

Egypt

Country report for the evaluation of CBI's Export Coaching Programme 2005-2012

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Authors (commissioned by APE)

Phil Compernelle

Dr. Magda Ghonem

In close cooperation with

Emad El Shaarawy

Sally El Hawary

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Summary and conclusions

This document reports the results of the qualitative evaluation of the export promotion activities by the Centre for Import Promotion (CBI, *Centrum ter Bevordering van Importen*) in Egypt. This study is one of three country case studies conducted as part of the broader evaluation of CBI by the Policy and Operations Evaluation Department (*Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie*, IOB) of the Ministry of Foreign Affairs in the Netherlands. For further information on this evaluation, please refer to the terms of references written by IOB.¹

From this country case study can be concluded that:

Relevance

During the evaluation period, services as offered by CBI were not as common as they currently are. Moreover, no other export promotion organisation offered the sector-specific, full package of services as CBI did (combining technical assistance, training and trade fair participation). As such, the CBI ECPs did have the potential to add value to export promotion in Egypt.

CBI ECPs were developed and implemented autonomously, independent of the Egyptian government's national development strategy and the country programme of the Dutch Ministry of Foreign Affairs (as implemented by the Embassy). However, the ECPs are thought to have complemented the national strategy for export promotion by targeting SMEs.

The CBI ECPs in which the interviewed companies participated, did address export barriers that firms in Egypt experience. However, it must be noted that the pool of SMEs that are more or less ready to export was (and is still) relatively small. Most SMEs in Egypt would first require significant business development in order to be able to benefit from export promotion programmes such as offered by CBI.

Efficiency

The programme is fairly efficient in terms of deliverance of outputs. Generally, for the companies interviewed, the outputs of the programme were delivered as planned. All companies interviewed were audited, attended training in the Netherlands and participated in at least one trade fair. In the longer term, efficiency might have gained from more cooperation with national institutions.

For the majority of the companies interviewed, the assessment of the quality of services by clients was positive, also compared to training provided by other organisations. However, a better selection of companies might have enhanced the efficiency of the programme as that would have improved the fit of the companies with the CBI ECP sectors and with the level of training and assistance provided by CBI.

Effectiveness

Half of the companies interviewed report that participation in an ECP of CBI contributed lastingly to their export growth. CBI seems to have made most impact by offering sector-specific technical assistance and market information to companies with a certain level of readiness or potential and competence to export, as well as a high level of commitment to make use of the expertise offered and

¹ IOB, 30-01-2014, Terms of Reference Evaluation of CBI (2005-2012) and IOB, 18-02-2014, Terms of Reference Evaluation of CBI, Lot 1: case studies & benchmark.

make the necessary changes to the company. By nature this also means that there are companies that would have been able to expand export growth without CBI. However, they state that CBI has played a role in speeding up the expansion (e.g. through coaching during trade fairs).

The lack of impact for other firms is either because the company was a competent exporter before the start of the programme so that the programme had limited added value (while the company required different services, such as matchmaking), or because the company was still too far from being ready to export to Europe (e.g. because the company's product does not fit the requirements of European market).²

Sustainability

The impact of the ECPs was limited to participating companies only (apart from a few incidental spill overs due to exceptional initiatives of people who participated in the programme). Only when companies underwent structural changes based on the technical assistance provided by CBI, did the programme have a long-lasting impact after being finalised.

CBI is thought to have had a lasting impact on the development of some business support organisations in Egypt during the evaluation period, even though this was not a formal component of the ECPs. The institutional capacity building happened in particular for two organisations with which CBI had closer ties (though no formal agreements). While working with these organisations for the promotion and organisation of logistics for the ECPs, CBI organised training for the staff of these organisations, which is said to have improved the quality of their training and the tools they use to train companies and export councils.

² It is hard enough to make plausible linkages between participation in the ECPs and growth of the companies (e.g. due to other factors such as the economic crisis which happened during the evaluation period). Identification of further effects, such as employment or indirect effects (e.g. spill over in the supply chain), has been impossible due to lack of data (and intended effect on exports).

1. Evaluation approach

1.1. Objective

With some minor adjustments, the country case study in Egypt has been conducted as prescribed in the terms of reference. Accordingly, the objective of the Egypt study was: *“to assess independently the results of the CBI programme and the extent that it contributes to the realization of the objectives of the Dutch policy on private sector development.”*(p.3). The evaluation period is set at 2005 to 2012, the focus of the evaluation is on a selection of export coaching programmes (ECPs).³

1.2. Evaluation questions

The evaluation questions to be answered in the country case studies (according to the ToR for the case studies with a few additions) are summarised in the matrix below (see Table 1).

Relevance is defined on the one hand, according to the ToR, as the extent to which the objectives of the programme could have only been achieved through the programme interventions (“input additionality”). Did CBI inputs (financial or otherwise) substitute or complement the input of other actors (such as private export promotion organisations or other donors)? Moreover, the evaluation of relevance will include the assessment of the programme’s alignment with national development goals and priorities, of both government and local companies. This requires mapping comparable interventions by other actors, private and public, and determining the role of CBI within this context.⁴

Efficiency will be evaluated mainly by assessing whether and how the planned activities have been implemented. Cost-efficiency of the programme will be assessed through a benchmark exercise rather than at country level.⁵ There is unfortunately too little information on the costs per individual company to compare with the outcomes.⁶

Effectiveness will be measured by assessing whether the intended effects of the CBI programme (i.e. ECPs implemented in Egypt) have been achieved (and for whom), and the extent to which the CBI interventions contributed to these effects. Moreover, it is important to assess *how* CBI has contributed to change. The evaluation thereof will be based on the interviews with companies and with the sector experts (and are thus self-reported changes). Information on, among others, exports and employment before and after the CBI interventions should give an indication of the extent to which increases in exports to the EU/EFTA would not have occurred without CBI (“output additionality”). This also requires a good understanding of the context within which CBI operated in order to determine other factors influencing the outcomes.

³ During the evaluation period CBI did not implement country programmes, therefore the evaluation actually focused on the results of CBI’s Export Coaching Programme (ECP) for Egyptian companies.

⁴ Bearing in mind that during the evaluation period the ECPs were purposely sector-specific (selected on the basis of demand in EU/EFTA) rather than country-specific.

⁵ The cost-effectiveness of the ECP at country or company level cannot be assessed in this evaluation. This is in line with CBI policy, which calculates cost-effectiveness per ECP, covering the sector as a whole across different countries.

⁶ The Inception Report proposed assessing the costs incurred by the companies of participating. However, collecting this information did not fit well with the setup of the evaluation (e.g. short interviews with CBI participants rather than finance controllers, often too long recall period).

Sustainability focuses on whether/what structures CBI put in place to promote sustainability of effects (e.g. co-financing, collaborations) and the extent to which participation in the ECP has had a lasting impact on companies.⁷

⁷ This will be complemented by an assessment the extent to which the contracts with clients continue beyond the ECP through a survey of importers (by APE).

Table 1. Overview of evaluation questions

Evaluation Criterion	Evaluation Question	Sub-Questions
Relevance	Does the programme respond to the main barriers to export for companies in Egypt?	What are the key barriers to export for companies in Egypt (in general and for the companies interviewed)? To what extent does CBI address these barriers?
	Could the objectives have been addressed by other means?	How do the CBI activities fit within the context (given all stakeholders in export promotion in Egypt): Complements: To what extent did CBI collaborate with other export promoters?
		Substitutes: To what extent do CBI services overlap with other export promoters?
		To what extent have beneficiaries of the CBI intervention also been assisted by other actors (before, during or after the CBI intervention)?
	Does the targeting fit the programme objectives?	How were clients selected?
		What are the profiles of the selected beneficiaries? Does this profile fit the objectives of the CBI programme, of the relevant Dutch policy and of the national ⁸ development requirements?
Efficiency⁹	Were the outputs of the programme delivered as planned (if not, why not)?	Description of executed programme activities compared to programme objectives
		Assessment of the quality of CBI services by clients (if possible compared to other export promoters)

⁸ Bearing in mind that during the evaluation period the ECPs were purposely sector-specific (selected on the basis of demand in EU/EFTA) rather than country-specific.

⁹ Efficiency will also be addressed through the benchmark study conducted by APE for IOB, in which CBI's cost structure will be compared to other trade promotion organisations.

Evaluation Criterion	Evaluation Question	Sub-Questions
Effectiveness	<i>Exports</i> To what extent did participating enterprises increase exports to EU/EFTA - as a result of the ECPs?	Was this increase in new markets and/or new products (diversification)? How did this increase occur?
	<i>Employment</i> What are the employment effects resulting from the interventions?	Did employment increase/decrease (at what skill level), how and for what reasons?
	<i>Indirect effects</i> What kind of indirect effects can be linked to CBI interventions (e.g. knowledge spill over)?	How might these indirect effects contribute to the programme objectives?
		Were there any unintended negative/positive effects of the programme?
<i>Beneficiaries</i> Which enterprise types did benefit most?	Is this profile in line with the programme objectives?	
Sustainability	To what extent did benefits for participating companies (exports, jobs) continue after CBI's interventions were completed?	What structures are in place to enhance sustainability of the effect of ECP on participating companies?
		Do the effects (e.g. business contacts) remain in place after completion of the programme?
		If required, are there any spill-over or replication effects (e.g. have parts of the programme been continued/replicated by other actors)?

1.3. Methodology

1.3.1. Data sources

This evaluation is primarily based on interviews with Egyptian companies that participated in ECPs between 2005 and 2012. These interviews are triangulated with interviews with CBI programme managers and experts and other stakeholders (e.g. Egyptian government). The evaluation also made use of CBI databases (including the data collected by CBI for this evaluation).

As a first step, all 30 companies that participated in ECPs in Egypt during the period 2005 and 2012 and ended the programme successfully (“completed” or “delivered” according to CBI) were included in the sample for this evaluation. The initial attempt to use only a random sample of companies did not succeed due to difficulties with tracing and contacting companies in Egypt (e.g. frequent changes of contact details for companies). As a result, the final sample of companies interviewed for this evaluation is probably slightly biased, consisting of traceable companies, willing and able to be interviewed during the field study.¹⁰

Of the twelve companies interviewed,

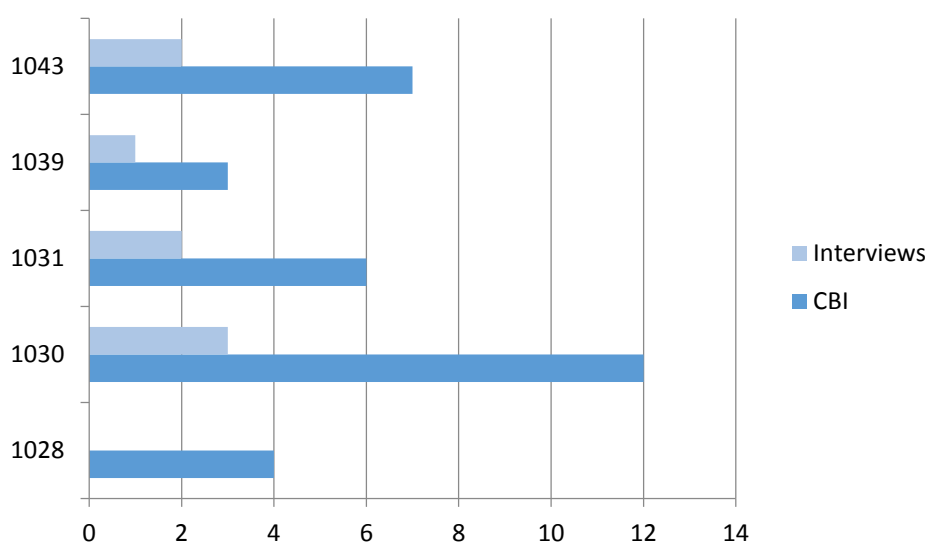
- Eight participated in an ECP
- One was a company that dropped out of the ECP (1043) and
- Two were companies that never participated in an ECP (one could have in sector programmes 1030, one in programme 1037).

As figure 2 illustrates, the eight CBI companies interviewed participated in different sector programmes. During the evaluation period, CBI carried out ECPs in the sectors 1028 (Industrial – mobile equipment parts), 1030 (Industrial – Medical and lab), 1031 (Services ITO), 1039 (Consumer – office and school supplies), and 1043 (Industrial – Pharma products). The companies interviewed cover all these sectors, except for 1028.¹¹

¹⁰ At least four companies who participated in the ECP were not interested in being interviewed (sectors 1030, 1039). More than nine companies could not be reached (due to lack of contact details or no response to requests for an interview).

¹¹ However, the sample is not large enough to identify differences between the performance of different ECP (per sector). As a result, the conclusions are based on the experience of the companies interviewed rather than being representative for any specific ECP.

Figure 1. Amount of companies in ECPs in Egypt during the evaluation period (30) and interviews (8)



Using CBI monitoring information, those interviewed are slightly larger (on average 164 employees at the start of the programme) compared to the whole group of CBI-assisted companies (on average 150 employees). They have more reported exports to the EU but less to the rest of the world. The difference in the value of exports to Europe might imply a slight bias in the sample, as companies with more export experience could be the ones where there is less scope for CBI to add value. Annex 2 provides the full list of CBI assisted companies during the evaluation period.

Table 2. Comparison of the evaluation sample with the overall group of CBI-assisted companies

During participation in ECP:	EU/EFTA Business Contacts	Non-EU/EFTA Business Contacts	EU/EFTA Export reported	Non-EU/EFTA Export reported	Employment registered at start	Employment registered at end
Average sample (30)	38	10	476.237	1.561.269	150	160
Average survey (8)	35	14	697.923	817.575	164	167

Source: CBI database ("OVI Sheet"), February 2014

It has proven to be a real challenge to included companies that were not involved with CBI. First of all, comparability of companies is a challenge given the limited number of SMEs in Egypt that are potential exporters. Nevertheless, by hazard and asking companies themselves about competitors that have not participated in the ECPs, some comparable companies were identified. Secondly, however, the willingness to participate in an evaluation is often (understandably perhaps) low among this group of companies. Nevertheless, this process resulted in two interesting "counterfactual" companies.

Table 3. Sample CBI companies

Name	Sector
Ma Medical	1030
Egyptian Company for Biotechnology (Spectrum Diagnostics)	1030
Lifecare Surgical	1030
Arabize computer services ltd	1031
Online Modern Solutions	1031
Gelcy Speciality Plastics (S.A.E.)	1039
Global Napi Pharmaceuticals	1043
Mepaco	1043
Company that dropped out of an ECP	
Unipharma (Universal Industrial Pharmaceutical Co)	1043
Companies that did not participate in an ECP	
Al Hoda	1037
AMECO	1030

Thirdly, in order to better understand the programme and the way in which it has been implemented and influenced by external factors, interviews were held with the relevant CBI programme managers and country managers (mostly based in the Netherlands). Moreover, several of the sector experts that were used to implement the ECPs in Egypt were interviewed as well.

Table 4. Interviews CBI programme managers and experts¹²

Name	Function
Mr Hans Klunder	Former Director CBI (2008-2014)
Mr Dick de Man	Deputy Managing Director CBI (CBI since 1995)
Ms Henrique Postma-Hazelaar	Programme manager 1040
Ms Melanie Haga	Programme manager 1039/38/34
Mr Cor Dieleman	Programme manager 1028/29/36
Mr Wim van Heumen	Programme manager 1031/43
Mr Jan Oude Eferink	Expert 1028
Mr Arjan Hock	Expert 1030
Mr Jan Ramakers	Expert 1043

Fourthly, in order to balance the information collected through CBI, and in order to address the relevance question, eleven interviews were conducted with different types of organisations, governmental and non-governmental, that provide export promotion services.

Table 5. Stakeholder interviews

	Organisation
Government and semi-government	Export Development Fund (ministry of trade)
	Foreign Trade Training Center (FTTC)
Business associations	Agricultural Crops Commodity Council
	Home Furniture Commodity Council
	Electronic and Engineering Goods Commodity Council
	Egyptian Businessmen's Association (EBA)
Foreign governments	Egyptian Exporters Association (Expolink)
	USAID
	Embassy of Finland, Cairo
<i>Other</i>	Embassy of the Netherlands, Cairo
	Export credit Guarantee Co. of Egypt (ECGE)

¹² Not officially interviewed but consulted: Jan Willem Oosterbroek, responsible for M&E at CBI.

1.3.2. Data collection

The data collection is based on individual interviews with companies and key stakeholders. The outlines for these semi-structured interviews are included in the annex. The interviews with companies focused on the effectiveness and relevance of the CBI activities and were used to validate the outcome indicators as reported by CBI (such as export values). The interviews with key stakeholders concentrated on the relevance (input additionality) of CBI activities in Egypt.

In preparation of the interviews in Egypt, background documents and relevant literature has been reviewed. This included analysis of CBI's own reporting on programmes and companies served in Egypt (e.g. audit plans, reports of technical assistance missions). The desk review also included previous evaluations of CBI, which are of relevance for the evaluation in Egypt (ECP), as well as other relevant evaluation (e.g. by other organisations on Egypt).¹³

1.3.3. Data analysis

According to White and Philips, '*causation is established beyond reasonable doubt*' by collecting evidence to validate or invalidate the reasoning underlying the theory of change¹⁴ and as such providing rigorous evidence for the (missing) links in the actual causal chain.¹⁵ As such, the country study analysed the evidence in Egypt supporting the theory of change, using the methodological steps for carrying out a so-called 'contribution analysis'.¹⁶ This includes:

1. Collecting evidence on the theory of change, and the strength of the evidence in different parts of the results value chain. This includes acknowledging the potential impact of other "pathways" (e.g. other export promotion efforts such as training by local government, donors or non-governmental organisations, as well as private sector companies).
2. Assessing contribution, and challenges thereto. One can conclude that there is a plausible linkage between the interventions by CBI and the results if:
 - a. a well reasoned theory of change can be determined (e.g. assumptions make sense),
 - b. activities of an intervention have been implemented as set out in this theory,
 - c. there is sufficient evidence that the expected results have happened (within a specified timeframe), and
 - d. the relative contribution of other external factors has been recognised (e.g. social, political context, parallel interventions).

¹³ Such as the evaluation by Triodos Facet (2009). Review and Summary of CBI Evaluations 2003-2009, but also studies of export promotion strategies (e.g. Okwu Andy Titus et al, 2013, A Comparative Analysis of Export Promotion Strategies In Selected African Countries (South Africa, Nigeria and Egypt), International Journal of Management Sciences, vol 1, n 6., African Development Bank, 2011, Comparative study on export policies in Egypt, Morocco, Tunisia and South Korea)

¹⁴ The theory of change sets out the theory behind an intervention: motivation, aims, way of implementing, causal mechanism (outcome given the inputs, activities, outputs and other underlying assumptions), and specific conditions.

¹⁵ H. White and D. Phillips, 2012, Addressing attribution of cause and effect in small n impact evaluations: towards an integrated framework. Working Paper 15. International Initiative for Impact Evaluation.

¹⁶ J. Mayne, 2011, Contribution analysis: addressing cause and effect, in K. Forss, M. Marra and R. Schwartz (eds.) Evaluating the Complex. New Brunswick, NJ: Transaction Publishers.

Ultimately, the effectiveness of interventions is assessed in terms of plausible magnitude of impact (e.g. no attributable impact to high impact) and relevance (i.e. linking the theory of change to the objectives). This approach has been trialled and tested in different evaluations and is now acknowledged as the current state-of-the-art approach to measure impact when statistical impact evaluation is not possible (White and Phillips, 2012).

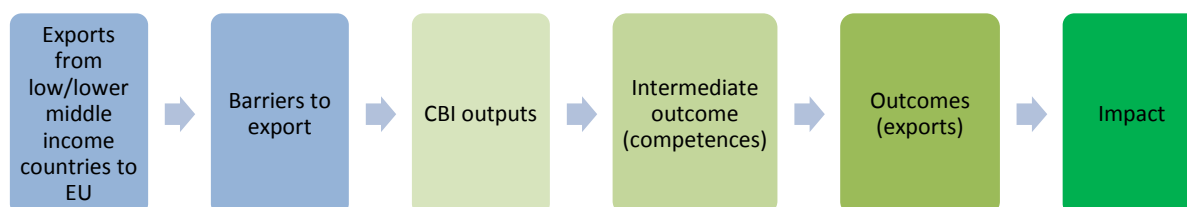
2. Theory of change

Theory of change

The terms of reference for this evaluation did not include a theory of change to use as a starting point for the evaluation. Therefore, a theory of change for the evaluation was constructed on the basis of the terms of reference for the overall evaluation of CBI (assumed to be linked to the Ministry's theory of change for supporting CBI) and a description by CBI of the theory of change, written for IOB in response to the initial terms of reference. It is important to note, however, that the ECPs were designed as a sector-focused programme, covering different countries, rather than a country programme.

This reconstructed theory of change for the ECP at country level, which is described in more detail here below and illustrated by figure 3 and 4, was used as a starting point for all the country case studies.¹⁷

Figure 2 Summary of the reconstructed results chain for the evaluation of CBI at country level



Potential exporters to Europe

CBI aims at developing countries that have the potential to export to the European market (i.e. EU/EFTA). As CBI states *'it is of importance that the production capacity has sufficient (potential) to be competitive to conquer, maintain or expand a market share on the European market'*. In principle, countries with a per capita GNI equal to 'Upper Middle Income' and higher, including China, are to be excluded.

The sectors to be supported in these countries are selected according to the following criteria:

- Import potential on the European markets;
- Willingness among potential buyers in European markets to establish relations with exporters in developing countries;
- Adequate export potential in developing countries;
- No insurmountable trade barriers
- Products have added value (no traditional bulk commodities)
- Contribution to export diversification of developing countries.

Countries are selected according to their potential in these sectors. Subsequently, companies in those countries and sectors can apply for assistance from CBI.¹⁸ The selection procedure by CBI can be

¹⁷ Unless mentioned otherwise, this description of the theory of change is based on CBI Theory of Change and indicators for IOB evaluation (October 2013) as well as the report of the CBI-IOB brainstorm session on the theory of change (February 2014).

¹⁸ The selection criteria can be found on <http://www.cbi.eu/About%20CBI/CBI%20services/Export%20Coaching%20Programmes/Criteria>.

considered part of the programme, for example the first audit of pre-selected companies aims to be a valuable product/process even if the company is not selected for further participation in the ECP.

Barriers to export

Even if a sector has the potential to export to the European market and there are ‘no insurmountable trade barriers’, there are still internal and external constraints that hinder export activities of individual companies (either to start or expand exports).

According to CBI, the main barriers that CBI aims to address are:

1. lack of organisation, inadequate communication;
2. lack of knowledge regarding trends, developments, market requirements, and opportunities on European export markets;
3. lack of networks of potential buyers
4. failure to meet market access requirements and quality standards;
5. inadequate export, production and marketing skills;
6. lack of local adequate trade promotion infrastructure to tap into.

Apart from the sixth barrier, which concerns local trade promotion infrastructure, CBI clearly concentrated on internal, firm-specific barriers to exporting. Obviously there might be other barriers to exports (e.g. trade policies locally and in the EU), more or less important compared to the internal barriers that CBI aims to address.

When assessing the extent to which CBI has contributed to changes in exports of benefitting firms by addressing internal barriers, the importance of other barriers was to be taken into consideration as well. Through the interviews the severity of the barriers to export for each individual firm, as well as the perception of the contribution of CBI to its development over the past years, has been rated.

Barriers to exports		
1	Market information	Knowledge of opportunities, customer needs and preferences, product standards and market requirements in EU
2	Market entry	Selection of trade channel, network of buyers, promotion of product in EU...
3	Market access	Tariffs and non-tariff barriers, certification, ...
4	Human resources	Lack of e.g. language skills, experience and skills of staff, management...
5	Lack of export strategy	A structured approach exports (e.g. based on an export marketing strategy) – in contrast to ad hoc response
6	Quality of products and production processes	level and consistency, price, standards and requirements, as well as supply of labour, supply and quality of inputs for production, access to finance,...

7 Trade environment	Issues such as the exchange rate and currency convertibility, country reputation, transport costs,...
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Activities

CBI has three target groups for its activities:

1. SME exporters in developing countries
2. Business support organizations (BSO) in developing countries
3. Importing trade and industry in EU/EFTA countries.

In order to assist these groups and address the above mentioned trade barriers, CBI offered different products during the evaluation period.¹⁹ The evaluation in Egypt concentrates on the assistance to the first group.²⁰

Sectoral export development (Export Coaching Programme –ECP).

This programme takes a phased approach to *‘strengthen [companies’] competitive capacity on European markets though improvement of internal conditions of the company to comply to European market requirements and to support them to connect to potential European buyers’*.

An ECP supports (potential) exporters to:

- Adapt the company and products to EU market requirements and standards;
- Become familiar with EU markets and business practice;
- Develop an export marketing strategy;
- Export to the EU market;
- Consolidate their export position in the EU.

To achieve this, the following tools can be employed:

- Technical assistance (visits) by (local) CBI experts (e.g. audits);
- Distant guidance;
- Group trainings on common topics;
- Export Marketing Seminar (EXPRO);
- Guided participation in EU trade fairs;
- Support in negotiations with certification bodies.

Outputs

Following participation in on or more of CBI activities, CBI expects to have contributed to *‘sustainable strengthening of the competitive capacity of SME exporters and producers in developing countries, focusing primarily on European markets’*.

The country case studies concentrate on SME exporters. At that firm level, the capacity to be relates to five core competences:

¹⁹ Since 2011/2012, CBI works with a more integrated approach. This was, however, not yet introduced in Egypt, Colombia or India during the evaluation period.

²⁰ In other countries, but not Egypt, CBI also worked on Business Support Organisation Development (BSOD). This programme aims at the sixth export barrier listed above, i.e. the local trade promotion infrastructure.

1. Market knowledge
2. Export marketing and management
3. Market entry
4. Product and production process adaptation
5. Quality assurance

After completion of an ECP, which lasts several years, a company is declared 'competent' by the sector expert if it has improved its capacity in these five areas (as reported in the Export Audits conducted at the start, during and at the end of the programme).²¹ All companies that participated in programmes during the evaluation period have been declared competent (except the two that dropped out).

Outcome

CBI's ultimate goal ('mission') is 'to contribute to sustainable economic development in developing countries through the expansion of exports from these countries'. As agreed with the Dutch Ministry of Foreign Affairs, this expansion of exports is measured by the total exports (to Europe) in the period in which companies are involved in CBI activities, or more specifically:²²

- The total realised export to the EU / EFTA markets, measured from the start of the ECP until one year after completion of the programme. The total value of the realised export should be at least the same or more than the planned export.
- The total realised export to the non- EU / EFTA markets measured one year after completion of the programme.
- The number of additional jobs created within the company measured one year after completion of the programme (expected to increase).

Given the Ministry's interest in achieving sustainable economic development through the support of CBI activities, the following is of interest as well:²³

- Is the increase in exports, due to an increase in volume of exports and/or increase in markets/products (diversification)?
- What is the added value of those exports, i.e. exports corrected for the use of imported inputs in production of the exported products or services?²⁴
- What are effects on the environment of the participating companies (e.g. within the value chain, on competitors)?

²¹ The CBI definition of a competent exporter is a company that 'demonstrated to have sufficiently improved on the critical action points identified in the Export Audit, as well as active participation during the programme (i.e. participated in Export Marketing Seminar, Technical assistance visits and participated in an exhibition)'

²² The set of indicators was adopted in 2006 along with the introduction of the ex-ante cost price model.

Quality and accounting indicators are laid down in: Memorandum from FEZ to 'Toetsingscommissie Verzelfstandigingen' dated August 23, 2005 on quality indicators; Memorandum from FEZ to DGIS dated April 7, 2006 on accounting indicators; Memorandum from CBI to DGIS dated 20 December 2007 supplementing the quality indicators from 2005; Memorandum from CBI to DGIS dated 31 March 2008 on two revised BSOD modules; memorandum from CBI to DGIS on new cost price model dated 17 June, 2010.

²³ As per the terms of reference by IOB.

²⁴ Apart from practical problems with data collection, this indicator assumes import contributes less to GDP. However, there are similarly good reasons to use imports (e.g. quality and price of inputs), which enhance export opportunities (e.g. through improved efficiency). Moreover, this approach risks neglecting the way in which current global value chains are interrelated (e.g. imports might originate from different countries).

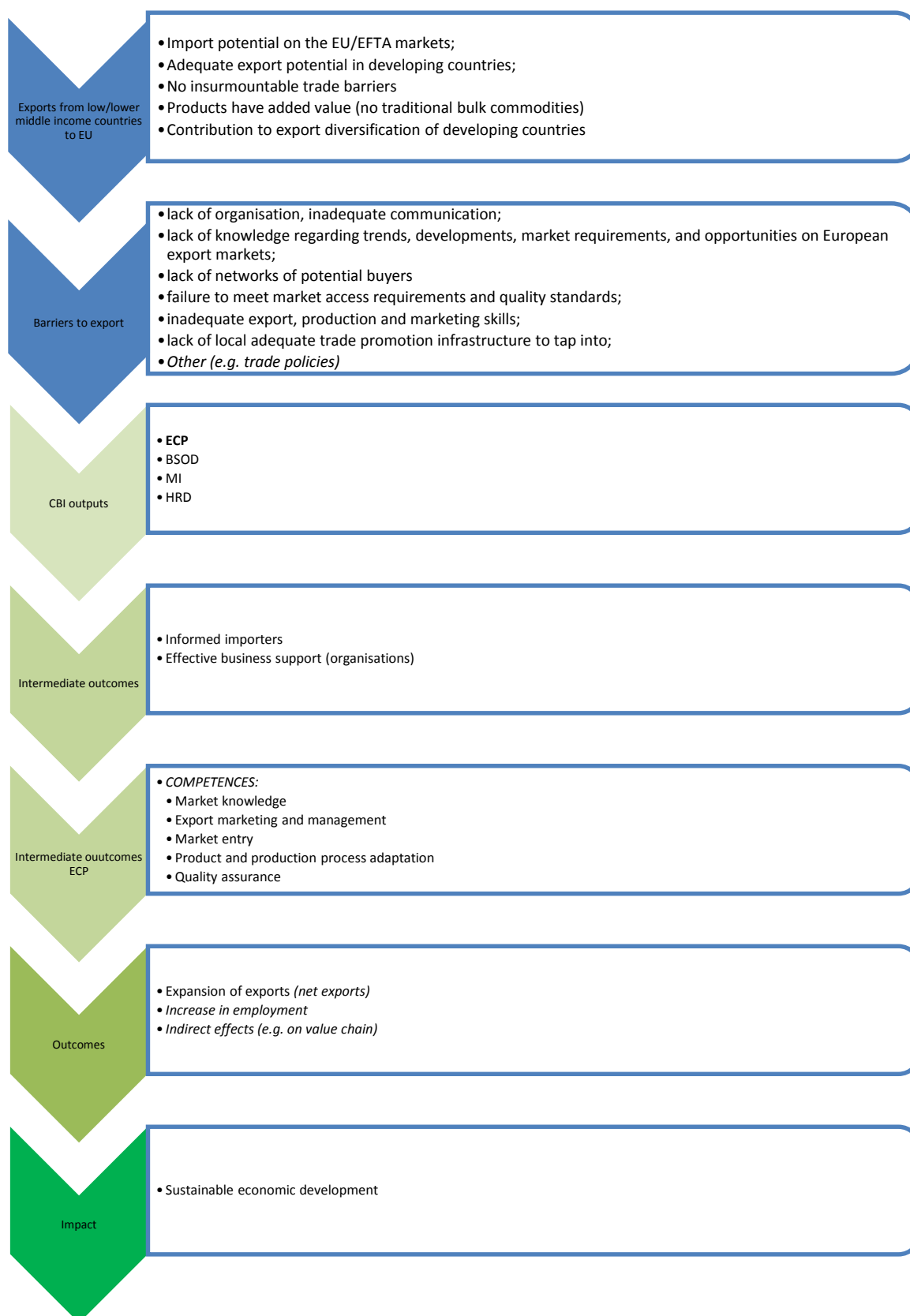
These results depend on the extent to which participation in ECPs contributes to increased exports in the first place. Unfortunately, in Egypt it was very difficult to gather information on exports and employment during the interviews and follow-up contacts, let alone to receive even more detailed information on diversification, added value and effects in the value chain.

Impact

The CBI programme, and the support of the Ministry of Foreign Affairs thereof, presupposes that export ultimately contributes to sustainable economic development.²⁵ There is indeed extensive literature on the benefits of trade, (e.g. production surplus, foreign income, competitiveness, productivity), as well as on risks (of trade and/or globalisation, e.g. loss of domestic production), which needs no repeating here. CBI, as well as the Dutch Ministry of Foreign Affairs focus on the impact of export through the labour market (employment creation, and more recently improvement of working conditions), rather than competitiveness or productivity.

²⁵ The policy reconstruction, conducted by IOB, provides more insight into the way in which the Ministry of Foreign Affairs connects programmes such as that of CBI to this ultimate aim.

Figure 3 Reconstructed theory of Change



3. Context analysis

3.1. Political-economic background

Egypt's economic orientation has undergone dramatic changes since the establishment of the Republic in 1953. After an experimental period in the fifties, during which no clear economic philosophy could be identified, Egypt opted for a centralized economy in the sixties. The main characteristics were nationalism, protectionism, and import substitution combined with large public investment in heavy industries, such as iron, steel and chemicals. Economic policy was focused on domestic production and export was not a priority.

In spite of an increasingly open economy in the seventies and the dismantling of central planning in the eighties, industry and export experienced only little development. However, the nineties represented a real transitional period due to the adaptation of the Structural Adjustment Program and more drastic economic reforms, e.g. price and trade liberalization (combined with subsidies), privatization and tax reforms. Initially, the export of some products was banned, while others were subject to quotas and other non-tariff barriers. However, in 1995, Egypt entered the World Trade Organization (WTO) and began negotiations with other countries and economic groups to sign preferential trade agreements. Exchange control was abolished, along with the obligation for exporters to repatriate foreign exchange receipts.

The next milestone was the Trade Regulation Reforms in 2004, implemented during the last years of President Mubarak. This new industrial policy was more market friendly, less interventionist and more oriented towards foreign direct investment and exports. Measures included a floating exchange rate, reduction in tariffs and improvements in the fiscal and business environment. A Ministry of Foreign Trade and Industry was established in November 2004 through a merger of the Ministry of Foreign Trade and Ministry of Industry and Technological Development.

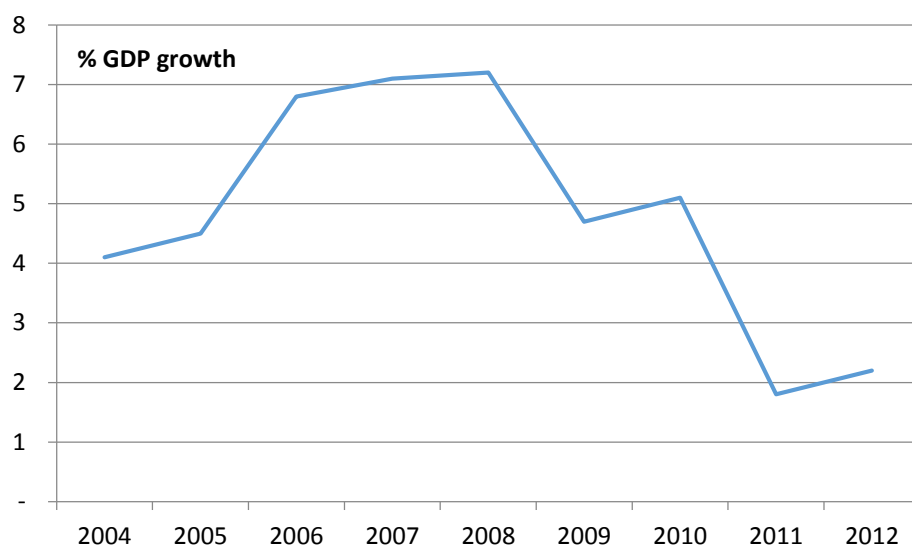
Trade agreements were signed and free economic zones and industrial parks were established. In 2004, Egypt concluded an agreement with Israel and the USA, establishing Qualifying Industrial Zones, through which USA promotes trade between Middle Eastern countries and Israel. Other trade agreements included Egypt's Partnership Agreement with the European Union (EU) in 2004 and the Egyptian European Neighbourhood Policy (ENP) Joint Action Plan of 2007. That same year, a free trade agreement with the European Free Trade Association (EFTA) went into effect.

However, while since then investments, exports and economic growth increased (see figure 5), it is argued that the reforms did not result in structural change and alleviation of poverty in Egypt.²⁶ To a large extent economic growth was based on windfall profits (such as high oil prices, dependence on access to the Suez Canal) and income from tourism rather than on improvements in international competitiveness. Although foreign direct investments (FDI) and exports rose, almost all FDI was in the extractive industries, rather than in manufacturing or agriculture. Moreover, policies were focused on well-established companies, which were already exporting. Policies aimed at SMEs have only been part of the policy agenda since 2010. The financial support provided by government to (large) companies had adverse effects on private sector development. Because growth was not labour-intensive, it did

²⁶ M. Loewe, 2013, Industrial policy in Egypt 2004-2011, Discussion Paper 13/2013, German Development Institute.

not reduce unemployment or poverty. Fundamental challenges such as the quality of education and training, rule of law and availability of land for production remain in place.²⁷

Figure 4. Egypt's strong economic growth from 2004 until the global economic crisis



Source: World Bank national accounts data, and OECD National Accounts data files²⁸

The first hit to economic growth in Egypt was received in 2008, as part of the international economic crisis. Recovery was hindered by subsequent political developments. The revolution that erupted on 25 January 2011 did away with President Mubarak and his regime on 11 February 2011. The Supreme Council of Armed Forces took over control of government. In the first new parliamentary elections, at the end of 2011, The Muslim Brotherhood's 'Freedom and Justice' party won almost half of the seats and in June 2012, their leader, Mohamed Morsi, was declared Egypt's first freely elected president. However, in July 2013, Egypt's military intervened once again to remove Morsi from office. They acted in response to a second wave of the revolution, demanding early presidential elections, to which Morsi did not respond. In June 2014, Abdel Fattah el-Sisi, who played a major role as the head of the armed forces in ousting the Muslim Brotherhood, was elected as Egypt's new President (after having resigned from the military).

The new government faces major challenges. Following the revolution, now more than three years ago, the economy deteriorated due to uncertainty and the security situation, which hindered domestic production, scared away tourists, brought investments to a standstill and obviously left little room for policy development and implementation.

After the acceptance of a new constitution in 2013 and the presidential elections in 2014, the economy enjoys relatively better conditions and the GDP growth rate has returned positive. Although there is no clear and comprehensive plan for economic development yet, some characteristics of the economic orientation are gradually crystallizing. Most important components are reducing the deficit of the

²⁷ M. Loewe, 2013, Industrial policy in Egypt 2004-2011, Discussion Paper 13/2013, German Development Institute.

²⁸ <http://data.worldbank.org/indicator/NE.EXP.GNFS.ZS/countries>

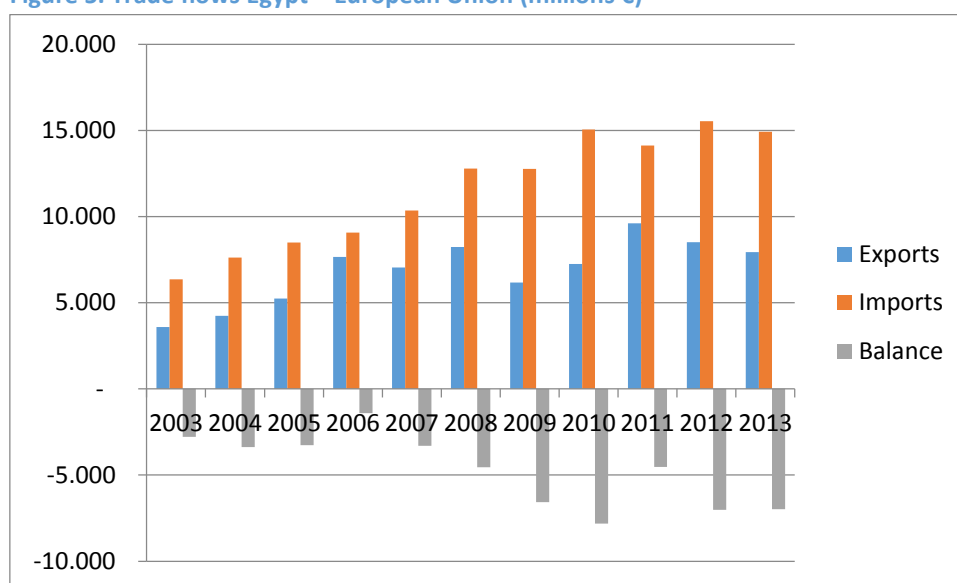
trade balance and the government's budget, as well as promoting investments, exports and SME development.

In the budget for the financial year 2014-2015, the export subsidy amounts to EGP 2.6 billion. Although this represents a decrease of about 40% compared to the last year, it reflects the high priority given to the export sector, taking into consideration the current limitation of resources (as an illustrative comparison, the subsidies for farmers and the agricultural sector amounts to EGP 3.3 billion). The incentives offered to exporters include incentives for companies producing in Upper Egypt, incentives for companies with limited export volumes, incentives for market entry in new markets for Egyptian exports, incentives associated with the employment contribution of the companies and incentives associated with creating or adopting innovations.

3.2. Export performance

The performance of the Egyptian companies, assisted by CBI, should be placed within the context of overall growth of exports towards the European Union between 2003 and 2008, with a sharp drop in 2009 as a result of the European economic crisis, and more recently, since 2011, due to political circumstances in Egypt. Overall, since 2004, EU-Egypt bilateral trade more than doubled and reached its highest level ever in 2012 (from €11.5 billion in 2004 to €23.8 billion in 2012).²⁹

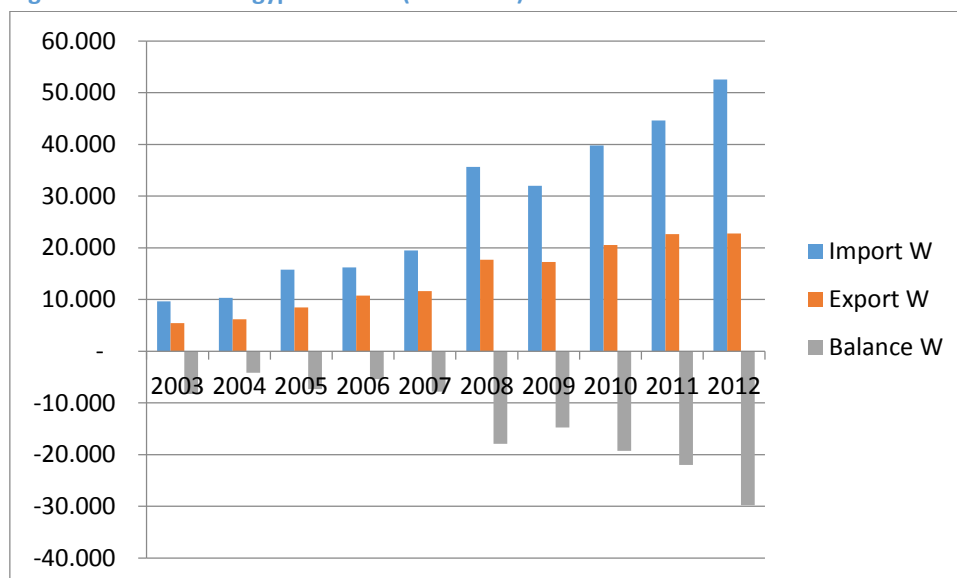
Figure 5. Trade flows Egypt – European Union (millions €)



The drop in exports since 2008 has been less pronounced with regard to Egypt's trade with the world.

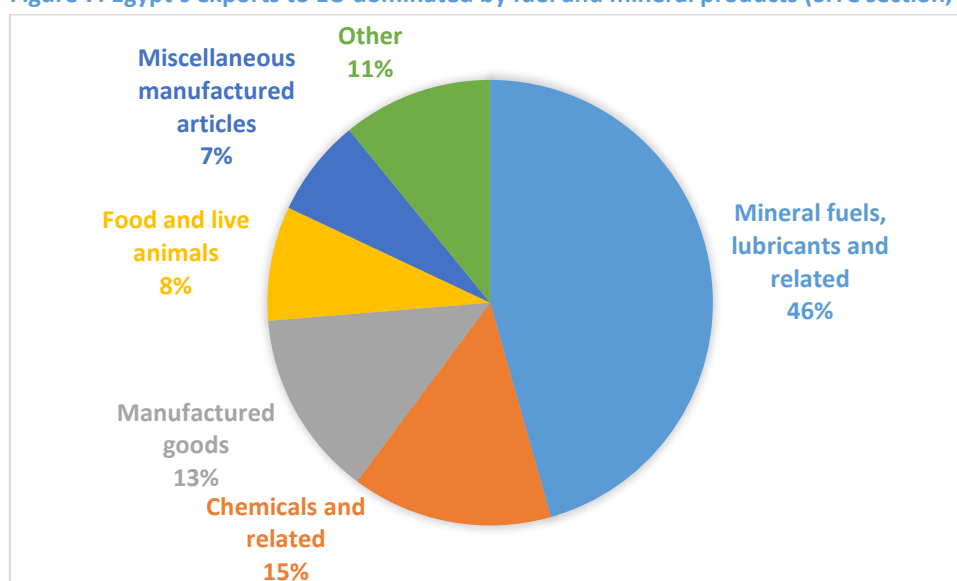
²⁹ All data from this section originates from Source <http://ec.europa.eu/trade/policy/countries-and-regions/countries/egypt/> unless mentioned otherwise.

Figure 6 Trade flows Egypt – World (millions €)



Egypt's exports to the EU have been dominated by fuel and mineral products, followed by chemicals and related products.

Figure 7. Egypt's exports to EU dominated by fuel and mineral products (SITC section, 2013)



The same pattern can be discerned for Egypt's exports to the rest of the world.

Table 6. Egypt's exports to the world dominated by fuel as well (HS code)

2005		2012	
HS-code	%	HS-code	%
Refined Petroleum	19	Crude Petroleum	18
Petroleum Gas	12	Petroleum Gas	10
Crude Petroleum	8	Refined Petroleum	9
Hot-rolled Iron	4	Gold	4
Cement	3	Nitrogenous Fertilizers	3

Source: <http://atlas.media.mit.edu/>

With regard to the trade partners, Egypt exports to:

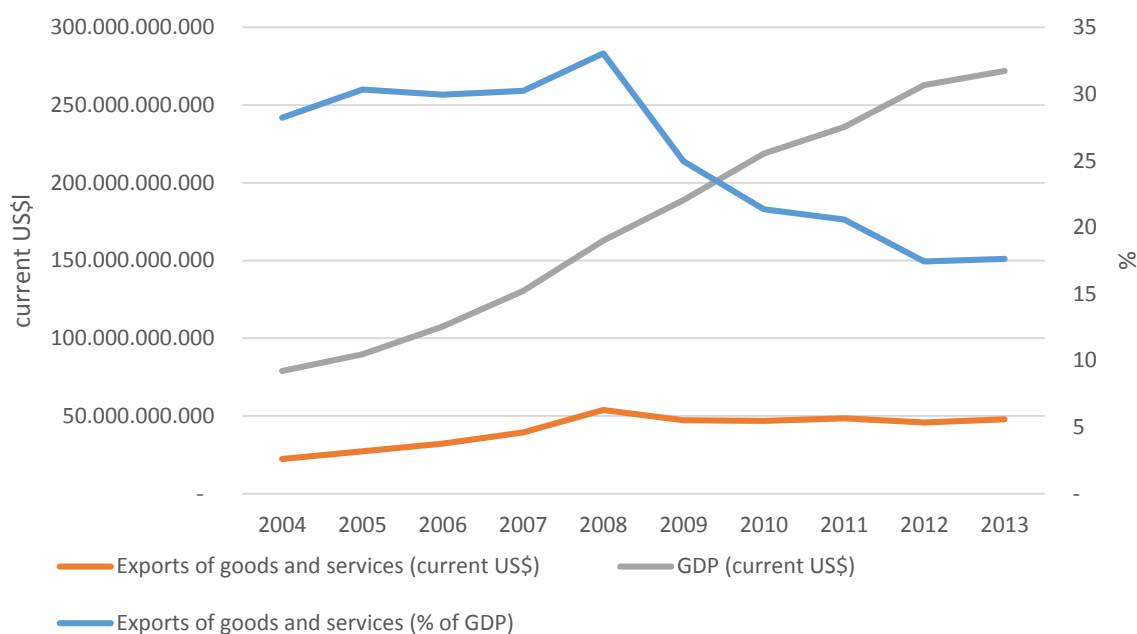
Table 7. Egypt's trade partners

2005		2012	
Importer	%	Importer	%
USA	13	Italy	8
Italy	10	USA	8
Spain	8	India	6
Saudi Arabia	5	Germany	5
Germany	5	Saudi Arabia	5
Netherlands	3	Netherlands	1

Source: <http://atlas.media.mit.edu/>

With regard to export and development it is important to add that export in Egypt is concentrated in 6 out of the 27 governorates, which are Cairo, Giza, Alexandria, Port Said, Sharqia, and Qalubia. More disadvantaged regions, such as Upper Egypt and Sinai, hardly produce any exports.³⁰ Moreover, as a percent of the overall economy (GDP), Egypt's export sector has dropped in significance during the evaluation period, which has implications for its role in reducing the high unemployment and generating tax revenue.

Figure 8. Export share in overall economy dropping (exports as % GDP)



Source: World Bank national accounts data, <http://databank.worldbank.org/data>

³⁰ Source: Ministry of Trade and Industry

4. Evaluation results

4.1. Relevance

Summary: With regard to the relevance of the ECPs in Egypt, it is observed that in Egypt the pool of potential beneficiaries, i.e. SMEs that are ready to export and may benefit from the programme, was rather small. Selecting exactly this group with potential was a challenge for CBI during the evaluation period (4.1.4). The ECPs were not formally aligned with the Egyptian government's development programme, however, it did fill in gaps in the national export strategy, e.g. by focusing on SMEs which were neglected by the Egyptian government during the evaluation period (4.1.2). While there are many different organisations that offer export promotion services in Egypt at the moment, that was not the case during the evaluation period. Moreover, none of these actors offered a full package of services without targeting a specific importing country, as CBI did (4.1.3).

4.1.1. Relevance with regard to the policy objectives of the Ministry of Foreign Affairs

CBI operated independently of the country programme of the Embassy of the Netherlands in Egypt. The Egyptian companies and sectors in which CBI was involved in Egypt do not necessarily match the Egyptian companies that the Dutch Embassy targeted for the Dutch companies they aim to assist.³¹

Throughout the evaluation period, promotion of trade and investment as well as private sector development were on the agenda of the Embassy of the Netherlands in Egypt.³² The Netherlands was one of the main investors in Egypt and an important trade partner. The programme thus focused on further promotion of Dutch trade and investments, among others by collecting information for Dutch business, and through trade missions from and to the Netherlands. The focus was on sectors such as agriculture & fishery, infrastructure & logistics, water, (renewable) energy and outsourcing of services.

Only once, in 2006, is CBI mentioned in the Embassy's plans as a private sector instrument. The multi-annual plans focus on other instruments for "Strengthening of the competitive position of specific sectors and selected Egyptian businesses and Dutch companies", such as PSOM, PESP, MMF, 2g@there, Partners for Water, all of which have a direct link with Dutch companies or the Dutch government.

There was no formal alignment of development programmes, or with other Dutch programmes in Egypt such as the EVD (former Dutch Enterprise Agency) or PUM (advisory services by volunteering Dutch senior experts). Nor is there evidence of informal alignment besides occasional visits of CBI representatives to the Dutch embassy.

4.1.2. Relevance with regard to the national development programme

There has been no cooperation, let alone coordination, between the CBI and the Egyptian government during the evaluation period. This might be the result of the ECP being a world-wide, sectoral programme, rather than being a country-wide programme. As the focus of the ECPs was on individual companies, it did not formally include cooperation with the national government in Egypt (this could

³¹ One attempt was made in 2011 to link with Dutch programmes from the EVD and Ministry of Economic Affairs (PSI) and create a collaboration between CBI, Makro and UPEHC (Union of Producers and Exporters of Horticultural Crops).

³² Annual plan 2006, Annual plan 2007, Multiannual Strategic Plan (MJSP) 2008-2011

have been part of other CBI programmes such as the BSOD programme). The Egyptian government states it regrets this, as they have been more involved in programmes (at different stages and in different degrees) of other donors such as USAID and JICA/JETRO.³³

Nevertheless, broadly speaking the ECP fitted with the Egyptian policy objective of expanding exports (and reducing the balance of trade deficit). More specifically, the ECPs can be seen to have complemented the Egyptian approach towards export promotion (and overall development) during the evaluation period by focusing on SMEs.

SMEs play a very significant role in the Egyptian economy and represent an important opportunity for the economic development in general and for the export in particular. According to the latest census, the around 2.5 million Egyptian SMEs represent 75% of the total employed workforce and 99% of non-agricultural private sector establishments.³⁴ So it is beyond doubt that SME development should be an important part of the Egyptian development strategy.

However, during the evaluation period the Egyptian government is said to have focused on supporting a limited number of well established, already exporting companies (Loewe, 2013), which was not the group of companies that CBI targeted. While CBI aimed at supporting SMEs in Egypt from the start of the programme in the country, the government only started implementing programmes for SMEs towards the end of the evaluation period (Loewe, 2013; Loewe, Al-Ayouty et al, 2013).³⁵ Companies and stakeholders interviewed appreciated the way in which CBI as such complemented the Egyptian national policies, by filling in the gap for SMEs.

Moreover, the Ministry of Trade did note the relevance of working with a European partner given the importance of Europe as a market for Egyptian products on the one hand, and the barriers to trade with Europe on the other hand. Key figures in the Ministry do make use of the website of CBI for information and capacity building, having accessed the website on own initiative or on advice of other actors in the field of trade promotion. As such, closer cooperation with the national government than occurred during the evaluation period seems to offer opportunities for increased spill over of the ECPs in Egypt.

4.1.3. Relevance given other stakeholders

As the following table 8 and the long list in Annex 3 illustrates, there are at present many different actors involved with export promotion in Egypt (or at least before the current political instability). This provides ample opportunity for CBI to work with local partners in a future country programme as well as align the programme with what others are doing (e.g. Dutch embassy and other donors). During the evaluation period, CBI worked mainly with Expolink and FTTC, and occasionally with the export councils for the ECP sectors.

There is, for example, currently some overlap with the general training and market information that CBI offers and that which is currently available through the Egyptian government and business associations. Some of this capacity has been built through cooperation with CBI (see section 4.4).

³³ According to CBI programme managers, government officials have been invited to training sessions.

³⁴ Hala El-Said, Mahmoud Al-Said, Chahir Zaki, 20xx, Small and Medium Enterprises Landscape in Egypt: New Facts from a New Dataset, Working paper Faculty of Economics and Political Science, Cairo University, based on a nation-wide SME census by the Central Agency for Public Mobilization and Statistics (CAPMAS).

³⁵ Only this year, 2014, has SME development risen in importance, as suggested by the new name for the Ministry of trade: Ministry of Trade, Industry and SME.

However, this training did not overlap with the sector-specific technical assistance that CBI offers through the ECP. There are also several other donors in Egypt that offer companies a package of services similar to that of CBI (e.g. USAID and JICA/JETRO). However, these donors focus their services on their own markets (USA, Japan...) rather than the whole of Europe as CBI does.

Moreover, according to those interviewed, the situation was markedly different at the time of the CBI programmes around 2005. In those days there were less local actors with sufficient capacity to support companies on their way towards exporting as CBI does. Then and now, there was no other party that offered a complete, longer term programme, promoting exports to Europe in general (rather than to one specific country), as CBI does.

Table 8. Stakeholder map (2005-2014)

	Market info	Market entry	Market access	HR	Export strategy	Product quality	Production capacity	Trade environment (policy, agreements...)	Other	Potential CBI
Government (and semi-governmental)										
Ministry of Trade, Industry & Investment										
Egyptian International Trade Point (EITP)									SME development	
Egyptian Commercial Service (ECS)									International network	
Egyptian Export Promotion Center (EEPC)										
Export Development Fund									Finance	
Industrial Training Council (including FTTC)										
Foreign Trade training Center (FTTC)										
Industrial Modernization Centre (IMC)										
Trade Agreement Sector (TAS)								Policy		
Foreign Trade Sector								Policy		
General Organization for Export and Import Control										
SME export policies development Sector								Policy		
Egyptian Authority for Exhibitions and Conference Affairs (EECA)										
QIZ Unit								Agreement		
Export Credit Guarantee Co (ECGE)									Finance	
Export Development Bank									Finance	
Federation of Industries (FEI)									Finance	
Commodity Exports Councils								Advocacy		
Social Fund for Development (SFD)									Finance	
Egyptian non-governmental organisations										
Egyptian Exporters Association (EEA-Expolink)										
Union of Producers and Exporters of Horticultural Crops								Advocacy		
Egyptian Businessmen's Association (EBA)								Advocacy		
International organisations										
US Agency for International Development (USAID)								Policy		
Italian Cooperation in Egypt										
Japan External Trade Organisation (JETRO / JICA)								Policy		
Finnish Cooperation										
Canadian International Development Agency (CIDA)										
European Commission								Agreement		
UNIDO								Policy	SME network	
International Trade Center (ITC)									Regional	
African Export-Import Bank (AFREXIM)									Finance	
Arab Trade Finance Programme (ATFP)									Finance	

4.1.4. Relevance for Egypt SMEs and CBI participants

Exporting SMEs

The companies that participated in the ECPs sat at the higher end of the SME category, with on average 150 employees (according to the CBI database) and were seemingly well endowed. As a result, CBI works with only a very small segment of SMEs in Egypt, where 92% of all companies are micro enterprises (less than 5 employees) and less than 1% is large (100 employees or more).³⁶

This does, however, theoretically enhance the chances that the assisted companies will be exporting (at least to neighbouring Arab countries).³⁷ Research has shown that only 6 % of Egyptian SMEs export, but the larger the companies are, the higher is the share of those that export (only 1.8 % of the smallest firms export against 24 % of the largest, i.e. with a capital of more than EGP 30 million).³⁸

A study on the challenges for upgrading of SMEs in Egypt concluded that the main determinants for upgrading of SMEs are to a large extent the entrepreneur's: (1) human capital (quality of education, work experience and international exposure), (2) motivation and readiness to take risks, (3) investment in human resources, (4) market research, (5) access to finance and (6) ability to deal with persistent deficits in the rule of law. Moreover, the study found a great reluctance of Egyptian entrepreneurs to co-operate, hindering potentially beneficial vertical or horizontal business linkages. This lack of SMEs that are sufficiently ready to export (in size and/or capacity) reduces the pool of companies that would be able to benefit from an ECP in Egypt.

Unless CBI is able to target the specific group that can benefit, this limits the relevance of the ECP in Egypt. Otherwise, the existence of many other barriers at company-level in Egypt (e.g. related to products and production processes) risks leading to 'mission creep', whereby CBI becomes more involved with private sector development rather than export promotion.

Barriers to export

According to the companies interviewed, eight of which participated in a ECP and 3 did not (of which 1 dropped out), there were various barriers to exporting from Egypt, present from the start till the end of the evaluation period.³⁹ There is no significant difference depending on the sector in which the companies operate.⁴⁰ The stakeholder interviews confirm that these are barriers hindering Egyptian companies in their attempts to export (more) to Europe.

The main trade barriers identified were:

- **Market entry** (e.g. contact with buyers or distributors, selection of trade channels, promotion of product in EU),

³⁶ CAPMAS 2006

³⁷ 43 % of SMEs goods and services are imported by Arab countries.

³⁸ Hala El-Said, Mahmoud Al-Said, Chahir Zaki, 20xx, Small and Medium Enterprises Landscape in Egypt: New Facts from a New Dataset, Working paper Faculty of Economics and Political Science, Cairo University, based on a nation-wide SME census by the Central Agency for Public Mobilization and Statistics (CAPMAS).

³⁹ Companies were asked to identify the main barriers to exporting before they participated in the ECP or about ten years ago. This is a rather long recall period, so the answers will most probably regard the period before the revolution of 2011.

⁴⁰ Apart from the agricultural sector being hindered much more by transport costs and problems with infrastructure in Egypt (as follows from interviews with stakeholders and one firm active in this sector).

- **Trade environment**, in particular the reputation of Egypt and the Middle East in Europe but also transportation costs, government policies and global competition (China),
- **Market access** (e.g. tariff and non-tariff barriers), mainly because of difficulties and costs of acquiring the necessary certification for exporting to Europe;
- **Company specific issues**, such as skills to export (human resources) and product and production standards were mentioned by a few CBI companies (3 out of 8). Moreover, the lack of an export strategy was mentioned by some of the participants in the ECPs, who now valued a more structured, planned approach to exports, which they lacked before the programme. Firms who did not participate in the ECPs, did not consider these barriers (even if they might well have existed for those firms, at least their awareness of them is lower);
- Finally, **market information** was only mentioned by 2 CBI firms as a barrier, though a remark was made that while market information might now be relatively easy to access in Egypt (e.g. internet, export councils), that was not the case ten years ago.

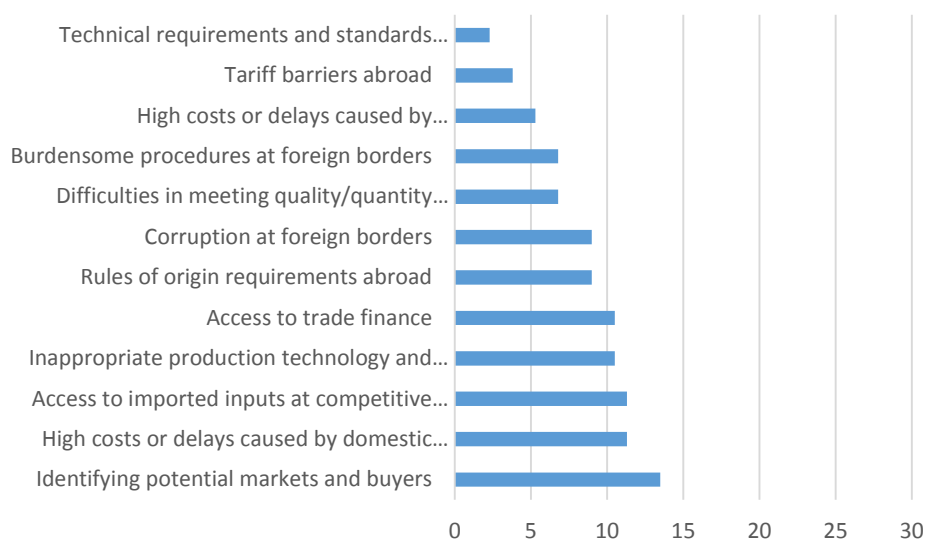
Table 9. Overview of export barriers

Firm	Sector	Market Information	Market Entry	Market Access	Human Resources	Export Strategy	Product and Production standards	Trade Environment
1	1030							
2	1030							
3	1030							
4	1031							
5	1031							
6	1039							
7	1043							
8	1043							
9 ⁴¹	1037							
10	1030							
11	1043							

Though it is possible that current barriers to trade for Egyptian companies are different from those during the evaluation period, it is interesting to compare the barriers identified by the CBI companies interviewed with those identified recently in the Global Enabling Trade Report by the World Economic Forum.

⁴¹ 9-10 are the counterfactual companies, i.e. comparable companies that did not participate in an ECP, 11 is the company that dropped out of the ECP.

Figure 8. Most problematic factors for exporting in Egypt



Source: World Economic Forum, *Global Enabling Trade Report, 2014*⁴²

While there are certainly significant barriers that lie outside the scope of the CBI programmes (e.g. domestic transportation), the most problematic factor - identifying potential markets and buyers – echoes the concerns of the CBI companies and could be facilitated by an export promotion organisation, such as CBI.

Selection

The national stakeholders generally agreed with the CBI-selection criteria. However, they have some concerns regarding the selection process:

- a) Insufficient outreach by CBI so that many companies learned about the program by accident or have been contacted haphazardly (and other not). Some important informants, e.g. business associations from CBI sectors as well as government departments, were not informed.
- b) National export promotion organisations, besides Expolink, were little or not involved in the selection process, which they believe negatively affected the coordination of activities among different actors and with companies. This is thought to have affected the programme's efficiency and effectiveness.

Moreover, from document review and interviews follows that the selection criteria of CBI were not very stringent and open for different interpretations. While this might have facilitated flexibility to include different kinds of companies into the programme, it does make the selection highly dependent on the CBI experts that conduct the initial audits and provide the input with which the CBI managers in the Hague make the selection. A lack of documentation on the ultimate aim of the selection of companies in each ECP, and divergent viewpoints thereof, makes it difficult to evaluate the selection (e.g. Is the aim to include a mix of companies, across countries or even within each country, both with a lot and with limited potential to export? Is the aim to maximize the export results or will strengthening of the company suffice?).

⁴² In the Global Enabling Trade Report, respondents were asked to select the five most problematic factors for trading in their country. The bars in the figure show the responses weighted according to their rankings.

4.2. Efficiency

Summary: The programme was fairly efficient in terms of deliverance of outputs. However, a better selection of companies might have enhanced the efficiency of the ECPs as that would have improved the fit of the companies with sectors in which ECPs take place and with the level of training and assistance provided by CBI (as there is only limited chance to adapt the programme to fit the individual companies' needs). The financial or cost efficiency has not been evaluated.⁴³

Generally, for the companies interviewed, the outputs of the programme were delivered as planned. All companies interviewed were audited, attended training in the Netherlands and all but one participated in at least one trade fair. Officially only two other companies dropped out of the programme (one after the training in the Netherlands), though not all of the companies interviewed continued until the end (i.e. attendance at three trade fairs).⁴⁴ Several stakeholders did mention, however, that the programme might have been more cost-efficient in the longer term with increased use of local institutions (e.g. more training of trainers as happened with the semi-governmental organisation, FTTC). This does obviously require initial investments, but might lead to cost-reductions in the longer term.

Table 10. CBI activities per company interviewed⁴⁵

Firm	Sector	Technical assistance mission 1	Technical assistance mission 2	Expro Training in NL	Trade fair 1	Trade fair 2	Trade fair 3
1	1031	2005				2009	
2	1039	2008				2011	
3	1043	2007					2009
4	1031	2005					
5	1030	2006					
6	1030	2006					
7	1043	2008					2010
8	1030	2006					
9	1043	2006		2007	dropped		

For the majority of the companies interviewed, the assessment of the quality of services by clients was positive (5/8), also compared to training provided by other organisations. However, there were three companies (3/8) for which there was a misfit: either they did not fit with the ECP sector for which they were selected or the level of training and assistance provided by CBI did not fit their needs and capacity (the training was too basic, even called a 'refresher course'). One of those companies suffered from being an exceptional product within the ECP, so that the technical assistance and the trade fair attendance did not fit the product. For another firm it seems to have been clear from the start that the product was not intended for the European market (engineering services hindered by language barriers and work-visa requirements). The misfits risk reducing the cost-effectiveness of the

⁴³ The financial efficiency is investigated in the benchmark exercise of APE for IOB.

⁴⁴ According to that company, communication with CBI broke down despite the company's enthusiasm for the programme. According to CBI, the company did not respond to several attempts to participate.

⁴⁵ This gives an indication of the activities per firm interviewed, reconstructed on the basis of interviews, company files and CBI database.

programme. However, these experiences are in sharp contrast with one of the positive companies where CBI was able to offer very detailed, product-specific expertise (e.g. a market-intelligence report on the market for pencils, allegedly a must-read in the sector).⁴⁶ Given that the selected companies were all very different in needs and capabilities, adaptations of the ECP to fit the companies' individual needs seemed required. However, it seems that such adaptations happen ad hoc, depending on the CBI expert and programme manager rather than being a formal part of the ECPs.

All companies interviewed have been declared competent by CBI (obviously except for the companies that dropped out). This implies that according to the CBI experts that supervised the programme, all these companies have improved (where required) with regard to competence criteria: 1) knowledge of the European market, 2) export marketing and management, 3) market entry and 4) product and production process adaptation and quality assurance (even if they did not participate in all three trade fairs as anticipated). This might well be the case to varying extent, however, at least one of the companies seemed to have been competent before the start of the ECP as it was exporting to Europe already.

4.3. Effectiveness

Summary: The ECPs has been effective for half of the companies interviewed (4/8). In Egypt the sector-specific technical assistance seems to have been critical (e.g. CBI experts, coaching during trade fairs and product-specific market information). Furthermore, the evaluation clearly shows that companies themselves required a certain level of export potential, readiness and competence for exporting, as well as commitment to making necessary investments, in order to be able to make use of the services offered by CBI.

As table 11 shows, all companies interviewed expanded their export activities, mainly to the rest of the world and some to Europe. For several of them, these exports are not recorded in the CBI database, probably either because these companies expanded exports after their ECP finished, or that registration by CBI of export turnover during the ECP was not precise. Two companies claim not have exported to Europe, while the CBI database states they have.

Unfortunately, in this evaluation it has proven to be impossible to verify the exact amounts exported before and after the ECP during interview with the companies after so many years.⁴⁷ It is therefore not possible to state with certainty how much additional exports were generated by companies who participated in ECPs in Egypt (and whether this consisted of increases in volumes or diversification). Nor is it possible to determine possible employment effects or impact further down the results chain.

⁴⁶ CBI, 2007, The EU market for Pencils. <http://www.cbi.eu/system/files/marketintel/2007-pencils.pdf>

⁴⁷ Nor has it been possible to discern any employment effects, related to exports.

Table 11. Exports during the ECP (CBI database and verification during interviews)

Sector	Export	CBI report Export EU	Export non- EU	CBI report Export Non- EU
1031		3.360.625		176.875
1039		48.040		3.947.751
1043		2.000.000		-
1031		-		-
1030		118.552		797.448
1030		7.676		322.924
1043		-		-
1030		48.494		478.030
1043		-		-

However, rather than the exact amounts exported, ultimately what is of most interest is whether or not, and how, CBI has contributed to these exports. This question has been answered in two steps:

- Firstly, what were the main barriers for exporting experienced by the firms before the ECP?
- Secondly, has the ECP addressed these barriers?

If according to the company CBI has made a significant contribution to reducing the company's barriers to export, then it is safe to conclude that CBI has made a contribution to an increase in exports. How much exactly depends on the growth of exports during the programme, about which unfortunately no information is available.

Table 12 here below provides an overview of the companies' barriers to trade as described above (4.1.4 on relevance). Companies rated the contribution of the ECP to the reduction of those barriers, through enhancing the competencies of the beneficiaries, as:

	No contribution
	Useful but no contribution (other factors much more important)
	Some contribution (one of the factors contributing)
	Significant contribution (CBI crucial for change)

As the green marks show, four out of eight companies state that CBI has contributed to their export growth by enhancing their competencies. Three out of eight companies claim CBI has actually been crucial for their exports (in different sectors). It is, however, important to note that the companies interviewed are relatively large exporters compared to the overall group of CBI beneficiaries in Egypt. This might be a reason for less contribution of CBI to their export performance than for the group as a whole (sample bias).

In all of these cases this is due to the technical, sector-specific expertise that CBI offers, mainly through the CBI experts, including their role during trade fairs. The other side of the coin is that at the same time, other companies complain that the expertise and training was too general for them or did not

match their products.⁴⁸ This confirms the importance of the selection of companies, as well as of the CBI sector experts that are such an important part of the ECPs.

Table 12. Overview of CBI contribution to the reduction of companies' export barriers

Firm	Sector	Market Information		Market Entry		Market Access		Human Resources		Export Strategy		Product and Production standards		Trade Environment	
1	1031	Red	Blue	Red	Green	Red	Green			Red	Green			Red	Blue
2	1039			Red	Green					Red	Green	Red	Blue	Red	Blue
3	1043			Red	Blue	Red	Blue							Red	Blue
4	1031			Red	Blue			Red	Blue					Red	Blue
5	1030			Red	Blue					Red	Blue			Red	Blue
6	1030			Red	Green					Red	Green	Red	Blue	Red	Blue
7	1043	Red	Green			Red	Blue	Red	Blue	Red	Green	Red	Blue		
8	1030			Red	Green	Red	Green	Red	Blue						

Companies seem to value in particular CBI's contribution to market entry and access, because:

- CBI provided useful advice on how to promote their product in Europe, both tailor-made advice (e.g. on eco-labelling or local production) as well as more general (e.g. on the process of certification). The market information on the website is also appreciated, not only by companies but also by several local export promotion organisations.
 - However, some companies interviewed benefited less from CBI technical assistance (one even considered it mere 'monitoring') and the market information, which is probably the product of both the company itself (e.g. being too experienced for the ECP to add value or being a mismatch with the programme) and the CBI experts hired to implement the ECPs.
- CBI provided useful coaching during the trade fair (e.g. with regard to location) and attendance at trade fairs with CBI was thought to be useful to overcome the bad reputation of Egypt and the Middle East in general.⁴⁹
 - However, a lot of companies recommended that more attention to concrete matchmaking by CBI would improve the ECPs.
- Without CBI they would not have had the capacity (both financial and skills) to attend trade fairs (even the relatively large companies mention the costs of trade fair attendance as a barrier). Moreover, companies state that the ECP was important as it lowered the risks of the initial investment required to find out whether trade fairs are worthwhile.

⁴⁸ For example, two companies discovered by themselves, after having been audited by a CBI sector expert, that their product did not fit the CBI programme, because a) the trade fair included in the ECP did not concern their product and b) their product would never be suitable for the European market (see also 4.2 on efficiency).

⁴⁹ This argument is probably influenced by current affairs, and might be less applicable to the period under evaluation.

- Nevertheless, when convinced of the usefulness of trade fairs, most companies (including the companies that did not participate or drop out of the programme) found other ways to attend trade fairs (e.g. self-financed or through government initiatives).

The focus of the ECPs on the development of an export marketing plan EMP was also appreciated by several companies interviewed as it was said to have encouraged a more structured, planned approach to exporting. Several companies still use such plans.

To sum up, based on the interviews, the interviewed companies and CBI's contribution to their exports can be categorised as follows (background information on the companies is provided in Table 13):⁵⁰

1. Contribution (2)

- CBI has had most impact by offering sector-specific technical assistance to companies with a certain level of readiness and competence to export, as well as a high level of commitment to make use of the expertise offered and make the necessary changes to the company.

2. Some contribution (2)

- These companies would have been able to expand export growth without CBI, however, they state that CBI has played a role in speeding up the process through creating awareness (e.g. of the need for a structured approach to exporting) and offering opportunities for testing approaches (e.g. participation in trade fairs accompanied by coaching).
- So though one of these companies did consider CBI crucial for change (number 3), given its capacity at the onset of the programme, it is questionable whether the export performance is due to the ECP participation (rather speeded up the export performance than contributed directly).

3. No contribution (4)

- a) Because the company was a competent exporter before the start of the programme (and thus the programme has limited added value, while the company required different services, such as matchmaking),
- b) Because the company was not ready to export to Europe (because the company's product did not fit the requirements of European market).

With regard to the second category, several CBI experts have suggested that even if the company is not exporting right now, the impact might still happen, e.g. once the lengthy process of certification has been completed or once Europe has recovered from the economic crisis. Whether this will happen depends on the sustainability of the CBI ECPs. As will be discussed below, unfortunately for the companies where the ECP had less impact, it hasn't lasted either (e.g. structural changes).

⁵⁰ As noted above, these results are not necessarily representative for the whole group of CBI beneficiaries in Egypt as the companies in the sample are relatively large and have more exports. On the one hand, this increases the chance they export after the CBI programme, however, on the other it might reduce the contribution of CBI to their export experience.

Table 73. Overview of assessment for sample of CBI beneficiaries in Egypt

CBI ID nr	Sector	EUEFTA export according to CBI	EU_export checked (2014)	Non-EUEFTA export according to CBI	Non_EU_export checked (2014)	Contribution CBI (non-EU)	Employment at start of ECP according to CBI	Employment at start ECP checked	Employment Increase according to CBI	Employment_increase checked
1	1031	3.360.625	NA	176.875	NA	Medium	50	NA	50	NA
2	1039	48.040	NA	3.947.751	NA	Contribution	120	NA	0	NA
3	1043	2.000.000	332.500	-	NA	No	650	100	0	400
4	1031	-	239.400	-	4.655.000	No	70	75	80	85
5	1030	118.552	0	797.448	100.000	No	22	NA	0	NA
6	1030	7.676	0	322.924	140.000	No	30	40	0	60
7	1043	-	100.000	-	300.000	Contribution	350	300	-110	300
8	1030	48.494	186.200	478.030	1.675.800	Medium	18	6	7	49

CBI ID nr	MI	CBI contribution	ME	CBI contribution	MA	CBI contribution	HR	CBI contribution	EMS	CBI contribution	PP	CBI contribution	TE	CBI contribution	Reason why no export/ or no contribution by CBI
1	1	-	1	+	1	+	0	0	1	+	0	0	1	--	CBI provided kick-start to well-equipped company
2	0		1	++	0	0	0	0	1	+	1	--	1	--	CBI crucial with technical assistance
3	0		1	--	1	--	0	0	0	0	0	0	1	--	Company export competent at start and mismatch products and trade fairs/training
4	0		1	--	0	0	1	--	0	0	0	0	1	--	Product not exportable to Europe
5	0		1	-	0	0	0	0	1	-	0	0	1	--	Production in Europe rather than exporting
6	0		1	++	0	0	0	0	1	+	1	--	1	--	Lack of capacity to produce for EU export
7	1	+	0	0	1	-	1	-	1	++	1	--	0	0	CBI crucial with technical assistance and trade fairs
8	0		1	++	1	+	1	-	0	0	0	0	0	0	CBI provided kick-start to well-equipped company

Codes: -- no value, - useful but no contribution to competencies or exports, + medium contribution (one of many factors), ++ significant contribution (main factor)

4.4. Spill overs and sustainability

Summary: The impact of the ECPs was limited to participating companies. Only when those companies underwent structural changes based on the technical assistance provided by CBI, did the programme have a long-lasting impact after being finalised (and beyond the impact on individual participants). However, through initiatives outside the ECPs that developed the capacity of Egyptian business development organisations, CBI was able to have an impact on export promotion in Egypt beyond the ECPs and in the longer term.

Companies report very little spill over of the ECP beyond the company itself. There have been a few incidents that caused some 'leakage' of the benefits of the ECP to others than those participating, e.g. through teaching activities of one of the CEOs and knowledge transfer of another CEO as head of the business federation.

Of the companies that exported after the ECP, all but one still do so. The four companies of which can be concluded that the ECP contributed to their export performance, continue to benefit from their participation because their company has undergone structural changes based on the technical assistance offered in the ECP (3) and/or they still use the CBI website and tools (1). For the companies with less impact (or none yet) there seems to be much less lasting effect of the ECP beyond the lasting impact that participation in the ECPs has clearly had on the individual participants (e.g. training in export marketing, experience of Europe). From the interviews with companies, partners and experts there seem to be little formal structures in place as part of the ECPs through which the sustainability would have been stimulated.

However, though it was not a formal part of the ECPs, CBI is said to have contributed to the development of business support organisations in Egypt during the evaluation period. This happened in particular through the close cooperation with two organisations, Expolink and FTTC, with which CBI partnered to organise local events. These organisations have stated that they still benefit from this capacity development (and regret not being involved more with the development of the current country strategy). For example, while working with Expolink for the promotion of the ECPs and selection of companies, CBI also organised training for Expolink staff and management (the latter visited Rotterdam). The other local partner, FTTC, was invited to send some staff to attend the training they organised with CBI for commercial attachés. The cooperation with FTTC has had a lasting effect on the quality of their training and the tools they use to train companies and export councils in Egypt.

Box 1. Challenges to the integrated approach in Egypt: BSOD Expolink

Expolink was established in 1997 as a non-governmental organization dedicated to policy development and advocacy in the area of trade, as well as project management for trade-related project (e.g. by USAID and the EC). In 2007 the Egyptian government, more specifically IMC, became its main funding agency and Expolink concentrated on collective trade fair participation.

In 2005 CBI established a partnership agreement with Expolink, which was at the time considered part of government, as a branch of IMC, albeit with some independence. This led to cooperation in different areas such as informing companies of the ECPs and organizing seminars and trainings. Moreover, Expolink benefited from CBI's training course for facilitators and advisors for marketing and export promotion (so-called FAME-training). According to the current CEO of Expolink, the cooperation with CBI has had a lasting beneficial impact on the capacity of the organisation.

Several attempts were made to establish an institutional development programme, and in 2011 the 'Program for Program' was ready to set off. Through this programme Expolink would be capacitated to offer a new service 'Commercial Export Program' for SMEs.⁵¹ Unfortunately by the end of 2011, the programme was closed prematurely due to the political circumstances in Egypt.⁵²

Expolink's trade fair activities have been taken over by the EECA and the organization is currently re-adjusting its services (e.g. promotion of Egypt as a gateway to Africa, aiming for local trade fairs, cooperation with export councils).

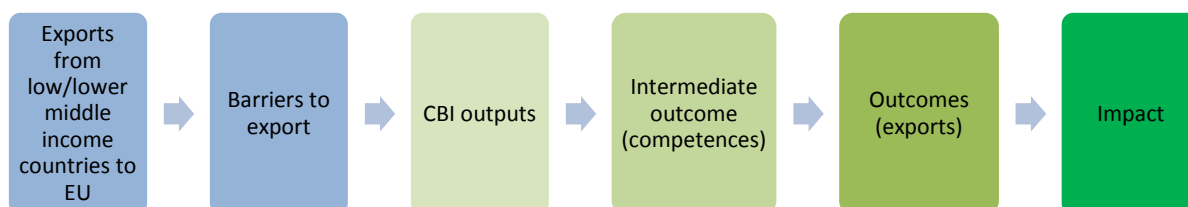
⁵¹ Startdocument CBI Expolink

⁵² Slotdocument CBI Expolink (20/12/11)

5. Conclusions

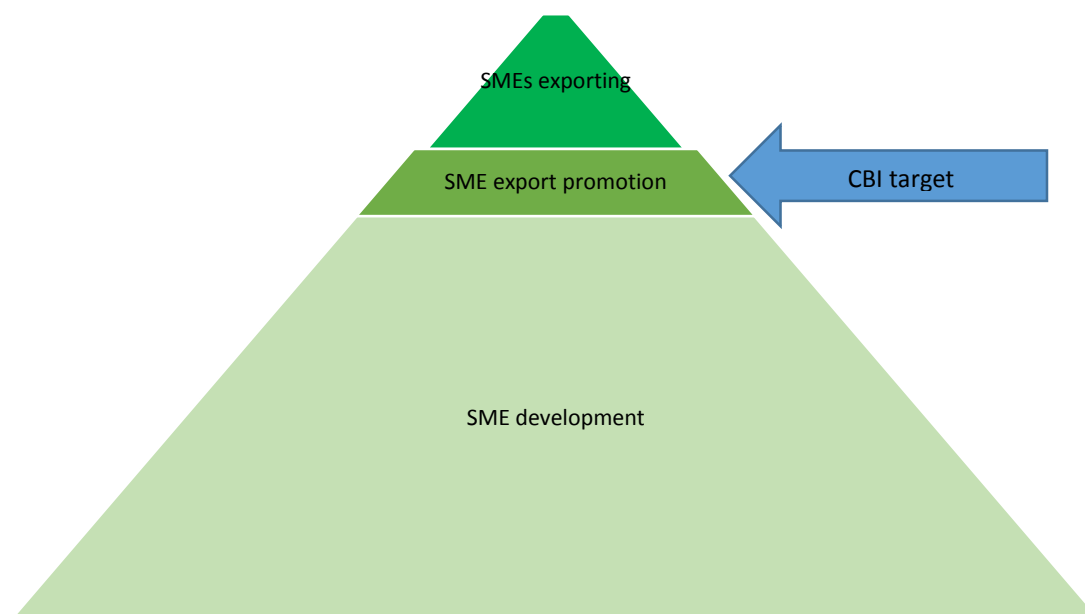
The findings from this country study pose some questions with regard to the validity of the theory of change for the CBI ECPs in Egypt. Walking through the value chain step by step leads to the following conclusions.

Figure 9. Reconstructed theory of change for CBI ECP at country level



Firstly, assessing the economic context in Egypt, draws the attention to the importance of SMEs as more than 90% of the Egyptian companies are SMEs, employing 75% of the total workforce. However, as figure 12 illustrates, there were only a very little SMEs in Egypt that had on the one hand the capacity to benefit from a programme such as the ECPs, while they were on the other hand not already too well endowed with financial and human capital and export experience for the ECPs to still add value. The bulk of the SMEs in Egypt needed (and perhaps needs) to address other barriers to their growth (as listed in 4.1.4) before they can consider exporting. As such, the relevance of the CBI ECPs in Egypt depended crucially on its ability to target this specific, small group of SMEs.

Figure 10. Challenge of targeting the ECP in Egypt



Secondly, but linked to the first point, CBI did address barriers to export that were pertinent for Egyptian SME exporters. Interviews with companies, stakeholders and other data sources confirm that

in Egypt company-specific barriers hinder expansion of exports (in particular access to potential buyer networks and knowledge of the European markets). However, the existence of many other structural barriers at company-level in Egypt (e.g. related to the quality of products and production processes) limited the ability of Egyptian SMEs to benefit from the ECPs (requiring private sector development rather than export promotion).

Thirdly, CBI activities are generally appreciated by participating companies. Moreover, the stakeholder map points out that while there are currently many different actors in the field of export promotion, this was not the case during the evaluation period and non of these actors offer the full package of interrelated activities targeting the whole EU market (rather than a particular country) as CBI does.

Fourthly, with regard to the outcome, i.e. increased exports, it has proven to be hard to determine the exact contribution of CBI to increases in exports. First of all, the development of export turnover can only be derived from a comparison of self-reported application forms and CBI monitoring data, whereby both sources are incomplete and difficult to verify during the qualitative country studies.

However, from the country evaluation follows that the CBI ECPs in Egypt have been effective for some companies. Four out of eight companies interviewed report that participation in an ECP of CBI made a lasting contribution to their export growth. CBI seems to have made most impact by offering sector-specific technical assistance and market information to companies with a certain level of readiness and competence to export, as well as a high level of commitment to make use of the expertise offered and make the necessary changes to the company. By nature this also means that there are companies that would have been able to expand export growth without CBI. However, they state that CBI has played a role in speeding up the process of their export expansion (e.g. by combining trade fairs with coaching).

Moreover, CBI is thought to have had a lasting impact on the development of some business support organisations in Egypt during the evaluation period. This happened in particular for two organisations with which CBI had closer ties (though no formal agreements).

A better selection of companies might have enhanced the efficiency and effectiveness of the programme, as that would have improved the fit of the companies with the CBI ECP sectors and with the level of training and assistance provided by CBI (given the extent to which the ECPs could be adapted to meet individual company's needs). Limited contribution is either because the company was a competent exporter before the start of the programme so that the programme had limited added value (while the company required different services, such as matchmaking), or because the company was still too far from being ready to export to Europe (e.g. because the company's product does not fit the requirements of European market).

Annex 1. Overview of CBI assisted companies

Name	Sector	EU/EFTA Export during programme	Non-EU/EFTA Export during programme	Empl. start	Contact for evaluation
Fac Filter/ The Arab Co. Manufacturing Of Filters	1028	380.000	5.933.084	470	Alexandria
Egyptian Axles Company	1028	60.000	-	105	No response
Elteriak Industrial Group	1028	-	63.564	400	No response
Cablex for Engineering Industries	1028	-	193.660	100	No response
N. I. D. Medical Co.	1030	313.765	502.735	35	Alexandria
Ma Medical	1030	7.676	322.924	30	Interview
Euromed for Medical Industries	1030	429.449	3.738.982	0	No response
Enteplin Egypt	1030	5.240.000	16.027.883	180	No interest
Dawi Medical / Medical Technology	1030	78.266	157.119	34	No response
International Biomedical Eng. Technologies IBE	1030	33.805	373.495	70	No response
Abu Samra Medical Co.	1030	85.440	1.068.797	60	No response
MEDIC - Egypt for Medical Clothes	1030	659.137	995.861	105	No interest
BMA for Design and Industry	1030	107.869	93.591	30	No response
Egyptian Company for Biotechnology (Spectrum Diagnostics)	1030	48.494	478.030	18	Interview
Vitro Scient	1030	40.767	785.980	20	No interest
Lifecare Surgical	1030	118.552	797.448	22	Interview
Arabize computer services ltd	1031	3.360.625	176.875	50	Interview
e-Knowledge	1031	-	-	25	No interest
Gnse Group	1031	520.000	4.480.000	48	No response
LINKdotNET	1031	-	-	100	No response
Online Modern Solutions	1031	-	-	70	Interview
Raya Software	1031	-	3.803.000	116	No response
Gelcy Speciality Plastics (S.A.E.)	1039	48.040	3.947.751	120	Interview
El Manar for Manufacturing	1039	99.662	214.287	70	No response
Sofiplast	1039	655.571	1.121.743	100	No interest
Global Napi Pharmaceuticals	1043	-	-	350	Interview
ADWIA	1043	-	-	535	No response
Mepaco	1043	2.000.000	-	650	Interview
European Egyptian Pharmaceutical Industries	1043	-	-	300	No response
MultiApex / Multipharma	1043	-	-	290	No response
Unipharma (Universal Industrial Pharmaceutical Co) - dropped	1043	0	0	250	Interview
Alkan Pharma - dropped	1043	0	0	400	No response

Annex 2. Company descriptions

Company ID	1	ECP:	1031																		
<p><u>Initial situation</u></p> <p>This company (established around 1994) is active in 25 Arabic-speaking countries with localization and translation services that adapt software, websites, and other content, to the Arab locale. They are also reseller for SDL language technologies. Before they joined the ECP the company already had an export manager in Switzerland (who became the main participant in the ECP) and had participated in an EU export promotion programme. They had several large clients in Europe. Before CBI came, the company exported without a proper strategy, purely on demand. However, as the market expanded and more competition came, so did the need for a structured approach increase as well. The other barrier to exporting was the costs of investing in trade fairs.</p> <p><u>Development of export turnover</u></p> <p><u>Activities CBI:</u> Audit (2005), Expro (2006), TAM2 (2008), Trade fairs (2x 2009)</p> <p><u>Contribution analysis</u></p> <p>According to the company, CBI provided a 'kick-start' to initiatives such as the export promotion plan, attendance to TEKOM ("made us explore more"). CBI made them aware of the usefulness of an EMP. At the time it did not seem essential (little priority in a busy period) and very costly. However, after it was done as part of the ECP (but by hiring a local consultant), it thought to be useful. CBI also assisted (mainly financially) with the attendance at new trade fairs (now they go as a presenter to save the costs of exhibiting). On their demand, CBI provided advice on certification. Without CBI, they might have done all of this as well (and they do now), but later in time. So though Arabize could have achieved export growth without CBI, the firm feels CBI did play a role by speeding up the process. They recommend however a focus on smaller companies and start-ups.</p>																					
Export development		Contributions																			
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MI	ME	MA																			
HR	EMS	PP																			
TE																					
CBI reported		Contribution score	Medium contribution																		
Export EU	Export Non-EU																				
3.360.625	176.875																				

Company ID	2	ECP:	1039
<p><u>Initial situation</u></p> <p>The company manufactures wood free, writing utensils, according to German Technology and certified as required, since 1995. The company is about 60% locally owned (other owner is German). The company exported before the ECP, including to Europe.</p> <p><u>Development of export turnover:</u></p> <p>No exports to EU during the ECP (ToC).</p> <p><u>Activities CBI:</u> Audit, Expro, Trade fairs (2010, 2011)</p> <p><u>Contribution analysis</u></p> <p>This is a company that has benefited a lot from the sector-specific expertise that CBI offers, firstly through the "pencil report" (Market intelligence report from 2007, which led the company to contact CBI) and secondly the CBI experts. The experts gave the company crucial advice with regard to the promotion of their product in the</p>			

European market (e.g. eco-friendly label and positioning at trade fairs). Their exports would have not taken off as quickly or continuously.																											
Export development		Contributions																									
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	MI	ME	MA																								
	HR	EMS	PP																								
	TE																										
CBI reported		Contribution score	Contribution																								
Export EU	Export Non-EU																										
48.040	3.947.751																										

Company ID	3	ECP:	1043
Initial situation			
<p>This company produces natural and chemical pharmaceutical products and owns plantations for medicinal plants. It is a large firm with 500 employees (about 100 less at the start of the ECP), including the temporary workers. From the interview and the audit by CBI it becomes clear that this company had all in-house capacity to export to Europe (e.g. competent staff, certified products, market information, presence at trade fairs).</p>			
<p>Development of export turnover: The company has undergone rapid growth, overall and of exports (turnover increased from about US\$ 300.000 in 2006 to US\$ 3 million currently). They now export to over 33 countries, including Europe. Before the ECP the focus was on the region, Africa and CIS, since then exports to EU have increased.</p>			
<p>Activities CBI: Audit, Expro, visits and distance assistance, Trade fairs (2008, 2009, 2010)</p>			
Contribution analysis			
<p>According to the company and the evaluators, there has been no contribution of CBI to their export performance (in contrary to the reports by CBI, which propose the then export manager as an 'ambassador'). Firstly, this is a company that should not have been selected in the first place as it was an experienced exporter with staff trained in export management (also clear from audit). Furthermore, apart from this mismatch in competencies and CBI training, there was a mismatch of the company's product and the trade fairs selected for this ECP. A company like this needs other services (matchmaking).</p>			
Export development		Contributions	
	2006	2013	
Total turnover	399.000	3.990.000	
Export turnover to EU		332.500	
CBI reported		Contribution score	No contribution
Export EU	Export Non-EU		
2.000.000	-		

Company ID	4	ECP:	1031
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Initial situation

The company offers IT consultancy services on location since 2001. They joined the ECP because the domestic market was saturated. They had successfully entered the regional Middle Eastern market (local office in UAE in 2007).

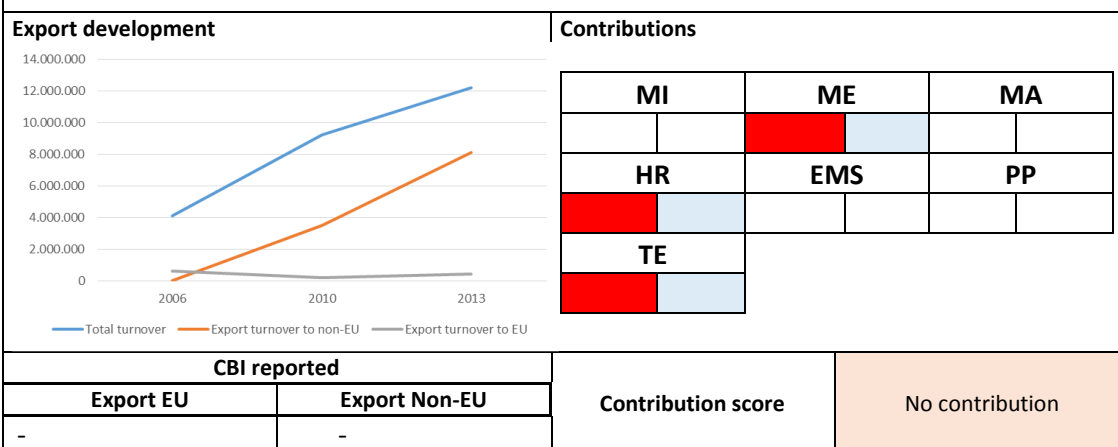
Development of export turnover:

The company has grown and expanded within the Middle Eastern region and Africa. Their product, which relies on consultants, does actually not have a European market (due to language barriers and difficulties with work permits).

Activities CBI: audit (2005), technical assistance (2007), no trade fairs.

Contribution analysis

According to the company, there was no contribution of CBI to their export expansion because there is no market for their services in Europe and the capacity building and information provided by CBI was not applicable for non-EU markets that they can enter. What was labelled as 'passive' company by CBI is rather a 'disappointed' company, which could have been avoided by not selecting this company (however, the audit does not mention the incompatibility of their services for the EU market).



Company ID	5	ECP:	1030
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Initial situation

This company produces medical devices, including dental equipment. They had been looking into the European market (mainly through joint venture) and approached CBI after recommendations for another participant. The audit is relatively positive about the company and its capacity.

Development of export turnover:

The company exports to Middle Eastern region, but has chosen to produce in Germany for the European market rather than export from Egypt to Europe.

Activities CBI: Audit (2006), technical assistance missions, training Rotterdam, 2 trade fairs

Contribution analysis

No contribution to European exports or exports in general. The CEO of the company did appreciate the general management training by CBI for his personal development. The business audit and coaching was considered to be "monitoring" (the experts are called "auditors"), and no more useful than that. Efforts by the company to link CBI to other companies (through the business association) did not succeed.

Export development		Contributions																			
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MI	ME	MA																			
HR	EMS	PP																			
TE																					
CBI reported		Contribution score	No contribution																		
Export EU	Export Non-EU																				
118.552	797.448																				

Company ID	6	ECP:	1030
Initial situation			
Company produces medical devices such as Catheters, Dialysis Products, Spinal Needles, Central venous kits (as OEM and private label). According to the company, its products did not fulfil the quality requirements of the European market at the time of the ECP.			
Development of export turnover:			
The company did not have sufficient capacity to export for most of the evaluation period. They focused on the domestic market and a few countries in the region. Their product does not fulfil the requirements for export to EU.			
Activities CBI: audit (2005, two technical assistance missions (2006, 2007), Expro (2006), Medica trade fair (2007)?			
Contribution analysis			
CBI did not contribute to the modest growth in export turnover of this company. Although the ECP was considered "helpful" for building an export strategy, and increased their knowledge of EU market requirements and EU business culture, the company did not apply these insights as they did not try to enter the EU market.			

Export development		Contributions																			
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HR	EMS	PP																			
TE																					
CBI reported		Contribution score	No contribution																		
Export EU	Export Non-EU																				
7.676	322.924																				

Company ID	7	ECP:	1043
Initial situation			
Generic dosage form drugs and contract manufacturing			
Development of export turnover: The company has grown significantly and increased its exports to EU but in particular to non-EU.			
Activities CBI: Audit (2007), Expro (2008), three trade fairs (2008,2009,2010)			

<u>Contribution analysis</u>		
According to the company, CBI contributed significantly to the expansion of its exports. The input provided by the CBI expert led to structural changes in the company's development, including the establishment of the affiliated company. Moreover, CBI introduced the company to international exhibitions (including training on preparation and follow up). Without CBI, the development of the company might have taken much longer.		
Export development		Contributions
(euro)	2006	2013
Total turnover	20.000.000	55.000.000
Export to EU	0	100.000
Export to non-EU	50.000	300.000
CBI reported		
Export EU	Export Non-EU	Contribution score
-	-	Contribution

Company ID	8	ECP:	1030
<u>Initial situation</u>			
The company produces clinical chemistry reagents (diagnostics, blood grouping). He had not yet exported before joining the ECP and joined on his own initiative (on recommendation of a previous participant) due to export plans. His product was not yet certified but ready to be so.			
<u>Development of export turnover:</u> The company has grown significantly during the evaluation period. Export volumes almost doubled in the past five years, mainly due to increased exports to Asia and the Middle East, but including exports to Western Europe. However, the company has also set up in a company in the Netherlands to export products to Europe from there (with CBI expert as partner).			
<u>Activities CBI:</u> Audit (2006), technical assistance mission (1x), Expro (2x, 2007), four Medica trade fairs (2007, 2008, 2009, 2010)			
<u>Contribution analysis:</u> As a start, CBI was useful with regard to market information, in particularly about the required certifications and the process of acquiring those. Subsequently the company made good use of the trade fair attendance (and preparations) by CBI. On the one hand, the owner states that he is very grateful to CBI for providing him with the confidence to start exporting and attributes about 50% of his initial export growth to CBI. On the other hand, however, he stressed that "he was ready for take-off" in any case (to illustrate his own commitment to export and the importance thereof).			
Export development			Contributions
	2006	2010	2013
Total turnover	Approx. 500.000	864.500	2.660.000
Export to EU	-	-	186.200
Export to non-EU	-	-	1.675.800
CBI reported			
Export EU	Export Non-EU	Contribution score	Medium contribution
48.494	478.030		

Annex 3. Export promotion organisations in Egypt

Based on *interviews* and extensive web search.

Governmental institutions

I Institutions affiliating to the Ministry of Industry, Trade, and SMEs

1. Egyptian International Trade Point (EITP)

The Egyptian International Trade Point (EITP) established at 1994 according to United Nation Conference Trade and Development (UNCTAD), became a member of the World Trade Point Federation (WTPF) in 2000.

The overall objective of EITP is to support promotion the Egyptian exports in world markets, in addition to assists Small and Medium Enterprise (SMEs) to trade internationally

The objectives of EITP are:

- Creating new markets for Egyptian products & developing Egyptian exports by using information technology and electronic communications.
- Reducing trade operations costs by providing required data about trade facilities.
- Publish and apply E-commerce between businessmen
- Enhancing SMEs role in world trade.
- Achieving latest world progress in both economic and trade fields.

Services and Activities:

- Expert promotion services
- Trade opportunity information services
- Trade Facilitation data services
- E-Commerce services
- SMEs Services (from establishment to marketing)

2. Egyptian Commercial Service (ECS)

Egyptian Commercial Service (ECS) is the government trade promotion organization.

The overall objective of ECS is to contribute to the economic and social development of Egypt through the promotion of exports and the attraction of foreign investment.

The objectives of ECS are:

- Developing and diversifying export markets for Egyptian goods and services.
- Attracting foreign investment in Egypt
- Preserving Egyptian economic and commercial interests abroad
- Representing Egypt in international organizations

ECS accomplishes these objectives by providing the business community with quality services through its network of external offices, and fostering synergies with other organizations. ECS has a unique network of (55) commercial offices located in (49) key countries with strategic economic interest for Egypt. This international network helps Egyptian companies by disseminating information on overseas markets and business opportunities, as well as providing other trade related services.

ECS is catching up with the market challenges by using its resources to deliver Egyptian companies with high quality services, offering a package of services tailored to business needs, and assisting these companies in finding new opportunities abroad

3. Egyptian Export Promotion Center (EEPC)

EEPC is the executive authority established 1992 by the Ministry of Trade and Industry.

The overall objective of EEPC is to support the development and promotion of Egyptian exports.

The objective of EEPC are:

- To contribute to the efforts aiming at increasing Egyptian exports
- To support the Export Councils in developing the sectoral export development and marketing planes
- To increase the effectiveness of technical support and capacity building activities delivered by different actors

Main Activities:

- Conducting awareness-raising programs on export related issues
- Providing export councils and companies with relevant information and market studies
- Gathering and harmonizing scattered export relevant information obtained by different export support organizations
- Supporting and conducting sector specific marketing activities
- Mediating between Egyptian exporters and (potential) importers

4. Export Development Fund (EDF)

Export subsidies are payments given by the government to exporters so that they will sell their product abroad. Export credits ensure that those who want to export their goods will have the credit necessary to do so. Export subsidies are required for these commodities, whose prices are above world levels, and are exported. In Egypt, the support allocated through the export promotion fund (Ministry of Trade & Industry), reaffirming its determination to help Egyptian exporters gain better market access abroad. As with taxes, subsidies can be levied on a specific or ad valorem basis. The most common product groups where export subsidies are applied are agricultural and clothing products.

5. Industrial Training Council (ITC)

The Industrial Training Council was established in 2006 to supervise and coordinate all vocational and technical training activities related to the Ministry of Industry and Foreign Trade to increase their efficiency, link them to the real needs of different industrial sectors and maximize utilization of available resources. Projects and programs overseen by ITC include, but are not limited to, National Skills Standards Project (NSSP), Skills Development Project (SDP), Assistance to the Reform of TVET Project (TVET Project), and Foreign Trade Training Center (FTTC), and Production and Vocational Training Department (PVTD) training center network.

The Overall objective of ITC is to qualify and develop the competencies and efficiencies of the industrial workforce in contribution to enhancing local and international competitiveness of Egyptian products.

The Objectives of ITC are:

- To create and implement a sustainable mechanism for assessing the training needs of human resources in the industrial sector, and providing financial and technical support towards fulfilling those needs.
- To set a robust monitoring and evaluation system that maintains the effectiveness of training activities and easily facilitate impact assessment. Enhance the training system with great focus on technical and vocational training to fulfill the needs of industrial development.
- To enhance and support the skill standards and vocational qualifications system, and develop relevant learning packages, towards raising the standards of training provision, qualifying labor

to industry's needs, and endorsing labor with nationally and internationally recognized certification.

- To provide direct financial and technical support to foster the effectiveness of TVET provision and human capacity serving the industrial sector and ensure quality through preset effective assessment criteria.
- To establish a sustainable mechanism for training and employment of labor in contribution to fighting unemployment and providing decent livelihood for Egyptian Labor.
- To establish and implement a sustainable, web-based labor market information system.
- To set and execute policies and procedures necessary for attracting and qualifying labor and employing them in the industrial sector. Build a professional team endowed with all necessary capacity and growth opportunities for accomplishment of ITC mission and goals.
- To develop and carry out regular improvement and motivation plans that enhance the productivity of ITC team, and allow for advancement of its members career paths.

6. Industrial Modernization Centre (IMC)

IMC was established by a Presidential Decree as an independent body to give an impetus to the modernization of the Egyptian industry. It was jointly funded by the European Union (250 million Euros) the Egyptian government (103 million Euros) and the Egyptian private sector (73 million Euros) with a total budget of 426 million Euros.

Today IMC is part of the everlasting process of continuously bringing Egyptian industry to international competitiveness with serious commitment from the Government of Egypt to continue financial support for years to come.

Egypt's economic development critically hinges upon the competitiveness and growth of the industrial sector. Consensus is that industry is the engine of growth for Egypt to prosper in the future. The Industrial Modernization Centre (IMC) is set to perform as the prime agent for substantiating the government's vision of a vibrant and globally competitive industrial sector. The aim is to create an enabling environment in which the private sector can lead growth and make Egyptian industries leapfrog into global competitiveness.

7. Trade Agreements Sector (TAS)

The mission of the Trade Agreements Sector (TAS) is to implement the trade policies (export & import) of the Ministry of Trade and Industry in order to promote trade expansion and sustainable economic growth through the negotiation and administration of, as well as the coordination and compliance with, bilateral, regional and WTO trade agreements, including the enforcement of Egypt's rights under all trade agreements.

In 2004 TAS, through its various departments, drafted its first Trade Agreements Sector Program for the Promotion of Egyptian Exports during 2005-2006, which details the Sector and the Ministry's strategy to promote Egyptian exports through bilateral, regional and multilateral agreements.

8. General Organization for Export and Import Control (GOEIC)

The General Organization for Export and Import Control is an executive body affiliated to Ministry of Trade and Industry; and works as a service provider. It aims at customer protection and maintaining the good image of Egypt worldwide through inspecting the quality of imports and exports; using the most recent techniques and methods; in addition to preparing exports and imports statistics and reports.

Activities:

Specific Import and Export Control Register Keeping for Importers, Exporters, Commercial agents and Scientific and consultancy offices; issuing the certificates of origin for goods of Egyptian origin and of acquired Egyptian; origin sorting and categorizing agriculture crops.

9. Foreign Trade Training Center (FTTC)

FTTC is a non profit organization established in 2001 by the Ministry of Industry and Foreign Trade as the first specialized training center in export promotion. FTTC establishment came to support the Egyptian Government's clear vision towards a competitive and comprehensive trade scheme, setting export promotion as a priority for the next decade. The Centre was established in collaboration with the Japanese Government represented by Japan International Cooperation Agency (JICA) and Japan External Trade Organization (JETRO).

FTTC started operation in 2002 and signed a Memorandum of Understanding for the cooperation with JICA and since then both were jointly engaged to create a training institution to deliver training courses and services related to business and trade development using the state-of-the-art in training methods and techniques for accelerating the awareness of the global market needs and competitiveness.

The overall objective is the development of Egyptian export through empowering and enhancing exporters skills in terms of competitiveness and international marketing techniques.

10. SMEs Export policies Development Sector

It aims to develop the competitiveness of small and medium enterprises by proposing an integrated package of policies and programs supporting and stimulating business environment surrounding these projects with follow-up and evaluation of policies and programs on a regular basis.

11. Egypt Expo & Convention Authority (EECA)

EECA is the sole official authority concerned in organizing the Fairs & Exhibitions inside Egypt and abroad; it however also grants permissions for holding such Fairs and Exhibitions to the companies concerned according to a republican decree.

EECA offers many required services to both Exhibitors and visitors and to the exhibiting companies.

Activities:

- Organizing the annual Cairo International Exhibition
- Organizing Specialized Exhibitions in Egypt
- Developing participation plans in external exhibitions
- Coordinating with other export relevant authorities
- Coordinating with Egyptian producers and exporters
- Planning and organizing terms of participation.
- Selecting exhibits according to marketing and economic studies
- Preparing and implementing of publicity programs abroad
- Providing exhibitors with different facilities and services before, during and after the exhibitions and fairs.

12. QIZ unit

QIZ Unit is part of the Technical Office of Minister of Trade and Industry (MTI). It serves as an executive and technical support unit for the Egyptian side of the Joint Committee that is vested with managing the implementation process of the terms of the QIZ-Protocol.

Qiz-Unit objective is to maximize the value that qualified Egyptian companies can obtain from the flow of custom-free Egyptian goods to the USA.

Main Activities:

- Receiving applications from the Egyptian companies located in the QIZ designated zones and willing to be included in the List of companies entitled to the US customs preferential treatment under the QIZ protocol.
- Reviewing merits of such applications in terms of their meeting all geographic and rules of origin requirements of the Protocol.
- Auditing compliance of the companies on the QIZ list in order to determine whether they still meet qualification requirements, hence remain on the List or be suspended if found noncompliant.
- Serving as an information center for local and foreign businesses interested in doing business under the terms of the QIZ protocol.
- Providing decision support services to members of the Egyptian side of the Joint Committee through compiling data and statistics on all QIZ-related activities

13. Export Credit Guarantee Co. of Egypt (ECGE)

In 1992, the government endorsed the "National program for Guarantee, thereby establishing the Export Credit Guarantee Company of Egypt and entrusting it with the task of managing the Egyptian Program for Export Credit Guarantees.

The goal of the company is to encourage and promote Egyptian export and contribute toward strengthening the agricultural, industrial, commercial and services export sectors, through the guarantee of the export operations of national commodities and services against commercial and non-commercial risks be determined by the guarantee policies approved by the company's board of directors.

Main activities:

- Provide guarantees on export operations dealing in national commodities and services against commercial risks through insurance policies issued by the company and payable to banks and other financing sources.
- Provide reinsurance on all policies issued by the company by means of agreements concluded by it in the national or international markets for insurance and guarantees.
- Have the company assume the role of reinsurer by having it accept to reinsure operations carried out by parties having similar activities.
- Participate in or contribute to national or foreign organizations, establishments, and companies engaged in activities that are similar, complementary or related to the company's, or the aim at the realization of the company's goals

14. Export Development Bank of Egypt

The Bank started its activities in Feb. 1985 at the time when the economic arena was characterized by major developments, a matter which gave the bank mission special significance, as Egypt was suffering at that time from great pressures on its balance of payments. This was apart from the rising deficit of the balance of trade. Consequently, the external debt problem started to represent a sort of concern to the Egyptian economy in all its sectors.

The Bank was founded as a financial institution to boost Egyptian exports. The export development issue is not only an economic policy to cope with the balance of payments problem, but also represents

a strategic trend for development policies in a global economy that gets closer and integrated every day. Accordingly, the export sector is a crucial propeller for modernization and development. There are various examples of many small and medium size countries in which the export sector played a significant role in developing their economies.

15. Social Fund for Development (SFD)

The SFD was established by Presidential Decree 40/1991 as a socio-economic safety net to combat unemployment, alleviate poverty, improve living conditions and help attain comprehensive socio-economic development. To this end, the SFD is entrusted with supporting MSEs, providing an integrated package of financial and non-financial services for start-ups and coordinating efforts with all MSEs development institutions and stakeholders in view of adopting policies and legislation required for their promotion pursuant to Law 141/2004.

SFD operates through a network of 31 regional offices covering all the governorates of Egypt with one-stop-shop (OSS) service complexes annexed to each to guarantee an efficient lending process and streamlined administrative procedures (licensing, commercial registry, tax cards...).

Objectives:

- Developing and financing feasible MSEs
- Improving living standards in targeted areas
- Contributing to employment creation, especially for the youth and women
- Alleviating poverty.

Non-government organizations

I National organizations

1. Federation of Industries

The FEI was first established in 1922 and today it overlooks the operations and tackles the barriers facing the entire Industrial Sector. This is implemented through 16 chambers and 12 Decision Support Committees that are constantly developing programs and services to facilitate and support the various industries in Egypt.

The Chambers act as the strategic organizational entity which labors restlessly in order to enhance the performance and productivity of the Sector members in addition to providing tools that facilitate the overall commercial and business effectiveness.

The Federation Chambers are: Building Materials Industries, Chemical Industries, Engineering Industries, Information Technology & Communication, Leather Tanning, Petroleum & Mining Industries, Printing Industries, Textile industries, Cereals & Its Products, Cinema Industry, Food industries, Leather Industry, Metallurgical Industries, Pharmaceutical Cosmetics & Appliance, Private Sector Healthcare Providers and Wood Working & Furniture Industries

Services:

- Helping the high management to set plans and taking the right decision to reach an overall development plan for their establishments via three programs executed by the "Industrial Modernization Center", as follow:
 - Program of increasing the competitive ability on local standards
 - Program of increasing the competitive ability on national standard
 - Program of increasing the competitive ability on world standard

- Offering technical consultations & labor training in the field of the cleanest production
- Offering loans with administrative fees estimated by 2.5% to help the industrial enterprises to recon ciliate its environmental situation.

2. Commodity Export Councils

The export councils are regulatory framework that combines exporters and producers to link the production and export policies.

The councils aim to develop of Egyptian exports of various goods and services of the various sectors of the economy by strengthening its competitive position in foreign markets.

The commodity export council are established by the Ministry of Trade and Industry representing the link between private sector exporters and government regime.

Immediate objectives and actual activities vary from one council to another.

General objectives of the export councils are:

- Improving the legislative and business environment for industry
- Improving the competitive advantage of the specific sectors
- Strengthening the industry's positive image of the specific industries in the world market

Commodity export councils include:

- Leather & Leathern Productions Commodity Council
- Electronic & Engineering Goods Commodity Council
- Medicines & Antiserums Commodity Council
- Building Materials, Mineral and Caloric Commodity Council
- Spinning & Textile Commodity Council
- Home Furniture Commodity Council
- Ready Made Products Commodity Council
- Agricultural Crops Commodity Council
- Food Commodity Council
- Wood Commodity Council

3. Egyptian Exporters Association (EEA - ExpoLink)

Egyptian Exporters Association objectives are:

- Increase Egypt Exporters Competitive Advantages.
- Achieve positive country-of-origin position.
- Increase Access to Reliable Market Information.
- Institutionalize Policy Advocacy.

Egyptian Exporters Association mission is to become a world class, member-based export development organization that supports sustained export growth, thereby increasing employment opportunities and achieving equitable economic prosperity for Egypt.

4. The Union of Producers and Exporters of Horticultural Crops (UPEHC)

The Union of Producers and Exporters of Horticultural Crops (UPEHC) is the biggest union in the field of agriculture in Egypt. It was established in 1971 under a special law endorsed by the Egyptian parliament and presidency to booms Egypt's horticultural production in quality and quantity.

As set by its issuing law, major goals of UPEHC establishment can be summarized as follows:

- Enhancement of the Egyptian horticultural industry
- Development of Egyptian horticultural exports

- Creation of new employment opportunities
- Increasing national income

5. Egyptian Businessmen's Association (EBA)

EBA was founded in 1975 and ratified in 1979 under the law 32/1964. EBA is a non-governmental, non-for-profit organization that seeks to unify the efforts of private Egyptian interests in contributing to the productivity and efficient national economic and social development of Egypt.

The goal of EBA is to encourage inward investment by acting as a catalyst to spur the exchange of trade and investment between Egypt and the world.

EBA-Objectives are:

- To create a healthy economic environment for the businessmen in order to practice a constructive role in the economic development process
- To address economic issues and problems facing the business community through an effective dialogue with Government officials and authorities
- To strengthen the role of the business community in the economic decision-making policy with the aim of better application of laws and regulations resulting in a higher level of performance
- To support the role of the Egyptian business community in the globalization process by enhancing the competitiveness of the Egyptian products in the foreign & local markets, and attracting foreign investment to development projects
- To provide useful services for businessmen in order to support their positions & strengthen their enterprises.

Mandate:

- Providing world class information for the Egyptian Business Community
- Providing comprehensive and maximized level of technical support for the Egyptian Business Community
- Strengthen the P.P.P. concept for better economic environment

International Donors and Programs Active in the Export Sector in Egypt

1. U.S. Agency for International Development (USAID)

Over the last 30 years, USAID has provided nationwide development programmes in Egypt in the health, education, small and micro-enterprises, tourism, infrastructure and trade facilitation sectors. With regard to the latter, USAID assists in strengthening the business environment and promoting trade and investment in Egypt through the provision of training, technical assistance, increased access to finance and information technology and expanded Egyptian private sector access to U.S. equipment and inputs.

Moreover, the USAID funded Private Sector Commodity Import Program (CIP) aims at stimulating private sector investments by financing imports and expanding the availability of foreign exchange that Egyptian private businesses can use to import U.S. made goods. The program also encourages the participation of businesses from Upper Egypt and supports local exporters.

In addition to that and since 1991, USAID has played a key role in the development of Egypt's small and micro enterprises through financial and technical support to cover 70% of activities in this sector. USAID assists Egyptian entities through providing credit facilities and financial services as well as technical assistance to upgrade microfinance institutions' management, marketing and entrepreneurial skills.

USAID-funded Agriculture-Led Export Business (ALEB) which supports processed food exports. They assist in utilizing market information, integrating food processing technologies/standards, enhancing marketing and business skills, strengthening associations and service-firms, and forming strategic alliances. They introduced a forfeiting firm from Zimbabwe to some local banks. But no significant business was achieved, mostly because of Africa's high risk.

2. The United Nations Development Programme (UNDP)

UNDP began providing development assistance to Egypt in 1966. Its overall mission is to support the Egyptian government in its efforts to reduce poverty and to promote sustainable development policies. UNDP has implemented various projects tackling trade assistance to small and medium enterprises. One of these projects was titled "Facilitating Business-Led Solutions to Poverty" and was carried out between 2009 and 2010. The initiative was designed to contribute to the achievement of the Millennium Development Goals (MDGs) by increasing the access to basic goods and services for the poor, in addition to creating and strengthening small and medium enterprises and linking them to larger value chains and external markets thus developing a more inclusive market with better export opportunities.

3. Italian Cooperation in Egypt

Being present in Egypt for many decades, the Italian Cooperation is involved in numerous developmental projects of environmental and socio-economic nature.

"The Programme of Integrated Support to Egyptian SMEs" was an initiative undertaken by the Italian Cooperation from 1998 until 2009 to provide technical and financial assistance with the aim to strengthen local Egyptian SMEs through promoting industrial cooperation with Italian enterprises. The United Nations Industrial Development Organization (UNIDO) was in charge of operating the programme.

4. Japan International Cooperation Agency (JICA)

The history of technical cooperation between Egypt and Japan dates back to the period before the establishment of JICA in 1974. Just three years after its inauguration, JICA opened a resident office in Cairo in 1977. In the 33 years since that time, JICA implemented a number of technical cooperation programs between Egypt and Japan in the various fields of development.

In the field of private sector development, JICA supports the growth of the Egyptian national economy by utilizing the vitality of the domestic private sector. JICA provides support in four areas: (1) trade and investment; (2) tourism; (3) promotion of small and medium-sized businesses and industrial technology; and (4) promotion of peripheral industries. In 2002, JICA carried out the "Project for Foreign Trade Center" which aimed at promoting Egyptian industrial exports and improving overall investment and business conditions in Egypt.

5. The Japan External Trade Organization (JETRO)

JETRO supports exhibitions, technical assistance and market research. In cooperation with ECS they launched an Egyptian Export Campaign to Japan. JETRO was established in 1958 as a special public institution to enhance Japanese exports to the world. Later, as Japan's trade surplus grew to unprecedented levels, JETRO concentrated on supporting foreign companies enter the Japanese market through developing mutually beneficial relationships with Japan's trade partners and by implementing a wide range of programs based upon thorough research analysis, as well as a

comprehensive network coordinating reciprocal interests. In addition, JETRO is involved in supporting developing nations to nurture their industries by promoting cooperation between industries in Japan and other nations and encouraging international exchange on a variety of levels. JETRO's representation in Cairo is carrying out a wide range of programs enhancing bilateral trade between Japan and Egypt, such as the "Export to Japan Study Program" (EJSP) and the "Trade Tie Promotion Program" (TTPP).

6. Finnish Cooperation

Though the Embassy of Finland in Cairo Finnish Cooperation provided official services related to the promotion of exports. These services include, inter alia, supply of information and materials, assistance for companies in the establishment of contacts with i.e. local authorities and the business community. The Embassy follows political and economic developments in Egypt and provides information on request to companies about the country and the region, including information about recent developments. The mission seeks to reply to inquiries concerning trade and local economy whenever applicable.

7. CIDA Projects in Egypt

CIDA-INC helps Canadian firms establish partnerships in developing countries, focusing on technology-transfer. INC finances feasibility studies, market research and development, legal expenses, etc. This, in addition to availability of a foreign partner, facilitates project's access to local banks' finance.

Also, Business Development Services Support Project (BDSSP) is a \$ 20 million project funded by the Canadian International Development Agency (CIDA) and executed by the Association of Canadian Community Colleges (ACCC). BDSSP's goal is "to foster better employment opportunities through support to Small and Medium Enterprises (SMEs) development with an emphasis on the country's marginalized groups (women and youth)". CIDA has identified SME development and growth as a key element to help alleviate poverty and improve the quality of life of many Egyptians. BDSSP builds on CIDA's involvement in the SME sector development in Egypt and it is closely aligned with CIDA's Egypt Program goal: "to support Egypt in its efforts to reduce poverty of the country's marginalized groups, in particular women and youth".

8. European Commission

The EU is the second largest donor in Egypt after USA. Until recently, the EU-Egypt bilateral relations were almost exclusively developed in the framework of the Barcelona process and through the implementation of the MEDA programme. With the entry into force of the Association Agreement, relations entered into a more intense phase which covers a much wider spectrum of fields of cooperation and aims at supporting the economic and political reform in Egypt and a much closer partnership between the EU and Egypt.

Projects and programmes under MEDA I focussed mainly on the promotion of key economic and social reforms. Under MEDA II, the main priorities of EU financial co-operation with Egypt, are i) promoting the effective implementation of the EU-Egypt Association Agreement (AA) ii) supporting the process of economic reform and transition; iii) supporting stability and sustainable and balanced socioeconomic development.

9. UNIDO

The UNIDO Regional office in Cairo was established in 1999 in collaboration with the Ministry of Trade and Industry. Over the years UNIDO has been supporting Egypt's progress towards the achievement of social and economic growth, through the promotion of industrial development for employment generation and environmental sustainability.

Leveraging its extensive experience worldwide, UNIDO responds to development challenges in Egypt by providing technical expertise and capacity-building measures to trigger a range of environmental, social and economic benefits, unleashing the potential for inclusive and sustainable industrial development.

UNIDO is currently engaged with the Government of Egypt and its civil society in initiatives that relate to: agro-industry development, human security in Upper Egypt, small and medium enterprise development and job creation, energy efficiency and renewable energies, implementation of Montreal Protocol activities, promotion of green industries.

Also, UNIDO has developed an interregional project to support the creation of SMEs consortia in the North African and Latin American regions, choosing four target countries, namely Egypt, Morocco, Peru and Ecuador. The project component implemented in Egypt, aims to improve the economic and social performance of origin and export consortia member companies. To this end, UNIDO intends to (i) build the capacity of national public and private support institutions in the country to promote, on a regular basis, the creation and development of origin and export consortia; and (ii) foster information exchanges and dissemination of best practices on export consortia among local and regional institutions.

In this context, technical assistance and support programs are carried out in collaboration with export councils (Food Export Council, Engineering Export Council, Furniture Export Council, Home Textiles Export Council), technology centers and other specialized national institutions supporting SMEs and export promotion.

10. International Trade Center (ITC)

The focus of ITC intervention in the Arab countries including Egypt is building core capacities following areas:

- to view export development strategically,
- to analyze trade and market data,
- to enhance regional integration, trade and networking,
- to help Small and Medium Enterprises (SMEs) integrate into global value chains.

Currently, Egypt is included in the regional program "Building Export Capacities for Regional Integration in the Arab States".

The goal of the program is to foster inclusive economic growth and increased employment in the Arab states through the promotion of trade reforms and the broader development agenda and deepening of regional integration and regional and national AfT engagement

The objectives of the program are:

- improving transparency about non-tariff measures (NTMs)
- creating regional trade intelligence capacities
- strengthening TPO capacities
- establishing a regional TPO network

11. African Export-Import Bank (AFREXIM)

AFREXIM's portfolio in Egypt is US\$ 60 million. AFREXIM mostly deals with banks, provides them with finance and/or guarantee of the foreign importers' banks i.e. mostly for post-shipment stage. They can deal with clients directly with minimum size of US\$ 10 million in annual sales turnover or US\$ 2 million in balance sheet total.

12. The Arab Trade Finance Program (ATFP)

The Arab Trade Financing Program (ATFP) is a specialized multi Arab financial institution with a mission to promote Arab trade and to increase the competitive capabilities of the Arab producers and exporters.

ATFP aims at promoting Arab trade and the realization of the objectives of the Agreement for the Facilitation and the Development of Trade between Arab Countries and the Arab Free Trade Zone. The Program provides various financing tools that include besides the Lines of Credit that are made available to its national agencies, risk sharing with the national agencies in its financing operations, forfaiting and financing in accordance with the Islamic Sharia.