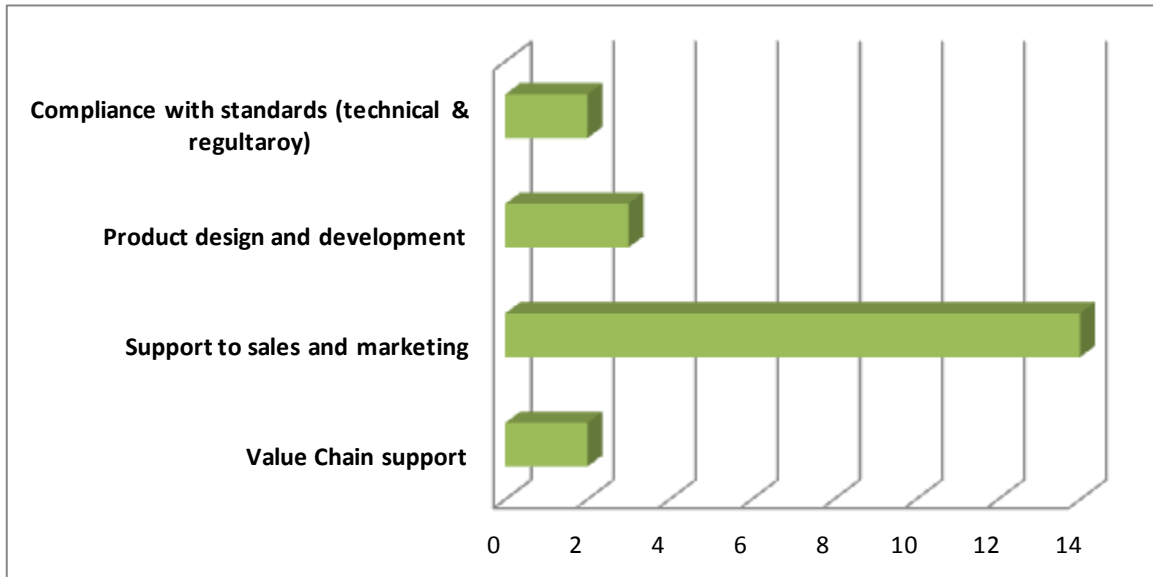
- They often lack a strategic commercial vision and focus, though this is imperative for the survival of a business;
- Problems still exist in terms of tax and customs administration;
- Informal parallel markets also represent a significant obstacle to the development of young entrepreneurs;
- Small size of local markets in remote areas;
- Lack of knowledge and/or capacities to access export markets.

#### *Interventions fostering market access for young entrepreneurs*

A significant number of organizations (13) implement interventions specifically focused on providing access to market (33 percent of organizations, see Figure 13). A total of 22 different activities have been identified in this dimension, with only two focusing on youth (Joint UN YEM programme and PTED from USAID), and none has been identified as having a specific

focus on women or green entrepreneurship. The most common interventions in this area include support to sales and marketing (14), product design and development (3 interventions), and value chain support (2 by UNIDO).

**Figure 13: Total number of activities providing access to market**



### 3.2.6 Access to innovation

#### Context

Access to technology transfer and innovation is a fundamental factor for high growth entrepreneurs to reach their full potential. Compared with other countries, the level of T&D transfer in Tunisia remains insufficient. A great deal needs to be done to ensure an efficient transfer of new technology, science and other knowledge from universities and public centres to new and growing firms (2,03 out of 5). Engineers and scientists generally lack support in commercializing their ideas through new and growing firms which, in turn, do not have as much access to new research and technology as large and established firms (Mansouri and Belkacem, 2009).

Nevertheless, Tunisians tend to show a very strong interest, either from the consumer or the entrepreneur's perspective, for innovation and technology transfer. A number of structures have been created during the last years to support R&D (Technopoles, cyberparks, etc.) in a number of sectors (ICT, agro-business) throughout the territory.

**Table 13: Inventory of interventions promoting access to market**

Organization	Compliance with standards (technical & regulatory)	Product design and development	Support to sales and marketing	Value chain support	Includes youth component	Activities
<b>International Organizations</b>						
European Union Delegation	X					<ul style="list-style-type: none"> <li>• The Support Programme for Enterprise Competitiveness and Market Access (PCAM), though not directly focusing on entrepreneurship, aims to provide support to companies in terms of complying with the regulatory or technical requirements of the industrial sector (electrical, mechanical, building products and agribusiness) to increase competitiveness in export markets (see Ministry of Industry);</li> <li>• Similarly, the programme to support the competitiveness of the services sector (PACS) aims to strengthen the capacities of the Ministry of Industry and Commerce (MIC) in upgrading the services sector (including ITC, health services, etc.).</li> </ul>
Swiss Cooperation			X			<ul style="list-style-type: none"> <li>• Project to Promote Tunisian Exports (PPET): network intelligence and business analysis; development and implementation of sectoral strategies, business services and agro-industrial products;</li> <li>• “Les Automnales” is a fair to promote Tunisian products and services (tourism).</li> </ul>



UNIDO	X	X	X	X	X	<p>Youth, Employment and Migration: Engaging Tunisian youth to achieve the MDGs – Joint UN programme (2009-2102) involving UNIDO, FAO, IOM, UNDP and ILO, implemented in Great Tunis, Le Kef and Gafsa. UNIDO's contribution includes:</p> <ul style="list-style-type: none"> <li>• Integrated development of the value chain of olive wood in Sidi Bouzid;</li> <li>• Training in quality production for export markets for women weaving carpets in Gafsa.</li> </ul>
US Government		X	X	X	X	<ul style="list-style-type: none"> <li>• Partners for Tunisian Economic Development (PTED), under the MEPI and realized by IACE (see below), aims to determine market opportunities through the intervention of American business school students who identify business opportunities in the less developed areas of Tunisia in partnership with local unemployed graduates.</li> <li>• Support for the Tunisian handicrafts industry (2012-2013): one year technical support for the Government of Tunisia to design and implement an export support strategy for the handicrafts industry. The programme also supports various export-related activities, such as travel of buyers and distributors to Tunisia, product marketing and packaging and other costs associated with an export campaign.</li> </ul>
<b>Public Sector</b>						
APIA - Agency for the Promotion of Investments in the Agriculture sector	X		X			<ul style="list-style-type: none"> <li>• Programme to improve the quality of agricultural products and support for exports, focusing on defining quality levels, identifying new market niches and improving the link between production and market;</li> <li>• Organization of the International Exhibition of Agricultural Investment and Technology (SIAT).</li> </ul>
DGPME			X			<p>Sponsor young entrepreneurs to attend various events organized by support structures (CCI-UTICA-CEPEX) where they can promote their products and find new clients.</p>

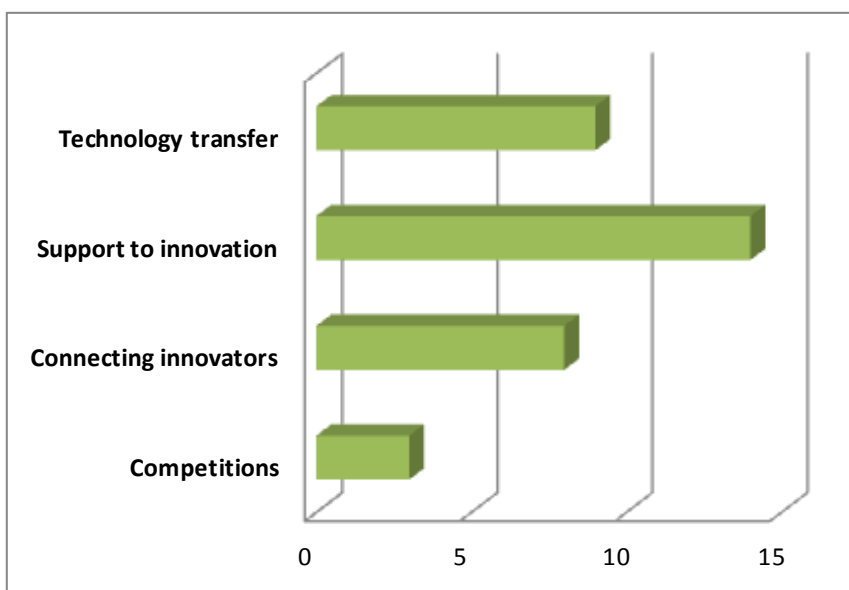
Ministry of Industry - PCAM	X					The Support Programme for Enterprise Competitiveness and Access to Market (PCAM) is financed by a donation from the European Union to support the competitiveness of Tunisian enterprises and their access to international markets by improving their capacity to meet regulatory requirements and standards.
Pôle Elgazala des technologies de la communication			X			Several measures have been taken since the establishment of Technopark to create business opportunities and promote companies and their products. The measures, among others, include: <ul style="list-style-type: none"> <li>• Technopark marketing solutions: promote enterprises and their products through Technopark branding;</li> <li>• Organization of visits for students, experts, entrepreneurs, etc. to promote products and solutions for companies in Technopark and to facilitate their access to new markets, mainly in Africa and Arab countries;</li> <li>• Access to international markets: development of a network of international cooperation to provide a welcoming environment and a reliable information base to facilitate access of SMEs to the international market. This includes Réseau Euro Office Services: EOS; European Business Innovation Centre Network: EBN; IASP.</li> </ul>
<b>Private Sector</b>						
Microsoft	X	X	X			<ul style="list-style-type: none"> <li>• The programme Bizpark to promote the development of new software, including support for technical compliance and access to Microsoft's international network;</li> <li>• Start-ups are linked with Microsoft events and have access to its global network.</li> </ul>
Réseau Entreprendre			X			Mentors link young awarded entrepreneurs to their existing professional networks to facilitate their commercial growth.
Wiki Start Up			X			Provides strategic support to its clients to access new markets.
<b>Civil Society Organizations</b>						
CAWTAR			X			Partner of Regional Rural Women's Bazaar organized by the Regional Economic Empowerment of Women Project.
ENDA			X			<ul style="list-style-type: none"> <li>• Support for products created by its clients through its online store "Boutik'enda", the organization of local fairs in different regions of Tunisia and participation in international fairs;</li> <li>• Provides support for export through its partnership with the Fund of Access to Export Markets (FAMEX).</li> </ul>

According to our survey, despite the existence of diversified programmes, support structures and mechanisms of financing, access for Tunisian SMEs to innovation remains limited. One of the major reasons for this is the existing gap between the academic world and the private sector, apart from initiatives like Technopoles, cyberparks, etc. Another challenge is the lack of specific funding for innovation and the culture of adversity to risk is still prevalent in the banking sector.

*Interventions fostering technology transfer and innovation in Tunisia*

Thirty-five percent of organizations identified engage in the provision of access to innovation (see Figure 14) as a means to foster entrepreneurship. A total of 36 different activities were identified of which 16 percent focus on youth or include a youth component. These include INSAT, FOCEI (a new initiative by the Minister of Higher Education to stimulate innovation) and support provided by the P  pinni  res through their support for youth during the incubation phase. The most common interventions (15) consist of providing support for innovation through a series of initiatives, including coaching and mentoring, technological advice, providing facilities (Microsoft, Technopoles, P  pinni  res, INSAT, etc.) or supporting the creation of a research and innovation system at national level (PASRI funded by the EC). A number of initiatives also aim at connecting innovative individuals (9) through the organization of workshops, the promotion of partnerships between students or between students and experts (Microsoft, IACE) or the organization of competitions (3). Other interventions include the promotion of technology transfer (9), e.g. UNIDO’s programme Med Test.

**Figure 14: Total number of activities fostering technology transfer and innovation**



**Table 14: Inventory of interventions promoting access to market**

Organization	Technology transfer	Support to innovation	Connecting innovative individuals	Competitions	Other	Includes youth component	Description
<b>International Organizations</b>							
AECID		X					Programme (2010-2012) for promoting innovation and improving industrial competitiveness.
European Union Delegation	X	X	X				The Project of Support to the System of Research and Innovation (PARI) aims to provide solutions to the main problems identified by the different actors of the innovation chain, from businesses to research units, universities and support institutions aiming at transforming knowledge into tangible products and services (see National Agency for the Promotion of Research).
UNIDO	X						Programme MED TEST aiming at transferring environmentally sound technology to the South Mediterranean Region.
<b>Public Sector</b>							
Centre d'innovation et de Développement of INSAT	X	X	X	X		X	<ul style="list-style-type: none"> <li>• Technology transfer;</li> <li>• Business incubator of innovative start-ups based on INSAT research;</li> <li>• “Let’s do it”: competition to promote ideas that are transformed into a business plan;</li> <li>• “Challenge de l’Université de Carthage” – promoting collaboration between engineering and business school students on innovative projects.</li> </ul>

Ministry of Higher Education and Research - Fund for Innovation and Employability in Tunisia (FOCEI)		X	X			X	The Fund for Innovation and Employability in Tunisia (FOCEI) is a new initiative (October 2012) introduced by the Tunisian Ministry of Higher Education and Research, focusing on the academic sector and inviting individuals to innovate by creating learning conditions in the higher education system to prepare for future contributions to the development of business innovation and better employability.
National Agency for the Promotion of Research (ANPR) – Ministry of Superior Education	X	X	X				The Project of Support to the System of Research and Innovation (PASRI) aims to provide solutions to the key problems identified by the different actors of the innovation chain, from businesses to research units, universities and support institutions aiming at transforming knowledge into tangible products and services. Funds provided by the European Union (2011-2014). The programme includes international networking with European research programmes, training of experts in risk assessment of innovative projects, training of managers and incubators, PhD scholarships, mobility / post-Doctoral positions in industrial companies.
Pépinières	X	X	X			X	<ul style="list-style-type: none"> <li>• Created by the Ministry of Industry and Technology (MIT) to promote the creation of new ventures that can boost economic growth. Support is provided to young entrepreneurs during the incubation phase;</li> <li>• Partnership with the academic sector (25) or Technopoles (4).</li> </ul>
Technopoles	X	X	X				<p>Structures created by the Ministries of Education and Scientific Research (MESRS) and of Industry and Technology (MIT) to promote R&amp;D and technological development in a series of strategic economic sectors. It aims to improve the competitiveness of the economy through innovation. Thirteen Technopoles exist as of 2011 (GIZ, 2011) on the entire territory;</p> <ul style="list-style-type: none"> <li>• Support to incubation and creation of innovative ventures;</li> <li>• Valorization of R&amp;D: research spin off, technology development spin off;</li> <li>• Networking and matchmaking (village d'été de l'entrepreneuriat, fairs, etc.);</li> <li>• Support through coaching and mentoring.</li> </ul>

Private Sector							
IACE (Arab Institute of Business Leaders)	X	X	X				<ul style="list-style-type: none"> <li>PTED - Partners for Tunisian Economic Development – programme for identifying and supporting the development of innovative projects in partnership with Tunisian and US students.</li> </ul>
KPMG				X	X		<ul style="list-style-type: none"> <li>Organization of a competition awarding innovative initiatives – first edition in 2012.</li> </ul>
Microsoft	X	X	X				<ul style="list-style-type: none"> <li>MIC (Microsoft Innovation Center) – global initiative aiming at promoting the development of a software sector through cross-sector partnerships with government, industry and local universities. Includes capacity building, innovation stimulation and support to local start ups;</li> <li>BizSpark - global programme aiming at supporting start-ups (less than 3 years of existence) from the software sector. Includes free access to software technologic support.</li> <li>Annual mentoring to 10 start-ups selected from the BizSpark programme.</li> <li>Technology cluster – support to innovative initiatives and projects within the structure of the MIC.</li> </ul>
WikiStartUp/Carthage Business Angels		X					<ul style="list-style-type: none"> <li>Incubation services for innovative projects.</li> </ul>
Civil Society Organizations							
Centre pour l'Entreprenariat social		x	x				<ul style="list-style-type: none"> <li>Stimulation of social innovation through a series of workshops;</li> <li>Identification of innovative social ventures.</li> </ul>

## **4. Evaluation of initiatives promoting youth entrepreneurship in Tunisia and Egypt**

This chapter presents an analysis of the six dimensions through which Egypt and Tunisia promote youth entrepreneurship. The evaluation is based on the lessons learned about each dimension, the key gaps identified and the best practices that have proven the best results in entrepreneurial promotion. Furthermore, beyond the dimensions analysed, the components of green jobs and women entrepreneurship have been analysed to determine the degree to which they have been considered in entrepreneurship development in the two countries. Finally, conclusions are presented addressing several key areas with the aim of promoting youth entrepreneurship in both countries.

### **4.1. Analysis of the six dimensions**

#### **4.1.1 Entrepreneurial culture**

##### *Lessons learned*

- Promoting entrepreneurial culture among youth implicates contributing to change in the mindset in the long term. It implicates working at different levels where young men and women can be reached, from the education system, local youth networks to media or through the organization of events or the creation of youth networks (real or virtual).
- Promoting the idea that entrepreneurship is a viable path to success and celebrating one's own ambitions and ideas from an early age. To this end, it is crucial to celebrate success through identifying local success stories, using one's own cultural context that youth can relate to and building on them to raise awareness.
- Another important contributor is the promotion of initiatives directly implicating young men and women through the organization of competitions, role games, the creation of micro-enterprises run by youth, etc. All of these initiatives contribute to the promotion of creativity and provoke the interest of youth in a playful manner.
- Entrepreneurial mindset is an intangible aspect that needs to be transmitted rather than taught. For this reason, promoting exchanges and interrelations with actual entrepreneurs seems fundamental in order for youth to be inspired and attracted to entrepreneurship.
- Entrepreneurs need to also be connected to each other. Fostering the creation of peer-to-peer portals, support groups, networking events or small group meetings is

an efficient way to create and strengthen a community of young entrepreneurs who can exchange information and experiences with the challenges entrepreneurs face and solutions to tackle them, to stimulate creativity and create opportunities for business creations.

#### *Key gaps identified*

- Although entrepreneurship is perceived favourably in Egypt, the lack of entrepreneurial spirit still appears to be a major challenge, as the majority of experts interviewed. Public careers are still perceived as the most attractive to youth in Egypt.
- A general context of political instability is not favourable to the emergence of new ventures.
- The private sector is still under-represented in developing initiatives focusing on youth and stimulating youth creativity to generate new ideas that represent a potential for growth.
- In both countries, a strong economic and cultural gap is evident between the capital and the regions.

#### *Good practices*

- Election of the “Young Entrepreneur of the Year” by INJAZ al-Arab during their annual entrepreneurship conference (Egypt and Tunisia).
- Stimulating creativity and entrepreneurship in engineering and business schools with a one-week competition “Challenge de l’Université de Carthage” (Tunisia).
- Promoting social entrepreneurship in Egypt through reality TV as developed by Bayman Media (See case study 1).
- Applying business concepts to develop community outreach projects that improve the quality of life and standard of living for people in need, like the Enactus Egypt programme (see case study 2).
- Selecting, mentoring and accelerating the best high impact entrepreneurs, e.g. Endeavour, around the world and in Egypt.
- Promoting peer-to-peer dialogue on entrepreneurship and projects creation in Tunisia through the Digital Entrepreneurship Platform (UNIDO).



### Case study 1. Bamyan Media - Promoting social entrepreneurship through reality TV

Organization	Type	Website
Bamyan Media	Non-profit social enterprise	<a href="http://bamyan.org/">http://bamyan.org/</a>
<b>Description</b>		
<p>Bamyan Media is a non-profit social enterprise dedicated to transforming the role of reality TV and equipping youth to play an active role in their community's development. Together with USAID, a major Egyptian TV broadcaster and a network of local partners, Bamyan Media aims to co-produce an original, unscripted reality TV series that rewards the courage, initiative and creativity of entrepreneurs, while teaching necessary skills.</p> <p>The organization has three core goals in Egypt:</p> <ul style="list-style-type: none"> <li>• Making social entrepreneurship tenable for young Egyptians, i.e. making it mainstream so it is considered a courageous yet realistic aspiration for all.</li> <li>• Linking entrepreneurs, on and off screen, with the practical resources that can turn their socially responsible business ideas into reality.</li> <li>• Helping to create good, sustainable jobs for young and marginalized Egyptians.</li> </ul> <p>In reality TV, Bamyan Media sees a compelling and largely untapped potential for high impact dissemination of knowledge and resources. This is an exciting practical application of the medium: connecting viewers, regardless of their socio-economic status or even literacy level, to resources in their community, and sharing knowledge on an almost impossible scale for most NGOs or government programmes.</p>		
<b>Impact</b>		
<p>The programme had not yet been introduced in Egypt as of September 2012.</p> <p>In Afghanistan where Bamyan media aired its first reality TV series <i>Dream &amp; Achieve</i>, or <i>Fekr wa Talosh</i>, as a 13-part series on Afghanistan's Tolo TV in fall 2008, an estimated <b>seven million viewers</b> tuned in to watch the exciting series finale.</p> <p>The winner, Faizulhaq Moshkani, was a plastic recycler from Kandahar who expanded his plant to use renewable micro-hydro power, and the runner up, Maryam Al-Ahmadi, was a woman who built a successful jam and pickling business employing hundreds of widows and refugees in Herat.</p>		

### Case Study 2. Enactus Egypt (previously Students in Free Enterprise)

Organization	Type	Website
Enactus	NGO	<a href="http://www.Enactus.org/">http://www.Enactus.org/</a>
<b>Description</b>		
<p>Enactus brings together a diverse network of university students, academic professionals and business executives to share the vision of creating a better, more sustainable world through the positive power of business. Working with leading corporate partners and member universities, Enactus establishes student programmes on campuses around the world. With the support and encouragement of their faculty advisors and a local business advisory board, Enactus students apply business concepts to develop community outreach projects that improve the quality of life and standard of living for people in need, fostering an entrepreneurial approach that encourages creativity and resourcefulness. The culmination of the Enactus programme is an annual series of competitions that provide a forum for teams to present the results of their outreach projects, which are evaluated by business leaders serving as judges. Teams compete first at the national level, then at the international level, where the national champion teams from each country meet at the Enactus World Cup.</p>		

Impact and Lessons Learnt
<ul style="list-style-type: none"> <li>• The Enactus Egypt programme is currently active at 39 Egyptian universities and academic institutions and targets a minimum of 3,000 students annually. The number of projects implemented by Enactus teams in 2011 totalled 102 projects and the number of people directly impacted through these projects was 80,699 in 2012. On average, Enactus leads to the creation of 102 businesses/projects annually. Globally, Enactus has a network of 1,700 active universities and 48,000 university students in 39 countries and support is provided by hundreds of leading companies.</li> <li>• By using the business concepts, Enactus students learn in the classroom how to help others, to develop stronger business and leadership skills, as well as a sense of service and responsibility for the community and world around them.</li> <li>• The university leaders have to be approached in a manner that assures their support for their university teams. They need to see a valuable return in terms of university reputation and require constant follow-up through a second person in command.</li> </ul>

**Case study 3. Maghreb Start-up Initiative**

Organization	Type	Website
<b>Education For Employment</b>	<b>NGO</b>	<a href="http://maghrebstartupinitiative.wordpress.com">http://maghrebstartupinitiative.wordpress.com</a>
Description		
<p>The Maghreb Start-up Initiative is a regional entrepreneurship competition that aims to help young entrepreneurs in the Maghreb region when launching a start-up. Introduced in May 2012 in Tunisia by the "Education For Employment" (EFE-Tunisia) and WIKI STARTUP, this competition targets young entrepreneurs seeking to start innovative ventures with high technological potential in the fields of biotechnology, green economy, energy and ICT. The programme focuses on training and supporting initiatives and innovation, creating viable start-ups, promoting exchanges between youth in the Maghreb region and the development of links between the regional and international entrepreneurial ecosystem.</p>		
Impact		
<p>In its first edition (2012), the competition organizers received more than 86 projects (18 percent in the field of biotechnology, 22 percent in green economy, 4 percent in energy and 56 percent in the field of media and ICT). Sixteen percent of projects were submitted by women and 84 percent by men. Forty-five projects were selected by the jury in the first selection phase on Monday, 3 September 2012 in Tunis. Successful candidates had to submit a preliminary feasibility study to the organizers before 24 September 2012.</p> <p>During this period, a panel of experts followed up on the candidates. Mentoring sessions provided guidance and assistance and youth were mentored for better data mining and market analyses. Once the studies were submitted, the jury had to select 25 candidates for participation in training camp ('bootcamp'), which took place from 8 to 13 October 2012 in Tunis. The announcement of the 5 project winners of the Maghreb Start-up Initiative (award of USD 30,000) was planned for early November 2012 (at the time of the writing of this publication) and a prize ceremony was to take place in December 2012.</p>		

#### **4.1.2 Education and training**

##### *Lessons learned*

- Entrepreneurship education must be supported at all levels of the educational system, starting from an early age. Even at elementary school level, students can be provided with skills in creative thinking and problem-solving that will be needed later in life as adult entrepreneurs.
- It is crucial to complement efforts in the formal education system with capacity building of entrepreneurs outside the formal education system (e.g. soft skills and technical training) to build a solid entrepreneurial ecosystem.
- Trainings should not be held on a “lecture” basis, but should foster participatory processes based on culturally relevant materials. Special effort must be made in terms of target group selection based on entrepreneur type, socio-economic status and geographic location.
- In this sense, interventions of successful entrepreneurs should be promoted in all education programmes and used as motivators and inspirations for students, allowing them to relate entrepreneurial activities to their reality.
- Youth-to-youth strategies also seem to be effective in terms of engaging students in entrepreneurship. To this end, the promotion of links with foreign universities can be an important source of knowledge transfer and contribute to opening up youth initiatives to youth Egyptians promoted across the world.
- Education and training should be complemented by the promotion of internships to expose students to real-life situations in the workplace and develop mentorship programmes to consolidate the acquired knowledge with hands on experience and accompaniment.

##### *Key gaps identified*

- Teachers in the formal sector often lack practical business experience and the entrepreneurial mindset that is important to teach entrepreneurship and should benefit from adapted programmes to strengthen their capacities in this area.
- There is still a lack of qualified trainers in entrepreneurship and more critically, in governorates outside Cairo and Tunis, which could be filled by promoting training of trainers programmes in those regions.

- Programmes often still tend to be one-size-fits-all solutions. It is crucial to consider the needs of the targeted beneficiaries and their communities.
- Organizations often fail to carry out a pre-selection of beneficiaries for their training courses. It is important to have beneficiaries fill out self-assessment tests and attend short interviews.
- The extent of business people and entrepreneurs teaching entrepreneurship in formal and informal education is still very low and should be promoted systematically. Likewise, links between the private and academic sectors should be strengthened through education partnerships and the systematic promotion of internships in companies.
- Entrepreneurship modules at Tunisian universities are often regarded as courses leading to a diploma rather than a way to change attitudes and develop opportunities; emphasis is put on theoretical knowledge rather than the development of entrepreneurial skills.
- Difficulty assessing the results of teaching entrepreneurship that can bear fruits years after the programme has been concluded. Monitoring, evaluation and impact assessment should be strengthened through a more systematic approach, and be part of the project right from the design stage.

#### *Good practices*

- Direct support for unskilled youth and graduates through technical training in ICT and management tools and occupational training accompanied by training of trainers programmes (UNIDO Tunisia).
- Equipping students with practical business-related skills as part of a regular educational curriculum complemented by an integrated mentorship programme supported by local business leaders (Injaz Al-Arab -see case study 3).
- Linking e-learning courses with a set of innovative delivery modes including mentorship, videos, illustrations, action learning and group projects (ELCC - The E-Learning Competence Center - Egypt).
- Offering a Business Bachelor degree with the option of majoring in entrepreneurship (Nile University – Egypt).

- Providing specific support to selected start-ups in the form of training courses on business development and technological aspects through Microsoft's *Entrepreneurship in IT Pilot Project* (Egypt and Tunisia).

#### Case Study 4. INJAZ – Promoting an entrepreneurial mindset in the education system

Organization	Type	Website
INJAZ	NGO	<a href="http://www.injaz-egypt.org/">http://www.injaz-egypt.org/</a>
<b>Description</b>		
<p>INJAZ Egypt works with students, aged 12-22 years, in middle schools, high schools and universities (both public and private). Each semester, business leaders send staff to local schools and universities. For an hour a week, these 'corporate volunteers' become mentors and share their professional life with youth and provide students with practical training on how to succeed in the private sector. Through the various INJAZ programmes, students progress from learning work readiness and character building skills to acquiring financial literacy skills and entrepreneurial mindsets.</p> <p>INJAZ works with the private sector which provides funding as well as volunteers to teach the courses. The company programme INJAZ also links young entrepreneurs with mentors.</p>		
<b>Impact and lessons learnt</b>		
<ul style="list-style-type: none"> <li>• INJAZ offers an entrepreneurship curriculum in 21 governorates, reaching out to 70,000 individuals as of September 2012.</li> <li>• It supported the launch of 10 start-ups in 2012 and 45 since the beginning of the INJAZ programme.</li> <li>• It creates a link between the academic world and the private sector.</li> <li>• It is important to keep the teams of the company programme participants smaller (maximum 10 participants per team).</li> <li>• It would be beneficial to increase the seed fund for the winners.</li> <li>• It would be beneficial to provide a space for start-ups (winners) for at least 6 months.</li> </ul>		

#### Case study 5. Know About Business (KAB)

Organization	Type	Website
<b>International Labour Organization</b>	<b>International Organization</b>	<b><a href="http://www.knowaboutbusiness.org">www.knowaboutbusiness.org</a></b>
<b>Description</b>		
<p>KAB is a training programme for trainers and teachers in vocational education, secondary education and higher education designed as an 80 to 120 hour course for young students aged between 15 and 18. KAB's general objective is to contribute to the creation of an enterprise culture by promoting awareness among young people about the opportunities and challenges of entrepreneurship and self-employment, and of their role in shaping their future and that of their country's economic and social development.</p> <p>The pilot testing of KAB in secondary education ended with the school year 2009; in vocational education, the pilot phase was extended to March 2010 to compensate the time when apprentices work in enterprises. By the end of 2009, the Ministry of Education and Training was divided into two ministries, the Ministry of National Education and the Ministry of Vocational Education and Employment, and since then, the project involves the two ministries. Discussions with both Ministers took place in July 2010 and the Ministry of National Education declared its support for entrepreneurship education at secondary level and that it ought to be part of the reform of secondary education which is under preparation for 2014. The Minister of Vocational Education and Employment gives high priority to entrepreneurship development and has already launched a business incubator programme linked to vocational training centres.</p>		

The KAB distance learning programme was successfully tested in 2009 at three universities and from 2010 onwards, the course has been offered as an optional course over 4 semesters by the University of Sousse and of Kairouan.

#### Impact

In Tunisia, the KAB programme will become part of the vocational education system of the ATFP (Agence Tunisienne de Formation Professionnelle) under the Ministère de Formation Professionnelle et de l'Emploi, as a distance learning programme in higher education provided by the Open University of Tunis to all universities and taken into consideration in the education reform as a new subject in secondary vocational education.

A national steering committee with representatives from the education sector meet at least twice a year. At least 4 key facilitators have been trained and at least 2 KAB teacher training courses and 1 lecturer training course have been organized and teachers certified. Adapted training materials for secondary education have been printed in Arabic and French. One national business plan contest has been held in each country and one regional contest has taken place.

### Case study 6. CEFE

Organization	Type	Website
ANETI: CEFE	Public Institution	<a href="http://www.emploi.nat.tn/">www.emploi.nat.tn/</a>
Description		
<p>The CEFE-ANETI coaching framework for micro enterprise development - one initiative stands out and provides training built on know-how transfer: self-employment promotion through a German-Tunisian cooperation project (the FORTI initiative launched in 1995). CEFE training (Business Creation and Formation of Entrepreneurs) uses a personalized approach (14 to 20-day programme) based on learning by doing where participants:</p> <ul style="list-style-type: none"> <li>• Evaluate their own personalities, abilities and resources,</li> <li>• Select the project they will undertake,</li> <li>• Determine whether their personal assets (qualification, skills and resources) meet the requirements of the project,</li> <li>• Collect the necessary information to assess the feasibility of the project and prepare their business plan which they need to defend in front of investors.</li> <li>• Initiate their project after concluding the training, possibly with support during the start-up phase.</li> </ul>		
Impact		
<p>This evaluation of the CEFE training shows that (El Mili):</p> <ul style="list-style-type: none"> <li>• Direct beneficiaries (more than 25,000, with 40 percent being women) are very satisfied with this training;</li> <li>• They have become more motivated and responsible and have not only acquired personal and interpersonal skills, but have also realized projects (5,000).</li> </ul>		

#### 4.1.3 Business development services (non-financial)

##### Lessons learned

- A significant effort should be made to develop business development services that are more closely adapted to the needs of young men and women aiming to start a business. This implies providing centralized and easy to access information on the different steps and administrative procedures that need to be taken to create a business. Efforts should

also be made to present this information in an attractive and comprehensive language to prevent young entrepreneurs from being discouraged when undertaking a new venture.

- In that sense, the creation of youth peer-to-peer portals with professional support fostering interactive knowledge management appears to be an efficient means to support youth throughout the process of starting up a business.
- Business development services provide support during the start-up phase and are more efficient when developed with a specific sectoral approach. They providing entrepreneurs with a high level of expertise and better adapted solutions that contribute to paving the path for the creation of more competitive and sustainable ventures.
- Mentorship is increasingly seen as a critical contribution for sustaining the success of entrepreneurs. It can be based on specific skills but can also be promoted through a broader relationship between a young entrepreneur and an experienced and committed professional that can provide key insights and guidance into a number of business topics at operational and strategic levels in the long term.
- Programmes should be developed with a long-term focus (3 to 5 years) to the furthest extent possible.

#### *Key gaps identified*

- There is a clear lack of integrated, easy to access information adapted to youth on the administrative procedures and different steps necessary for creating a company.
- There are often overlaps in the provision of services provided by public sector organizations, and better coordination between the different agencies should be promoted where many overlaps are observed (Tunisia).
- Business development services developed with a focus on youth are still an exception in Egypt and Tunisia, with only 6 percent and 8 percent interventions (UNIDO, Etijah Nahdet el Mahroussa) integrating BDS into their projects.
- Most efforts focus on the start-up phase and provide technical and strategic support, legal advice, coaching, etc., but there is often still a lack of support in the first years after the company is created, which are the most critical in terms of its sustainability.

- While mentorship has proved to be very beneficial for young entrepreneurs, this practice is still underdeveloped in Egypt and Tunisia. More efforts should be promoted to engage new mentors.

*Good practices*

- BDS services focusing on the growth of SMEs during their first 5 years through the mobilization of a volunteer network from multinational and large Egyptian firms through their corporate social responsibility programmes (Gafi Bedaya Center).
- Developing incubators specialized in providing business services for high tech and agribusiness industries (TIEC).
- Providing business support for young social entrepreneurs through social enterprise incubators (Nahdet El Mahroussa – see case study).
- Providing business support to farmers in rural Egypt to promote the development of small/micro projects at village level (Green Development Association).
- Creating virtual platforms that provide a broad range of support to entrepreneurs' needs and inspiration by presenting initiatives and success stories (Wamda).



### Case study 7. Nahdet El Mahrousa providing support to social innovation

Organization	Type	Website
Nahdet El Mahrousa	NGO	<a href="http://www.nahdetmasr.org/">http://www.nahdetmasr.org/</a>
Description		
<p>Nahdet El Mahrousa (NM), the ‘Renaissance of Egypt’ in Arabic, was established in November 2003. NM seeks to make a positive and lasting impact on Egypt’s cultural, economic and social development by activating and engaging Egyptian youth in the country’s development, public work and decision-making. NM achieves those goals by building a strong sustainable organization whose core programme “Incubator of Innovative Social Enterprises” acts as a vehicle for social innovation.</p> <p>The social enterprise incubator, which is the first of its kind in Egypt and the Middle East, works with young professionals to cultivate and develop innovative development project ideas until they become independent and successful national models. NM acts as a platform that provides legal umbrella, logistical support, physical space, a network of like-minded people (members and friends of NM), technical assistance, networking, and seed funding (where available) to initiatives with potential. Incubation/handholding can last up to 7 years. This includes 2-4 years of stabilization, with the social enterprise frequently graduating in the 5th year.</p>		
Impact and lessons learnt		
<ul style="list-style-type: none"> <li>• Incubated more than 30 social enterprises,</li> <li>• Importance of handholding and incubation over an extended period,</li> <li>• Importance of providing entrepreneurs with a network,</li> <li>• Importance of guidance,</li> <li>• Importance of institutionalized support,</li> <li>• Often, success may depend on the entrepreneur him/herself.</li> </ul>		

### Case study 8. Endeavour – Supporting entrepreneurship in emerging markets

Organization	Type	Website
Endeavor	NGO	<a href="http://www.endeavoreg.org/">http://www.endeavoreg.org/</a>
Description		
<p>Endeavor is a global non-profit organization pioneering a new approach to global development by stimulating and supporting entrepreneurship in emerging markets. Endeavor was launched in Egypt in 2008 and is supported by a Board of Trustees that includes high profile Egyptian business leaders. Through a rigorous, multi-step selection process, Endeavor screens large numbers of promising entrepreneurs annually in order to identify the best entrepreneurial talent in Egypt. Endeavor measures the entrepreneurs it engages according to six selection criteria: entrepreneurial initiative, business innovation, role model potential, values &amp; ethics and development impact. Candidates with the most innovative, high-growth, scalable ventures and greatest promise to become future business leaders are selected as Endeavor Entrepreneurs. These entrepreneurs are given a wide range of support to become regionally and globally innovative businesses, while acting as role models to budding or prospective entrepreneurs.</p> <p>Key differences that distinguish Endeavor's experience and support from any other entrepreneur support organization is that it is comprehensive, challenging, customized and continuous.</p> <p>It is worth noting that not all of the companies that Endeavor supports are start-ups, but the organization also supports companies that were already established but required help to expand their businesses.</p>		

Impact
<ul style="list-style-type: none"> <li>• 21 high-impact entrepreneurs selected and supported since 2008,</li> <li>• 19 entrepreneur candidates (10 companies) received feedback on their strategies and growth plans in 2011/2012,</li> <li>• Established mentor network that includes 72+ business &amp; industry leaders,</li> <li>• Total 2011 revenue generated by supported companies: USD 50 million (double the revenue generated in 2008: USD 22 million),</li> <li>• Total jobs created since 2008 by supported companies: 800+ (from 1,600 jobs in 2008 to 2,400 jobs in 2011).</li> <li>• Some of the successful companies supported by Endeavor either in their start-up phase or at a later stage include The Bakery Shop (TBS), Azza Fahmy Jewellery, Mashaweer, Hassab Labs and Diwan Bookstore.</li> </ul>

#### Case study 9: Entrepreneurs Network: Creating a network of business leader mentors

Organization:	Type:	Website:
Réseau Entrepreneurs	Private Sector Organization	<a href="http://www.reseau-entrepreneurs-monastir.org">http://www.reseau-entrepreneurs-monastir.org</a>
Description		
<p>"Entrepreneurs Network Tunis and Monastir" is the youngest association of the "International Entrepreneurship Network." This association aims at identifying and providing support to young entrepreneurs through a network of business leader forums. The network offers young entrepreneurs:</p> <ul style="list-style-type: none"> <li>• Personalized and regular support by an experienced entrepreneur for 2 to 3 years to practice the profession of entrepreneur (sharing experience).</li> <li>• Friendly and collective training by organizing a monthly meeting of the entrepreneur club. This meeting allows young entrepreneurs to regularly exchange information and experiences with other entrepreneurs in the same situation. It is a way to find advice and avoid isolation.</li> <li>• Access to finance by offering laureates unsecured loan (of between TND 10,000 and TND 30,000), without interest or guarantee.</li> </ul>		
Impact		
<ul style="list-style-type: none"> <li>• Membership of 65 entrepreneurs,</li> <li>• Partnerships with three financial structures (Caisse de dépôt et de consignation (France), Tunisie Leasing, Vermeg),</li> <li>• Thirty projects studied, 10 winners, 170 MDT unsecured loans offered,</li> <li>• 7 companies started their activity,</li> <li>• 45 jobs were created.</li> </ul>		

#### 4.1.4 Access to finance

##### *Lessons learned*

- Access to finance is a crucial aspect for ensuring the success of programmes that foster entrepreneurship. For this reason, it is essential to develop integrated approaches that complement non-financial services with access to finance for youth.
- A key success factor for programmes remains is a focus on facilitating access to seed or angel funding at the very beginning of the enterprise cycle which remains a critical phase for the sustainability of the new venture.

- While a lot of efforts have been made to develop micro-credits, entrepreneurs often have difficulty finding funds for slightly larger amounts. Providing funding at this level could be very beneficial, facilitating the development of ventures with more potential for growth and employment creation.
- Another effective form of support consists of assisting young entrepreneurs in the development of coherent financing plans, linking them to investors and accompanying them in negotiations and procedures.
- Finally, efforts should also be made in providing entrepreneurs with comprehensive information on the various steps, procedures and possibilities to access funding. This could be achieved through the development of virtual platforms that present the necessary information, but also promote peer-to-peer exchange among entrepreneurs, provide technical support and link entrepreneurs with investors and financial institutions.

#### *Key gaps identified*

- Access to finance remains a major challenge in both Egypt and Tunisia. There is still an insufficient level of funding availability for new and growing firms as banks have high transaction costs and lack the incentives and infrastructure to serve smaller, local economic actors.
- Young entrepreneurs usually have difficulties complying with banks' requirements and to provide them with suitable financing plans.
- The lack of equity in the form of seed or angel funding also limits the growth of start-ups. Start-ups are thus often funded through personal savings or family money, which limits start-ups to upper middle or higher income classes.
- In both countries, the uncertain political climate contributes to a certain weariness of investors who prefer to limit risks and wait for better times. This phenomenon is also incremented by a certain lack of trust from banks towards MSMEs.

#### *Good practices*

- Providing integrated support with access to funding for high growth entrepreneurs (Flat6Lab – see case study 6).
- Setting up an angel investors' network (USAID in partnership with AMCHAM).

- Elaborating a directory of all financial services providers in a governorate (GAFI in partnership with the Egyptian Business Association and the Egyptian Banking Institute).
- Assisting young entrepreneurs in accessing finance through support in the preparation of necessary plans, organizing and attending meetings with banks and investors and training and coaching entrepreneurs how to negotiate in these meetings (International Modernization Center).
- Finalizing a three-month training programme provided to IT start-ups by linking young entrepreneurs with investors (Microsoft).
- Providing grants for innovative entrepreneurs through a competition system (Souk At-tanmia).

#### Case study 10. Flat6Labs

Organization	Type	Website
Flat6Labs	Private Sector Company	<a href="http://flat6labs.com/">http://flat6labs.com/</a>
Description		
<p>Flat6Labs is an innovative investment approach based on immersing start-up entrepreneurs in real world challenges of creating and managing sustainable enterprises, while being supported by a dedicated staff and mentorship team.</p> <p>Flat6Labs hosts teams for a three-month cycle and gives them access to the facilities, expertise, mentorship and support needed to make the most of their own talent. Upon their selection, the teams are provided with seed funding in the range of EGP 60,000-75,000 as they attempt to define their product, develop their core application, construct a well-balanced business plan and commercialize their enterprise. In exchange for 10-15 percent stake of equity in their projects, these teams are given the chance to face the real world challenges and obstacles of creating and maintaining a start-up in the local and global market. At the same time, they are provided with support, whether from staff at Flat6Labs, from professional speakers who come in for sessions or from team's mentors, who are matched with the team by Flat6Labs. The solid interactive programme has one aim in the end: to create an independent, successful company led by a team capable of making informed decisions.</p> <p>At the end of the three-month period, Flat6Labs holds a Demo Day event, where teams are given the opportunity to showcase their products to potential investors and the media. If any of the teams has been successful in its bid to establish a fully furnished enterprise with promising market potential, it will graduate from Flat6Labs and receive additional funding to establish its enterprise. Flat6Labs is a joint initiative between the venture capital firm Sawari Ventures and the American University in Cairo (AUC).</p>		
Impact		
<ul style="list-style-type: none"> <li>• 18 new start-ups have been created since the launch of Flat6Labs company (the average start-up is 9 months old),</li> <li>• Approximately 15 jobs have been created at the established companies.</li> </ul>		

### Case study 11. Souk At-tanmia

Organization :	Type :	Website:
African Development Bank	IO	<a href="http://www.soukattanmia.org">www.soukattanmia.org</a>
Description		
<p>Souk At-tanmia is a development initiative initiated by the African Development Bank in partnership with a number of bilateral and multilateral organizations, private sector organizations, civil society (BFPME, BIT, le British Council, CONECT), the US Embassy, WFO, UNIDO). It aims to provide funding for Tunisians in form of grants to support the creation of innovative projects.</p> <p>The main objective of Souk Has Tanmia is to</p> <ul style="list-style-type: none"> <li>- Identify and support innovative activities by mobilizing and allocating funds to promising projects,</li> <li>- Promote job creation and reduce social and regional disparities,</li> <li>- Provide beneficiaries support and training programmes.</li> </ul>		
Impact		
<p>In 2012, Souk At-tanmia began screening nearly 300 projects out of a total of 1,350 submitted electronically via the website posted by the ADB, including 45 percent of projects submitted by unemployed persons and 60 percent of projects by young people. Partners will eventually select 70 to 100 projects. The value of the funding to be provided in the form of donations is estimated between TND 10,000 and 30,000.</p>		

#### 4.1.5 Access to market

##### *Lessons learned*

- Access to market needs to be strengthened if the new ventures promoted through the different components of entrepreneurship programmes are to succeed. Young entrepreneurs need to be provided with adapted support to be able to conceive successful products and services that comply with regulations and technical standards, and develop their sales in the local or international markets.
- To this end, providing access to high level experts in different fields (ITC, agribusiness, green technologies, etc.) that can provide technical and strategic advice for upgrading products and services to international standards is of utmost importance. This advice can be provided through the integration of services of dedicated experts and consultants within existing public structures or specific programmes.
- Similarly, initiatives aiming to develop new products and services and improve branding make it possible to gain a crucial added value and significantly increase the competitiveness of new ventures.
- Entrepreneurs also need to be provided with professional support to access relevant information on markets, be it local, national or international, to be able to identify high potential markets and consumer needs. At this level, the organization of trade fairs has

proven to be an important tool to get entrepreneurs started in their professional activities. This support must also be complemented by information on appropriate distribution channels, formalities and processes needed for developing sales and preventing mistakes that can be fatal in the nascent phase.

- Value chain initiatives have proven to be adequate integrated strategies, especially in rural areas in the agricultural or handicrafts sectors, to strengthen the products and services of a given sector to access markets.

#### *Key gaps identified*

- Organizations interviewed have stated that the weakest point of young entrepreneurs' projects is often the lack of commercial vision and strategy.
- While having good project ideas, products or services, young entrepreneurs often fail to find proper channels to distribute their products and services, especially in remote areas where local markets are small. They also often lack the skills and knowledge to access international markets.
- The informal parallel markets often represent a significant barrier to the development of young entrepreneurs. Furthermore, more transparency should be promoted in public procurement.

#### *Good practices*

- Improving the capacity of small farmers' associations to access domestic and export markets by developing value chain initiatives in the horticulture industry (pro-poor horticulture value chains in the Upper Egypt Programme - UNIDO),
- Engaging entrepreneurs in the supply chain of multinational companies through the identification of opportunities, support for technical upgrade and matchmaking events (GAFI Bedaya Center for Entrepreneurship and SME Development).
- Developing an online catalogue of products developed by a community (Aga Khan Foundation – see case study 7).

### Case study 12. Aga Khan Foundation

Organization	Type	Website
Aga Khan Foundation	International Organization	<a href="http://www.akdn.org/egypt">http://www.akdn.org/egypt</a>
Description		
<p>The Cairo Economic Livelihoods Program is a five-year project (2008-2013) with a set of coordinated interventions to promote employability and enterprise development in the Cairo neighbourhood of Al-Darb Al-Ahmar (ADAA), while serving as a platform for policy engagement on these issues in Egypt. The total budget of the project is USD 5,500,000, with a contribution of USD 4,750,000 from the Canadian International Development Agency (CIDA) and USD 750,000 from the Aga Khan Foundation Canada (AKFC). The majority of CELP's activities are implemented in ADAA; however, some financial services and business development services will be offered in the adjoining districts of Gamaleya and Manshiet Nasser.</p> <p>CELP consists of a number of components, including vocational training services, job placement and job counselling, craft business development services, provision of business development services and financial services, as well as civil society strengthening and policy engagement and outreach.</p> <p>With regard to providing access to markets, the CELP project links beneficiaries with local and international exhibitions and trade fairs, hosts an art gallery at the Azhar Park where beneficiaries' products are displayed and has recently developed and launched an e-catalogue on the AKDN website which will enable beneficiaries to sell and promote their products to new potential wholesale retailers, international and national buyers.</p>		
Impact and lessons learnt		
<ul style="list-style-type: none"> <li>• Provided beneficiaries with access to over 15 exhibitions (as of April 2012),</li> <li>• Keeping CSO's motivated and engaged is essential to the programme's success,</li> <li>• Access to the market is a universal need for beneficiaries in ADAA and business linkage services are the most popular with beneficiaries.</li> </ul>		

### Case study 13. Pôle Elgazela - Developing commercial networks

Organization	Type	Website
Pôle Elgazala des technologies de la communication	Public Institution	<a href="http://www.elgazalacom.nat.tn">www.elgazalacom.nat.tn</a>
Description		
<p>One of the missions of Technopark is to support the process of developing business through the creation of business opportunities and promoting companies and their products and services. Several actions have been taken since the launch of Technopark. Its activities include:</p> <ul style="list-style-type: none"> <li>• Technopark's marketing solutions: promote enterprises and their products through the branding of Technopark.</li> <li>• Organization of visits for students, experts and entrepreneurs to promote products and solutions for companies in Technopark and to facilitate their access to new markets, mainly in Africa and Arab countries.</li> <li>• Preparation of the local market: Technopark has established a Laboratory of Digital Innovation for the Competitiveness of Tunisian Company "Lincet." It is a platform for demonstrations and training to facilitate access of economic enterprises to e-business and the introduction of ICTs in Tunisian firms. This platform also serves as a showroom solution developed by companies in Technopark, and therefore, the marketing of their products.</li> <li>• Access to international markets: development of a network of international cooperation to provide a welcoming environment and a reliable information base to facilitate access of SMEs to the international market.</li> </ul>		
Impact		
<ul style="list-style-type: none"> <li>- Since 2012, approximately 157 enterprises and 1,100 jobs created through the Technopole.</li> </ul>		

#### **4.1.6 Access to innovation**

##### *Lessons learned*

- Fostering the apparition of highly innovative entrepreneurs implies the existence of spaces where young people can be stimulated in an enabling environment providing them with the necessary tools, knowledge, support, networks, etc. so they can thrive.
- It is crucial to take a sectoral approach to indentify and invest in sectors and activities with a high potential for growth, such as, for instance, ICT, agribusiness, green technologies and services in the case of Egypt and Tunisia. This implies the elaboration of national policies and strategies which define the priorities in the long term. At this level, the support of international organizations can be particularly useful to ensure that these policies are relevant in terms of the national and international context.
- Fostering and developing links between the academic and business worlds is fundamental for transforming research results into innovations and in the end, competitive products and services promoted by the entrepreneurs.

##### *Key gaps identified*

- New technologies are often not accessible to entrepreneurs, and in general, acquisition of the latest technology represents an obstacle for start-ups due to high capital investment requirements.
- Similarly, access to new research and knowledge by SMEs and entrepreneurs represents a major challenge, since they are in a very disadvantaged position compared with larger established firms with greater financial resources.
- There is a wide gap between the academic world and the private sector, which jeopardizes synergies and prevents the distribution of potential innovations. The transfer of R&D and innovation to the business world and more specifically, to young entrepreneurs, is still a real challenge in both Egypt and Tunisia.
- There is a lack of investment of public funds for R&D through grants that would reduce risk and equity gaps for innovative projects.
- The education system does not offer proper programmes to stimulate business innovation and creativity among youth.



*Best Practices*

- Engaging multiple stakeholders in a partnership to conceptualize technology applications to address pressing challenges by leveraging new ICTs, as promoted, for example, by the Cairo App Challenge in the case of transportation problems in Egypt.
- Providing support to entrepreneurs working in high-tech and agribusiness through state-run incubators, as developed by TIEC (Technology Innovation and Entrepreneurship Center) in Egypt.
- Building bridges between international centres of innovation and the Arab world, bringing together technology movers and shakers through networking events, empowering high impact entrepreneurs and building a sustainable infrastructure to help entrepreneurship thrive (TechWadi partnering with Silicon Valley in Egypt).
- Creating learning conditions in the higher education system to pave the way for future contributions to the development of business innovations and better employability (FOCEI – Tunisia).
- Organizing competitions to identify and award and strengthen high potential innovative entrepreneurs through grants, support services and training (Souka At-tanmia, KPMG Award – Tunisia).

**Case study 14. KPMG awards for innovation**

<b>Organization :</b>	<b>Type :</b>	<b>Website:</b>
<b>KPMG</b>	<b>Private Sector</b>	<a href="http://www.kpmg.com/tn">http://www.kpmg.com/tn</a>
<b>Description</b>		
KPMG Tunisia was launched in Tunisia in 1983 with 7 partners and more than 160 employees. It is a member of the KPMG international network of independent firms and a market leader in audit, tax and advisory services. In the context of its corporate social responsibility, it organized an innovation award in 2012 to encourage and develop new businesses in innovative technology projects.		
<b>Impact</b>		
In 2012, the KPMG jury composed of professionals and external experts awarded a prize to Saphon Energy for its innovative project combining economic efficiency with an environmental imperative. Saphon Energy is a cleantech start-up specialized in R&D in wind energy. It was established to develop and promote an innovative wind energy technology. The invention was initially developed by a company named Global Certif, a Tunisian start-up focused mainly on energy efficiency solutions. The promoters decided to take the innovation to the next level by creating a dedicated company (Saphon Energy) to further develop the technology and fund the prototyping and testing phase. Saphon Energy encompasses different legal entities, but the main R&D research centre is based in Tunis, Tunisia.		

## Case study 15. Microsoft Innovation Center

Organization :	Type :	Website:
Microsoft	Private Sector	<a href="http://mictunis.micnetwork.org">http://mictunis.micnetwork.org</a>
Description		
<p>Since 2007, the Microsoft Innovation Center, in partnership with the Government of Tunisia, has promoted the development of Tunisia's software industry through innovation and entrepreneurship. Multiple programmes have helped hundreds of entrepreneurs in creating new innovative projects and develop sustainable Tunisian companies with local technological expertise: <b>BizSpark; Technology Cluster: The Annual Startup Program.</b></p>		
Impact		
<ul style="list-style-type: none"> <li>- 2,145 professionals in IT and developers were trained in Microsoft technologies,</li> <li>- 320 start-ups have benefitted from the support of the MIC, facilitating the creation of 600 direct jobs over the past five years,</li> <li>- Some of these companies have become Microsoft Certified Partners, operating nationally and internationally.</li> </ul>		

## 4.2. Women and green entrepreneurship

### 4.2.1 Women entrepreneurship

#### *Women Entrepreneurship in Egypt*

Young women are more severely affected by unemployment than young men in Egypt. According to a study carried out by the Population Council, 82.1 percent of female youth who are not currently studying are not employed; this compares to a percentage of only 13.6 of non-student male youth. Of these young women, 59 percent are married, which might explain their non-participation in the labour market. However, the fact that the remaining 41 percent are not married clearly indicates that even unmarried women face considerable barriers to labour market participation (Sieverding, 2012).

A look at the level of entrepreneurial activity among adult females indicates a similar pattern. Men are more likely to be engaged in early stage entrepreneurial activity than women, with TEA rates for men recorded at 9.5 percent whilst the rate is only 4.4 percent for adult women. This compares to the average national TEA rate of 7.0 percent. In absolute terms, men make up around 66 percent of early stage entrepreneurs, while women comprise the remaining 34 percent. This compares with a rate of 20 percent of women entrepreneurs in 2008, a significant increase (Hattab et al., 2010).

A comparison with the other 58 GEM countries indicates that Egypt is among the countries with a higher gender gap, where for every woman entrepreneur, there are about two male entrepreneurs. This is consistent with other countries in the Middle East. While an increase in women entrepreneurship has been observed in the Middle East, the rates observed in the region are still amongst the lowest globally. This gap tends to exist for several reasons such as the

cultural perception of women working and owning businesses, the fewer opportunities available for women to develop the experience necessary to engage in entrepreneurship, the lack of financing and the exclusion from male-dominated informal networks as well as insufficient social services which would allow women to work after starting a family.

*Interventions in the field of women entrepreneurship*

As indicated in Chapter 3, few entrepreneurship promotion initiatives targeting women have been identified throughout this study; yet a significant number of projects make special reference to women as part of the beneficiaries they target.

**Case study 16. AUC - Goldman Sachs 10,000 Women Entrepreneurship and Leadership Program**

Organization	Type	Website
American University in Cairo	Private University	<a href="http://www.aucegypt.edu/Business/WEL/Pages/default.aspx">http://www.aucegypt.edu/Business/WEL/Pages/default.aspx</a>
Description		
<p>The AUC offers the Women Entrepreneurship and Leadership Program (WEL) in partnership with the Wharton School of the University of Pennsylvania, and is committed to enhancing the growth and development of women entrepreneurs in the Arab Region through a unique blend of certificate programmes, research programmes, mentoring and networking activities that will lead to the social and economic development of the region.</p> <p>Established in 2008, Goldman Sachs 10,000 Women Entrepreneurship and Leadership Program is part of the Goldman Sachs 10,000 Women Initiative, a global initiative providing 10,000 underserved women entrepreneurs with a business and management education in developing countries over a five-year period.</p> <p>The Program consists of a full range of modules that lead to the development of a business plan, and is delivered in the Arabic language. This programme is a scholarship based certificate programme targeting under-served (not affluent) women entrepreneurs with a university degree (or equivalent), who have an established business with 3 or more employees with growth potential. The curriculum includes the following topics: personal leadership development, entrepreneurship, managing the enterprise, finance and accounting, business strategy, operations and marketing.</p> <p>The programme targets women from Cairo and other governorates including Sinai, Menoufeya, Red Sea, Port Said, Kafr El Sheik, Sohag and Alexandria. The programme delivery is designed on an extended basis for women to be able to attend to their businesses and families.</p>		
Lessons learnt and impact		
<p>The programme has graduated 235 entrepreneurs since its inception in 2008.</p>		

*Women entrepreneurship in Tunisia*

Despite a continuous increase in women’s participation rate in the labour market over the last 40 years, women, and especially young women, continue to face more difficulties than men in finding employment and they are more vulnerable to unemployment. Youth unemployment, in particular, affects young women more severely than men, with rates at 43.8 percent (INS, 2011) compared to 23.7 percent for young men. In terms of levels of entrepreneurship, we observe a

real gender gap with a profound disparity between women and men. While 13.7 percent of men engage in early stage entrepreneurial activity (TEA), women only account for 5.08 percent (Mansouri and Belkacem, 2009). Male entrepreneurship is thus about three times higher (73 percent) than female entrepreneurship (27 percent).

*Interventions promoting women entrepreneurship*

Similar to the case of Egypt, a limited number of initiatives focusing on women entrepreneurship, and more specifically on youth female entrepreneurship, have been identified in Tunisia. Yet, a great share of projects tends to give special reference to women as part of the beneficiaries they target.

**Case study 17. Appui intégré au Groupement Féminin de Développement Agricole « GFDA » de Oued Sbaihia**

Organization	Type	Website
CAWTAR	Civil Society	<a href="http://www.cawtar.org">www.cawtar.org</a>
Description		
<p>GFAD (Women’s group for agriculture development) brings together nine rural subgroups representing 300 families and 1,500 women (Zaghouan). Under the Project of Regional Economic Empowerment of Women "REEWP" developed through a partnership with OXFAM QUEBEC and the Market Access for Exports Fund (FAMEX), "CAWTAR" has provided integrated support to the GFDA of Oued Sbaihia to integrate rural women in the economic development of the region, while empowering them in decision-making and access to information, resources and markets.</p> <p>This structure works to involve vulnerable groups in basic operations and development projects and to help participants develop and market their products, enhance their ability to communicate and to streamline their business.</p>		
Impact		
<ul style="list-style-type: none"> <li>- The actions have led to the creation of new income-generating activities for GFDA Oued Sbaihia through the production of essential oils extracted from endemic species in a sustainable manner.</li> <li>- A prospective mission of the Canadian market was conducted by three members of GFDA. They met with business partners previously identified, visiting stores of essential oils in Montreal and Quebec, and visiting a specialized exhibition "Eating and Living Green 2012" in Montreal.</li> <li>- Fifteen meetings of exhibitors were held with importers of essential oils, industrial health and cosmetics firms using essential oils, and development agencies that can partner with the GFDA "Oued Sbayhia".</li> <li>- This mission was formalized by the signing of a contract with a major Canadian importer, who was impressed by the quality of essential oils produced by the GFDA Oued Sbaihia.</li> </ul>		

### Case study 18. FEM - Femmes Entrepreneuses en Méditerranée

Organization	Type	Website
BATIK International	Civil Society	www.cawtar.org
Description		
<p>This project is funded by the European Commission. The design and implementation of the monitoring and evaluation of the FEM project was advocated by BATIK International in close coordination with Enda.</p> <p>The main objectives of this project is:</p> <ul style="list-style-type: none"> <li>- Capacity building of partner organizations responsible for supporting micro-entrepreneurs,</li> <li>- Identification of growth sectors,</li> <li>- Implementation of non-financial support services: management training (accounting, marketing, etc.) and technical (design); animation awareness sessions on health, human rights, etc. Actions to support the marketing of products and services, organization of trade fairs, product placement in stores, etc.,</li> <li>- Information on micro-credits and promising sectors to encourage women to move from less competitive industries,</li> <li>- Promoting networking for the benefit of micro-entrepreneurs by organizing annual forums for micro-enterprises in which women share both their professional practices (exchange of workshop practices and training professionals) in their personal environment (conference on women's rights, etc.).</li> </ul>		
Impact		
<p>The evaluation of the project shows that women have achieved the following results:</p> <ul style="list-style-type: none"> <li>- Improved their turnover,</li> <li>- Made better investments in the development of their micro-enterprise,</li> <li>- Increased their standard of living, which has helped improve access to health care and education for their children,</li> <li>- Acquired greater confidence during the project.</li> </ul> <p>This project has facilitated the organization of the first Salon Euro-Mediterranean of micro-enterprises run by women in 2008 and the creation of a cooperative garment in Tunisia working with French fashion designers.</p>		

#### 4.2.2 Green entrepreneurship

##### *Going green: Green entrepreneurship and green jobs in Egypt*

Once an exporter of oil and gas, Egypt is now struggling to meet its own energy needs. This growth in energy consumption is a response to the country's economic expansion, industrialization and change in people's lifestyle. While a high level of growth can be witnessed in all energy forms, electricity consumption has increased substantially, causing serious concerns over the energy sector's fuel mix, heavier reliance on fuel oil and an unaffordable burden on the government's budget. As a result, the government is determined to diversify the energy mix and to improve the efficiency of electricity consumption. It has also recognized that energy diversification and efficiency can impart other benefits, such as a cleaner environment, the transfer of advanced technologies and potential new areas of manufacturing and services (Razavi et al., 2012).

In February 2008, the Supreme Council of Energy approved a plan to meet 20 percent of generated electricity needs from renewable energy sources by 2020. This is to include 12 percent from wind energy and 8 percent from other renewable energies, mainly hydro and solar energies (Handoussa, 2010). Yet most experts agree that a great deal remains to be done in the green economy sector due to the lack of a national unified strategy hindering significant progress in the right direction.

*Interventions promoting green entrepreneurship and green jobs*

The significance of green entrepreneurship on the agendas of most organizations is growing, especially international ones. A significant number of the organizations we interviewed suggested that there is considerable potential for entrepreneurship in the green economy sector. They saw opportunities in the following industries: renewable energy, waste management and recycling, green agriculture, sustainable tourism, transportation, housing and building and services. The renewable energy and waste management and recycling industries were viewed as those with the highest potential for new and innovative business opportunities.

Yet interventions promoting green entrepreneurship remain limited and are mostly found in the planning or launch phase. It is also worth noting that actors attempt to promote green jobs and skills that foster going green in the private sector rather than simply supporting entrepreneurship in this sector.

**Case Study 19- GIZ Green Jobs Initiative**

Organization	Type	Website
GIZ	International Organization	<a href="http://www.giz.de/egypt">www.giz.de/egypt</a>
Description		
<p>This project focuses on youth between the ages of 18 and 30. Between April 2012 and February 2014, the initiative aims to promote the establishment of environmentally relevant jobs and corresponding qualification in formal and informal education segments. To determine the need and potential in the field of “green jobs”, the project will work in close cooperation with the local private sector and promote continuous exchange with other individual stakeholder groups, including youth, education/training institutions and civil society. The creation of interactive exchange between the different actors and the promotion of civil society engagement aims to promote self-organized partnerships between the different actors as an important factor for the sustainability of the project. The programme includes the promotion of internships within the private sector, the development of employment matching schemes and practical training (two weeks to one month) on specific topics, such as the required skills of water technicians.</p>		
Lessons learnt and impact		
Ongoing project.		

### *Green entrepreneurship in Tunisia*

Tunisia stands out among Arab countries for having developed an institutional and regulatory framework conducive to environment preservation. While not specifically focusing on green entrepreneurship, it is a signatory country of the most important international conventions on the environment and has developed a number of regulations that encourage investments (Investment Incentive Code) or focus on specific sectors (energy, waste management), as well as specific financial incentives mechanisms (Fund for Energy conservation, Environmental Credit Line, etc.). These initiatives are supported by a number of institutions (International Centre of Environmental Technologies of Tunis, National Agency for Energy Conservation, Technical Centre for Biological Agriculture, etc) that focus on reducing the economic impact on the environment or providing different sectors with technical assistance.

In this context, interest in the concept of green entrepreneurship and green jobs has increased among different national and international actors over the last years, as demonstrated by a growing number of conferences (round table organized by the CITET and UNIDO in December 2011, National Congress for Employment on Green Employment organized by the ILO in June 2012, etc.) or publications (State of the Art of Green Entrepreneurship in Tunisia by the Regional Activity Centre for Cleaner Production). This tendency is clearly reflected in our study, where the majority of organizations interviewed (68 percent) consider green industry to hold a real potential for job creation, especially in the industries of renewable energy, waste management and recycling and agro-industry.

At the time this study was being written, most initiatives were still in a preparatory phase, the most significant ones being UNIDO's programme on green entrepreneurship in Le Kef, Kairouan, Kasserine, Sidi Bouzid and a programme by UNDP on green employment in the regions of Bizerte, Siliana and Jendouba.

**Case study 20. UNIDO - Promoting youth employment and strengthening entrepreneurial mindset through green entrepreneurship in Le Kef, Kairouan, Kasserine, Sidi Bouzid**

Organization	Type	Website
UNIDO	International Organization	<a href="http://www.unido.org">www.unido.org</a>
Description		
<p>The project, launched at the end of 2012, supports the Tunisian government in its efforts to create jobs, especially in the most vulnerable regions of the country, namely the Central West (Kef Governorate, Kairouan, Kasserine and Sidi Bouzid), focusing on the creation and development of green ventures with particular attention to sectors of agro-industry and environment (waste management and recycling) and other potential areas in the regions concerned. Youth business start-ups are encouraged through direct entrepreneurship programmes while enterprise development is supported through technical assistance with a specific focus on new cleaner production technologies. The programme includes three main components:</p> <p>(i) Strengthening capacities of local business development services providers to entrepreneurs,            (ii) Promotion of an entrepreneurial mindset and training of certified counsellors (coaches),            (iii) Direct technical assistance to 40 projects identified as holding a strong potential for job creation, including support for access to finance.</p>		
Impact and lessons learnt		
Ongoing project		

### 4.3. Conclusions

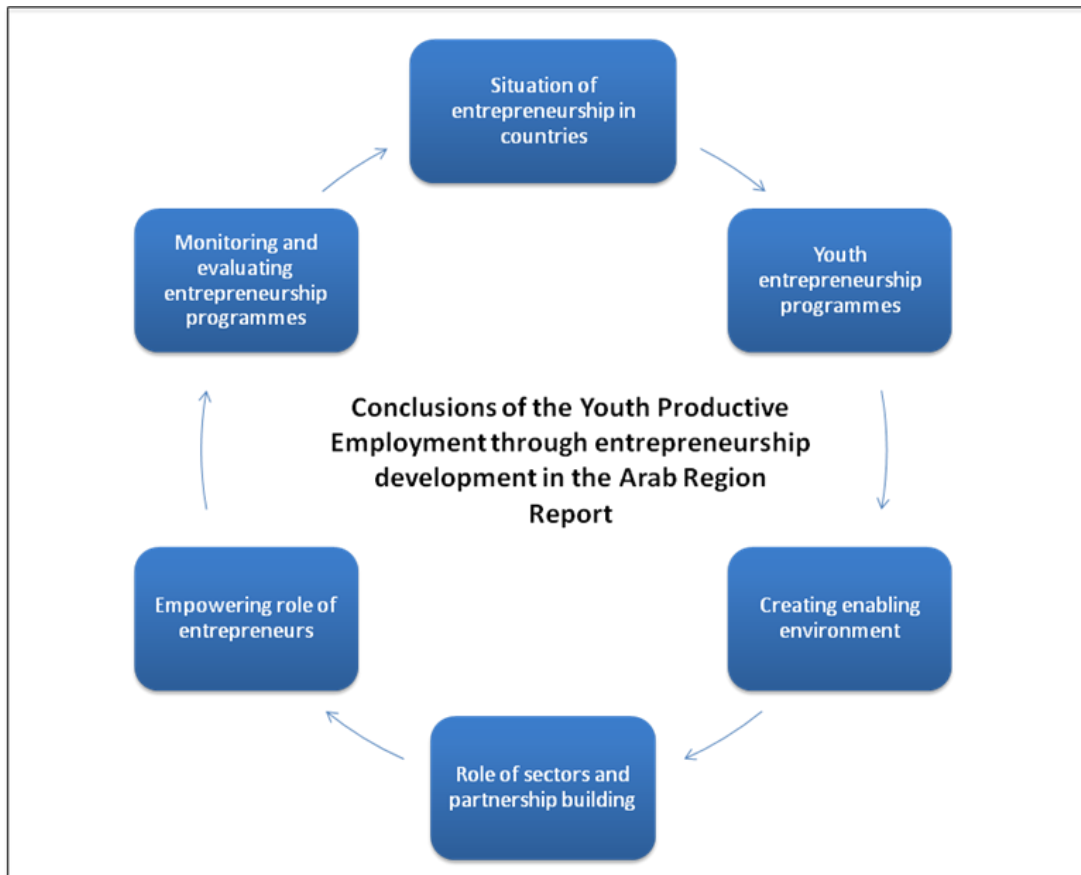
After having analysed and processed the information gathered from surveys, interviews and literature review, a series of conclusions have been drawn addressing several crucial areas for promoting youth entrepreneurship. A total of 8 areas have been designed (see Figure 15).

#### 1. General context of entrepreneurship in Tunisia and Egypt

- There is a growing interest in promoting entrepreneurship in both Egypt and Tunisia following the Arab spring, as a way to tackle unemployment. This is clearly reflected in our study by an increasing number of new initiatives promoted in all sectors (public, private, international community, CSO and academia). The survey identified more than 241 programmes and projects dealing with entrepreneurship in Tunisia (124) and Egypt (117) (see Figure 16).
- However, there is still a lack of entrepreneurship culture in both Egypt and Tunisia, where engaging in the establishment of a new enterprise is not seen as a primary choice compared to finding a position in a public institution or private company. When promoting entrepreneurship, the lack of entrepreneurship culture is the most common challenge mentioned by the surveyed organizations in both Egypt (29 percent) and Tunisia (18 percent).



**Figure 15: Key areas highlighting major conclusions of the research on youth entrepreneurship**



- Egypt and Tunisia are at different levels in terms of the motives for engaging into entrepreneurship. This highlights the different socio-economic positions of both countries. In Egypt, most entrepreneurs are driven by necessity (53 percent) in an economy that can be categorized as a “factor-driven economy” largely focused on covering the basic requirements of its population (Hattab et al., 2010). On the other hand, the primary motivation (77.7 percent) for starting a business among Tunisians is the research of new opportunities in the context of a more elaborate economy focused on improving efficiency, increasing industrialization and realizing economies of scale (Mansouri and Belkacem, 2009).
- There is an important difference between the two countries in terms of public sector services for entrepreneurship development. While there is still a very limited number of structures supporting youth entrepreneurs in Egypt (SFD, TIEC), Tunisia lies ahead of the MENA region with a number of existing public institutions providing financial and non-financial services to entrepreneurs (ANETI, APIA; APII, Centres d’affaires, etc.).

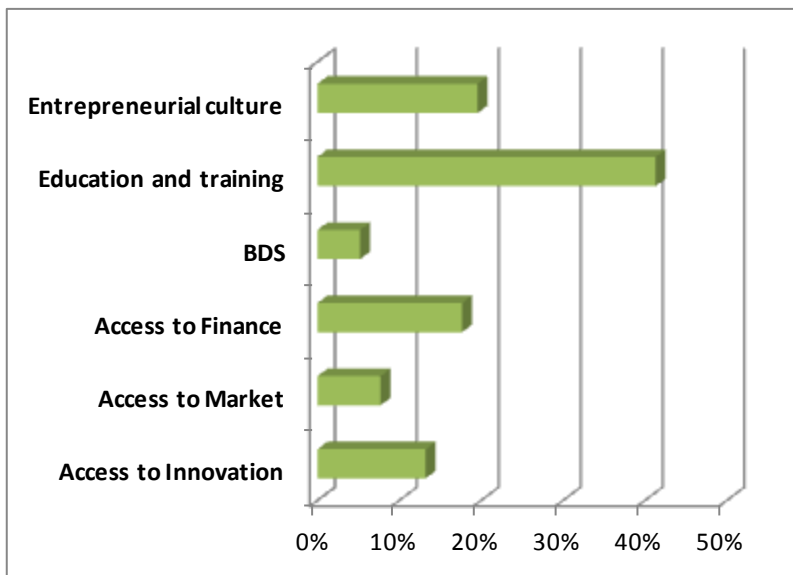
- In neither country is there an existing national strategy which focuses specifically on promoting entrepreneurship. Entrepreneurship tends to be integrated as a component of SME promotion programmes, but no specific approach has been taken. This reflects a general lack of differentiation between both concepts. While SME and entrepreneurship tend to achieve the same goal, the concepts differ considerably: entrepreneurship is a *process* leading to the creation of SMEs and business ventures, while SMEs represent firms or businesses of small and medium size (Esoh, 2012). Efforts should be made to differentiate the concepts in policies to define more refined and specifically adapted approaches towards entrepreneurship.

## 2. Youth entrepreneurship programmes

- Even if there are a number of existing definitions of youth, like that of the United Nations (1992), which includes people aged between 15 and 24 years, there is no common agreed-upon definition of the term “youth” in either country. Defining youth would allow differentiating young men and women as a specific group of the population, who actively contribute to the economic community and therefore promote a better understanding of their special needs and concerns, and also recognize their special contribution to society. This is necessary to pave the path to the elaboration of adequate policies addressing the factors that will allow young people to achieve their best potential.
- Besides promoting an entrepreneurial culture from an early age in the education system, young entrepreneurs’ most pressing needs include bridging the cultural gap with the private sector through the systematization of internships and fellowships during their studies, support to ease administrative and regulatory requirements, the creation of specific start-up finance mechanisms, strengthening their marketing and sales skills or specific support to access markets. This should be promoted through integrative support at all levels of start-ups.
- If, by their nature, most programmes promoting entrepreneurship tend to deal with youth, there is often no categorization of youth as such in those programmes and therefore no specific approach is taken to adapt to their special needs. Nineteen percent of surveyed organizations include specific youth components or are specifically designed for youth (like the YEM UN joint programme in Tunisia, UNDP Young Social Innovation Programme in Egypt, Injaz programmes, etc.).

- The most prevalent areas for working with youth are education and training (formal education, training modules, vocational training, etc.), with 41 percent of interventions focusing on youth and entrepreneurial culture (conferences, workshops, competitions, etc.), with 20 percent of interventions dedicated to youth (see Figure 16).

**Figure 16: Share of interventions focusing on youth by dimension**



- On the other hand, there is a clear lack of specific programmes that focus on other aspects such as business development services (only 5 percent of interventions have a specific focus on youth) or access to market (8 percent of interventions) where the large majority of services are offered to all entrepreneurs without distinction of age (see Figure 16). The situation is slightly better in terms of access to innovation (13 percent of interventions) or access to finance (18 percent of interventions) where a series of initiatives have been developed lately with a specific focus (Souk At-tanmia, Nahdet El Mahrousa, Etijah, etc.).

### 3. *Creating a favourable environment for young entrepreneurs*

- Our study clearly shows that in both countries, access to information represents a major challenge for young entrepreneurs. It is crucial to provide young entrepreneurs with centralized and comprehensive information about the different steps that need to be taken to create a new venture with a definition of the role of the various actors. This should primarily be provided through the consolidation of one-stop shops, creation of web portals and peer-to-peer networks, adapted toolkits, etc.
- As highlighted previously, the survey reveals a strong fragmentation of existing programmes available for young entrepreneurs. The focus tends to be on specific

aspects such as training, funding, support for business plan creation, etc. with a lack of overall vision and follow-up between the different phases. Efforts should be made to offer entrepreneurs integrated programmes that address the different needs of young entrepreneurs throughout the entrepreneurial life cycle. This implies the promotion of partnerships between different actors as in the case of the UNIDO EDIP Programme (see Figure 17).

- Initiatives and programmes should be developed with a sectoral approach focusing on sectors with a high growth potential for the economy and employment creation. At this level, value chain initiatives facilitate building on existing assets, and initiation of processes that provide for a competitive advantage in local and international markets. In both countries, experts interviewed have identified agro-business and information and communication technologies (ICTs) as the most promising industries. Likewise, over 90 percent of respondents state that, in their point of view, green industry holds a strong growth potential for job creation through green entrepreneurship. Renewable energies, waste management and green agriculture have been identified as those industries with the strongest potential.
- As emphasized by a number of experts interviewed, there is still a lack of support for young innovative entrepreneurs to transform innovations into viable and lucrative economic activities. At this point, we can highlight some of the challenges identified:
  - Lack of relationship between the academic and private sectors;
  - Lack of high level expertise on specific topics that could provide support to high growth entrepreneurs in ITC, agro-industry, green industry, etc.;
  - Lack of funding specifically dedicated to innovative projects like the Fund for Innovation and Employability in Tunisia (FOCEI), a new initiative of the Tunisian Ministry of Higher Education and Research Competitive (October 2012).

#### *4. The role of sectors and partnership building*

- In a changing context in which an increasing number of organizations from different sectors engage in the promotion of entrepreneurship, there appears to be a clear lack of dialogue and coordination between the various actors from different sectors. This implies a high risk of creating overlaps between programmes while at the same time, gaps might not be filled, and finally, a loss of impact and increased cost of initiatives ensues. Cooperation and partnerships should be promoted to improve these shortcomings. This process could start with the promotion of dialogue between

international organizations by creating focus groups and promoting efforts to improve coordination and communication between public and private institutions to avoid overlaps (Tunisia). The establishment of a Donors and Technical Agency Group on Economic Development and Employment by the EU, Swiss Cooperation and UNIDO in Tunisia in 2011 could set an example to be followed. The group has achieved a good level of information sharing, but it is advisable to further promote coordination at the programme level.

- A common definition of youth should be promoted as well as a comprehensive strategy for youth entrepreneurship at national level.
- In neither country has the private sector been very active in engaging youth in their economic activities and developing links with the education system. Our survey revealed a considerable gap between youth and the private sector. Efforts should be made to increase participation of the private sector in the education system through the promotion of internships and fellowships, and the sharing of experience in schools and universities.
- Civil society organizations should be increasingly integrated in these processes with reference to their capacity to gain “buy in” from beneficiaries (especially in fighting poverty programmes focusing on *needs-based entrepreneurs*).

##### 5. *The need to empower the role of entrepreneurs*

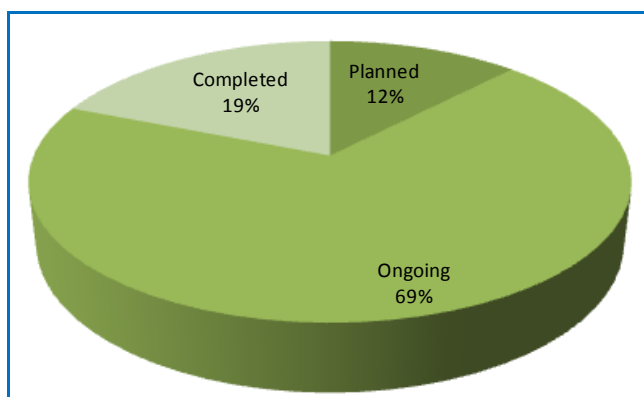
- Entrepreneurship cannot be promoted without entrepreneurs. Along with acquiring the necessary *hard skills*, such as management or technical skills, being an entrepreneur implies a mindset and attitude that cannot be *taught* but rather must be *transmitted* through examples and experience. This can only be achieved by putting potential entrepreneurs in contact with *real* entrepreneurs who can inspire and guide them or share their experiences. Initiatives identified that could fill this gap include:
  - Promotion of peer-to-peer dialogue through the creation of events (conferences, workshops, roundtables) on specific topics (ICTs, green tourism, etc.) that foster creativity and help create networks of young professionals (for example, the *Business Breakfast* in Pôle Elgazala des technologies de la communication or *Entrepreneurship Summer Village* organized by Sfax Pépinière) Such events could be supported by professionals from different industries, who could speak about their experiences and provide support.

- Promotion of peer-to-peer dialogue between young entrepreneurs through the creation of web portals such as the newly created UNIDO Digital Entrepreneurship Platform in Tunisia. This portal offers the possibility to exchange information on specific problems and to find direct answers to questions. Such platforms should also focus on linking young entrepreneurs with the international community of young entrepreneurs.
- Mentorship by business leaders and entrepreneurs. Mentorship is unanimously accepted as one of the most effective ways to successfully promote entrepreneurship. Mentorship provides a set of essential assets for young entrepreneurs: inspiration, motivation and counselling on both strategic and technical aspects. Interest in mentorship has increased in both countries, where a number of initiatives integrate mentorship into their programmes such as Endeavour or Innoventures in Egypt or Réseau Entreprendre and Souka Atanmia in Tunisia.

#### 6. The need to promote evaluation

- Our survey revealed that no systematic programme evaluation has been conducted by the organizations interviewed, i.e. the impact of the employment creation initiatives as a whole has not been assessed. Nevertheless, this must be relativized since more than 80 percent of the programmes were still ongoing or in planning while the study was being carried out.

**Figure 17: Status of interventions**



- Although a number of initiatives have been developed in the last years to assess the national level of entrepreneurial activity and dynamics (Global Entrepreneurship Monitor) or have provided evaluation frameworks and indicators for policymaking (Euro-Mediterranean Charter for Enterprise), there are currently no standardized tools for assessing the impact of entrepreneurial promotion programmes.
- Evaluating entrepreneurship programmes is a complex process implying a number of different aspects and the impact often cannot be determined for several years (for instance, most entrepreneurs start their career in the corporate world where they gain experience before establishing an own business). Nevertheless, efforts should be made to create more solid evaluation systems to measure the effectiveness of entrepreneurship programmes.

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## A2. Elements for evaluation

A selection of criteria for evaluating programmes aiming to promote youth entrepreneurship is presented below.

### Dimension 1: Entrepreneurial culture

#### Competitions

- Number of new ideas generated
- Number of ideas that have been funded

#### Conference and Workshops

- Number of participants disaggregated by age, gender, geographic location, socio-economic status
- Level of satisfaction (statistics)
- Business creation intentions

#### Networking

- Number of new contacts through the event
- Number of potential partners through the event

#### Showcasing (web, articles, publications)

- Number of visitors (for website)
- Number of articles, books, etc. published

#### General

- Willingness to create a new business (before and after)

#### Description of beneficiaries

- *By age*
- *By gender*
- *By socio-economic status*
- *By geographic location*
- *By industry*
- *By type*

### Dimension 2: Education and training

#### General assessment

- Degree of student satisfaction (on a scale from 1 to 5)
- Seniority of the programme
- Number of students enrolled
- Number of ideas generated
- Number of business plans prepared
- Number of projects submitted to investors
- Number of start-ups by student
- Number of jobs created
- Publications in the field by faculty
- Number of courses offered

#### Description of beneficiaries

- *By age*
- *By gender*
- *By socio-economic status*
- *By geographic location*
- *By industry*
- *By type*

### Dimension 3: Business Development Services

#### Information and guidance

- Number of young men and women attending information sessions
- Degree of satisfaction from services provided:
  - Did the service satisfactorily answer the questions of young entrepreneurs?
  - What aspects have not been covered/were missing?
  - Does the young entrepreneur have a clear idea of the steps that have to be taken after attending this session?
  - Is he/she willing to engage in enterprise creation after attending this session?
  - Etc.
- Number of visits needed to obtain complete information

#### Support for creation

- Level of satisfaction regarding service provided (technical, strategic, legal advice, coaching)
  - Did the service satisfactorily answer the questions of young entrepreneurs?
  - What aspects have not been covered/were missing in his/her point of view?
  - Does the young entrepreneur have a clear idea of the steps that have to be taken after receiving this support?
  - Does the entrepreneur feel that these sessions significantly increased the probability that his/her project will succeed in the future?
  - Etc.

#### Sustaining support to newly created ventures

- Is the beneficiary company still operating?
- How old is the company?
- Number of employees?
- Annual turnover for this current year? Previous? Forecast for following year?
- Is the entrepreneur confident about the future of his/her company?
- Does the company operate at a local/national/international level?
- Did the support provided make a significant difference to the company's growth?
- What has been the most relevant support received?
- What kind of support has been missing?
- In case the entrepreneur has been working with a mentor, what is his/her level of satisfaction with this service (from 1 to 5)?

#### Description of beneficiaries

- By age
- By gender
- By socio-economic status
- By geographic location
- By industry
- By type

#### Dimension 4: Access to finance

##### **General assessment**

- Did the service provided facilitate access to:
  - Seed funding?
  - Venture capital?
  - Loans?
  - Micro credit?
  - Guaranty?
  - If yes, for which amount?
- Number of entrepreneurs funded
- Value of secured investment
- Number of investments made
- Rate of reimbursement
- Number of enterprises still active after one year? Two years? Three years?

##### **Description of beneficiaries**

- *By age*
- *By gender*
- *By socio-economic status*
- *By geographic location*
- *By industry*
- *By type*
- *By amount*

#### Dimension 5: Access to market

##### **General assessment**

- Did the services provided facilitate the fulfilment of technical and legal requirements? (evaluation on a scale from 1 to 5)
- Did the services provided contribute to the creation/development of products with a significantly higher added value? (evaluation on a scale from 1 to 5)
- Did the services provided contribute to an increase in sales? (evaluation on a scale from 1 to 5)
- Know how to deal with customs and other administrative obligations? (evaluation on a scale from 1 to 5)
- Number of investments made

##### **Description of beneficiaries**

- *By age*
- *By gender*
- *By socio-economic status*
- *By geographic location*
- *By industry*
- *By type*
- *By amount*

#### **Dimension 6: Access to innovation**

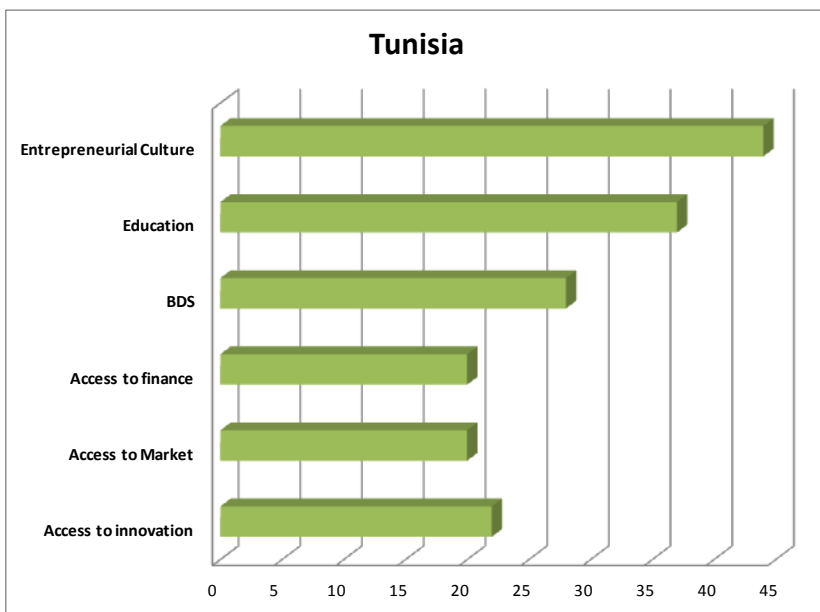
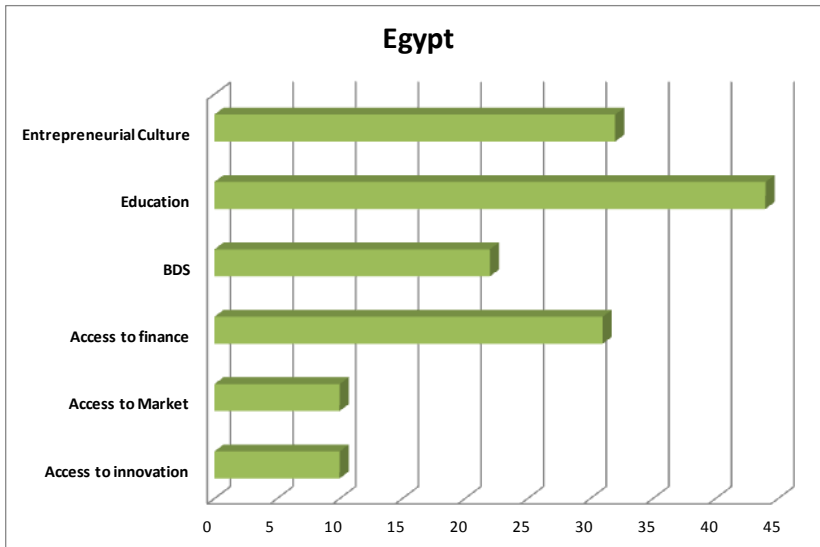
- Number of new technologies/processes adapted
- Number of new labels/standards validated for the company
- Number of patents registered
- Number of spin-offs of the results of laboratory research
- Use of the results of research laboratories by existing firms
- Number of companies created

#### ***Description of beneficiaries***

- *By age*
- *By gender*
- *By socio-economic status*
- *By geographic location*
- *By industry*
- *By type*
- *By amount*

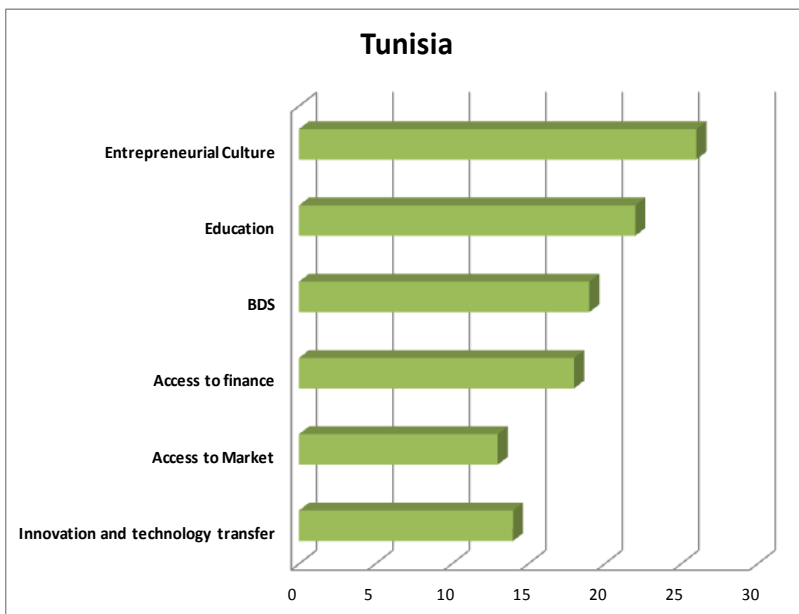
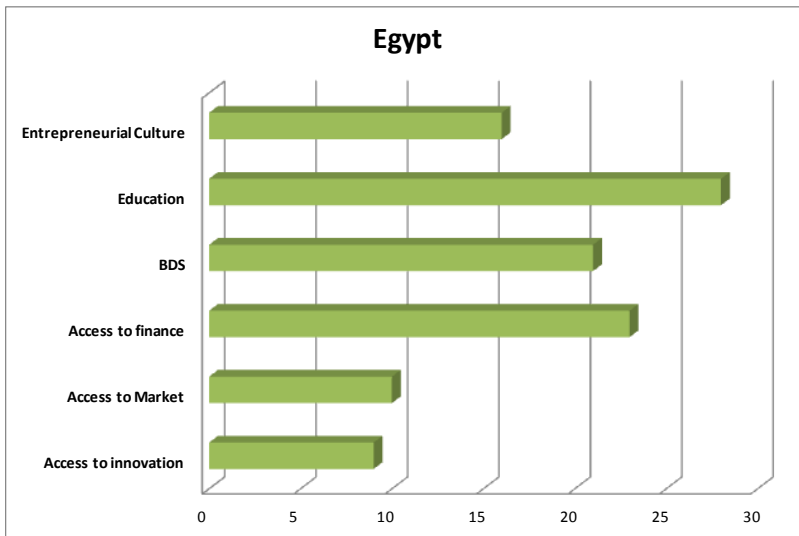
### A3. Complementary graphs

#### *Number of total interventions per dimension*

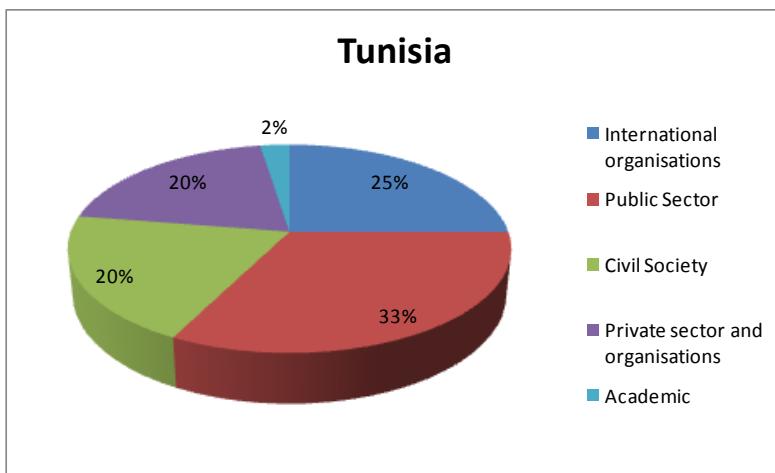
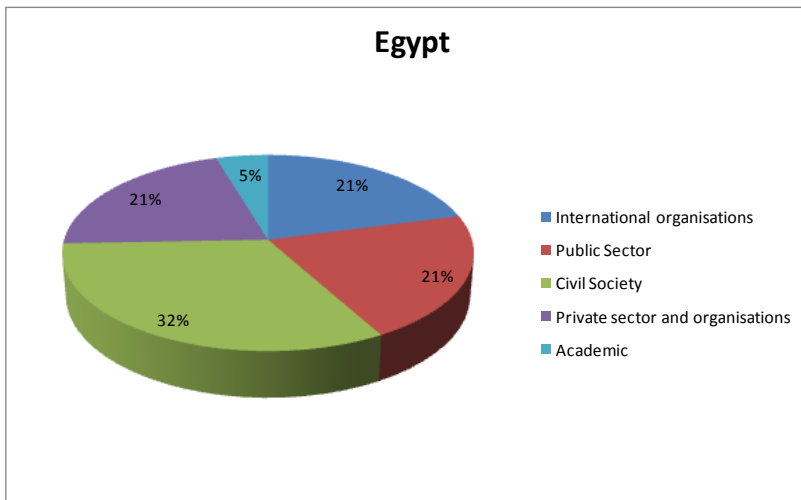




*Number of organizations per dimension*



*Type of organizations surveyed*



## A4. Questionnaire

### 1 - Your organization

Name of organization:  
Your complete Name:  
Position and department:  
E-mail:  
Mobile:

- Type**
- NGO
  - International organization
  - Public institution - National
  - Public institution - Local
  - Company
  - Private sector organization
  - Other. Please specify: \_\_\_\_\_

#### Domains of intervention

- Business support
- Access to market
- Access to finance
- Capacity building (culture, education, know how, skills development)
- Enabling environment – policy making
- Other. Please specify: \_\_\_\_\_

Is the mandate of your organization to promote entrepreneurship, youth employment?

- Yes  No

#### Brief description of your organization activities

**2 - Your entrepreneurship development initiative(s)/programme(s)**

**2.1. Please give a brief description on the initiative(s) or programme(s) you have developed on entrepreneurship (if several programmes please assign number e.g. programme 1, programme 2, etc.)**

Name of programme(s)/initiative(s):

Objective(s):

Beneficiaries (age, gender, sector):

How do you select beneficiaries?

Duration (Beginning/end):

Geographic Location(s):

Number of people assigned to this programme:

Achieved results:

Brief description:

**2.2. Could you explain how you finance and develop your programme (if several programmes please assign number e.g. programme 1, programme 2, etc.)**

**Budget of programme(s)/initiative(s):**

**Please indicate the major sources of funding of your initiative/programme:**

**Could you please indicate who are your partners for this project:**

- Private sector and private sector organizations:
- International organization:
- National institutions:
- Local institutions:
- NGOs:

### **2.3. Impact of the programme**

Have you assessed the impact of your initiative/programme?

Yes  No

What are the major results of your initiative(s)?

Number of new businesses created since start of the project:

Number of companies created that are still in business after 3 years:

Average size of the business created (employees/estimated sales):

Number of jobs created:

Other aspects:

**2.4. What have been the biggest challenges you have been confronted within your programme(s)?**

- 1.
- 2.
- 3.
- 4.
- 5.

**2.5. Innovation – Please explain to what extent your project promotes innovation (e.g. Business model, new technologies, social innovation, innovative process, new economic sector, etc.)**



**3- National context for promoting youth entrepreneurship**

**3.1. What are the major needs of youth /entrepreneurs that need to be covered in the context of your country?**

	<b>Grea- test need</b>	<b>Impor- tant</b>	<b>Not much need</b>	<b>No need</b>
Access to technical support and strategic advice (Business services) Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to market Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to finance Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to education and skills development Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to reliable and efficient public institutions Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to Information and Communication Technologies Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to support for innovation Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other. Please specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**3.2. In your opinion, what kind of programmes should be prioritized in terms of youth entrepreneurship for a maximized impact?**

1.	
2.	
3.	

**3.3. In your opinion, what would be the most promising economic sectors for promoting youth entrepreneurship?**

1.
2.
3.

**3.4. Green Economy is increasingly seen as a sector with high potential for entrepreneurship. Among Other Areas, it includes renewable energy, environmental technologies, waste management and recycling, green agriculture, markets for green products, sustainable tourism, etc. Do you consider GE as a tangible opportunity to promote youth entrepreneurship programmes in your country?**

<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify
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**3.5. In your opinion, what are the most relevant/interesting initiatives related to youth entrepreneurship developed so far in your country? Please describe briefly:**

1.
2.
3.

**4 - Youth employment and private sector**

**4.1. Apart from entrepreneurship, what other actions do you think could have a significant impact in promoting youth employment in the private sector?**

1.
2.
3.



**4.2. What other actions would have a significant impact in making youth more employable?**

1.
2.
3.

**5- Other aspects you want to underline**

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