

# Roadmap for Scaling Up Green Entrepreneurship

Egypt



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# 1 Starting Situation

## 1.1 Main objective and Methodological Approach

The following roadmap has been designed to provide concrete support and guidance for the implementation of actions to promote the continuity of the SwitchMed Training and Support Programme for Green Entrepreneurs in Egypt and to increase the outreach of its activities and results fostering green entrepreneurship in the country.

The development of this roadmap has been based on previous works consisting of the following elements:

1. A benchmarking study that was developed to enable SwitchMed to place the SwitchMed Programme for Green Entrepreneurs (GE Programme) compared to other programmes supporting entrepreneurs so to be able to make informed decisions around programme design and the delivery mechanisms.
2. A White Paper on the challenges, opportunities and strategies for the promotion of green entrepreneurship and eco-innovative grassroots initiatives in Egypt developed in 2018. The White Paper is based on interviews made with different stakeholders of the green entrepreneurship ecosystem and on the results of the Synergy Workshop organised in Cairo in October 2018.
3. An informal consultation with Egypt's stakeholders of the entrepreneurship ecosystem conducted in September and October 2018. 13 key actors were interviewed among which the SwitchMed Focal Point at the Ministry of Environment, the EU Delegation and public and private business support structures.

## 1.2 Initial situation

Egypt's wide and complex business ecosystem is partially structured around the informal sector. This is especially true in sectors with a relevant green impact such as waste management, construction and agriculture. The role of the public sector in Egypt is still significant, but private Small and Medium Enterprises (SMEs) are the ones that more strongly contribute to the Egyptian economy and are the main source of employment.

Egypt's financial ecosystem is strong and diverse, with a relevant presence of public entities besides major presence of the private sector. Egypt financial sector has also attracted international private players. Due to the size and relevance of its economy, Egypt hosts several relevant multilateral financing institutions such as the World Bank, the European Investment Bank, the European Bank for Reconstruction and Development as well as the African Development Bank. These institutions are increasingly playing an active role in promoting the green sectors.

Green and sustainability-oriented businesses are a relatively new concept in Egypt, as is the focus on social and environmental impact within business support organisations, even though there is an increasing general consensus (at public, private and civil society level) that the promotion and development of this specific type of entrepreneurship in Egypt could lead to specific solutions to traditional challenges. Sectors such as agriculture, integrated solid waste management (plastic, construction materials...) and energy/water are of the utmost relevance for the economy and the future of the country.

The environmental challenges that Egypt faces (water availability and quality, waste collection and management, renewable energies...) are making the authorities increasingly aware of the need to tackle and develop these sectors. Through implementation of policies enabling these green sectors, they can not only solve these challenges but also create business opportunities and employment.

Developing a clear, binding and comprehensive legal framework is a critical step towards the achievement of these objectives. Thus, the authorities are starting to draft certain laws and measures that can facilitate the development of these green sectors. The official establishment of regulations and quality standards would generate a context of certainty that would generate incentives for the private sector to get deeply involved in these sectors.

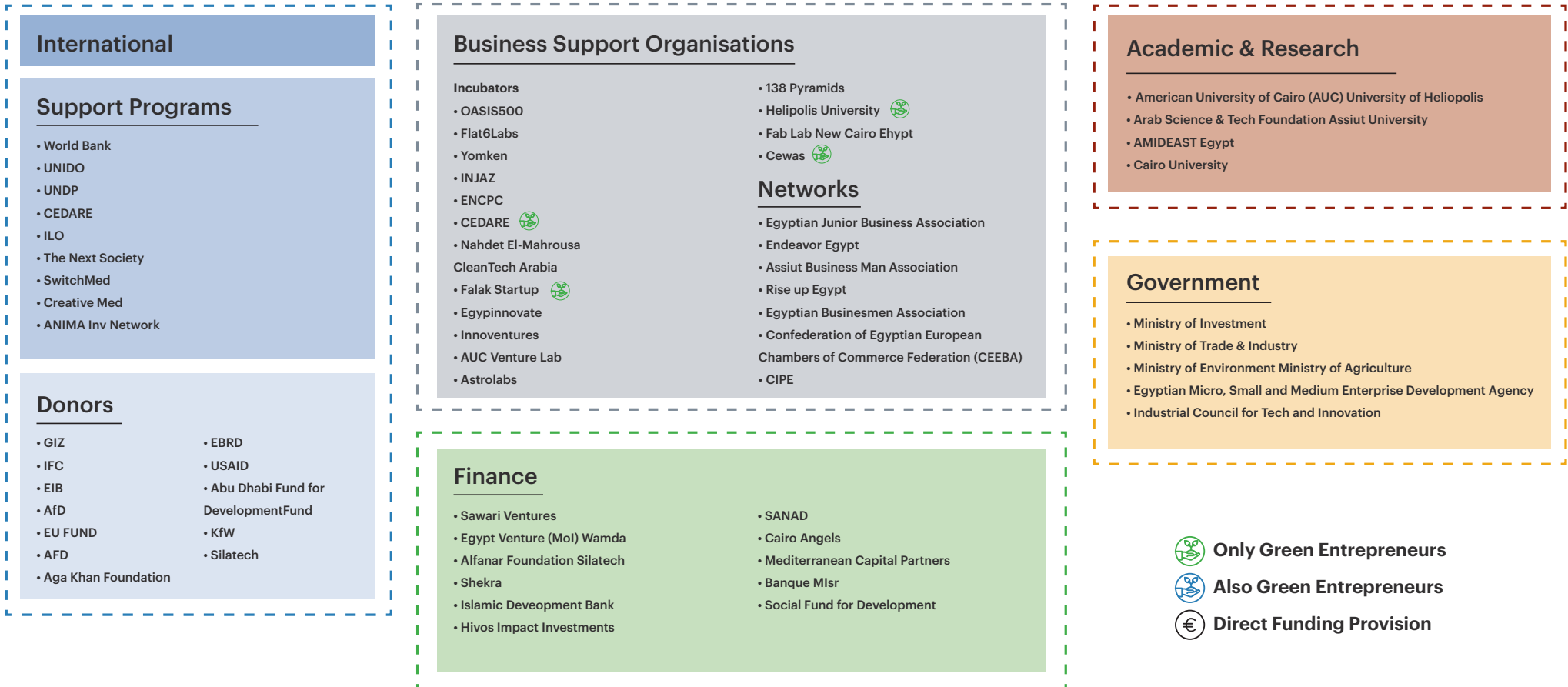
Due to this growing level of social and economic awareness, BSOs are defining programmes for the promotion of green entrepreneurship. That said, these recently developed programmes and instruments still require sustained backing in terms of both financing and technical support. This sustained backing would make efforts to ensure the growth of the enterprises beyond start-up phase, helping to generate jobs and innovative added value within the companies.

BSOs are also defining schemes of cooperation among different stakeholders, both public and private, that help strengthen the sustainable impact of entrepreneurship in these social and green economic sectors. The creation of sectoral networks generates visibility and needed critical mass that would also create awareness among the financial institutions.

One of the main needs and gaps that need to be fulfilled is the improvement in the availability of and access to specialised funds targeting these green entrepreneurs.

Another relevant gap in Egypt is the inexistence of significant impact assessment methodologies of the policies and instruments devoted to the promotion of green entrepreneurship. The incapacity to measure and show the impact of green entrepreneurship projects might be another cause hindering the impact among investors and policy makers. If achieved, it would clearly show the business and employment potential of these sectors, generating greater interest in its promotion.

## Green Entrepreneurship Ecosystem Map—Egypt



## 3 Vision and Leverage Points

### 3.1 Vision

The analysis of SwitchMed Green Entrepreneurship Programme and the key factors driving support for the creation of green and circular businesses was based on the theoretical framework used in all other national scaling up reports. It entails the key leverage points determining the effectiveness of the ecosystem supporting the creation of green and circular businesses.

Thus, four essential leverage points that condition the existence of an ecosystem favourable for the creation of green and circular enterprises are:

- 1. Operational:** existing entrepreneurship support services
- 2. Management:** structures in the ecosystem supporting entrepreneurship and synergies
- 3. Policy instruments:** roles of policy makers and public policies
- 4. Mindset:** transformation of consumption patterns.

As a result, the vision for scaling up the program in Egypt has the following objectives: 1) to provide all the services needed to create green and circular businesses; 2) strengthen the capacity of support structures and ensure the synergies and partnerships necessary for the proper functioning of the ecosystem; 3) support public policies supporting the green and circular economy; and 4) to promote a shift in consumer mindset to increase the demand for sustainable products and services.

The following table shows the actions identified for each level of intervention as well as the institutions that can potentially be involved:

### 3 Vision and Leverage Points

Level of intervention	ID	Potential Leverage Actions	Institutional support
OPERATION	1	<ul style="list-style-type: none"> <li>• Increase programme outreach in terms of numbers and geographic scope</li> </ul>	<ul style="list-style-type: none"> <li>• Private and public business support structures, Ministry of Environment, governorates.</li> </ul>
	2	<ul style="list-style-type: none"> <li>• Adopt a segmented approach in terms of sectors and level of maturity of green entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Private and public business support structures</li> </ul>
	3	<ul style="list-style-type: none"> <li>• Develop tools and methodologies embedding eco and circular design for businesses at all development stages</li> </ul>	<ul style="list-style-type: none"> <li>• Public and private business support structures, corporations</li> </ul>
	4	<ul style="list-style-type: none"> <li>• Develop infrastructures and services to facilitate product development and test market feasibility of green entrepreneurship products</li> </ul>	<ul style="list-style-type: none"> <li>• Public and private business support structures</li> </ul>
	5	<ul style="list-style-type: none"> <li>• Facilitate access to international markets for green entrepreneurs, especially to European and Middle East – North African markets</li> </ul>	<ul style="list-style-type: none"> <li>• Public and private business support structures, relevant existing international networks</li> </ul>
	6	<ul style="list-style-type: none"> <li>• Improve the range of financial initiatives open to green entrepreneurs and the correlation between offer and demand</li> </ul>	<ul style="list-style-type: none"> <li>• Financial actors, Ministry of Trade and Industry, Central Bank of Egypt</li> </ul>
MANAGEMENT	7	<ul style="list-style-type: none"> <li>• Increase awareness and build capacities of private BSOs and financial actors with regard to green economy and its business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Public and private business support structures and financial actors</li> </ul>
	8	<ul style="list-style-type: none"> <li>• Structure a cluster of BSOs around the green economy to better promote green opportunities and become an influent interlocutor with the public authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Private business support structures, big corporations</li> </ul>
	9	<ul style="list-style-type: none"> <li>• Promote the evaluation and monitoring of environmental and social impact among BSOs and financial actors</li> </ul>	<ul style="list-style-type: none"> <li>• Private business support structures, financial actors</li> </ul>
	10	<ul style="list-style-type: none"> <li>• Foster collaboration with other national and international programmes and networks supporting green entrepreneurs in their relevant sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• BSO, financial actors, Central Bank of Egypt, Ministries of Trade and Industry and Environment</li> </ul>
POLICY	11	<ul style="list-style-type: none"> <li>• Enhance capacities of policy makers and public actors with regard to the green and circular economy approach</li> </ul>	<ul style="list-style-type: none"> <li>• All Ministries, all governorates, other public institutions</li> </ul>

### 3 Vision and Leverage Points

Level of intervention	ID	Potential Leverage Actions	Institutional support
POLICY	12	<ul style="list-style-type: none"> <li>• Develop a comprehensive and clear legal framework for green economy sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Environment and other key ministries</li> </ul>
	13	<ul style="list-style-type: none"> <li>• Generate and increase public demand for green products and services</li> </ul>	<ul style="list-style-type: none"> <li>• All Ministries, all governorates, other public institution</li> </ul>
	14	<ul style="list-style-type: none"> <li>• Promote better monitoring and impact assessment frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Environment, Ministry of Trade and Industry</li> </ul>
	15	<ul style="list-style-type: none"> <li>• Develop public financing instruments targeting green entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Trade and Industry, Central Bank of Egypt, governorates</li> </ul>
	16	<ul style="list-style-type: none"> <li>• Enhance the visibility and dissemination of green entrepreneurship success stories</li> </ul>	<ul style="list-style-type: none"> <li>• The Switchers community and existing social community networks, media, BSO</li> </ul>
MINDSET	17	<ul style="list-style-type: none"> <li>• Integrate green values and solutions across the whole productive value chain of companies and public organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Environment, BSO, corporations</li> </ul>
	18	<ul style="list-style-type: none"> <li>• Embed green values and skills throughout the whole education system</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and non-formal education systems, Ministry of Education, Ministry of Environment</li> </ul>

# 4 Roadmap

## 4.1 Scaling-up Roadmap

The suggested roadmap is the result of an in-depth analysis conducted and validated through 13 interviews with key stakeholders in Egypt. The Roadmap details the selected leverage points suggesting change pathways to scale up green entrepreneurship in Egypt.

### Level of the Intervention – Operation

Leverage Point	Activity	Time Frame
1-2	• Expanding activities into other Egyptian governorates beyond Cairo	• Short and medium term
	• Increasing the number of green entrepreneurs supported to establish their business.	• Short and medium term
	• Offering adapted services by sector and stage of development of the green entrepreneurs, with a special focus on growth stage entrepreneurs.	• Short and medium term
3-4	• Developing a tool on eco-design for early-growth stage green entrepreneurs and SMEs.	• Med and long term
	• Developing programs and infrastructures where green entrepreneurs can advance in the launching of their products and services to the market through prototyping and testing.	• Short and medium term
5	• Developing a service module on international standards and norms relevant for those companies interested in exporting, either to the EU or MENA markets.	• Medium and long term
	• Fostering green entrepreneurs' participation in international specialised exhibitions and B2B events by developing a sponsorship facility.	• Short term
	• Offering A2M programmes and training to green entrepreneurs for their internationalization.	• Short and and medium term
6	• Encouraging the establishment and diversification of specialised public and private funds for green entrepreneurs.	• Short and medium term
	• Reinforcing the online platform where all the public, private and multilateral funds are detailed, thus strengthening A2F to green entrepreneurs in all the business stages.	• Short and medium term

### Level of the Intervention – Management

Leverage Point	Activity	Time Frame
7-8	• Developing awareness and information mechanisms among the BSOs and open innovation schemes and infrastructures (Fab Labs, Living Labs etc) on the business opportunities green sectors offer.	• Short and and medium term
	• Capacity building for BSOs and transferring to them training methodologies that support green entrepreneurs and SMEs.	• Short and and medium term
	• Creating a nationwide cluster gathering of BSOs working on and/or interested in green entrepreneurship.	• Medium term
	• Developing a network of local and international experts specialized on green economy and growth strategies.	• Short and medium term
	• Capacity building on eco-innovation, circular economy and sustainability to financial actors.	
9	• Embedding monitoring frameworks that can enable BSOs and financial actors to measure their impact.	• Medium term
	• Empowering and strengthening already existing initiatives such as the Egyptian Innovation Bank, the Circular Economy Center and the Clean-tech Research Center developed by the ENCPC and alike.	• Medium term
10		



### Level of the Intervention – Policy

Leverage Point	Activity	Time Frame
11	<ul style="list-style-type: none"> <li>Capacity building of the regional authorities responsible for implementing these activities and programmes according to their needs.</li> </ul>	<ul style="list-style-type: none"> <li>Medium term</li> </ul>
12-13	<ul style="list-style-type: none"> <li>Developing an inclusive, comprehensive and clear legal framework on green economy and green entrepreneurship to foster interest and business opportunities.</li> <li>Developing the necessary structures and deploying the required resources for the correct nationwide implementation of this legal framework.</li> <li>Facilitating a public market for green products and services through the procurement policies of the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>Short term</li> <li>Med and long term</li> <li>Short and medium term</li> </ul>
14	<ul style="list-style-type: none"> <li>Developing mentoring, monitoring and impact assessment methodologies for public stakeholders that enable them to qualify policy makers decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Medium term</li> </ul>
15	<ul style="list-style-type: none"> <li>Establishing and strengthening public specific financial instruments such as loans or guarantee funds targeting green entrepreneurs.</li> <li>Establishing a public-private partnership to raise funds for innovation in green entrepreneurship projects.</li> <li>Establishing incentives to raise private funds for green entrepreneurship.</li> <li>Reaching agreements with relevant multilateral financial institutions and donors making them focus more on green economy and entrepreneurship.</li> </ul>	<ul style="list-style-type: none"> <li>Short and medium term</li> <li>Short and medium term</li> <li>Med and long term</li> <li>Med and long term</li> </ul>

### Level of the Intervention – Mindset

Leverage Point	Activity	Time Frame
16	<ul style="list-style-type: none"> <li>Presenting successful and innovative Switchers in national and international business events and meetings.</li> <li>Establishing an 'innovative green entrepreneur award' with relevant private and international stakeholders, or in the framework of existing similar ones.</li> <li>Using famous local or international celebrities to promote innovative green products and services, impacting the mainstream mindset.</li> </ul>	<ul style="list-style-type: none"> <li>Short term</li> <li>Medium term</li> <li>Short and medium term</li> </ul>
17-18	<ul style="list-style-type: none"> <li>Facilitating the inclusion of green entrepreneurs' solutions in the value chain of companies.</li> <li>Developing open innovation challenges with cities and other public actors to be solved by green entrepreneurs.</li> <li>Providing awareness raising sessions for students within schools and vocational trainings on green values and opportunities.</li> <li>Developing innovative curricula with green business values in the formal and non-formal education systems.</li> </ul>	<ul style="list-style-type: none"> <li>Medium term</li> <li>Medium term</li> <li>Medium term</li> <li>Medium term</li> </ul>

## 5 References

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