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# PRIVATE SECTOR LANDSCAPE ASSESSMENT

## USAID/EGYPT

### **Overview of the Assessment**

This Private Sector Landscape Assessment (PSLA) aimed to gather data to help the Egypt Mission understand specific private sector–related opportunities and synergies and to inform the Mission’s 2020 Country Development Cooperation Strategy process. The assessment sought to add to the Mission’s existing private sector stakeholder database, expand its understanding of private sector goals and challenges, begin relationship building with new contacts, and identify appropriate actors for potential short- and long-term partnerships.

### **Methodology**

The assessment team began the PSLA with a desk review and in-person consultations with USAID/Egypt staff in March 2020. Research included current trends and opportunities in Egypt and a review of relevant external publications and internal Mission documents. As part of this effort, the team also used the private sector database that the Mission already had and leveraged local expertise and networks to identify more than 200 new contacts for local, regional, and multinational firms and investors in key sectors whose business interests align with USAID’s development objectives.

The evolving COVID-19 pandemic prohibited the in-person interviews that form the typical foundation for PSLA data collection. Accordingly, the Learning, Evaluation, and Analysis Project III (LEAP III) modified the

PSLA format to collect data remotely via an online survey and virtual key informant interviews (KIIs). The approach recognized both the practicalities of remote data collection (i.e., the need to standardize questions better and the need to reduce the number of questions to make it manageable for interviewees) and improvement opportunities for some areas in the PSLA process (i.e., achieving a more nuanced understanding of motivations, power dynamics, risk factors, and relationships among private sector actors and across entry points).

The team scheduled and conducted 48 KIIs with stakeholders that USAID identified as a high priority and that represented various business/organization sizes, sectors, and geographic areas of operation. The team analyzed the following eight sectors: 1) agriculture and food processing; 2) business consulting services; 3) education, including vocational education and workforce development; 4) financial services; 5) health care; 6) legal services; 7) manufacturing; and finally, 8) tourism. For each sector, the team examined private sector challenges and aligned interests and engagement potential with USAID. Then, it presented concrete opportunities for USAID to collaborate with specific private sector actors to address key development challenges.

## **KEY FINDINGS**

The report included sectoral analysis for each of the eight sectors and an examination of cross-cutting themes such as the COVID-19 response and emerging opportunities; digitalization; policy and institutional reforms; and women's empowerment. There were six overarching, thematic key findings summarized in the PSLA:

- The business-enabling environment in Egypt is a persistent development challenge that cuts across all sectors.
- Integrating micro small and medium sized enterprises into lead-firm supply, service, and support networks is an overarching business objective.
- Egypt needs more investment in training and technical and vocational education to upgrade workforce skills in line with shifting job opportunities in all sectors.
- The entire Egyptian economy needs a digital transformation, including in telehealth and in digital learning platforms, manufacturing, and government administration.
- Youth and women represent the greatest untapped human capital resource in Egypt and across the MENA region.
- Response to megatrends, like climate change and population growth, must be aggressive, comprehensive, and persistent, and include a large increase in investment in private sector-led research and development.

## **RECOMMENDATIONS**

The assessment team drafted sixteen potential collaboration models for the Mission to explore. Each model included a description of the collaboration model and defined the value proposition, mapped not only to the development rationale for the proposed interventions (i.e., decreased youth unemployment) but also the business case (i.e., higher productivity through access to skilled labor). The assessment team also proposed a technical approach and structure, potential partners and their roles, the models' sustainability potential, and immediate next steps. Following the completion of the PSLA, the assessment team also worked with Mission technical teams to begin prioritizing and operationalizing the collaboration models.