



Social entrepreneurship mapping

SCOPING FOR SOCIAL ENTERPRISE PROGRAMMING IN IRAQ, JORDAN, PALESTINE AND YEMEN

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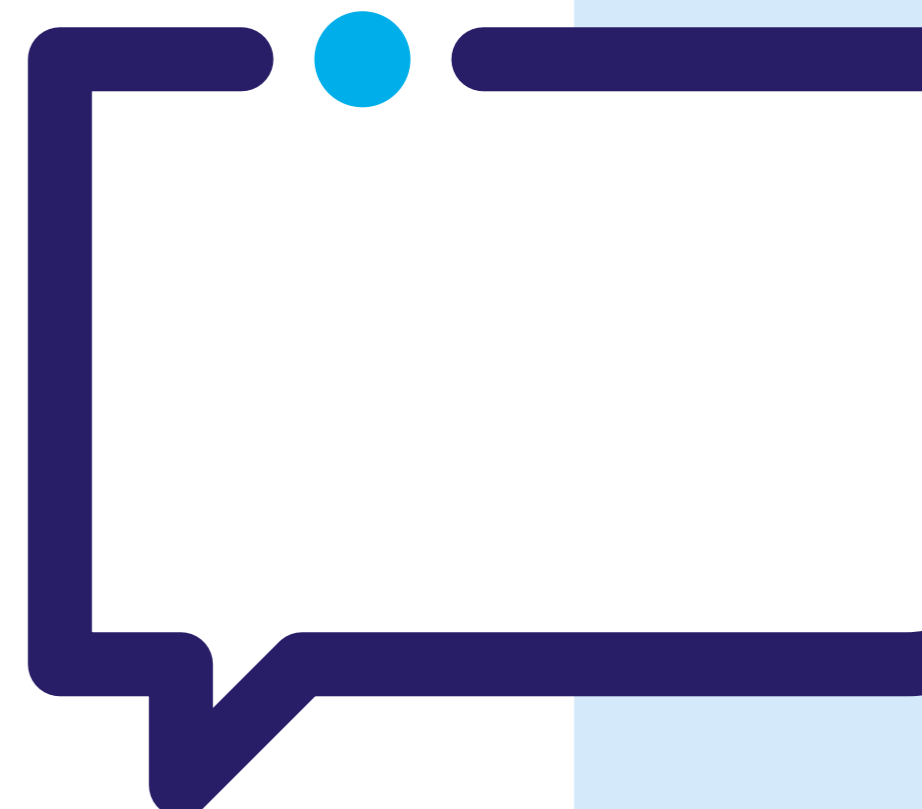
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List of acronyms

COOP	Cooperative
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
ESOs	Entrepreneurship Support Organisations
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German development agency)
MENA	Middle East and North Africa
MSMEs	Micro, Small to Medium Enterprises
NGOs	Non-Governmental Organisations
NMSMEs	Nano, Micro, Small to Medium Enterprises
SE	Social Entrepreneurship
SEs	Social Enterprises
SMEs	Small to Medium Enterprises
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development

Foreword

I am delighted to introduce the 2021 British Council scoping report on Social Entrepreneurship mapping in the Levant cluster covering Jordan, Yemen, Palestine and Iraq.

The global pandemic has magnified the decade-long challenges in this part of the world, with its impact spread across multiple areas – health, social, education, economic, environmental and political, and felt by different social groups especially the most vulnerable ones. As a result, we are witnessing an economic downturn that affects business activities and people's lives. The emerging situation is also causing job losses across the region and presents serious societal challenges. It has disrupted education, increased inequality, and exacerbated the humanitarian and refugee crises that long existed in these countries.

In response, local and international organisations have been trying to meet the immediate needs of individuals and support the system so it can better cope with the Covid crisis and, at the same time, outline sustainable solutions that focus on recovery from Covid-19 as well as working to support regional stability. Yet, given the scale and complexity, it requires new ways of working to tackle causes of fragility and fulfill the needs of the most affected groups.

As the UK's leading international cultural relations organisation, the British Council in the Levant prioritises supporting young people in multiple areas including education, arts and culture, sports, English language, youth and skills, civil society, and community development.

We utilise our cultural engagement approach to build long-term partnerships based on mutual understanding and the exchange of knowledge and ideas, equipping a new generation with the skills they need to secure opportunities, giving them a fair chance to be heard and to make a difference. We are pleased to see so many of our youth play an active role in crisis response at local and regional level through our programmes, despite the challenges they face on a daily basis.

In particular, it's very encouraging to see more people embracing the idea of Social Entrepreneurship by coming together to support a better quality of living, even when the concept remains niche and exclusive in wider society.

This report aims to define Social Entrepreneurship in the local context and takes a deep dive into how social enterprises are responding to the multiple crisis in Jordan, Palestine, Yemen and Iraq through the lens of young people. Through our findings, we have attempted to answer some important questions on everybody's mind: what does the emerging ecosystem look like? What kind of skills and experience do we need to better respond to these challenges?

I hope you enjoy the readings and analyses included in this report based on our research. Together, we can unlock the potential of the promising sector of Social Entrepreneurship and bring more hope to our young people and society.



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Introduction

Despite being a nascent concept in the region, social entrepreneurship (SE) is gradually emerging in countries like Jordan, Iraq, Palestine and Yemen. In these countries, the value of social impact is inherent and practices of social solidarity date back many years. People and communities have always explored approaches for a better livelihood and solutions to their most pressing challenges. Social entrepreneurship can be considered a form of social and solidarity economy (SSE) which is a 'concept designating enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity'.¹

The OECD adds that social economy organisations are driven by solidarity values, the primacy of people over capital, democratic and participative governance, and the principle of reinvesting the financial surplus into services for society.² SE is a new arena of economic activity that serves both social and economic ends, and operates on the principles of solidarity and sustainability rather than profit.³

Social entrepreneurship definition

Social entrepreneurship is a relatively new concept yet an old practice that has emerged as a sustainable and effective means to address social and environmental issues. Social entrepreneurship is also a broad concept and does not have an official and specific definition that satisfies different practices 'because it does not sit neatly in the box, it sits across the spectrum'.⁴ The absence of a unifying paradigm has led to a multiplication of definitions and notions of SE, in some cases influenced by geographical origins, approaches and different schools of thought.⁵

Combining business with social impact, SE is still open to many interpretations by practitioners and scholars globally, where multiple definitions and perceptions exist to explain the term through different lenses. For the purpose of this research and reflecting on a commonly used definition in the region, **social entrepreneurship can be defined as any phenomenon through which a group of citizens strive to solve their community's social and/or environmental problems innovatively and sustainably by using local resources to create products or services that generate revenue, with profit reinvested to scale up the social impact.**⁶



The digital skills gap in Iraq increases the time and cost of launching a start-up, mostly a tech start-up, according to Iraqi entrepreneurs

Journey analysis conducted by Kapita, in collaboration with GIZ, July 2020

¹ ILO Regional Conference, 2019. Plan of Action for the Promotion of Social Economy Enterprises and Organizations in Africa. Johannesburg. Available at: https://www.ilo.org/global/topics/cooperatives/projects/WCMS_546299/lang--en/index.htm [Accessed 28 May 2021].

² OECD, 2020. Regional Strategies for the Social Economy: Examples from France, Spain, Sweden and Poland. OECD Local Economic and Employment Development (LEED) Papers, No. 2020/03. OECD Publishing, Paris.

³ Moolaert, F. and Ailenei, O., 2005. Social economy, third sector and solidarity relations: A conceptual synthesis from history to present. *Urban studies*, 42(11), pp.2037-2053.

⁴ Krige K., 2016. The future is social entrepreneurship // TEDxJohannesburgSalon. [YouTube] 30 September. Available at: <https://www.youtube.com/watch?v=mx9MEuxoWn0> [Accessed 29 June 2020].

⁵ Bacq, S. and Janssen, F., 2011. The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship and Regional Development*, 23(5-6), pp.373-403.

⁶ Beyond Group and OXFAM, 2019. Social Entrepreneurship in Lebanon. A Proposed Policy Framework for Economic Inclusion and Social Solidarity. Beirut: Beyond Group and OXFAM. [Unpublished]

This definition holds three core dimensions on the nature of social enterprises (SEs):⁷

1. The social outcome of social enterprises: exploring the social innovation and impact of a social enterprise within the social, economic, environmental and cultural contexts of the country.
2. The governance structure of the social enterprise: showcasing the inclusiveness, transparency and participation mechanism within the social enterprise.
3. The sustainability of the social enterprise: examining the business model of a social enterprise to ensure its financial sustainability and how it makes use of local natural and environmental resources.

Lack of consensus on the types of activities, services and/or products delivered by social enterprises (SEs) or the sectors in which they operate, makes it difficult to decide unanimously on one definition.⁸

During recent years, social entrepreneurship has gained increased traction and recognition from various scholars seeking in-depth understanding and development of this concept, and the social and the entrepreneurial elements in its definitions.

While proposed definitions are complementary as each focus on a different aspect of the phenomenon, the challenge remains the building of a comprehensive picture of social entrepreneurship and how it should be studied.⁹

Social entrepreneurship as a socioeconomic driver

Social enterprises present a hybrid model of businesses with a purpose, and 'play an important role in driving sustainable and inclusive development, tackling inequality, and helping to address some of the biggest challenges'.¹⁰ In the Arab region in particular, SE holds tremendous promise to address social, environmental and economic challenges such as widespread unemployment, environmental deterioration and food insecurity.¹¹ More importantly, it is a vehicle for job creation, particularly for the most vulnerable groups, including youth, women and disadvantaged persons.

Complex regional challenges, combined with the repercussions of the COVID-19 pandemic on societies and economies, have further necessitated new and unconventional approaches to addressing the immense and pressing problems. To that end, the creation of sustainable jobs through the SE model becomes a key avenue for solving problems and harnessing entrepreneurial energy across the region.

⁷ Ibid

⁸ Nnemeke, N.F., 2019. An elusive concept: the problem of defining social entrepreneurship. *Бизнес Информ*, (11 (502)).

⁹ Mair, J. and Marti, I., 2006. Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), pp.36-44.

¹⁰ British Council, 2015. *Think Global Trade Social: How Business with a Social Purpose Can Deliver More Sustainable Development*. London: British Council.

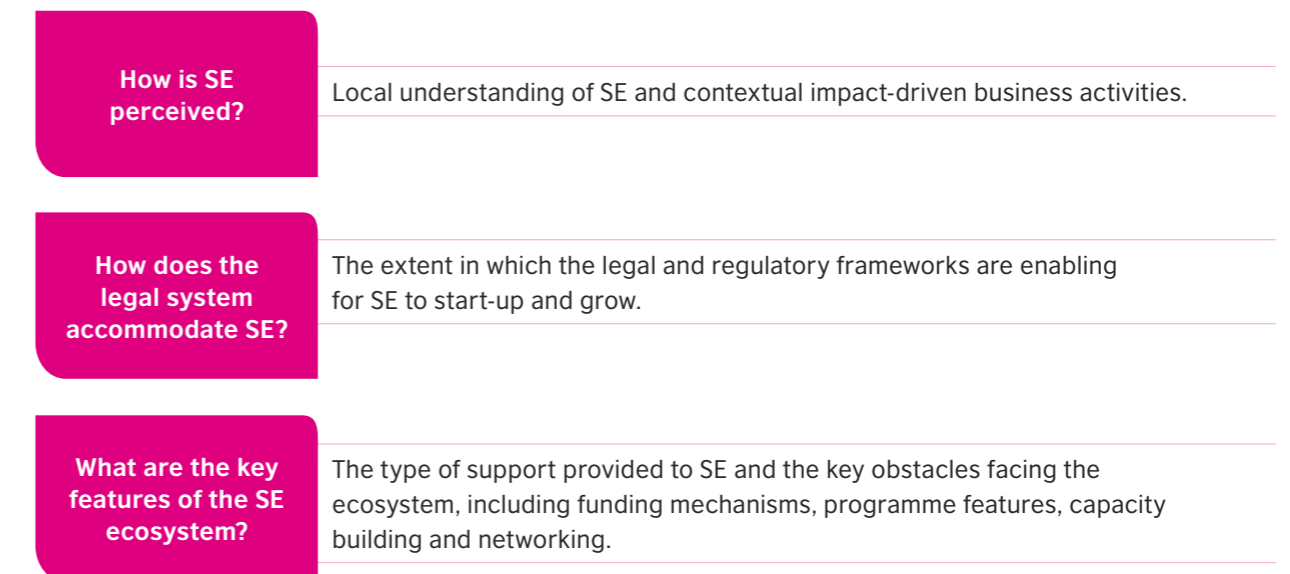
¹¹ Jamali, D. and Lanteri, A. eds., 2016. *Social entrepreneurship in the Middle East (Vol. 1)*. Springer.

Report objectives

Against this backdrop, continuous efforts have been undertaken to empower SE ecosystems regionally to build enabling environments for SEs to launch, grow, and scale their operations and impact. For this purpose, the 'Scoping for social enterprise programming in Iraq, Jordan, Palestine and Yemen' project aims to build the British Council understanding of social enterprise sectors in these targeted countries.

It will also inform future programming related to the growth and development of this sector.

Building on the British Council's approach to intervention in the social enterprise sector, this report looks into cross-cutting trends and patterns in the four targeted countries to understand the key features of the emerging SE ecosystems. This report explores three key aspects of social entrepreneurship in the region as follows:





This report explores key regional and country-specific trends, patterns and findings. Recommendations are deduced following the completion of research, data collection and analysis of the four targeted countries. The report is divided into three sections:

1. **Regional overview:** which explores the common trends and challenges faced by social enterprises across the four targeted countries. This section investigates key gaps in the SE ecosystem with a focus on the types of programming, SE education and funding. It presents key findings from the data collected from the four countries categorized into subsections:
 - a) community and local context;
 - b) regulatory and legal environment;
 - c) SE ecosystem and support environment.

2. **Suggested recommendations:** proposed recommendations building on the regional findings and responding to programmatic needs at the macro, meso and micro levels and their intersection, developed to improve the sector's growth and development. While this report did not explore in-depth recommendations by country, this section includes some insights into potential local interventions and/or partners on a country level.
3. **Country-specific data and findings:** key findings at the country level exploring the social entrepreneurship support environment and its nature and identity; analysing the current situation and how social business is developing; identifying the main opportunities and constraints to its development; and examining the enabling ecosystem through an analysis of characteristics, model strengths, and gaps in the structures, functions, and capacities of the different support organisations (institutional and non-institutional actors).

Methodology

Research approach and methodology

Research objective

This assignment is intended to build British Council understanding of the social enterprise sectors in Iraq, Jordan, Palestine and Yemen, and to inform future programming related to the growth and development of this sector.

The scoping exercise covered the following:

1. Overview of the social enterprise sector: mapping of social enterprise in targeted countries, how it started and why, highlighting examples from its role in crises responses (Covid-19, Syrian refugees, conflict and humanitarian crises), and key lessons related to its effectiveness both socially and economically.
2. Understand the geographic and thematic focus: identifying where social enterprise are most present and key thematic areas (e.g. women's empowerment, agriculture, culture, technology).
3. Define the ecosystem for social enterprise development: a broad look at the pathway for young people into this sector; any governmental initiatives and/or support from international donors and organisations; educational pathways; legal frameworks that govern or support such enterprises (if they exist).

The specific objectives of the study are to:

- Map social enterprise in the targeted countries, how and why they were initiated, highlight the role of this sector in crises responses (Covid-19, Syrian refugees, conflict and humanitarian crises), and key lessons related to the sector's effectiveness both socially and economically.
- Identify and evaluate the needs, potential, barriers and opportunities of the social enterprise sector in the four targeted countries.

- Identify key sectors and geographic locations that are most active and have potential for growth.
- Define the social enterprise ecosystem and identify stakeholders' contributions, impact and challenges.

Research guiding principles

The following principles guided the study implementation to ensure it achieved the planned objectives:

- **Comprehensiveness:** capturing all layers of the social entrepreneurship ecosystem (macro, micro and meso) to provide a complete picture of the current state of the sector.
- **Qualitative research method:** utilising qualitative research methodologies to complement and validate collected data.
- **Context specificity:** incorporating relevant social, economic, cultural, political, and specific variables and challenges relevant to each country in the design, analysis and implementation of the data collection.
- **Adaptability:** the tools used for this study and the implementation mechanisms were adapted where needed to fit the current contextual challenges (COVID-19 spread) and the specificities of the interviewees and vulnerable groups (access).
- **Ethics:** the methodology ensured the protection and anonymity of the targeted group and the data gathered, and an objective analysis to ensure full objectivity and impartiality of results.

Research phases

The project was conducted over the following phases:

- Phase 1: Inception and literature review
- Phase 2: Qualitative data collection (KIIs and FGDs)
- Phase 3: Analysis and reporting

Phase 1: Inception and literature review

This first phase was dedicated to launching the study and conducting a thorough review of the existing literature that guided the analysis.

This contributed to establishing the methodological foundations of the study and to gathering relevant data prior to the data collection phase.

This phase included the following activities:

1. Conducting an inception meeting with the British Council to agree on the project's objectives, methodology, targets, timeline and milestones. The proposed methodology and work plan were updated and consolidated following British Council's recommendations.
2. Conducting a comprehensive literature review on the areas of focus below for each country. The literature review allowed for a detailed, comprehensive and in-depth review of the needs and challenges of the social entrepreneurship ecosystem, social ventures and enterprises, social entrepreneurship support organisations, and national and local frameworks/structures. This included:
 - Trends in the SE sector at the national and regional levels.
 - Main characteristics of Social Entrepreneurship ecosystems, including key stakeholders, as well as nascent and existing initiatives.
 - Legislative, regulatory and institutional frameworks.
 - Sector structure, the main fields of activity and characteristics.
 - Preliminary list of major stakeholders in each country.

The desk research reviewed existing literature and material such as academic research and studies, international and local organisations' programmes, reports and project documentation, and government programmes and reports.

Phase 2: Qualitative data collection

This phase was dedicated to collecting data through qualitative data collection methods including Key Informant Interviews (KIIs) and Focus Groups Discussions (FGDs) and to conducting a comprehensive stakeholder mapping and assessment.

This phase included the following activities:

1. Data collection

- Developing data collection tools including interview and focus group discussion guides.
- Conducting data collection including KIIs and FGDs with SEs, SESOs, public institutions, and entrepreneurship and social entrepreneurship stakeholders.

2. Stakeholders mapping and data analysis

- A mapping exercise was conducted to provide a comprehensive list of stakeholders for each country. This list was analysed to identify:
 - Key actors and stakeholders
 - Characteristics and their contribution and impact to the sector (structure, functions, programmes, tools and working modalities, capacities, processes, etc.)
 - Gap identification.
- The mapping took place at three levels:
 - Online research per country to determine key and active stakeholders, SEs, SESOs, supporters, etc.
 - Recommendations and suggestions from contacts and a network in each of these countries.
 - Targeted contacts based on the desk review.

3. Analysing data: a thematic analysis of data, the most commonly used method for descriptive qualitative research, was adopted.

Phase 3: Analysis and reporting

This phase was dedicated to analysing the qualitative data collected and to developing a final scoping report as follows:

1. Developing draft scoping report
2. Developing a final scoping report that incorporated comments and feedback.

Research limitations

The research team faced various challenges during the data collection process. These included the following:

- Movement restrictions due to the COVID-19 situation did not allow live meetings to take place during the data collection phase, hence they were conducted over online platforms such as Zoom and Google Meet.
- Limited accessibility and available data on the SE sector or relevant information led the team to mobilise its network and connections built throughout the past to reach out to actors and stakeholders for more access to updated data, resources and contacts, and consequently, build the analysis primarily on data collected through the conducted KIIs and FGDs.
- Across the different countries, there was a challenge in reaching and having a conversation with public sector institutions. The research team was successful in reaching some, could not pursue others given the time limitation, and was not able to reach some institutions at all.
- The timeline given for completion of the study was limited. In addition:
 - The depth of the data collection was also limited as the research team was not able to engage with and capture grassroots and less visible community activities and initiatives, especially in larger countries like Iraq and Yemen. Hence, findings are not representative of the ecosystems and require further validation.



Image © Poyraz Tutuncu/Pinhole Istanbul

- Data collection activities were conducted in parallel over online platforms for increased time efficiency and while mobilising more resources.
- In particular countries such as Yemen, and due to its contextual challenges (e.g. security concerns), FGDs were difficult to organise. Participants were not comfortable taking part in online meetings and approval was required before organising a FGD, which the project timeframe did not allow for. This was compensated for by conducting more KIIs with specific targeted stakeholders.
- The data generated from the conducted KIIs and FGDs was not representative of the entrepreneurship ecosystem and does not reflect a comprehensive analysis of the current entrepreneurship context. Particularly in countries like Iraq and Yemen, the collected insights could not be generalised or considered accurately representative of the realities of the ecosystems.

A glimpse into social entrepreneurship in the region

Understanding social entrepreneurship

The four countries of focus in this report, Iraq, Jordan, Palestine and Yemen, are countries that have suffered for a relatively long period of time from economic, social and political hardships.

Despite significant differences, this section describes the key similarities and common challenges of social enterprise in these four countries through exploring three levels as follows:

Community and local context	Local cultural dynamics and traditions Community vs. individual focus or entrepreneurial effort
Legal and regulatory environment	Available social economy frameworks and innovation SE framework and current challenges for start-ups and SEs
SE ecosystems (funding and support)	Short-term conditional funding Investment challenges for SEs Support geared towards job creation

Community and local context

The first level discusses the centrality of the community in social entrepreneurship programming in the region. As most SE programming adopts change in local communities as a key target/objective, these programmes do not necessarily consider the inherent local approaches of collaboration, whether familial, tribal, communal or other legal forms such as cooperatives.

Rather, community participation in social entrepreneurship programmes is limited to individual entrepreneurs' empowerment with the aim that this effort will be invested back in the community. Additionally, the community engagement aspect in SE programming is often reduced to a step in the process of SE development rather than an integral part of the journey.

The findings below describe the key approaches to community engagement employed in SE programming in the four countries.

Social entrepreneurship is not new. The value of the social impact is inherent to Iraq, Jordan, Palestine and Yemen through practices that date back many years and are well-maintained in some rural areas.

Prior to major transformations in the world economy, particularly in the neoliberal era, citizens of these countries adopted practices to improve livelihoods by looking through a collective lens. This might be through Zakat,¹² a practice entrenched in societies as a form of solidarity, or cooperatives, a more recent framework, or small, local solidarity forms of initiative. Despite the different social impact of these approaches, solidarity initiatives have always sought the collective interest through collective economic activities that maintain the livelihoods of communities. Compared to the common social solidarity practices, social enterprise is therefore a modern framework to achieve social impact using new tools that certainly require alignment with the rules of the market and legal frameworks. With the introduction of social entrepreneurship as a concept in this region, and backed by substantive international funding, some early adopters have become more involved either through starting social enterprises or playing a supportive role. However, the increased interest and funding to the social enterprise sector has had its downsides, summarised by many interviewees in the adjacent quote.

This perception shows that the understanding of social enterprise, their model and role should be communicated widely for these enterprises to gain the trust of the community, and to help them grow and sustain their impact.

The increased funding to civil society and free access to services provided by CSOs has undermined the ability of social enterprise to generate income and be sustainable. As many services are provided by CSOs free of charge, interviewees stated that beneficiaries become sceptical about social enterprise charging for services and generating income with the perception that they are already funded by international organisations. In addition, the services provided by NGOs free of charge might be perceived as charity by beneficiaries, which makes it difficult for them to accept the idea of generating money from charity efforts, or more accurately 'culturally inappropriate'. Confusion between the values of 'giving' or offering help and commercial activities is still widespread among residents of these countries.

¹² An Islamic form of charity and ancient taxation instrument.

Social entrepreneur-centred support: The individual social entrepreneur is given more weight in the process than community engagement and collective benefit.

With the increased interest in SE, particularly as an organic shift from start-up development to more socially responsible and engaged businesses, attention may have drifted from the potential of community-led initiatives to the entrepreneur's leadership, capability and drive. Social entrepreneurship support programmes tend to revolve around the entrepreneurs themselves and the impact stems from each individual's drive for change, instead of capitalising on current societal initiatives in different localities. This brings us to the centralisation of developed social enterprise in urban centres, when present, where access and exposure is much higher than in peripheral and rural areas.

Social entrepreneurship development programmes are highly focused on building the capacity of social entrepreneurs and equipping them with the right tools to start and grow social enterprise. However, according to many interviewees, building the team is always a key challenge for social entrepreneurs. Looking beyond the ability to source talent, it is a fact that social entrepreneurs are mostly on their own in the early stages of their project. Thus, social entrepreneurs in the four targeted countries are the focal point of projects and interventions.

The limited attention given to local and contextual practices of communal solidarity may have influenced a key aspect of social enterprises' impact, community engagement and participation. The approach to programming does not necessarily stem from local collective efforts but from individuals who are willing to assume the responsibility of solving a particular community problem and the risk associated with it.

While several social enterprise initiatives are known to have grown from grassroots and collective efforts, social enterprise programming in general does not focus enough on empowering these initiatives compared to the direct support that individual social entrepreneurs receive. Communities are losing out on many initiatives that could be bringing transformational solutions to their localities by dedicating less efforts to SE support and empowerment.

SE programming seems disconnected from the social economy sector in which existing initiatives, available services and activities, and potential for growth can be built further and capitalised on.

Social entrepreneurship is still a niche and exclusive concept as it is not sufficiently communicated, taught and experienced in both formal and informal education.

Social entrepreneurship education has been reduced to training workshops provided by civil society organisations and SE support organisations (when available). SE education is still highly exclusive as it is directly connected to access to organisations providing these learning opportunities. In many cases, SE education is limited to regions or cities where the concentration of CSOs is high, and is unknown in other areas where civil society is not active. Moreover, SE has not been introduced to the educational system in any of the four countries, neither in universities nor in schools.

Entrepreneurship education, on the other hand, has been introduced to many university programmes, whether as a specialty or elective courses, mainly in business schools. Some organisations have been working for years to provide extracurricular activities focused on entrepreneurial education for school students, such as INJAZ which is very active in Jordan, Iraq, Yemen and Palestine. The impact of such interventions in educational institutions is instrumental in widening a common understanding of the concepts, making it easier for ecosystem support organisations to target individuals who are already familiar and aware of what entrepreneurship means and entails.

To promote social entrepreneurship, it is vital to start familiarising people with the concept at a young age and not only to link SE education to actual support programmes (see Figure 2). Figure 2 describes a typical SE support intervention which usually assumes that becoming acquainted with the concept of SE through training, during the first step of the program, is enough for individuals to start their own social enterprises. While the role of training in SE programmes should not be underestimated, wider communication of the SE concept will promote it as an aspiration and an option for youth rather than the dichotomy of employment versus entrepreneurship.

The concept is not well known in Yemen. Most people speak of entrepreneurship while not necessarily focusing on the social aspect. However, with the current drastic situation, any support intervention is having a positive impact on both the social and economic level.

Social Entrepreneur

Findings in summary

- Social entrepreneurship is not new. The value of the social impact is inherent to Iraq, Jordan, Palestine and Yemen through practices that date back many years and are well-maintained in some rural areas.
- SE support programmes in general are social entrepreneur-centred. The individual social entrepreneur is given more weight in the process than community engagement and collective benefit.
- Social entrepreneurship is still a niche and exclusive concept as it is not sufficiently communicated, taught, and experienced in both formal and informal education.

Legal and regulatory environment

According to the World Bank ease of doing business rankings, the four targeted countries are at very low levels out of a total of 190 economies globally (Ease of doing business rankings for 2020: Jordan 75; West Bank and Gaza 117; Iraq 172; and Yemen 187).¹³ Factors including lack of incentives, high taxes and strict trade policies are integral contributors to the limited and decreasing entrepreneurial intentions needed to start a business, let alone a social business, across the region.

The findings below describe the key aspects of the legal and regulatory environment of entrepreneurship and social entrepreneurship in the four targeted countries.

Regulations and legal processes are not being updated and revisited to facilitate institutional and legal procedures or allow the advancement of integral enabling laws for start-ups.

Existing laws, policies and regulations for start-ups across the observed countries are either non-existent, outdated or lack the necessary adjustments to meet development of both the entrepreneurship and social entrepreneurship sectors.

Start-ups in these countries face multiple challenges as a result of complex, lengthy, costly and bureaucratic processes of registration, licensing and taxation. In Jordan for instance, start-ups have to incur the costs of registration, social security and taxes, which according to interviews with social entrepreneurs, consume most of the initial investment. In Iraq, start-ups consider taxation to be a major burden. According to some interviewees, entrepreneurs do not even promote their businesses online to avoid the attention of the tax authorities. The challenges faced by start-ups are not only a result of the restrictive legal environment but are also linked to administrative processes, and the efficiency of the responsible authorities and policy making processes.

Despite efforts exerted by governmental agencies, particularly in their economic strategies, enabling start-ups and SME development is still a major challenge.

Country	SME Support	Source
Palestine	Palestine's National Policy Agenda 2017-2022 prioritises economic independence through improving Palestine's business environment by supporting business start-ups and MSMEs.	National Policy Agenda 2017-2022
Jordan	Jordan's 2025 National Vision and Strategy seeks to 'intensify initiatives aimed at enhancing and developing the competitiveness of SMEs' and to promote a culture of entrepreneurship and innovation.	JORDAN 2025 A National Vision and Strategy
Yemen	Yemen's National Vision 2002-2025 encourages banks 'to contribute to economic recovery and support development by focusing on SMEs' and endorsing bank lending to small businesses.	National Vision for the Modern Yemeni State 2002-2025
Iraq	Iraq's vision for sustainable development 2030 mentions that the most suitable strategy for Iraq will be based on three investment pillars, including SMEs 'which enable wide-scale job creation in the short term'.	Iraq vision for sustainable development 2030

¹³ A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm. <https://www.doingbusiness.org/en/rankings>

The status of legal registration for social enterprise is even more challenging. First, social enterprises are not recognised within the legal frameworks in any of the four countries. Thus, social entrepreneurs have limited options to register their projects, which runs counter to the need of social enterprise to kick off, grow and focus on social impact.

Social entrepreneurs in these four countries have explored different ways to register their enterprises, whether as non-profit organisations, limited liability companies or non-profit companies, depending on the available frameworks. Still, these frameworks are limited to the dichotomy of profit or non-profit entities, which leaves no room for social enterprises to focus on social innovation and impact while generating revenue and sustaining their operations.



Image © Mat Wright

Registration of SEs per country (commonly used frameworks)	Cooperatives	Non-profit organisations	Non-profit Companies	Limited liability companies (multiple forms)
Yemen		X		X
Iraq	X	X		X
Palestine	X	X	(This framework is currently on hold)	X
Jordan	X	X	X	X

X: legal framework utilised by SE

Available Not Available

The absence of SE legal frameworks in the region, and the absence of the SE concept from national priorities and agendas, has contributed to less SE-enabling environments.

Across the four countries, there are no SE legal frameworks in place to incentivise entrepreneurs to go down the path of social entrepreneurship.

Not only is social entrepreneurship absent from national agendas and priorities, but also the social economy component as a whole since governments are not actively working on any interventions that would push forward the social economy sector at the national level. SE is only promoted by civil society, international agencies and social entrepreneurs themselves.

This lack of integral regulatory endorsement has consequently led to less enabling environments for social enterprises to operate in. For instance, an essential element for any sector's development is the availability and accessibility of data related to its key components. This is mostly absent across all four countries where SE sector-related data is not readily available, unified or easily accessible by stakeholders and actors. Additionally, there are no regional networks or platforms for collaboration available for social entrepreneurs to interact, connect, share knowledge and experience, and collaborate.

Only in Jordan are there serious attempts led by the Ministry of Digital Economy and Entrepreneurship to draft and advocate for an SE-specific law and regulations.

The absence of such a framework for social enterprises is not necessarily the result of deliberate rejection but stems from limited knowledge and familiarity with the concept. For this reason, social entrepreneurship ecosystem actors have a key role in not only raising public awareness, but more importantly, engaging with governments to kick-start a dialogue around the concept and eventually, adapt legal frameworks to accommodate SEs.

Governments may have an interest in boosting SEs as their (SE) role could be complementary or fills the gaps where governments are not able or capable of intervening.

SEs and governments have a mutual interest in collaboration. This is evident, especially in times of crisis. SEs can provide services where they use their expertise, innovation and outreach capabilities to fill gaps in underserved sectors or regions. For instance, in Jordan during the COVID-19 pandemic, social enterprises played a key role in working with school dropouts and bringing them back to classes through multiple education-focused projects and activities. In Palestine, Flowless provides smart water management systems to support municipalities and facilities companies with the distribution and management of water networks. Flowless also witnessed a positive impact of the COVID-19 crisis by which local municipalities realised the need for better access to their water networks and efficient water management practices.

That said, SE actors need to highlight their potential added value in some thematic areas or sectors that are complementary to the services provided by the government. Highlighting mutual interests may be a means to win the trust of governments and stimulate joint work to provide a more enabling legal and service environment for SEs.

Findings in summary

- The regulatory frameworks in the four countries are not enabling for start-ups as administrative processes are complicated and time-consuming. The lack of specific legal frameworks makes it more difficult for social entrepreneurs.
- The concept of SE is absent from national priorities and agendas, which limits any potential support from the government or governmental agencies.

SE ecosystems (support and funding)

With all the hardships facing the targeted countries, social entrepreneurship receives very limited attention from governments, private sector and civil society. Although civil society organisations, with the support of INGOs, are the pioneers in introducing social enterprises as a concept, their influence on the ecosystem is not necessarily sufficient in the face of limited support from governments and limited interest from the private sector. Despite the increased efforts exerted by non-governmental organisations (local and international) and foreign donor SE support, this sector still faces multiple challenges and obstacles as presented below:

Entrepreneurship support entities have a limited role in supporting social entrepreneurship ecosystems despite their relatively long experience, networks and capability.

In the last decade, the entrepreneurship ecosystem witnessed a surge in activity, particularly with increased interest in entrepreneurship as a means to promote job creation and attract investment. Incubators, accelerators, innovation hubs and other support entities were established, mainly through the private sector, giving entrepreneurs an opportunity

In countries with dire socioeconomic situations such as Palestine, Yemen and Iraq, any entrepreneurial activity is considered an SE given its job creation aspect.

to pursue their business ideas. Many of these support organisations are funded by the CSR arm of companies and large corporations, mainly those in tech industries and telecommunications (Google, Zain, Orange, etc.). In parallel, many other private sector and civil society led initiatives that have introduced entrepreneurship education through extracurricular activities in schools and universities. In fact, universities have become more interested in this subject and some have introduced entrepreneurship courses in their curricula. Similarly, investment funds became more interested in financing entrepreneurial projects providing opportunities for young entrepreneurs to realise their projects.

With the increased interest in social entrepreneurship, international organisations and donor agencies such as USAID, GIZ or the EU have approached large incubators and accelerators to include social enterprise as part of their support scheme. This support came in the form of a programme directly funded by international agencies, not investors, whereby these support organisations provided training, incubation, funding and follow-up with social entrepreneurs. According to social entrepreneurs who received support from these entities, the benefits were invaluable in connecting with other entrepreneurs, establishing market networks, accessing more funding and investment, and gaining exposure to more innovation and new technologies. However, and unlike other entrepreneurial projects, these entities seem to be less interested in social entrepreneurship if not requested and directly funded by donors.

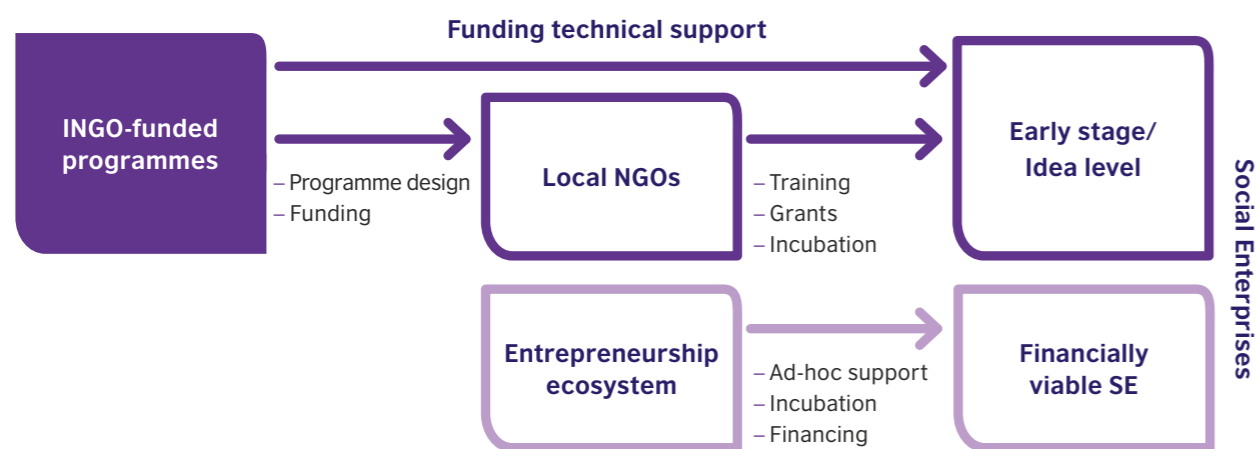
As social enterprise give more attention to social impact, these support organisations might see them as less likely to attract investors who are interested in the economic bottom line. This model of collaboration between international donors and private entrepreneurship support service providers has certainly given the SE ecosystem many of its tools, approaches to training, understanding of the market and more importantly, understanding of the interests of investors.

Yet, there are still multiple challenges and gaps when it comes to such models of collaboration:

- Entrepreneurship support organisations are still not familiar with the concept of social enterprise and give social entrepreneurs limited consideration regarding social impact measurement and management. However, the ability of social enterprise to launch and start operating is more likely when supported by entities who already have experience with start-ups.
- Incubators and support organisations require continuous revenue to cover their costs, whether through private sponsorship, donations, and grants and/or equity. With the limited interest in SE, service providers consider their support to social enterprise to be temporary and bound to the duration of the grant/donation, unlike the support to other start-ups. Despite relatively long experience in incubation and support to start-ups, the interest and ability of these organisations to sustain their support to SE when these programmes end is limited due to an absence of interest from investors.
- Entrepreneurship support entities and investors currently have more interest in socially responsible or impact-driven businesses, according to interviews conducted with some of their key employees in Jordan, Palestine and Iraq. However, their interest in supporting and investing in such start-ups remains conditional on the commercial and financial viability. This remains a key challenge for social entrepreneurs, particularly when they must ensure a balance between both social impact and financial viability. For many entrepreneurs, this balance is not easily attainable.

Social enterprise support programmes are mostly driven by civil society organisations and are characterised as short term, and mainly geared towards job creation.

Figure 1: Social enterprises funding support programmes

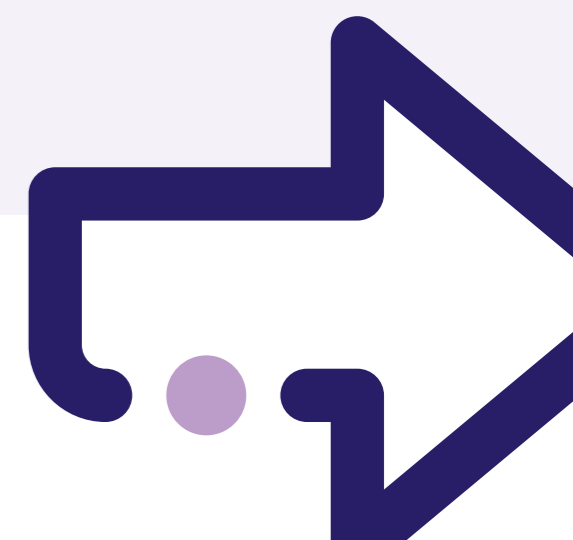


Social entrepreneurs receive support from two types of entity:

1. NGO-led SE development and incubation programmes, and
2. Entrepreneurship ecosystem actors.

In both entities, the role of sponsors and donors in project design is key, except in cases where private entities provide direct support to social entrepreneurs who are usually more advanced or prove to be financially sustainable. To describe the support available to social entrepreneurs, the table below summarises the key characteristics of the two types of approach.

	NGO-led programmes	Entrepreneurship ecosystem actors
Programme design	Mostly donor driven. Donor agencies set objectives for SE support.	
Target SEs	Youth, refugees, women - early stage Idea stage and pre-idea stage (ideas are generated post-training and awareness on SE)	Start-up phase (business ideas that have a significant social impact component) - having social impact is not a condition
Conditions (most recurrent)	<ul style="list-style-type: none"> • Demographics (depending on the objective of the project i.e. women social entrepreneurs, refugee, social entrepreneurs, etc.) • Social impact • Innovative social enterprise ideas 	<ul style="list-style-type: none"> • Innovation • Tech-related • Financially viable and sustainable idea • Attractive to investors
Innovation and creativity	<ul style="list-style-type: none"> • Utilising local production and reaching out to larger markets • Innovation in sourcing support from local community, particularly in production 	<ul style="list-style-type: none"> • Technological and digital innovation • Innovative service provision channels • Specialised and niche products
Profile of social entrepreneurs	<ul style="list-style-type: none"> • Income: lower income • Background: both urban and rural • Exposure: less exposed to SE and entrepreneurship in general 	<ul style="list-style-type: none"> • Income: relatively higher income • Background: mostly urban • Exposure: highly exposed to new ideas, innovations, and experiences (locally and internationally)



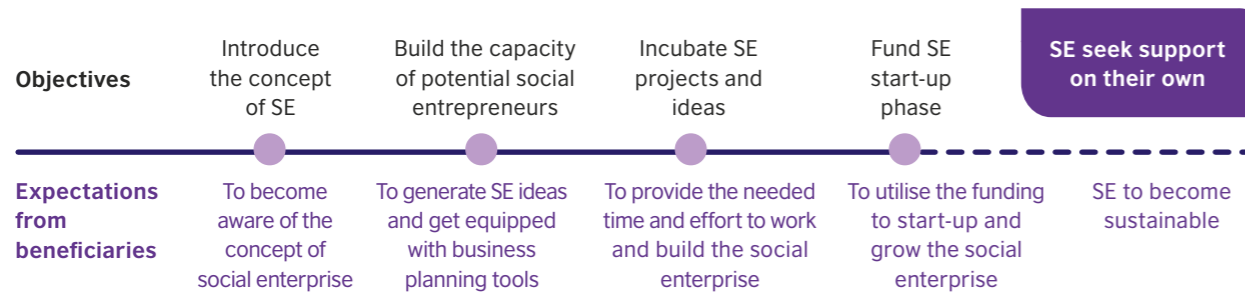
Middle level social enterprises are at risk of failure as they are not eligible for early stage or growth stage support. Neither form of social entrepreneurship ecosystem caters to SEs in their middle growth stages and these social entrepreneurs no longer benefit from early-stage support by local and international organisations programmes, nor are they eligible to access acceleration opportunities.

As mentioned earlier, INGOs and local NGOs usually target early stage social enterprise ideas where their key support focuses on ideation, business modelling and seed funding.

On the other hand, those social enterprises that were supported by entrepreneurship ecosystem service providers can access acceleration and investment opportunities in their growth phase. The challenge lies in those social enterprises that received support or seed funding in their start-up stage and still require additional support before being capable or ready for another round of investment. These enterprises, which we refer to as ‘middle level’ find themselves alone with limited support as they are no longer eligible for the commonly provided support.

Social entrepreneurship support programmes are often designed with an ‘all-included’ approach covering a wide range of services to social entrepreneurs from education, incubation, technical support and seed funding.

Figure 2: Phases of a typical SE support programme



International development organisations have been the pioneers in introducing the concept of social entrepreneurship to the region. Through their multiple projects aimed at supporting social entrepreneurship, they have attracted a large number of youths in rural and urban areas who took part in training activities, incubation and financial support, in some cases. These SE programmes often include all the different aspects of SE development (Figure 2) in a relatively short duration of time, which requires beneficiaries to understand the concept of SE, come up with an idea and realise it within the project timeline.

Although the duration of such programmes might extend over a period of six months to three years, the cycle of support from which a social entrepreneur may benefit (including all the phases mentioned) is limited to one year. Many of those exposed to these projects are not necessarily familiar with the concept of SE but are expected to start their project/SE by the end of the programme activities. These ‘all-included’ SE programmes have made a significant contribution to promoting social entrepreneurship in these countries but their influence on empowering an ecosystem that enables an organic growth of the sector has been limited.

You must be privileged enough to afford to start a social enterprise and bear a long period of time without income.
 Social entrepreneur in Amman

The social entrepreneurship ecosystem faces challenges as follows:

- Limited SE-dedicated organisations that provide specialised support to social entrepreneurs. While programmes might partner with some support organisations, these organisations often stop working with social enterprise after the end of the programme (grant period).
- Networking opportunities for social entrepreneurs are often limited to beneficiaries of one programme. This exposes social entrepreneurs to their peers but gives limited access to others outside their programme.
- Limited exposure to success stories to learn from, build on or replicate.
- The intensive and short duration of these programmes puts financial pressure on social entrepreneurs, particularly those on low-income or in rural areas. Social entrepreneurs are required in many programmes to complete long hours of training, commit to mentoring, abide by deadlines to submit their ideas and business models, and if they succeed to secure funding, to build their social enterprise from scratch.

When beneficiaries obtain all their knowledge of SE from one source or programme, their reliance on such programmes grows and makes it difficult for them to seek alternative support, especially if there are insufficient service providers.

There are limited financial mechanisms and instruments available to social enterprise at different growth stages, while most funding comes from international organisations.

Social enterprise in general do not have access to a wide range of financial instruments and mechanisms that would facilitate the launch and growth of their businesses. With widespread donor dependence across the observed countries, it has been even more difficult for social businesses to find suitable financial tools for support.

As SE financial support is predominantly offered by international organisations, international funding includes major limitations in terms of thematic focus and programme design.

Firstly, international funds are heavily interconnected with specific global trends emerging from internationally set priorities or pressing humanitarian crises. This has limited the scope of funding to specific sectors and themes, while other innovative and promising initiatives have no access to funding. Secondly, international funds are designed and granted with an international perspective of how sectors should best develop. As a result, the contextualised approach

needed to make these interventions much more effective, efficient, participatory and impactful is lacking. The pre-defined design further limits the flexibility of social enterprises and start-ups to pursue innovations that address grassroots needs and challenges precisely.

Commonly reported challenges faced by SEs in this regard include not only the thematic limitation and the pre-defined design, but also the length and depth of the projects, which tend to be short rather than long term, and often basic rather than advanced, inhibiting the ability of SEs to obtain the catered funding required. The absence of private sector investment in social enterprises leaves social entrepreneurs with limited options for funding.

The government's weakness in supporting key entrepreneurial initiatives leaves us with no other option than going after donor funding to survive.

Social entrepreneur in Palestine

Findings in summary

- Social enterprise support programmes are mostly driven by civil society organisations and are typically short term, and mainly geared towards job creation.
- There are limited support opportunities for social enterprises in their pre-growth stage as most of the support/funding is focused on early stages or SEs in need of acceleration.
- Social entrepreneurship support programmes are often designed with an 'all-included' approach covering a wide range of services to social entrepreneurs from education, incubation, technical support and seed funding.

Recommendations

Given the potential for SE in Iraq, Jordan, Palestine and Yemen, it is important to consider an ecosystem approach for the development of programmes. Effective interventions cover different ecosystem levels, from advocacy efforts to direct support for entrepreneurs (macro to micro), starting with a nationwide dissemination of information about the concept of SE and its impact on society and the economy, to the introduction of programmes catered to social enterprises' needs and challenges.

Programme design was a key element raised by many participating social entrepreneurs, support organisations and other stakeholders for all the reasons discussed in the Challenges Faced by Social Entrepreneurs section for the four countries. It is vital for the British Council to consider the following guiding principles when designing any programme, project or intervention at any level with the aim of supporting the SE sector:

- **Context-based interventions:** a recurrent observation made across all four countries was the vital need for context-based interventions that take into consideration the country's political and socioeconomic challenges, alongside the sector's dynamics and needs rather than pre-defined, often internationally replicated, programmes. Support organisations that implement pre-defined programmes should demonstrate greater flexibility and trust with fewer restrictions to implementation and outreach to be efficient and achieve the intended impact.

- **Participatory, needs-based and bottom-up approach to design:** fully engaging key communal stakeholders, including social entrepreneurs from different parts of the country, in the design process is key to an intervention's success as they understand and experience the community's challenges first-hand, and can identify its needs and the potential areas that most require support. This would pave the way for increased ownership and engagement from beneficiaries, SEs and other stakeholders.
- **Targeted support and guidance:** developing targeted and practical programmes for each group of beneficiaries, ensuring that the interventions match the learners' levels of experience, professional development and capabilities, and the different growth levels of SEs.
- **Equal outreach:** access to opportunities is an integral challenge for those living in rural areas, those with limited mobility, and members of disadvantaged communities, as most support programmes and interventions are centralised in urban hubs. Also, strategic planning for the outreach and marketing of the designed interventions is essential to reach the most vulnerable groups, diversify the audience and ensure equal participation.
- **Facilitated application and enrolment processes:** lengthy and complex proposal and application processes should be eliminated to allow a larger number of people to benefit from the programmes on offer, and specifically people with limited proposal writing know-how. This would save applicants time and expense.

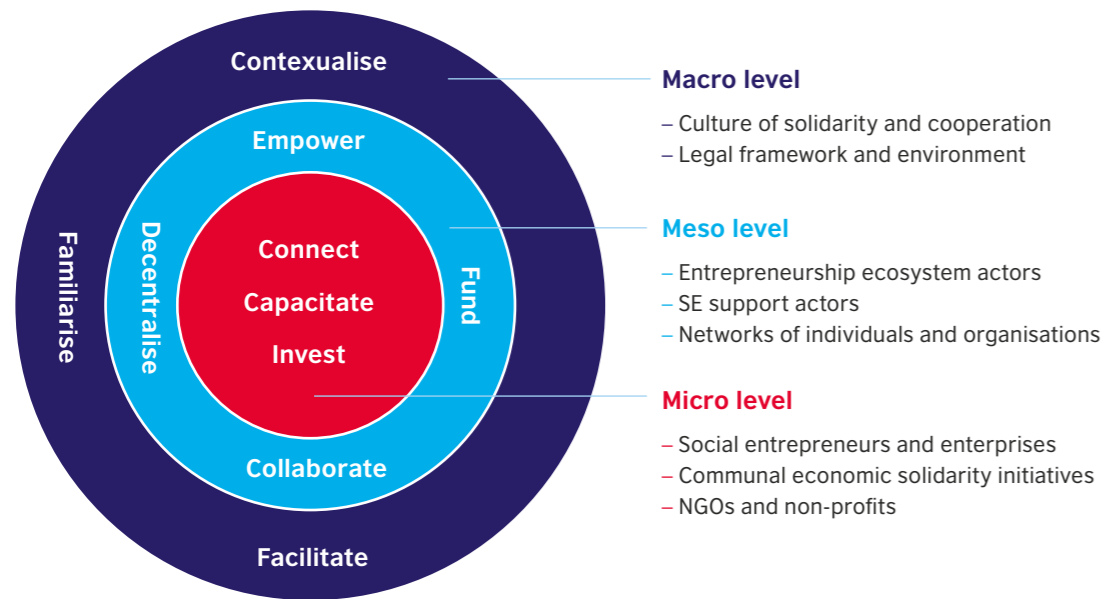
Each country requires a detailed design of interventions but the proposed recommendations explore key interventions that would respond to common challenges facing social entrepreneurship ecosystems. These recommendations examine social entrepreneurship support through an ecosystem approach based on three levels:

- **Macro level:** an enabling legal and communal environment to support social enterprises
- **Meso level:** actors involved in providing support and service to social entrepreneurs
- **Micro level:** social entrepreneurs and social enterprises

At each level, recommendations are divided into:

1. Intervention approach, which describes the key direction and objectives for interventions within each level;
2. Suggested interventions which briefly present the potential activities; and
3. Country specific interventions in tables that summarize and synthesize the current situation of the SE sector in each of the countries examined, and propose corresponding intervention approaches by country including potential partnerships (where applicable).

These intervention approaches require further deliberation and elaboration with local partners and SE actors to respond to their contextual realities.



Macro level

1. **Contextualise** the SE concept through uncovering and understanding local solidarity traditions and customs (tribal, familial collectives, COOPs), locating these on the social entrepreneurship spectrum and promoting them.
 - 1.1. Develop and finance research grants to study the local social economy and solidarity practices in each of the countries (documentation of social economy and solidarity development).

- 1.2. Initiate further in-depth studies around SE in each of the countries to depict grassroots and community led initiatives, and better understand the SE landscape.

PARC in Palestine supports COOPs and can be a potential partner to engage and collaborate with in community led social solidarity initiatives.

2. **Familiarise** the public and government with the concepts of SE. The key objective should not be strictly limited to raising awareness around the concept but creating room for concept appropriation and adaptation to local economic and social interests.
 - 2.1. Develop, document and disseminate success stories from each country using different formats (for research, video production, public use).
 - 2.2. Create informative media campaigns around SE at the local level (e.g. short programmes on local TV providers).

- 2.3. Design and develop case studies detailing the experiences of social enterprises to uncover the key challenges and share the experience with aspiring social entrepreneurs.

TTi in Jordan has conducted interesting stakeholder mapping for both the entrepreneurship and SE ecosystems which could be further utilised for organising awareness efforts.

3. **Facilitate** the development of SE legal frameworks to enable SEs to benefit from financial facilities and tax incentives. Building on experiences from the region and other successful examples will inform the process and make it move faster.
 - 3.1. Provide technical support to local actors and key SE stakeholders within the ecosystem to create a common understanding of the definition of SE by identifying the parameters that contextually define a social enterprise and the specific criteria that categorise transactions in its market.

- 3.2. Launch discussions and consultations with key SE stakeholders to work collaboratively on depicting the relevant legal framework for each country and developing it.
- 3.3. Support SE actors in pushing and advocating for the SE suggested framework (technical and financial support).

Ensure laws are accessible and incentivise women and vulnerable groups equally.

Country specific interventions and potential partners

	Country	Status/Gap	Intervention approach - Potential partners
Legal and regulatory framework	Jordan	Ecosystem actors, including government, are in the process of deliberating an SE framework.	Provide technical support for Ministry of Digital Economy and Entrepreneurship on SE benchmarking and best practices.
	Palestine	No work on SE framework is taking place. A start-up framework is under deliberation.	Launch policy dialogues with key actors and Ministry of Entrepreneurship and Empowerment to present the case of SE for potential introduction in the framework.
	Yemen	No action taken towards introducing a legal SE framework.	Raise the awareness of government and Yemen's SMEPS on the social impact on business activities by focusing on SEs as a potential legal entity (e.g. roundtables).
	Iraq	No action taken towards introducing a legal SE framework.	Build on current ongoing discussions around the Start-up Act with GIZ . Partner with other international agencies, local NGOs active in the entrepreneurship scene and relevant governmental actors to launch a dialogue on an SE framework.

Meso level

- Encourage and support SE ecosystem players to **collaborate** for complementarity through organising and channelling resources in the most efficient and impactful way to avoid the duplication of efforts. This would allow stakeholders to stay informed, coordinate better, and identify support gaps and design interventions collaboratively.
 - Bring together key SE stakeholders to co-create their theory of change, align their joint objectives, priorities and intended impact, and set milestones to track their performance and required support.
- Empower** SESOs and build their capacities to better provide tailored support to social enterprises and entrepreneurs, fulfil the support needs of the ecosystem, and enable SEs to be innovative and agile in responding to the constantly changing contexts.
 - Provide technical support to SESOs to refine their service offering, provide innovative solutions and complement existing support efforts in the ecosystem.
 - Build the capacity of existing entrepreneurship support organisations at both the public and private levels to create interest in SE, build greater awareness of the concept, and equip them with the right resources to serve SEs better (e.g. social business modelling, social innovation, social impact measurement). This would also encompass guidance on what the role of a SESO is and how best to intervene in a given ecosystem.
- Identify and **empower** local qualified and experienced mentors with market and entrepreneurial knowledge to guide entrepreneurs, and engage with them in long-term partnerships to ensure a sustainable impact.
 - Establish a network of mentors trained and equipped with SE-specific mentoring tools and approaches, informed by international best practices and experience. The diaspora can play an integral role with the wide range of expertise, knowledge and skills its members can bring across diverse industries and sectors.
 - Build the competence of local experts and trainers in different sectors to provide long term support to entrepreneurs and scale stakeholder efforts nationwide.
 - Establish an on-demand peer-to-peer SE mentorship and coaching network that includes existing social entrepreneurs acting as mentors and coaches, and readily accessible to local and international organisations providing support to SEs.
- Introduce** social entrepreneurship education at a young age through incorporating courses into different school stages and university curricular and extra-curricular programmes, while capitalising on the British Council's work in education and partnerships with schools nationally.
 - Design interactive lessons/simulations on social entrepreneurship in schools as extracurricular activities. These interventions could be implemented by local NGOs (SE or entrepreneurship actors), such as INJAZ. The process would include material design, session plans and a process in which students can prototype their SE ideas using funds managed by the NGO or the school.
 - Organise student exchange trips so students can become aware of social enterprise in different countries, and learn from social entrepreneurs about their experiences and the social impact they create.
- Familiarise** social entrepreneurs with the existing legal options for registration so they make informed decisions as to which would be the best formal form for them to pursue, especially as social enterprises can benefit from being a legal entity such as an NGO or a cooperative.
 - Create simplified content on the processes and legal options for social enterprises to assist social entrepreneurs in their initial start-up stage to better handle the bureaucratic procedures. This content could be publicly disseminated through videos and information pamphlets.

- 5.2.** Establish a legal clinic focused on providing registration and licensing advice to social entrepreneurs during and after starting up. This could include additional support regarding processes related to social security and other labour and taxation laws and regulations. This service could be pro bono or heavily subsidized by donors depending on the social entrepreneurs' situation (availability of funding, self-funded, incubated, etc.).
- 5.3.** Familiarise entrepreneurs with international property rights (IPR) rules and regulations as these allow entrepreneurs to protect their innovative ideas (technology, brand name, design) and reap the benefits of these innovations.
- 5.4.** Increase IPR awareness amongst entrepreneurs through short introductory videos or online webinars. Lead on conversations with key public institutions to initiate efforts for the introduction of IPR laws and regulations.
- 6. Decentralise** support for social enterprises by establishing SESOs (or supporting existing ones) in different regions to cover rural areas, particularly those that are not being targeted. This would include building the capacity of SESOs and assisting them in becoming more sustainable, in addition to widening their network and engaging them with entrepreneurship and the social entrepreneurship ecosystem.
- 6.1.** Contract capable ESOs and SESOs to provide support and coaching to SESOs in less covered areas. This exercise can help in institutionalizing knowledge transfer, build the capacity of regional SESOs to better serve SEs and create a more capable ecosystem.
- 6.2.** Tailor SESO programmes based on their needs, thematic areas and local trends in production per region and country to avoid imbalances and duplication of support for SEs. Support is usually designed and implemented as a result of a high benchmark imposed from an urban and central context to the regions.

[A useful guide to legal registration in Palestine developed by Ibtikar Fund.](#)

[A useful case study on available legal forms for SEs in Lebanon: MedUp! Social enterprise: Legal registration case study – Lebanon](#)

- 7. Fund** SESOs and ESOs (those willing to take a larger share in SE support) to provide consistent and continuous support to SEs to avoid funding gaps following the end of SE programmes and projects.
- 7.1.** Provide conditional funding to SESOs (ESOs) connected to the number of SE start-ups supported and the ability of these start-ups to attract investor support in their growth phase. This will encourage SESOs to expand their support to SEs beyond the technical support provided in incubation, and help to move SEs to the next level and receive another round of funding. This approach could overcome key challenges across the four countries related to the limited access of middle level SEs to funding, trapping them between the start-up phase and growth phase because they are ineligible for the support and funding available.
- 7.2.** Provide financial support to SESOs that focus on thematic areas of SE (environment, food safety, etc.) depending on the need and context in each country. This includes the ability to develop expertise through recruiting relevant experts to enable these SESOs to provide better technical knowledge to SE, thereby enhancing competitiveness and expanding the opportunities to enter and succeed in the market.

Country specific interventions and potential partners

	Country	Status/Gap	Intervention approach - Potential partners
SE education	Jordan	Many universities have introduced academic entrepreneurship programmes and courses.	Yarmouk University, Al Hussein Technology University (HTU), Mutah University and Princess Sumaya University for Technology
	Palestine	Local NGOs and universities have started disseminating and introducing SE-focused programmes.	BuildPalestine, Ibtikar and Birzeit University
	Yemen	Entrepreneurship curriculum previously introduced with the support of ILO.	Relaunch efforts with the Ministry of Education to include SE courses in public universities
SE ecosystem building	Iraq	Universities and university-based centres have started to introduce entrepreneurship courses and programmes.	American University of Iraq Sulaimani, Salah El Din University - Erbil, University of Raparin in Ramya, University of Sulaymaniyah and University of Mosul Produce SE educational content in both Arabic and Kurdish languages.
	Jordan	Investments (e.g. host community programmes) by local municipalities can be redirected towards incentivising entrepreneurs to innovate locally.	Develop and support local municipalities in launching in-house incubators to promote and create SEs that can assist in providing municipal services and local solutions that respond directly to local needs and challenges.
	Palestine	Some public institutions are initiating entrepreneurship ecosystem building efforts.	Ministry of Entrepreneurship and Empowerment, Higher Council for Innovation and Excellence
	Yemen	Potential social entrepreneurs lack the space to innovate, pilot test their solutions, learn and revisit their models.	Initiate an SE incubation programme (including seed funding) that focuses on supporting a large number of socially creative ideas through trial and experimentation. This would create an entrepreneurial culture and build success stories that could further inspire the community.
	Iraq	Key Iraqi ecosystem players have been actively collaborating and offering support services and programmes.	Innovest, Zain, The Station, Takween, CEWAS, FiveOneLabs, Mosul Space, Knowledge Gate, Maker Space, UNDP and GIZ.

Micro level

1. Connect SEs through creating collaborative platforms and networks that bring together potential social entrepreneurs, existing SEs, SESOs, and any other SE stakeholder to exchange ideas and practices within the SE sector.

1.1. Encourage and support cross-programme SE networks to expose social entrepreneurs to different ideas, projects and start-ups, to encourage collaboration and contribute to organically building an SE ecosystem. This could be done through organisations that do not necessarily implement SE programmes but which have better positioning to connect with different actors and NGOs, and to invite them to engage their SE beneficiaries.

1.1. Initiate the gathering of learning communities, for example SEs with diverse thematic areas and private sector organisations. This learning community of practice can capitalise on SEs' diverse expertise to lead on capacity building programmes themselves.

2. Connect SEs to other initiatives and networks outside of their home country offering regional and global learning opportunities.

2.1. Organise learning exchange trips between UK's SEs and SEs locally to explore different operations practically in a first-hand experience. This can be exchanged with online webinars, discussion sessions and virtual SEs matching programmes.

2.2. Recruit and connect with professional seniors (including the diaspora) to engage them as mentors in a mentorship matching programme in which international and local retired seniors with particular expertise are matched with SEs based on industry or sector for the exchange of support, guidance and learning.

Networks should be independent of any funding, and should be governed based on a rotation of leadership or a steering committee to create a balance between the different members and avoid any conflict of interest, while focusing on knowledge sharing, skills building and complementing each other's work.

3. Capacitate and support SEs across all different countries through developing and implementing catered capacity building programmes.

3.1. Collaborate and initiate SE-dedicated incubators and accelerators across different regions in each country (decentralise the provision of programmes and services).

3.2. Build training and social business development curricula that is contextualised and builds on sectors with growth potential, while capitalising on international best practices. This needs to be complemented with advanced support catered to SEs needs and challenges.

4. Build the capacity of existing NGOs with income-generating activities to turn into sustainable organisations.

4.1. Design capacity training programmes dedicated to NGOs and that focus on topics such as sustainable business models; revenue model alternatives; human-centred design; participatory governance and social impact measurement; and provide tailored, long-term coaching for this transformational journey.

4.2. Engage SESOs to design NGO-specific SE development programmes similar to those provided for social entrepreneurs but tailored to fit and match their scope, size, experience and expertise.

4.3. Provide seed funding for NGOs willing to transform into SEs to prototype and test their products/services in the market, and help them further in becoming commercially viable.

4.4. Create access to market opportunities for SEs to allow exposure and further income generation for the organisations' sustainability.

4.4. Support local organisations and SE to widen their target markets through supporting and subsidising their export efforts, using one platform that can later become self-sustainable with the membership and contribution of benefiting SEs. This entails connecting local initiatives and existing SEs to external markets and potential partners to widen their sales base and attract more funding, investment and support.

5. Invest in SEs by providing tailored financing mechanisms and tools designed innovatively through joint initiatives with stakeholders across different sectors with growth potential (e.g. private sector joint support fund, public procurement opportunities).

5.1. Provide different levels of financial support based on sector diversification, innovation, the level of establishment (early growth, etc.), and targeted societal problem or affected community. It is integral to factor in taxation, registration and licencing costs, in addition

to a form of financial remuneration for social entrepreneurs to sustain themselves at the beginning of their entrepreneurial journey and ensure that people with low income can still pursue their SE.

5.2. Empower SEs to attract more local and foreign investments by building their ability to communicate their story and impact to investors through data-driven storytelling.

5.3. Incentivise large organisations (e.g. iNGOs, private sector companies) to lead by example in becoming SEs' clients in using their services or buying their product where and when applicable. This can increase SE credibility, win greater community trust and make them more attractive to international investors.

5.4. Incentivise governments and local authorities to build partnerships with social enterprises through granting SEs with innovative services and products access to public procurement to fill existing gaps in underserved areas, regions, and sectors on both national and local levels.

5.5. Support the initiation of a diaspora micro investment fund in each country. Members could invest and facilitate the financing of their local community's social initiatives and businesses through building sustainable partnerships for increased impact.

Further insights on funds programming

- Designed funding opportunities need to be decentralised to leverage the ability of SEs to boost local economies in different sectors and in different regions, with simplified application and proposal processes for these to be accessible to everyone.
- Access to funding should be more public and accessible to different age groups and categories, using both online and offline media during outreach.
- Long-term investments are preferable for the sustainable growth of businesses.
- Clarity and transparency in selection processes and criteria for SEs receiving funding is key, while providing constructive feedback and guidance to failing SEs.

Country specific interventions and potential partners

	Country	Status/Gap	Intervention approach - Potential partners
Capacity building	Jordan	Many SE ideas are focused on innovative products and the productisation of services, which demands a new set of skills.	These skills include: <ul style="list-style-type: none"> • Product management • Business and technology • Marketing: product promotion, and ability to sell and raise money.
	Palestine	Social entrepreneurs lack key skillsets as support and capacity building programmes tend to focus on building general business skills such as business development and business modelling	The skills most reported as lacking and which would be a good starting point for capacity building interventions are mainly: <ul style="list-style-type: none"> • Critical thinking, strategic thinking and creative thinking • Vision setting • Resource planning and mobilization, financial planning and management • Presentation, proposal writing, fundraising and marketing skills • Networking and partnership building • Social impact measurement.
	Jordan / Palestine	Potential social entrepreneurs in rural areas or with low-income backgrounds have difficulty accessing often-centralised support programmes and services.	Introduce support programmes (e.g. capacity building programmes) and services (e.g. coaching and mentoring services) that are accessible to entrepreneurs (e.g. rural areas).
	Yemen	Many NGOs in Yemen have started income generation activities that could be developed into stand-alone SEs. It would be interesting to experiment with some of them and provide them with the support and training needed to ensure this spin off.	Support local NGOs to be more sustainable and less dependent on international funding by rethinking their business model and eventually turn into SEs. This will expand their social impact and limit their financial dependency.
	Iraq	Given that entrepreneurship programmes focus on the entrepreneur as an individual, there is a clear need to support team formation and capacity building.	Have team building, synergy training and a coaching programme mainstreamed across the SE support process, and introduced in the early stages of projects and interventions.

	Country	Status/Gap	Intervention approach - Potential partners
Networks and partnerships	Jordan	There is a lack of technical expertise in certain niche areas.	Develop support programmes for niche sectors, including study and exchange visits between SEs and private sector companies, whether local or international.
	Jordan / Palestine	Social entrepreneurs are only exposed to networks limited to the SESOs they are engaged with. In many cases, these networks are unable to provide sufficient exposure and knowledge on specific thematic areas and market or on funding opportunities and leads.	Design a specific social enterprise networking programme that targets individual social entrepreneurs to help them build their networking plan and connect them to key actors that can be beneficial to their business growth and sustainability, whether in marketing, funding or technical expertise.
	Yemen / Iraq	An entrepreneurship and start-up ecosystem is developing with limited knowledge and awareness of SE. This offers an opportunity to introduce the concept through already existing networks and platforms.	Gradually introduce the concept of SE into existing start-up networks through roundtable discussions and meetups themed around impact in business, CSR activities and social innovation.
Fund	Jordan	Jordanian SEs find it difficult to enter foreign markets as export fees are very high for start-ups.	Create a fund dedicated to covering export costs and fees to facilitate SE access to markets.
	Jordan / Palestine	There is a lack of financing tools and mechanisms for SEs beyond seed-funding, and most critically, for SEs in the middle growth stages.	Establish partnerships with and financially support ESOs that fund middle level entrepreneurs to create a funding stream for SEs in middle growth stages.
	Yemen	The complexity of the Yemeni context (security, war, poverty), along with the centralisation of support programmes and services provision, is limiting social entrepreneurs' access to funding opportunities.	Funding opportunities need to be decentralised in order to leverage the ability of social enterprises to boost local economies in different sectors and in different regions. Access to funding should be more public and accessible to different age groups and categories, using both online and offline media during outreach.
	Iraq	The high business entry costs are inhibiting social entrepreneurs' ability to launch their business and sustain it at early stages.	Establish and support microfinance institutions that specifically target social impact projects, cooperatives and social solidarity initiatives to offer low-interest loans to entrepreneurs. This would allow the opportunity to cover initial operation costs.

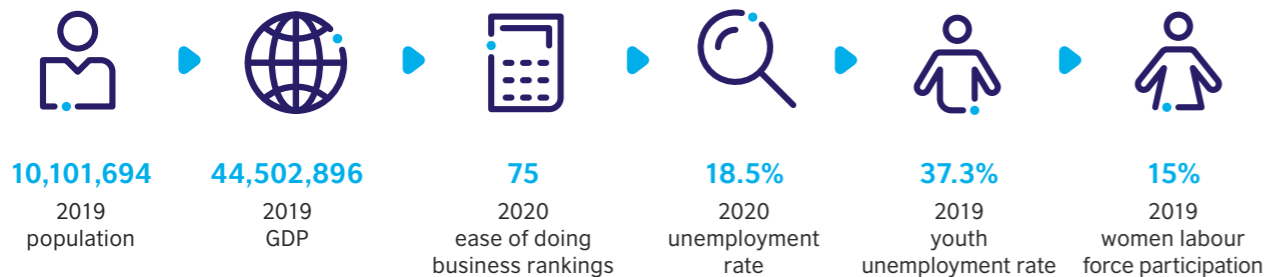
Jordan country findings

Social entrepreneurship in Jordan

Overview of country context

Jordan enjoys a relatively stable political situation compared to Palestine, Yemen and Iraq, which have witnessed violence and wars over the years. The global financial crisis of 2008 and the aggravating regional situation since 2011 have made the road to recovery rather tough for Jordan.¹⁴ Since 2008, Jordan has suffered from decreased investments, thereby limiting the economic growth enjoyed previously by the country and its business environment. In subsequent years, and especially following the Syrian revolution in 2011, the refugee influx has affected the socioeconomic situation in Jordan, and is believed by many to have led to further deterioration in the economy.¹⁵ Add to this a debt-to-GDP ratio of around 94 per cent, corruption

and increasing unemployment rates, and it is clear that Jordan's stability is under threat from the socioeconomic challenges.¹⁶ The Jordanian government has displayed willingness to reform and continues to intervene in different ways in an attempt to enhance the current situation.¹⁷ According to the World Bank's Doing Business Report 2020, Jordan ranked 75th out of 190 countries in terms of ease of doing business and was amongst the ten top improvers, alongside countries such as Saudi Arabia, Kuwait, China and India.¹⁸ Reforms include strengthening access to credit, expediting the process of paying taxes and resolving insolvency.¹⁹ The Jordanian government is also looking into sectors that will further strengthen the economy, particularly the entrepreneurship sector. In fact, the Jordanian Prime Minister stated that entrepreneurship will be 'a major priority in the next two years'.²⁰



¹⁴ Idris, I., 2016. Economic Situation in Jordan.

¹⁵ Ibid.

¹⁶ Fakoussa, D. and Kabis-Kechrid, L.L., 2020. Socio-Economic Challenges and the Impact of Regional Dynamics on Jordan Employment, Social Cohesion, and International Cooperation-Policy Briefs from the Region and Europe.

¹⁷ Ibid.

¹⁸ World Bank, 2019. Doing Business 2020. The World Bank.

¹⁹ Ibid.

²⁰ Razzaz Outlines Government's Priorities for 2020, 2021 [online] (2020) [online]. Available: <https://www.jordantimes.com/news/local/razzaz-outlines-governments-priorities-2020-2021>.

Trends in the sector

Entrepreneurship scene

Jordan has high levels of entrepreneurial activity compared to the three other countries examined in this report. In the late 1980s and 1990s, many start-up support programmes were initiated to serve as incubators, investors and mentors.²¹ This positioned Jordan as one of the first countries in the region to launch such programmes. However, in recent years, data has shown that the country's entrepreneurial activity has been receding.²² According to the Global Entrepreneurship Monitor (GEM) National Report for Jordan released in 2016, the total entrepreneurial activity rate decreased over time from 18.3 per cent in 2004 to 8.2 per cent in 2016.²³ The rate of established business ownership declined from 5.3 per cent in 2009 to 2.7 per cent in 2016.²⁴ The discontinuation of business grew markedly from 15.3 per cent in 2009 to 21.2 per cent in 2016, which ranked Jordan the second highest globally.²⁵

Ecosystem actors have emerged over the past few years, including academic institutions and universities, development agencies and public institutions. These have created programmes that tackle some of the entrepreneurs' needs, with incubation and acceleration programmes tackling mostly tech-driven entrepreneurial initiatives. However, these programmes face several challenges, including a lack of coordination and the duplication of particular services.²⁶

One suggested solution included the creation of a platform to connect stakeholders in Jordan and promote sustainable entrepreneurial activities in the country.²⁷ Another challenge is the prevalence of internationally funded programmes that render these interventions unsustainable.²⁸

The key actors of the entrepreneurship sector vary from governmental entities to non-profit organisations, business support centres and hubs. These actors provide different types of support including funding, training and mentoring.²⁹ For example, through the launch of the King Abdullah II Fund for Development (KAFD), the Jordanian government supported existing enterprises and encouraged the development of the entrepreneurship sector as a whole.³⁰ Also, royal non-governmental organisations such as the Queen Rania Center for Entrepreneurship (QRCE) have also emerged to pave the way for entrepreneurs and start-ups leading to innovation and achievement.³¹ Other key actors include Oasis500, Zain Innovation Campus and the King Hussein Business Park.

Social entrepreneurship scene

The concept of social enterprises remains relatively new and fresh in Jordan. There seems to be no official characteristics or formally agreed-upon definition. A baseline study conducted in 2019 revealed that almost 92 per cent of the social enterprises and initiatives interviewed did not exhibit a coherent understanding of the concept.³²

²¹ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2019. Jordan's Startup Economy: Assessing the economic contribution and potential of tech and tech-enabled startups. [online] Available at: https://www.orange.jo/en/big/documents/startup_en.pdf

²² Ibid.

²³ Arabiyat, T., Sandri, S. and Alkhatib, W., 2017. Global Entrepreneurship Monitor: Jordan National Report 2016/2017. Jordan Enterprise Development Corporation and Centre for Strategic Studies.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Jordan National Report 2016/2017. (2017). Global Entrepreneurship Monitor (Gem).

²⁷ Ibid.

²⁸ Slideshare.net. (2019). Entrepreneurship Ecosystem Map of Jordan 2015. [online] Available at: <https://www.slideshare.net/jamilkhatib/entrepreneurship-ecosystem-map-of-jordan-2015>. 110 <https://issfjo.com/tor-eedp/>

In recent years, and mainly following the influx of Syrian refugees, many international organisations engaged in funding and supporting SE efforts in an attempt to tackle socioeconomic challenges, mainly unemployment, through interventions that can be more financially sustainable.

A baseline study conducted in 2019 revealed that SEs work in a wide range of economic sectors such as handicrafts, food processing, agriculture, IT, environment, culture, education and tourism.³³ SEs involved in healthcare, sports, transportation, industry and trade are few in number.³⁴ More specifically, over the past five years, the ICT sector in Jordan has expanded dramatically by 37 per cent, thus advancing the socioeconomic status of the country.³⁵ According to the Ministry of Digital Economy and Entrepreneurship, 42 per cent of the start-ups in Jordan are based in the ICT sector, which prompted the Jordanian government to acknowledge the sector as 'one of the key drivers of economic development in the country'.³⁶

SEs may operate as one of the legal structures recognised by law, or may register as non-profit organisations or as civil society organisations under the provisions of appropriate laws such as the Jordanian Companies Law of 1997 and the Civil Societies Law of 2008.³⁷ Most recently, the Ministry of Digital Economy and Entrepreneurship stated that it had started work in cooperation with partners on preparing a legislative framework for social enterprises, 'to facilitate these companies' registration and solve the challenges they face according to the global definition of a social company'.³⁸ In July 2019, the Ministry of Entrepreneurship and Digital Economy signed an MOU with Plan International to enhance the legislative environment of the SE sector.³⁹ Up to now, discussions on a legal framework for social enterprises remain in progress without any clear results.

²⁹ Unicef. Promoting the Economic Resilience of Young People through Social Enterprises: Unicef Jordan Position Paper.

³⁰ Abutair, Mohammad K. (n.d.): King Abdullah II Fund For Development. Retrieved from <https://www.kafd.jo/>.

³¹ Queen Rania Center for Entrepreneurship. Retrieved from <https://www.qrce.org/>.

³² PLAN International, 2019. Social Enterprise Baseline Study: Report.

³³ Ibid.

³⁴ Ibid.

³⁵ Fakoussa, D. and Kabis-Kechrid, L.L., 2020. Socio-Economic Challenges and the Impact of Regional Dynamics on Jordan Employment, Social Cohesion, and International Cooperation-Policy Briefs from the Region and Europe.

³⁶ Ibid.

³⁷ Femise, 2019. Social Entrepreneurs' Responses to the Refugee Crisis in Jordan and Lebanon. [online] Available at: <https://www.femise.org/en/slideshow-en/social-entrepreneurs-responses-to-the-refugee-crisis-in-jordan-and-lebanon-report-fem44-12/>

³⁸ Preparing a legislative framework for social entrepreneurial companies - Minister of Digital Economy and Entrepreneurship. Retrieved from https://www.modde.gov.jo/EN/Pages/Preparing_a_legislative_framework_for_social_entrepreneurial_companies.

³⁹ Ibid.

SE ecosystem analysis

The social entrepreneurship ecosystem is still nascent in Jordan and requires a lot of further efforts despite the increased support of many local and international stakeholders in recent years. Social entrepreneurship as a new concept that has developed in Jordan thanks to motivated social entrepreneurs and increased interest from INGOs in the sector following the economic decline and the Syrian refugee crisis. Support for SE has materialised with the multiple INGO programmes aimed at developing the sector and funding SEs in Jordan. These programmes are funded mainly by donor agencies such as GIZ, USAID, EU and other international development agencies.

Support to social enterprises started via direct interventions with local organisations and entrepreneurs with limited actors in the ecosystem to support these new enterprises. The SE development programmes, as mentioned previously, included a 360-degree approach to support that often included education and awareness components, training and mentoring, funding and follow up. While this type of support has

certainly helped SE to grow as a concept in Jordan, it has limited the need for independent support organisations that can provide services to SE for a longer duration, beyond the time frame of the SE support programmes. On the other hand, the active entrepreneurship scene in Jordan has played a key role in providing support to SEs, especially with many adopting SDGs as part of their funding and support agendas. This type of support has its challenges and obstacles, which are tackled in the next sections of this report, but their contribution to raising awareness within the entrepreneurship environment has been significant. This does not imply that entrepreneurship support organisations have prioritised SEs in any way for support but they are becoming more familiar with this concept. Several key informants reported that the SE sector will soon grow significantly in Jordan given the increased interest and the multiple socioeconomic challenges that require interventions that differ from the conventional development interventions.

According to interviewed entrepreneurs and organisations, the main drivers that have supported the growth of SE in the country are:

Unemployment and the need to create more jobs, especially after the Syrian refugee crisis.

Increased interest of the entrepreneurship sector in SDGs and looking at promoting them among start-ups.

Funding allocated by international donors to implement social entrepreneurship support programmes.

Active civil society scene which was ready to respond to local needs and align with the international NGOs agenda to support SE.

Participants of interviews and focus groups referred to the following thematic areas as key sectors in which social enterprises are most active:

Examples of SEs

- Environment**
 - Urban agriculture
 - Clean energy
 - Green solutions
- Food**
 - Heritage food
 - Local healthy food
 - Women’s economic empowerment
- Education**
 - Children’s education
 - Tech education
 - Children with special needs
- Culture and tourism**
 - Ecotourism
 - Rural tourism
- Services**
 - Wildlife preservation
- Tech**
 - Health-related tech solutions
 - Assistive hardware for special needs

The next section covers the different aspects of social entrepreneurship in Jordan and highlights elements pertaining to the legal and regulatory environment, support services and financing.

Policy and government

Social enterprises are not recognised by the government and its regulatory governmental bodies (such as ministries) or by other governmental entrepreneurship supporting entities such as the Jordan Enterprise Development Corporation (JEDCO). While the Jordanian government has introduced regulations to facilitate the registration of non-profit companies, social enterprises are not necessarily utilising this framework for multiple reasons, which will be tackled in the section below.

According to some interviewees, a committee that includes actors in the ecosystem and social entrepreneurs is currently in the process of discussing a social entrepreneurship framework with the Ministry of Digital Economy and Entrepreneurship.

Many interviewees reported that social enterprises may not require a new law but a label that would allow them access to incentives such as tax exemptions and less restrictive social security requirements. Social entrepreneurs usually register their initiatives/projects within the following legal frameworks, all of which have limitations:

- Non-profit companies
- Limited liability companies
- Individual companies
- Non-governmental organisations.

In choosing any of the available legal frameworks to register a social enterprise, the social entrepreneur may need to make major compromises that can affect their ability to move beyond the start-up phase.

As mentioned earlier, SEs have multiple legal options to register their enterprises, but none of these options are perceived as convenient. Jordan does not have a legal framework that recognises SEs or a clear definition of such in the Jordanian context.

Jordanians are continuing to establish SEs without registering them. According to most social entrepreneurs interviewed, the current options do not enable SEs to grow as the restrictions within each legal framework have direct implications on the enterprise’s financial viability.

The table below describes access by SEs registered under different frameworks to grants, the ability to generate income, to make and distribute profits, and tax incentives/exemptions.

Legal framework	Access to grants	Income-generating activities	Profit generation	Profit distribution	Tax incentives
Non-profit companies	✓	✓	X	X	✓
Limited liability companies (LLC)	X	✓	✓	✓	X
Non-profit organisations	✓	X	X	X	✓

The table summarises the complex position faced by social entrepreneurs with regard to the legal framework. Social start-ups are mostly supported initially through grants or donations, and to a lesser extent by investments. However, the legal status of the SE defines and limits its ability to access grants: companies are not eligible to receive grants and are restricted by commercial law. If a social enterprise registered as an LLC succeeded in securing funding through an investment or individual financing, a large sum of this investment goes in taxation and social security payments. According to one interviewee, *‘Many start-ups do not continue as they cannot support the burden of taxation and social security’*. Looking at an alternative legal status, a non-profit organisation can receive donations and funding from individuals, international and local organisations, and the private sector. However, non-profits are not allowed by law to conduct income-generating activities or any kind of revenue or profit. This leaves SEs registered as such incapable of sustaining their activities and destined to close down. Finally, SEs registering as non-profit companies face a combination of challenges in which they are required to build a business without access to grants and with all revenue invested in operating costs.

Zoom In: Non-Profit Companies
 These are registered in a special record called **‘Non-profit Companies Register’ within the Ministry of Industry. They are allowed to provide social, humanitarian, health, environmental, educational, cultural, athletic or any similar services of a non-profit nature approved by the relevant governing body. This type of company is not allowed by any means to distribute any net revenues directly or indirectly to its partners or shareholders.**

SEs in Jordan are trying to work their way out of the legal framework complexities by exploring and utilising different statuses for registration simultaneously to benefit the most from the services provided by ecosystem actors.

As described in the matrix above, each legal framework has different advantages and access to support is conditional on the form of registration of the SE. During interviews and FGDs, some SEs reported that they started an NGO to access donations, and a for-profit company to generate revenue. Thus, the NGO receives donations that are used directly in impact-related activities and that are not taxed, which allows the company to focus on sustaining their impact through income-generating activities.

Another approach to overcome the challenges of access was introduced by international organisations working on SE. For instance, the Join Up programme by Oxfam. According to some FGDs participants, this directly supports companies through grants to individual owners in return for proof of the work or service implemented in the project.

These ways of overcoming the challenges posed by the legal framework are not ideal or sustainable.

All start-ups, not only social enterprises, in Jordan face multiple challenges due to the legal framework's capacity to enable and facilitate their growth.

Investment in new start-ups has been facilitated in Jordan through many private sector incubators, venture capital, funds and other instruments, and government-led programmes that have boosted entrepreneurship in the last decade. According to the World Bank's Doing Business Report 2020, Jordan ranked 75th out of 190 countries in terms of ease of doing business and was one of the top ten improvers alongside countries such as Saudi Arabia and Kuwait.⁴⁰

However, several interviewees reported that registering and licensing a business is very lengthy and bureaucratic process. Entrepreneurs face challenges in their start-up phase as a result of two key legal and administrative reasons. First, no clear definition of MSMEs has been adopted by the government so start-ups and mainly small enterprises are treated on an equal footing with large, well-established enterprises. The definition and criteria to classify MSMEs adopted by the central bank are still not widely communicated or translated into governmental policies with regard to entrepreneurship support. Second, entrepreneurs in Jordan are required to pay a significant portion of their income in taxes, including corporate tax, service tax and value added tax. Start-ups are also required to pay fees for social security in line with other enterprises. According to many interviewed entrepreneurs, these taxes put a heavy burden on start-ups and make it challenging to survive the initial period of the start-up, with many ending up out of business.

These challenges are also faced by social enterprises registered as companies, where on top of their investment in impact-driven activities, they need to incur the costs of setting up, incorporation and taxation.

The definition of a micro business includes start-ups, which is not correct. We need a clear definition of a start-up as this will help understanding of what support to get: funding, technical support, registration.

CEO of an incubator

⁴⁰ World Bank, 2019. *Doing business 2020*. The World Bank.

While the absence of enabling regulations for social enterprises is clearly holding back the sector, some attempts to introduce new regulations and frameworks are currently giving hope to social entrepreneurs.

The 2010 Law on 'organic civic initiatives' demonstrated the Jordanian government's interest in the social entrepreneurship sector. The law initiated 'one of the most suitable legal forms that a social enterprise can choose in the Jordanian context, according to a study by the MedUp programme'.⁴¹ The Ministry of Digital Economy and Entrepreneurship, in cooperation with partners, is currently working on preparing a legislative framework for SEs, 'to facilitate these companies' registration and solve the challenges they face based on the global definition of a social enterprise'.⁴² In July 2020, the Ministry signed an MOU with Plan International to enhance the legislative environment for the social entrepreneurship sector.⁴³

The challenge of the legal frameworks has been reported by all key informants interviewed, in addition to being a key area of discussion in focus groups. However, many have confirmed that efforts are being exerted currently to develop an SE framework. According to one interviewee, SE in Jordan does not necessarily require the introduction of new legislation but of a label designated to social enterprises based on criteria to be met by the enterprise.

In 2020, the Ministry of Entrepreneurship and Digital Economy launched a committee to look into the legal framework required for social enterprises. This committee is composed of representatives from civil society organisations, the private sector, and entrepreneurs who want to be recognised as social enterprises. However, according to a ministry employee, the challenge in introducing a new framework is the bureaucratic process of adopting new procedures or regulations, in addition to the lengthy process of consultations with many actors.

⁴¹ MedUP!. MedUP! Promoting Social Entrepreneurship in the Mediterranean Region. [online] Available at <https://www.euneighbours.eu/en/south/stay-informed/projects/medup-promoting-social-entrepreneurship-mediterranean-region>

⁴² *Preparing a legislative framework for social entrepreneurial companies - Minister of Digital Economy and Entrepreneurship*. Retrieved from https://www.modee.gov.jo/EN/Pages/Preparing_a_legislative_framework_for_social_entrepreneurial_companies.

⁴³ Ibid.

We are trying to advocate to get the 'social enterprise' as a label that is given to businesses. This could be done through fulfilling a check list covering areas related to their financial, business, services models.

Representative of an NGO

Nevertheless, the opportunity lies in embracing social enterprises to deal with some of the key challenges over which the government has limited influence. For instance, many interviewees stated that during the Covid-19 pandemic, social enterprises played a key role in working with school dropouts and bringing them back to classes through multiple education-focused projects and activities. That said, SE actors need to highlight their potential added value in some thematic areas or sectors as complementary to the services provided by the government.

Support services and programmes

To understand the ecosystem of SEs in Jordan, it is important to have a clear idea of the entrepreneurship and start-up scene and ecosystem. The two ecosystems are closely intertwined as many of the actors within the entrepreneurship ecosystem are attempting to engage more in social enterprises, while not dedicating adequate resources. Over the last ten years, and given the increased funding provided to local civil society organisations in Jordan as a result of the Syrian refugee crisis, many interventions have focused on supporting local social enterprises.

According to many interviewees, support for SEs was a key driver to engagement in local economic development, job creation and most importantly, supporting host communities in different regions of Jordan. While this approach is both praised and criticised, it has given SEs much higher visibility and highlighted the need to support SE in Jordan. Consequently, many non-governmental organisations have established programmes to boost social entrepreneurship with support from international organisations and international donors such as the EU, USAID and GIZ.

Given the advanced support provided to the entrepreneurship sector in Jordan, many companies and organisations have been created in line with the strategic direction of the Kingdom to enhance employability. Jordan's efforts to transform into a regional tech hub, along with relevant laws such as the development laws, have encouraged several companies serving as support organisations for start-ups to open and start business in Jordan. While their focus was geared towards start-ups and entrepreneurs, their support to social enterprises focused only on the commercial viability and financial sustainability

aspect without any emphasis on social impact. This scope of support places the promotion of social enterprises on the entrepreneur and their personal motivation to focus on social impact rather than guidance or support relating to impact and assessment. The services of such companies are mainly incubators, co-working spaces, accelerators, and coaching and training services, financing solutions and other technical services. Although none of these services target social entrepreneurs specifically, they still offer an opportunities for nascent social enterprises to benefit, mainly from the business and operational components. Many NGOs have taken part in the newly developing SE scene, including those who target social enterprises (mainly international organisations) and those who have recently established programmes focusing on promoting SE.

Thus, the SE ecosystem in Jordan may be classified into two 'spheres' that are not necessarily connected but which contribute in different ways to enabling social entrepreneurship. These two spheres differ in incentives, source and mode of financing, type and the duration of support provided to SEs.

	Private sector-led support organisations	SE-focused support organisations
Type of organisations	CSR-funded incubators (i.e. large telecom companies) University-based incubators - King Hussein Business Park	Programmes funded by international donor agencies and implemented by INGOs/ and local organisations (i.e. LENSE programme, MedUp, JOINUP) Ad-hoc activities (training, small grants) by local and INGOs
Areas of support	Incubation, mentorship, competitions, access to investments, networking (not specifically for SE but the same type of services provided for start-ups).	Trainings, mentorship, grants and competitions
Interest and incentives for support	Ideas that have a commercially viable model. Investment is based on ROI. Impact-driven enterprise ideas are favoured by such incubators as long as financial sustainability can be proven.	Early stage ideas Less focus on ROI and more focus on social impact Employment as a key objective
Geographical outreach	Mostly in Amman, the capital	Mostly in Amman with wider reach in peripheral regions and governorates (through programmes)

SE-focused support services

Jordan has many SE support services but none of these are long-term, particularly when it comes to incubators and accelerators.

SEs have been supported through different programmes, projects and activities funded and implemented by international and local organisations. However, the ecosystem lacks long-term interventions that can provide continuous support to social entrepreneurs in their start-up and growth phases. For instance, SE incubators are often incubation programmes bound to a limited duration and particular funding cycle.

Looking at current and previous SE incubation programmes, it is evident that none of these programmes are linked to an investment fund but to grants provided as part of a larger scope project. While these programmes have significantly influenced SEs in Jordan, they are not necessarily enough to build an ecosystem of SE.

There is no SE-dedicated incubator or support organisation in Jordan, although there are incubators that include minor support to SE or time-bound incubation programmes.

The SE ecosystem is crowded; it is a good and a bad thing at the same time.

Representative of an innovation-focused NGO

SE support programmes are mostly driven by international organisations with agendas ranging from job creation, refugee economic inclusion and host community livelihood enhancement.

Job creation has been a major priority for the entrepreneurship ecosystem and more broadly, the Jordanian government. With this key objective, international organisations have championed support for SEs as a vehicle for job creation that simultaneously responds to host communities' needs and concerns. Incubation programmes, SE education and competitions have expanded to different parts of the country, sometimes to regions not previously targeted by any international organisation. Many of these programmes have included networking activities which brought social entrepreneurs together to share their experiences and knowledge within one programme. According to many interviewees, the key challenge of such programmes lies in the focus on the outcome (i.e. number of youth targeted, number of SE supported) and less on building an ecosystem capable of supporting enterprises on an ongoing basis. Some programmes, such as MedUp implemented by Oxfam and a local partner, TTI Jordan, have been active in engaging actors in the ecosystem, building their capacity and providing them with the resources needed to support social entrepreneurs.

We recommend financial support for SE service providers to grow the ecosystem and help social enterprises.

Head of MedUp programme

These interventions are still seen as insufficient, especially with the limited financial resources invested in SE service providers which reduces their ability to serve social enterprises. According to many interviewees, supporting these ecosystem actors is a priority for the ecosystem to grow. Most organisations run SE support programmes that are not necessarily linked to a thematic area but focus on employment as an overarching objective. However, some INGOs have started working on promoting innovative environmental solutions through social enterprise. For instance, CEWAS, a Swiss organisation, actively supports green entrepreneurs to develop solutions in areas related to water and waste management.

There are no SESOs in Jordan - there is a real need to finance and support organisations that provide dedicated support to social entrepreneurs.

Head of an SE support programme



Image © Mat Wright

Private sector-led support services

The active entrepreneurship ecosystem has played an instrumental role in knowledge transfer and indirect support to SE actors and ecosystem in general.

The entrepreneurship ecosystem in Jordan is well developed compared to the other countries targeted in this report. With the increased interest in job creation, many entrepreneurship support services have been established over the last decade, creating an ecosystem that includes actors in education, training, incubation and accelerators, in addition to relatively significant financing support, mainly from private sector investors and other INGOs and donors. In the four targeted countries, and particularly in Jordan, the entrepreneurship ecosystem is seen as a major actor in the social entrepreneurship sector for two key reasons:

- The established entities in the ecosystem collaborate with other organisations to provide tailored programmes for social entrepreneurs. While they do not necessarily focus on social impact as a key aspect in their incubation, they support social enterprise in all commercial aspects and help to design a financially viable business model. These programmes are mostly bound to the duration of the fund without any mechanism to continuously support SEs. The business model of these incubators is designed to serve start-ups through the CSR arm of private sector companies, mainly telecommunications, such as Umniah, Vodaphone and Zain.

ZINC is an incubator established by Zain Telecommunications. It has implemented a programme funded by USAID to support social enterprises.

It would be a plus if the start-up has social impact for us and the potential investors... in such cases we always prefer to support financially viable start-ups with social impact.

Head of one of the Telecom company-owned incubators

- The network of entrepreneurship support organisations has recently become more interested in socially responsible businesses. This provides SEs with more opportunities to get support. According to key personnel in one of the telecom incubators, they are more interested in supporting businesses that have an impact, whether environmental, social or economic. However, this interest does not mean that a social impact is a condition for start-ups to receive support, seed funding or investment.

Know-how accumulated over the years, in addition to the multiple success stories of start-ups, have played a role in encouraging SE actors to follow a similar path, but certainly one that is more challenging with the absence of investment.

The requirements and conditions for support and investment from private entrepreneurship actors might be too challenging for social entrepreneurs to meet, especially if they come from rural or less-developed areas or from lower educational background.

There are no restrictions for SEs to access support from entrepreneurship support organisations. However, the conditions to access support are usually related to the innovation and financial sustainability.

These conditions could be restrictive for young social entrepreneurs who lack the exposure or knowledge to develop an idea or business model that is financially sustainable. What is considered innovative in a particular context could be a traditional idea in another.

Without an SE-focused programme supported by an external actor, social entrepreneurs face myriad challenges to access support from incubators and other private entrepreneurship support organisations. Some of the key challenges can be summarised by the following:

- Perception of innovation: social entrepreneurs find innovation in designing solutions for their communities that might be seen as 'basic' or not creative in urban contexts or areas where the population is highly educated and exposed. Entrepreneurship support organisations may favour innovative ideas that use cutting-edge technologies and can fill a gap in the market, which is not necessarily the case for many social entrepreneurs in peripheral areas.
- Time and effort: entrepreneurs or social entrepreneurs need to spend a significant amount of time to work on their ideas, develop their business models, test them and develop different aspects. Taking part in a support programme requires additional time that these entrepreneurs need to take off from their daily jobs or education. For those who cannot afford the time or to compromise their income, particularly those from a low-income background or with a full-time job, support programmes are challenging to benefit from.

Social entrepreneurship is for those who can afford it.

Social Entrepreneur

Funding and financing

Investors in the entrepreneurship sector have grown in the last decade, especially with the increased interest of the private sector and private investors, coupled with the need for job creation as promoted by the Jordanian government. INGOs and donor funding have been another source of funding for the start-up scene, particularly social enterprises. The increased interest in SEs and the demand for more employment opportunities have led many international and local NGOs to get involved in supporting and funding SEs. However, social enterprises still face many challenges in accessing funding, partially due to the approach adopted to funding provided by INGOs on the one hand, and limited interest from private investors.

Jordanians are unable to mobilise local community support and national funds for social enterprises are not seen as a priority.

To understand the status of funding and financing of SEs, it is important to understand the differences in the modality of these funds, their interests and their key target audience. As described in the previous chapter, social enterprises primarily access funding from civil society programmes designed and funded by international organisations, in addition to financing from entrepreneurship support organisations. Each of these two types of funding include different conditions and requirements depending on the objectives of the donor.

Available Funding for SE	SE specific	Non-SE specific	Type of fund	Notes
INGOs thematic support		✓	Grant	Mostly focuses on specific thematic sectors
INGOs SE support programmes	✓		Grant	Targets SE projects with a key objective of employment
Venture capital		✓	Investment	Targets start-ups that might show potential growth (no social impact condition)
Private sector incubators/CSR arm		✓	Grant (seed-fund)	Provided as part of an incubation programme

Social enterprises usually undergo a complex process to access funding from INGOs as it is always conditioned by a lengthy process of application and time-consuming programme activities.

Funding is usually the final step of an SE development process. For SEs to access funding, they must go through an application process, capacity building, support in ideation and technical support to produce a social business model, and finally, funding. While this support is key to equip social entrepreneurs to launch a social enterprise, it can be a burden for young and inexperienced social entrepreneurs for different reasons. First of all, applicants for SE support programmes may lack knowledge or exposure and may drop out if the application process is too difficult. In many cases, NGOs reach out to applicants with awareness activities focusing on SE and requiring beneficiaries to apply immediately with an SE idea. This could be a challenge for many beneficiaries who have just learned about SE and are expected to pitch an idea that is innovative and able to generate revenue.

Another challenge is the time required from applicants throughout SE support programmes and many of them fail to continue because a lengthy programme can jeopardise jobs or education. The time required from a social entrepreneur (applicant) is described by many interviewees as burdensome for those from a low-income background as it requires them to compromise their livelihood to take part in the programme.

You have to be privileged enough to be a social entrepreneur... you have to make many compromises that not many can afford.

Social Entrepreneur

Those who pass the initial stages of application, ideation and the award of a grant face another challenge in spending uncompensated time developing and building their social enterprise. Programmes that target less privileged beneficiaries or areas may not take the socioeconomic situation into account and can be very demanding.

The lengthy application process leaves applicants in the unknown about their application status. Some interviewees reported that they had applied for funding through one of the SE support programmes and had not received any response or the delay had made them drop the idea. In summary, the expectation that social enterprises can play a role in solving community problems requires programmes to be designed in a way that caters to those living with these challenges.

Funding for social enterprises is insufficient to cover basic expenses, especially with restrictive tax regulations and labour laws.

Social entrepreneurs in Jordan face a key challenge in their start-up phase due to the absence of an enabling legal framework for SE, and more importantly the absence of any tax incentives. Like commercial enterprises, SEs are required to incur the costs of taxation, social security, and other costs related to registration and licensing. These costs are rarely covered in SE development programmes and can jeopardise the cash flow of a social enterprise at an early stage. Many reported that these costs are the major threat to a social enterprise during the start-up phase.

Private funding and support are accessible to social entrepreneurs who are well exposed, and who have access to business and market knowledge and experience.

With increased interest by the entrepreneurship ecosystem in Jordan to support socially engaged enterprises, many entrepreneurs attempt to highlight the social impact of their project to be more competitive. Incubators or funds active in the entrepreneurship scene usually prioritise innovation and financial viability over social impact.

Costs of incorporation, taxation and social security can eat up most of the funding of social enterprises.

Social Entrepreneur

For this reason, entrepreneurs pitching innovative ideas sometime over-emphasise the social impact, even if it is not a core component of their business idea, to access financing.

These entrepreneurs have an advantage over social entrepreneurs in accessing funding, especially with their knowledge of the ecosystem, familiarity with the way ESOs function and most importantly, their level of education and exposure to the market.

As SE is a new concept, social entrepreneurs still have a lot to learn and understand about the sector, let alone having double the responsibility of ensuring social impact as a key offering and revenue to sustain their operations. In these cases, it depends on the drive and motivation of the social entrepreneur to ensure that the social impact of their enterprise is a priority and is communicated while running a viable and sustainable business.

Washy Wash is a social enterprise that offers toxin free and environmentally friendly laundry services in Jordan. The social entrepreneur behind Washy Wash claims that their social impact is what makes the business attractive and viable. 'We make sure to report on our results, as it is our key concern for this social enterprise.' The social entrepreneur behind this SE has had relatively long experience as an entrepreneur building a successful enterprise, but wanted to move into a more impact-driven business, thus the establishment of Washy Wash.



The opportunities for social enterprises in the pre-growth stage to access funding are limited as most funding focuses on either early stage (start-up) or those in need of acceleration. Those in the middle stage are left out with very little share of the resources usually granted to SEs.

Social entrepreneurs trying to grow and scale up their enterprise often face challenges in accessing funds. Although they might meet the requirements of social impact and financial sustainability (in their social business model), the available funds and sources of support do not match their needs for two key reasons:

- Social enterprises might need to tap into funds in early stage SEs but these are not usually sufficient to cover the expenses forecast for their growth stage. As a result, these social entrepreneurs may be ineligible or require more than one source of funding, which is often a lengthy process due to the limited funding available.
- Social enterprises might not be eligible for larger sums in funding, especially if those funds are much higher than what is required and beyond the ability of these social enterprises to manage.

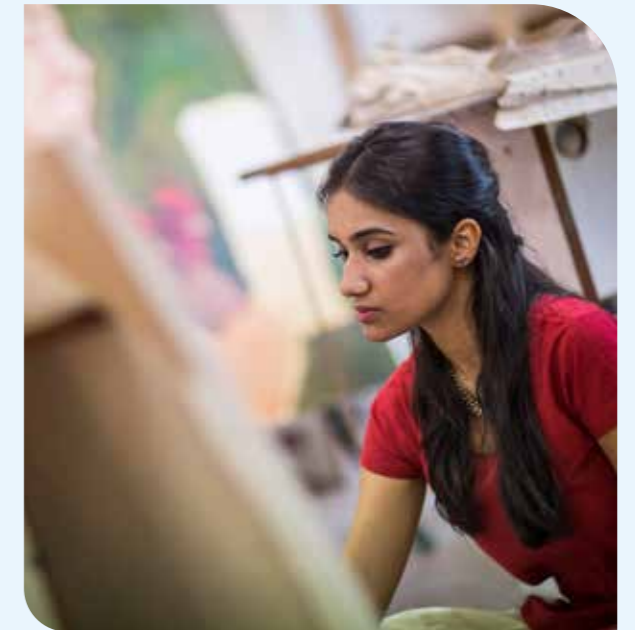


Image © Mat Wright

Several social enterprises and actors within the SE ecosystem have expressed the need to ensure funding for middle level social enterprises to ensure their growth and avoid closures.

The challenge is that either seed funding is offered, which is very little, or large sums of money offered for acceleration... there are no in-between types of funding to cater to middle level social enterprises.

Member of a SESO

List of entrepreneurship stakeholders in Jordan

Organisation	Location	Type	Specific to SE?
Business Development Center (BDC)	Jordan, HQ in Amman, also present in Irbid and Zarqaa'	Non-profit organisation	No
CEWAS Middle East	Jordan also present in Palestine, Lebanon and Iraq	Business support and Environment	Yes
Impact MENA	Head office in Amman, Jordan	Business support	No
JoMIZ (Jordan Marketing Information Zone)	Amman, Jordan	Business support	No
IRADA Enhanced Productivity Centers Programme	Amman, Jordan	Governmental	No
iPark	Amman, Jordan	Business support	No

Role	Website
<ul style="list-style-type: none"> BDC is committed to fostering economic development and public reform in Jordan and the Middle East. As a national and regional resource, BDC has been at the forefront of various successful multi-million-dollar projects and works with a business ecosystem of potential contributors and participants such as business service providers, government entities, universities and international partners to continue its mission of delivering effective development programming. 	http://www.bdc.org.jo
<ul style="list-style-type: none"> Support entrepreneurs at all stages: ideation - incubation - acceleration and scale-up. Builds enabling ecosystems, offers technical assistance, financial support, tailor-made coaching and training, as well as ensuring good governance and integrity. 	https://www.cewasmiddleeast.org/home#firstSlide
A regional consulting and advisory firm established to deal with local and regional challenges in the entrepreneurship and innovation ecosystem. Providing services to governments, universities, non-profit organisations, investors, high-growth businesses and other stakeholders in the Middle East and North Africa.	https://impactmena.com
JoMIZ was established to foster the development and growth of micro, small and medium enterprises, and provides support to enhance the productivity, diversity and training of the community workforce across the Middle East and North Africa (MENA).	https://www.jomiz.net
Launched in 2002 by the Ministry of Planning and International Cooperation (MOPIC), IRADA is a national development programme that aims to enhance economic and social productivity in implementation of the Royal vision to meet development challenges, and implemented by the Royal Scientific Society (RSS).	http://www.irada.org.jo
A leading innovation catalyst for Jordan and the region that creates opportunities for entrepreneurs, industries and government to amplify their ideas, grow successful technology and innovation businesses, and develop systems that contribute to the economic and social growth of Jordan.	https://www.ipark.jo

Organisation	Location	Type	Specific to SE?
Jordan Environmental Fund	Jordan	Governmental	No
LENS-USAID	Jordan	Business Support	No
Queen Rania Center for Entrepreneurship (QRCE)	Jordan	Non-profit organisation	No
ShamalStart	Jordan	Business support	No
Young Entrepreneurs Association	Amman, Jordan	Non-profit organisation	No
The Ministry of Digital Economy and Entrepreneurship	Amman, Jordan	Governmental	No

Role	Website
The Government of Jordan through the Ministry of Environment (MoEnv) is establishing the Jordan Environmental Fund (the 'Fund') to provide financial support for projects that will strengthen the capacity of entities to comply with national environmental law. The Fund will aim to drive technological and process improvements across select sectors and complement existing environmental expenditure in Jordan.	http://moenv.gov.jo/Default/EN
<ul style="list-style-type: none"> – USAID LENS is a five-year project that brings local governments, business owners, and key community groups to collaborate together on initiatives that boost economic development and create jobs in their communities. – These initiatives are focused on supporting the growth of micro and small enterprises (MSEs) and inclusive of women, youth and the underprivileged. 	https://jordanlens.org
Established to help develop technology entrepreneurship in Jordan. Over the last 15 years, the centre has organised many activities that benefitted thousands of entrepreneurs, professionals and students in Jordan, and helped to put some successful Jordanian start-ups on the track of innovation and achievement.	https://www.qrce.org
Established by Luminus Education and funded by the European Union, Luminus ShamalStart launched in 2016 to provide makers, innovators and entrepreneurs in Jordan – with focus on the northern regions – with a comprehensive ecosystem that facilitates transforming their progressive ideas into actual projects that can best serve their local communities.	https://www.shamalstart.com
Established as a non-profit organisation with the mission of creating outstanding young entrepreneurs through idea exchange, fellowship, education, training and advocacy, to enhance entrepreneurs' skills and allow them to compete in the global economy.	Website not working
<ul style="list-style-type: none"> – Creating policies to enable the transformation towards a digital economy and support the enabling pillars for this transformation, including digital entrepreneurship, digital skills, digital financial services, digital infrastructure and digital platforms. – Putting plans in cooperation with other government institutions to overcome the challenges faced by entrepreneurs, including access to markets, access to funding, regulatory challenges and access to talents. 	https://www.modee.gov.jo/Default/En

Organisation	Location	Type	Specific to SE?
The Ministry of Social Development	Amman, Jordan	Governmental	No
Oasis500	Amman, Jordan	Financing	No
Injaz	Amman, Jordan	Non-profit organisation	No
TTI	Amman, Jordan and also present in Irbid and Al Karak	Non-profit organisation	No
Intaj	Amman, Jordan	Non-profit organisation	No
StartupsJo	Amman, Jordan	Community	No

Role	Website
The Ministry undertakes a number of activities, programs and services in areas such as the family, childhood, social defence and special education. Activities associated with these issues are numerous, including planning, follow-up and improved performance, resulting in added dedication to achieving the profound objectives sought in developing the human being and helping people help themselves, by themselves, for their benefit and for the interest of their society.	http://www.mosd.gov.jo/UI/Arabic/Default.aspx
To develop a sustainable entrepreneurial ecosystem in the region capable of creating opportunities for entrepreneurs to build their own companies and be their own bosses, and subsequently improve the economy and create job opportunities.	https://oasis500.com/en/
INJAZ's portfolio of programs addresses the wide range of needs of young Jordanians and complements the education and training provided by traditional educational institutions. Their programs develop the vital soft and hard skills necessary to be competitive job candidates and entrepreneurs in the private sector.	http://injaz.org.jo
<ul style="list-style-type: none"> – Mission is to spread entrepreneurship and innovation culture among youth and women living in disadvantaged communities. – Since 2010, more than 6000 direct beneficiaries have been served through over 50 projects implemented all over Jordan, including awareness, training camps, mentoring, consultation, matchmaking and early-stage incubation. 	https://tti-jo.org
<ul style="list-style-type: none"> – Serves as the collective voice of the industry, advocating on behalf of its stakeholders and seeks to maximize the contribution of the ICT sector to the national economy. – Aims to provide the ICT sector in Jordan with the tools required to ensure continued growth and expansion. 	https://intaj.net
Supports the Jordanian entrepreneurial ecosystem to innovate, disrupt and scale through strategic partnerships that foster collaboration and engagement. Also, strengthens culture between local, regional and international stakeholders from universities, incubators and accelerators, and the government, private sector and investors.	https://www.startupsjo.com

Organisation	Location	Type	Specific to SE?
Beyond Capital	Amman, Jordan	Financing	No
Zain Innovation Campus	Amman, Jordan	Business Support	No
King Abdullah II Fund for Development (KAFD)	Amman, Jordan	NGO	No
King Hussein Business Park	Amman, Jordan	Business Center	No
The Ministry of Industry and Trade and Supply	Amman, Jordan	Governmental	No
Tamweelcom (Jordan Microfinance Company)	Amman, Jordan	Financing	No
Badir	Amman, Jordan	NGO	Yes

Role	Website
<ul style="list-style-type: none"> - A proactive player in the entrepreneurial and investment ecosystem with a wide network leveraged to support a portfolio of 42 companies. - As an ecosystem enabler, BeyondCapital holds a record of expertise in connecting entrepreneurs to relevant support mechanisms, investors and networks to provide them with access to capital, mentorship, talent and potential partnerships. 	https://beyondcapital.vc
Aims to activate and ignite the start-up and entrepreneurship ecosystem in Jordan and MENA.	http://www.jo.zain.com/
KAFD works to further develop key sectors in Jordan and improve local standards of living for all segments of the Jordanian community, targeting individuals, public and private sectors, and civil society organisations.	https://www.kafd.jo
A high-quality landmark complex that offers a mixed-use class-A office space that's ready to host local, regional, and international companies and start-ups, integrated with a convention centre, disaster recovery centre, and commercial and retail outlets.	http://www.businesspark-jo.com
The Ministry assumestakes on the responsibilities of regulating the industry by type and, classifying, and conducts registration according to an internal regulations. Also , and preparing the programs and studies tohat work on developing the industry and increasing its competitiveness.	http://www.mit.gov.jo/Default/En
Aims to elevate employment rates, foster socio-economic advancement, and empower low-income individuals within Jordan. Caters to 90,000 clients and enterprises.	https://tamweelcom.org
Equips young Jordanian leaders with the knowledge and skills they need to strengthen and up-scale their projects aimed at creating social change. Badir helps young social entrepreneurs to develop their SE projects and provides the necessary support.	Website not working

List of start-ups and social enterprises in Jordan

Name	Location	Industry
She Fighter	Jordan and Global	Self-defence
Bilforon	Amman, Jordan, Saudi Arabia and UAE	Hospitality
Akyas Innovation in Sanitation	Amman, Jordan	Hygiene
Batrina	Jordan	Fashion
Khitan	Jordan	Fashion
Aqabawi	Aqaba, Jordan	Tourism
IBTECAR	Amman, Jordan	Services
Blink Delivery	Jordan	Delivery service
Qumal	Amman, Jordan	Fintech

Main activity	Website
<p>The first self-defence academy and programme for women started in Jordan in 2012 and expanded to 35 countries globally.</p> <p>They have trained and empowered more than 18 thousand women globally and certified more than 600 female instructors across the globe.</p>	https://www.shefighter.com
<p>The first mobile app for ordering home-made food from local chefs.</p>	https://www.bilforon.com
<p>An innovator for sanitation solutions that serve the base of the pyramid population regardless of infrastructure and settings.</p>	https://www.akyas-sanitation.com
<p>Brand that creates storytelling, well-designed and affordable everyday products inspired by Jordanian culture, influenced by the people of Jordan and produced by local Jordanian craftsmen.</p>	https://www.batrinastore.com
<p>A recent initiative for handmade accessories. Khitan's main domain is handmade accessories: bracelets, anklets, necklaces and chokers, as well as wool knitted items.</p>	https://www.instagram.com/khitanlifestyle/
<p>Works on developing tourism products with new and different tourist services that highlight cultural, environmental and heritage resources as an attraction for the southern Jordan region to improve the income of local communities and increase competitiveness.</p>	https://www.instagram.com/aqabawi.jo/
<p>A company specialized in providing innovation services to companies, organisations and communities to enable sustainable growth. This is achieved through customized innovation program development covering innovation policies, structures, processes, strategies and organisational culture.</p>	https://ibtecar.me
<p>An online on-demand ordering and delivery platform that connects consumers with great deals around them.</p>	http://www.blink.delivery
<ul style="list-style-type: none"> – Its mission is to introduce a variety of new technological interventions for commercial and personal finance. – Uses technology to provide leading logistical and financial solutions to support businesses and ensure the continuity of core operations such as trade, production and more. 	http://www.qumal.com/login

Name	Location	Industry
Silicon Badia	Amman, Jordan	Venture Capital
The Good Socks	Amman, Jordan	Fashion
Sharqi Shop	Amman, Jordan	Craftsmen
Aqabawi	Aqaba, Jordan	Tourism
Waragami	Amman, Jordan	Origami
Mind Rocket	Amman, Jordan	Translation to sign language

Main activity	Website
Invests in innovative entrepreneurs and technology companies in the Middle East and the US; uses its global footprint to help their portfolio companies grow.	https://www.siliconbadia.com
The Good Socks is a student led food-impact social enterprise. With each pair of socks (100 per cent natural cotton) they sell, they are able to feed one person. Everything about The Good Socks is deliberate, from their purpose to their packaging. Socks come sealed in cans, just like food, to bring home the message that with each pair of 'canned socks' you buy, a can of food is also being donated to a person in need in Jordan. Their goal is to create a quality Jordanian product while giving back to the community.	https://www.thegoodsocks.net/
Sharqi gives craftsmen a chance to start, manage and scale their handmade businesses without worrying about logistics, customer service or even marketing. This allows them to focus on their authentic goods and craft supplies. This online platform for Syrian and Jordanian artisans is putting craftsmen back on the local and international map.	https://sharqi.shop/en/
Aqabawi is a community-based, youth-led enterprise that seeks to introduce visitors from throughout Jordan and the world to the unique culture and history of Aqaba, Jordan's jewel on the Red Sea. Aqabawi's experiences provide a unique opportunity for visitors to connect with local food, art, nature, and history, while also employing local community members and serving as a source of income for those in need.	http://www.aqabawi.com/En/Pages/Our_Story
WARAGAMI is the first company in the Middle East to specialize in paper art 'Origami and Quilling' by offering kits with all the needed tools, materials, and bilingual guidebooks for different ages and levels. They are passionate about paper art and aim to create a positive community, clean minds and family time by using the power of paper art. They aim to spread this art and its culture around the world from the belief in #ArtForAll	https://www.waragami.com/about
Mind Rockets develops assistive technological solutions for the deaf and hard of hearing worldwide. Avatars deliver instant translation from text and speech to sign language to help the engagement and independence of the deaf community. They focus on making content such as websites, Facebook pages, ERP and CRM, etc. interpreted into sign language with award-winning AI based technology that uses smart 3D avatars that understand the written content and interpret it in sign language.	https://mindrocketsinc.com/main/

Name	Location	Industry
Himisto	Jordan	Youth education
Habaybna	Jordan	Education for special needs children
Unihance	Jordan	Education
Student Library for Student Services	Jordan	Education
LED CENTER	Amman, Jordan	Technological material
9afi	Jordan	Education
Bloodology	Jordan	Blood donations

Main activity	Website
A passionate human from Jordan who loves technology, business and the entrepreneurial life, and the man behind more than 15 social entrepreneurship projects in Jordan. One of his goals is to bring Arab youth back to competing on a global scale, and to encourage them to be the top of innovative youth in the world through his edu-technological initiatives that teach youth the latest trending technologies, and give them knowledge to use in a positive and valuable way.	https://www.himisto.com/
habaybna.net is an online platform that provides guidance for parents of children with intellectual disabilities in Arabic via a video library, directory and one-to-one online coaching. Through habaybna.net they aim to empower parents of children with intellectual disabilities with the knowledge, skills and practical guidance they need to improve the lives of their loved ones with disability and help them live a productive and meaningful life.	https://habaybna.net/
Unihance is a peer-to-peer e-learning social network, providing and creating a wide platform where universities, academies, companies, and individuals around the Arab world can share and gain knowledge. Unihance is designed to enable fellow students to have a clear vision after graduation and produce enough qualified graduates with skills that serve the needs of the emerging knowledge economy. It update students with the latest technologies and technical skills used in the current and future market.	https://unihance.com/
Library offering services to students.	https://en-gb.facebook.com/altaleb.bookshop/about/
The largest engineering centre in Jordan providing various electronic and technological components at special prices.	https://ledcenterjo.com/?page_id=12
Providing educational content for university students to help them in their studies. They aim to create a community and environment for sharing university educational content in innovative ways in the Middle East.	https://9afi.com/about/
Services to find blood donors or to donate blood for emergency patients based on area selection.	https://www.bloodology.app/

Palestine country findings

Social entrepreneurship in Palestine

Overview of country context

Palestine has been under Israeli military occupation for well over 50 years, across which Palestinians have endured regular obstacles due to ongoing violence, and political and administrative measures. In addition, the fact that the country was separated into two parts (the West Bank and Gaza Strip) caused obstructive social and cultural consequences.⁴⁴ To be more specific, the West Bank is divided into three areas:

- A (under full Palestinian security and civil control);
- B (under Israeli military and Palestinian civil control); and
- C (under full Israeli military and civil control).

This has further divided Palestinians and led to spatial and social inequalities.⁴⁵

Mobility and freedom of movement restrictions are now one of the biggest barriers to Palestinians moving across areas, and access to basic resources, services and most businesses' operations is limited. Study participants reported that the two gates in the Gaza Strip are closed for 90 per cent of the year.

This prohibits people from travelling freely and often requires a large amount of money to cross, in addition to the many struggles that Palestinians face during the trip and on different checkpoints. This overall context implies a high level of uncertainty and a lack of stability as all political, economic and social levels are closely interlinked with Israel. All these factors have led to a brain drain with bright Palestinians leaving to settle in secure areas with better opportunities.⁴⁶



⁴⁴ Akella, D. and Eid, N., 2018. Social enterprises in Palestine: a critical analysis. *Journal of Enterprising Communities: People and Places in the Global Economy*.

⁴⁵ UNDP, 2016. *Building Economic Resilience in the State of Palestine*.

⁴⁶ Palestinian Central Bureau of Statistics (2016). Retrieved from <http://www.pcbs.gov.ps/default.aspx>

⁴⁷ World Bank, 2019. *Doing business 2020*. The World Bank.

⁴⁸ Akella, D. and Eid, N., 2018. Social enterprises in Palestine: a critical analysis. *Journal of Enterprising Communities: People and Places in the Global Economy*.

⁴⁹ Ibid.

⁵⁰ UNDP, 2016. *Building Economic Resilience in the State of Palestine*.

⁵¹ Ibid.

Socioeconomic background

According to the World Bank's Doing Business Report 2020, Palestine ranked 117th out of 190 countries in terms of ease of doing business.⁴⁷ Palestine is not independent economically or politically and the occupation has resulted in the Palestinian economy relying heavily on that of Israel.⁴⁸ The establishment of settlements, acquisition of land and natural resources, along with unjust economic policies and agreements, has had a detrimental influence on the economic and social environment of Palestine.⁴⁹

The Palestinian Ministry of National Economy (MoNE) attributes the deterioration of Palestine's economy to four key factors:

- 1- Border closures (that increase transaction costs);
- 2- the withholding of tax revenues (due to the Revenue Clearance System);
- 3- Labour flow reductions to Israel (due to difficulties in commuting and security restrictions); and
- 4- Dependency (which leads to inflated prices and reduced competitiveness).⁵⁰

Imports and exports, and related taxes, are very volatile, uncertain and often risky given Israeli monopolisation of trade policy in favour of its economic interests.⁵¹ The Palestinian market is hence restricted, closed and limited in many ways.

The most recent labour force statistics reveal very high unemployment rates in the Palestinian economy of 14.8 per cent in the West Bank and close to 49.1 per cent in the Gaza Strip.⁵² These reflect the period extending to June 2020 so do not cover the additional impact of the measures imposed by local authorities during the COVID-19 outbreak in August 2020 and which have further reduced employment.⁵³ Youth are most affected, with youth unemployment rates recording 29.8 per cent in the West Bank and 69.9 per cent in the Gaza Strip.⁵⁴

'The informal economy and job informality play a significant role in the Palestinian labour market [...], where more than one out of every two workers in Palestine are hired informally.'^{55 56} Informal hiring essentially affects the most vulnerable groups, is exceptionally high for young workers, and undermines worker protections and labour productivity.⁵⁷

⁵² Gaza unemployment rate in the second quarter of 2020: 49.1% - occupied Palestinian territory. ReliefWeb. Available at: <https://reliefweb.int/report/occupied-palestinian-territory/gaza-unemployment-rate-second-quarter-2020-491>

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ European Training Foundation, 2020. Policies for Human Capital Development in Palestine: An ETF Torino Process Assessment: Executive Summary. European Training Foundation. Available at: https://www.etf.europa.eu/sites/default/files/2021-03/03_trp_etf_assessment_2020_palestine_executive_summary.pdf

⁵⁶ OECD and ILO, 2019. Tackling Vulnerability in the Informal Economy. OECD Publishing. Available at: <https://doi.org/10.1787/939b7bcd-en> 'Employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severance pay, paid annual or sick leave, etc.). The underpinning reasons may be the non-declaration of the jobs or the employees; casual jobs or jobs of a short duration; jobs with hours of work or wages below a specified threshold (e.g. for social security contributions); or lack of application of law and regulation in practice.'

⁵⁷ European Training Foundation, 2020. Policies for Human Capital Development in Palestine: An ETF Torino Process Assessment: Executive Summary. European Training Foundation. Available at: https://www.etf.europa.eu/sites/default/files/2021-03/03_trp_etf_assessment_2020_palestine_executive_summary.pdf

Various economic initiatives were launched when the Palestine National Authority took over in 1996 and actors like donors and international parties entered the scene and offered support in services and consultations.⁵⁸ Since then, the Palestinian economy has been based on four economic sectors: agricultural, industrial, construction and services sectors.⁵⁹ According to the Palestinian Central Bureau of Statistics (2016), the most important sector that constituted 70 per cent of jobs and contributed the most to an increase in GDP in 2015, was the services sector, succeeded by the construction sector.⁶⁰ The agricultural and industrial sectors remain deficient and lacking in sufficient investments to revitalise them.⁶¹

Covid-19 implications

At the start of 2020, the spread of the COVID-19 pandemic caused massive economic and social disruptions worldwide. The Palestinian government estimates that the COVID-19 crisis will severely affect its economy with a 40 per cent drop in government revenues and an increase in public deficit from \$800 million to \$1.8-2.4 billion.⁶² The services sector is the most affected by the crisis, and sectors related to tourism (food and accommodation) and transportation have been severely disrupted. Restaurants and cafes alone put more than two per cent of the labour force at a complete loss of income and many establishments have gone bankrupt.⁶³

⁵⁸ Akella, D. and Eid, N., 2018. Social enterprises in Palestine: a critical analysis. *Journal of Enterprising Communities: People and Places in the Global Economy*.

⁵⁹ Ibid.

⁶⁰ Palestinian Central Bureau of Statistics (2016). Retrieved from <http://www.pcbs.gov.ps/default.aspx>

⁶¹ Ibid.

⁶² Hanieh, S. and Hinn, H., 2020. COVID-19 in Palestine: Economic Slump, Rising Vulnerability and Limited Policy Response. *EuroMesco Spot-On N°16 – June 2020*.

⁶³ Ibid.

⁶⁴ World Bank, 2018. Tech Startup Ecosystem in West Bank and Gaza: Findings and Recommendations. World Bank. <http://documents1.worldbank.org/curated/en/715581526049753145/pdf/126144-replacement-WBG-ecosystem-mapping-digital.pdf>

⁶⁵ Main page. *HCIE*. Available at: <https://hcie.ps/>.

⁶⁶ Ibid

Costs of incorporation, taxation and social security can eat up most of the funding of social enterprises.

Social Entrepreneur

Entrepreneurs and support organisations participating in this study reported many challenges imposed by the COVID-19 crisis: the increased level of uncertainty and volatility in the Palestinian market, job losses, decreased sales and capacity in investing in businesses, difficulty in reaching targeted beneficiaries, users and volunteers, delays in operations and projects, and the continuous need for revisiting and readapting business models to changing consumer behaviours. However, all agreed that the crisis created windows for new opportunities and solutions, enacted creativity and contribution, accelerated digital transformation, and actually allowed some organisations to reach a greater audience beyond the geographic restrictions that used to limit their operations.

Diverse social enterprises were able to navigate the crisis brought by the spread of COVID-19 and its implications.

For instance, Hakini, a nascent social enterprise offering an electronic platform for mental health in Palestine connecting users to mental health specialists, witnessed growth during the pandemic. People sought Hakini's support for therapy sessions and the suggested self-help interventions available on the platform. Similarly, Flowless provides smart water management systems to support municipalities and facilities companies better operate the distribution and management of water networks. Flowless also witnessed a positive impact of the COVID-19 crisis in that local municipalities realised the need to ensure better access to their water networks and establish efficient water management practices. Hence, Flowless' position in the market was boosted and its value proposition enforced across key stakeholders.

In such a fragile and challenging context, and with the COVID-19 pandemic, can entrepreneurship and social entrepreneurship still flourish and alleviate some of the context's negative socioeconomic repercussions?

Trends in the sector

Entrepreneurship scene

In general, most study participants indicated that entrepreneurship has been 'trending' in Palestine for the last few years. It is precisely in a country with many uncertainties and the need for innovation that entrepreneurship gains traction across its communities. People's awareness of the entrepreneurship concept has increased and youth are pursuing 'necessity' entrepreneurship as a pathway to employability. The 18-35 year age group are the most engaged and active in the sector (school students, university graduates and people with creative ideas).⁶⁴ The tech industry in specific is receiving a lot of attention from young people incentivised by the ecosystem that offers key support services to developing digital solutions. Interest in the entrepreneurship

sector is growing from all stakeholders and many actors are now involved in its growth and development. While it is perceived as the least active stakeholder, the Palestinian government recently launched its Ministry of Entrepreneurship and Empowerment to play a vital role in organising and empowering this sector, foreseeing a potential in entrepreneurship as a key driver of economic growth. The Higher Council for Innovation and Excellence is intended to promote creativity in Palestinian society in different sectors and contribute to achieving sustainable development.⁶⁵ The Council also offers a variety of services including networking and funding.⁶⁶

While active, the sector is still nascent with the limited resources and challenges it faces. Interviewed entrepreneurs and support organisations stated that people are now trying to find a space in this sector without necessarily having the relevant know-how or education, or any previous entrepreneurial experience. Many want to become mentors without having the right expertise to do so. This extends to support entities and initiated projects that tend to fail in providing the support required by entrepreneurs. There are many such entities, often duplicating services, and not specifically designed and tailored to address entrepreneurs' key challenges within the actual Palestinian context.

Youth have ideas but don't get the right feedback and guidance; academics don't have the practical experience needed for guidance.

Social Entrepreneur

There is no legal framework to encourage entrepreneurs to start their businesses and to support them in moving to more advanced growth levels. Businesses find it difficult to access new markets; one interviewee highlighted that it was hard to earn the trust of markets in neighbouring countries. Most investors invest in teams and ideas with the aim of expanding outside Palestine and study participants found this to be harmful to the local economy as it prohibits it from benefitting economically from these initiatives.

Entrepreneurs and other support entities interviewed reported a less active and optimistic entrepreneurship scene lately with the existing challenges and the COVID-19 crisis. Economic indexes no longer encourage youth to take high risks and initiate their own start-ups. The entrepreneurship scene is largely donor-driven and given the sharp reduction of aid (due to aid cuts announced by Trump in 2017 and the COVID-19 crisis), the sector has been hit, albeit with hope of a recovery soon.

Everyone is very tired these days, people have no money, reduced their funding, lost their jobs, even international donors are less interested.

Social Entrepreneur

Social entrepreneurship scene

Social entrepreneurship is paving its way into the entrepreneurial Palestinian ecosystem as an actual pathway to address the many societal needs that are left unaddressed. More specifically, young, educated and passionate people are the age group most interested in SE, even though one interviewee from a SESO stated that the many uncertainties and complexities in the country led young people to start initiatives while believing it is more likely to fail than to succeed.

Despite Palestine's various economic and social hurdles, social entrepreneurship initiatives have emerged to face the many challenges of this sector. The concept is still considered nascent in the country; there is a lack of a common SE definition and consumer awareness in the social value of the service, and the absence of an acknowledged social enterprise framework and policy. The Palestinian National Policy Agenda does not mention the SE sector or encompass any SE-specific intervention. Start-ups are still often initiated with the intention of making profit instead of creating a social impact.

Many players are now active in the SE sector, from local and international NGOs, to accelerators, university incubators and impact investors. It was evident that the ecosystem lacks organisation and coordination of efforts to avoid the duplication of activities and the lack of provision of services in certain areas.

All participants agreed that starting any business in Palestine and employing people is in itself an SE activity. Given the high unemployment rate and pressing challenges, creating jobs becomes the most impactful activity one could initiate.

The support services, programmes and activities on offer are generally centralised in Ramallah as the hub of SE activity. For some, this conflicts with the concept of SE and its intended national impact. In fact, an interviewee of a SESO providing funding and training services found that SEs with good business models tend to be in urban rather than rural areas. Participants in support programmes are often the same audience that benefits from exposure to opportunities, most commonly middle-class citizens who can afford to take risks and embark on social entrepreneurship journeys. Other vulnerable and marginalised groups may be left unaware of the concept and the change it can bring to their lives both economically and socially, and unable to reach the relevant available services. According to women support organisations during a focus group discussion, women find it even more difficult to enter the SE sector within the challenging context (e.g. restrictions on mobility and cultural considerations on working women) and while their livelihood remains a priority. SE support organisations support a limited pipeline of social enterprises with creative ideas despite many people wishing to engage. Only a limited number have the potential to scale up and create a long-term impact. This is mostly due to the absence of an effective education system, along with the lack of research and development.



Image © British Council



The energy of the sector should come from itself to the wider society.

Social Entrepreneur

In parallel, and according to interviewed entrepreneurs and organisations, the main drivers that have supported the growth of SE in the country are:

<p>The challenging context where Palestinians rethink their circumstances and find solutions to their complex daily problems.</p>	<p>The need for employment as job opportunities are scarce.</p>	<p>The combined value of creating impact and generating revenues while networking.</p>
<p>The personal growth generated when youth become entrepreneurs and go through a learning journey of personal and business development and skill.</p>	<p>The absence of the government in addressing key pressing social and environmental problems.</p>	<p>The revenue generation model of SE which allows entrepreneurs to turn away from reliance on funding and donations.</p>
<p>Environmental concerns are on the rise.</p>	<p>The general shift in mindset towards making a social change in the community if successful.</p>	<p>The activity of main support players such as local and INGOs, international community funds and SESOs.</p>

To that, participants referred to the following thematic areas as key sectors in which social enterprises are most active:

							
Community building	Food	Education	Arts, culture and tourism	Health	Services	Fetch and IT	Environment

Notably, the creative sector has been attractive to social entrepreneurs and support organisations alike. For instance, The Fiction Council is a creative social enterprise that aims to protect, develop and disseminate the Arab fiction culture in the fields of fantasy and science fiction artistically, through literature and culturally in Palestine. It conducts workshops on drawing, creative thinking, imagination development and more, and organises heritage-related tours that revive myths. Another example is the Palestinian Circus School, which used to run weekly circus clubs for students in Birzeit, Jenin, Hebron, Bethlehem, Al-Jalazon and Al-Fara' refugee camps. The clubs give Palestinian youth and children the opportunity to taste, learn and pursue their passion, and become a platform of professional circus trainers, artists and performers.⁶⁸ It also provides training of trainers workshops, and works with experts to present shows and organise other events. (COVID-19 prohibited the continuation of most of these activities.) Rawa Fund, the Creative Palestinians Community Fund, is an example of an organisation that aims to support grassroots and creative initiatives that bring alternative local solutions to their communities.

SES challenges

Like other countries in the region, the social entrepreneurship sector in Palestine is in dire need of enhancement and improvement. This is even more the case in a country like Palestine in which the context itself is challenging for all entrepreneurship players to operate. While social entrepreneurs work to solve pressing problems, the constant state of economic volatility, uncertainty and political instability puts entrepreneurs under continuous pressure. Many passionate entrepreneurs leave behind their drive and turn to employment to secure an income, unable to take all the risks associated with this journey, which increases their frustration and influences their wellbeing.

Interviewed entrepreneurs, support organisations and key stakeholders in the sector identified the following as the main barriers facing social entrepreneurs in starting and growing their initiatives:

Legal/regulatory

- There is no legal framework for social enterprises or for start-ups, hence no incentives whatsoever for people to take on social entrepreneurial initiatives. This is particularly challenging for creative social enterprises that cannot be defined under any of the existing legal forms. An interviewee of a creative social enterprise said: 'The government doesn't know how to support us as we cannot qualify under any form or ministry for adoption. We only have a permit from the Ministry of National Economy'.
- There is no government strategy on social entrepreneurship or database for the government and other stakeholders to learn where projects and interventions are needed, for whom and in which sectors, and no support interventions dedicated to SEs.
- The legal registration process is bureaucratic and lengthy.
- The regulations related to import/exports and the lack of border control (previously discussed) impose challenges. The high costs of imports of raw materials, export difficulties and very high shipping costs make Palestinian products less competitive. A fair trade organisation based in Jerusalem reported that small COOPs and women's initiatives operating on a small scale are unable to buy large quantities of raw materials. Hence, high expenses and adjustments to Israeli price scales make Palestinian products very expensive and much less competitive.

⁶⁸ https://www.facebook.com/pg/ThePalestinianCircusSchool/about/?ref=page_internal

Support services

- There is a major gap in service provision coupled with an uncoordinated duplication of efforts exerted by support organisations, all leading to:
 - Not being able to optimise on the available resources and time invested by support organisations instead of focusing efforts on filling gaps and building the ecosystem;
 - Having available services mainly focused on the ideation and start-up stages of the social enterprise lifecycle, with a lack of advanced training and support beyond incubation where the need for mentoring, coaching and networking arises. As reported by a social entrepreneur, many programmes are duplicated and offer the same training and topics targeted at the same audience, leaving key audiences with no exposure or access (e.g. people in rural areas and in Area C);
 - The services on offer are generally centralised which prohibits entrepreneurs outside the centre from accessing the support or being aware of what is on offer.
- The support provided is based on the international scope and direction mainly defined by donor agencies who often require local organisations to abide by a pre-set design for projects and interventions to be implemented, without necessarily having a context-based adaptation of the intended support. This restricts programme design, which often ends up being short-term with low impact and unable to meet the needs of social entrepreneurs.

- It is difficult to access talent because people, more specifically youth, lack key entrepreneurial skills such as strategic thinking, marketing, fundraising and financial management. This also applies to mentors who often lack the skills, expertise and exposure for adding value and originality to interventions. Participants have reported that entrepreneurship mentors and advisors tend to look at revenues and care solely for financial sustainability without defining and measuring the social impact. SESOs expressed facing difficulties in reaching skilled and experienced mentors to join their programmes and provide support for SEs.
- There are no networks and platforms for collaboration available for social entrepreneurs to connect, share knowledge and experience, and collaborate. For instance, women's support organisations reported that women work independently on multiple similar initiatives instead of working collectively. This results in the duplication of products for the same users in the same market.
- Corporates in the private sector still adopt the traditional corporate social responsibility (CSR) approach of supporting large events and/or well-established organisations instead of supporting social businesses by either granting funds or integrating products and services of social businesses in their value chains.

Exposure and access to opportunities is a key challenge as mostly everything is centralised in Ramallah; for example, in Nablus, no support is available, no physical support at least, no accelerators... mainly the north region is very limited.

Social Entrepreneur

Access to markets

- The market is small and limited, which often leads to a lot of competition at different levels such as access to finance and beneficiaries.
- The market is volatile, and it shifts fast and continuously. Social entrepreneurs find it hard to cover costs with low revenues and to constantly readapt their business models to align with current market shifts. This inhibits their ability to become sustainable financially and leads many to exit or look for expansion in external markets instead.
- In women-led micro social enterprises, the inability to meet market demand is due in some cases to the challenges associated with production capacity, access to raw materials and costs, and limited networking and marketing skills. These are the main barriers to the growth of their businesses. As one member of a women's support organisation indicated, the production capacity of women is limited so they cannot cater for large orders or cope with the resulting demand when external markets open for them. Product specifications, quality, colour and many more aspects related to production and quality standards are a challenge for women to adhere to.

Awareness and culture

- There is a lack of community awareness around the concept of social entrepreneurship and an absence of a unified definition of SE in Palestine. The ecosystem is nurturing, yet stakeholders and the community are still trying to understand and define SE.
- The societal perception towards doing business still fails to accommodate the core idea of an SE activity where an organisation can make profit and achieve social change at the same time. People do not yet acknowledge the social value of the products or services offered by social enterprises.

We can only try to adapt daily; we are not able to have a long-term vision. Sometimes we just come up with ideas or projects only to survive.

Social Entrepreneur

- Social entrepreneurship education is still lacking at all academic levels.
- Women in particular face cultural challenges when engaging in entrepreneurial activities and taking initiatives. In some cases, social norms imply that what is appropriate to women is solely engaging in household responsibilities. In other cases, the context itself with mobility and safety challenges prohibits their participation in programmes and activities, along with regulations restricting the ease of female access to the job market.

Access to finance and investment

- There is an absence of adapted financing tools and mechanisms for social entrepreneurs at diverse growth levels, more precisely beyond seed-funding, and for different sectors and target groups (e.g. funding dedicated to women entrepreneurs). Funding is usually bound to a predetermined design that needs to be implemented.
- SEs have limited ability to win proposals or grants through submitted applications. Some have reported being unsuccessful and not receiving any response to their request for feedback during the process.

- SEs are less attractive to foreign investments as investors are concerned about Palestine with its complex entrepreneurial ecosystem coupled with many constraints.
 - One key challenge is the restrictions imposed on banks both locally and globally. Online payment systems are subject to many regulations and it puts a financial constraint on entrepreneurs trying to open bank accounts or use payment solutions in e-commerce (e.g. access to PayPal and other platforms).
 - In contrast, an interviewed impact investor stated that this is not a challenge because Palestine has a good banking system and the reliance on another currency (Israeli shekel) absorbed some of the risks associated with it.
- There is a general sense of donor dependency. The community tends to rely on external donations, including beneficiaries who require more for free rather than willingness to invest. In this regard, several SEs participating in focus group discussions noted the following:
 - The lack of governmental support and assistance to entrepreneurial initiatives is prohibiting SEs from becoming financially sustainable and hence, they continue to rely on donor funding.
 - The auditing processes tied to funding are complex, whether in relation to government funding or investors. SEs must invest additional money in human resources only to facilitate this process.

A lot of gaps in the ecosystem: lack of angel investors, VC funds, not much local investment. And even if there is, it is traditionally little money and a lot of equity.

Social Entrepreneur

- The lack of know-how in crisis management and readiness to deal with all uncertainties also contribute to the dependency on humanitarian aid instead of building and relying on sustainable and adaptive financial models.
- For SEs serving underprivileged beneficiaries who are mostly unable to pay for services or products, a hybrid revenue model is still needed.
- Given the mobility restrictions, a few SEs reported not being able to travel which made them lose funding opportunities.
- Access to crowdfunding as an alternative funding mechanism is limited to well-established, apolitical organisations registered in West Bank, Jerusalem and the 48 areas (excluding Gaza), but is not an effective alternative for early stage social initiatives with weak networks.

The government's weakness in supporting key entrepreneurial initiatives leaves us with no other option than going after donor funding to survive.

Social Entrepreneur

SE ecosystem analysis

An entrepreneurial ecosystem contributes to the positive impact of new enterprises while providing these businesses with enabling elements for their work, survival, growth and scalability of social impact.⁶⁹ The Palestinian mapping and needs assessment conducted by Oxfam in 2018 illustrated the social entrepreneurship ecosystem in Palestine in the following terms: 'Key providers of finance, social impact, government legal authorities, NGOs with SE programmes, charity for SE organisations with SE projects, youth forums for SE, foundations promoting SE, social enterprises supporting organisations, cooperatives, technology incubators, academic institutions with SE centres, business support providers (training centres).'⁷⁰

To better understand how different stakeholders are currently playing a role in advancing each facet of the ecosystem, this section sheds light on key ecosystem pillars, which are: (1) culture; (2) policy and government; (3) support services and programmes; (4) funding and financing; and (5) networks and partnerships.

Below are some SE definitions suggested by interviewees:

'It's around sustainability with its three-bottom line. So, it's working with people and for people to have a certain impact and change in their livelihoods; have societal change (and change can take many forms) while utilising sustainably the local resources.'

'Any intervention from institutions that carry a positive social and cultural impact on society regardless of which sectors they're operating in.'

'An initiative that is not profit-oriented. It stems from solving a problem so is a solution for the community with an impact that can scale while maintaining financial sustainability.'

There was consensus that the definition is not clear and the concept is still vague across all ecosystem players and stakeholders.

Culture

While SE is a new concept in Palestine, its practice dates back years to when communities collaborated and created social solidarity initiatives that addressed their social problems while utilising local resources sustainably.

There is no common SE definition that aligns SEs, SE ecosystem players and the community.

Interviewed participants agreed that SE in Palestine revolves around countering the existing circumstances and changing current realities by creating new solutions or building on existing ones to address the most pressing social challenges in the community. It is the activity of doing business while being purpose-driven and impact-oriented. Furthermore, and specifically in the Palestinian context, any solution that is creative, innovative and creating jobs is by itself yielding an immense impact.

⁶⁹ OXFAM, 2018. The Lebanese Social Entrepreneurship Ecosystem, Mapping Report.

⁷⁰ Assi, H., 2018. Mapping and Needs Assessment of Social Enterprises and Social Enterprises Support Organisations in Palestine.

The community still finds it difficult to accept a combined model of entrepreneurial activity with social impact, leading to minimal community engagement and participation.

The concept of SE is nascent and new in Palestine. All participants reported a societal perception that does not yet see its value. Most people are not acquainted with the concept of SE and do not trust SEs to truly be impact-oriented as the general belief is that entrepreneurs only start businesses to make money rather than to make a change. Furthermore, and given the general reliance on donor funding, society tends to perceive SEs as organisations relying on external funds and hence, driven by specific agendas.

The community identifies with the concept of charity, receiving money and distributing it to disadvantaged groups. People confuse SEs with charities and NGOs as the perception towards SE clearly lacks the integral element of financial sustainability.

This resistance is influencing the community's behaviour and driving it away from engaging, participating and investing in social enterprises. An interviewed social entrepreneur added: 'This lack of awareness detracts from our work. Even at the governmental level, there is a lack of SE understanding and they don't see the value of supporting us or providing any incentives'. This is less problematic in Ramallah where most SE activities take place, where people are more open to the concept, and tend to be incentivised by investing in services and products that serve the community.

While the momentum around SE is picking up, participants emphasised the importance of more widespread and shared success stories to showcase that such initiatives can succeed, thrive and achieve impact when supported.

Policy and government

The absence of regulatory frameworks and policies dedicated to SE is an impediment to social entrepreneurs starting and growing their social businesses.

In the absence of a legal form of SE, social entrepreneurs have no legal umbrella or clear classification under which they can register their organisations. SEs can be established as for-profit, a non-profit company, a cooperative or a charity organisation with financial gains.⁷¹ These multiple legal forms create confusion for SEs over which is the best to adopt and with what type of support mechanism and incentives.

Different registration processes for the diverse legal forms incur high costs for registration and lengthy bureaucratic procedures. Recently, the option to register SEs as 'non-profit companies' under the Ministry of National Economy was suspended, while the government continues to limit the work of non-profit companies. Similarly, NGOs that are often registered as charity organisations under the Ministry of Interior have also been put under strict restrictions by a recent law.

Most interviewed SEs are registered as for-profit companies or NGOs (which remains challenging if they have a profitable model), while also registering in different countries to escape the difficult legal infrastructure. SESOs such as impact funds support unregistered initiatives through establishing partnerships with local organisations that act like subcontractors for these businesses.

Best way to register now is as a for-profit company to avoid these barriers while still having social purpose at the core.

Social Entrepreneur

It is therefore evident that Palestine is in dire need of government support to promote the development and growth of SEs. Quoting an interviewed impact investor: 'If donor money has dramatically shifted the Palestinian ecosystem, what would a regulatory framework for SE do?'

While the absence of enabling regulations for all start-ups (SE and non-SE focused) is clearly holding back the entrepreneurial sector, the newly established Ministry of Entrepreneurship and Empowerment is giving hope of establishing new start-up regulations and legal frameworks.

Founded in 2019, the Ministry of Entrepreneurship and Empowerment aims to build the Palestinian entrepreneurial ecosystem. According to His Excellency the Minister, and based on a mapping exercise of key stakeholders, the Ministry can define a national strategy for the sector through a collaborative and participatory approach. One main intended outcome is to initiate a taskforce representing every player in the ecosystem to set priorities, organise, coordinate efforts and share experience following a series of consultations to ensure high stakeholder engagement.

The Ministry of Entrepreneurship and Empowerment has proposed and is advocating for a law tailored for start-ups which aims to reduce the governing barriers and focus on attracting feasible business concepts.

It is currently under revision by expert institutions, with final stage negotiations and an expectation that it will be passed in two months. The major incentives of this law include: zero-fee registration with no requirements and zero tax on revenues for the first five operational years. The Ministry is envisioning a national start-up fund that will allow entrepreneurs to retain full ownership while only requiring full payment for the fund's sustainability.

While there is no specific incentive for the SE sector, this law, if passed, will facilitate the work of social entrepreneurs. His Excellency confirmed that there is a plan for the SE sector included in the strategy with its related action plan, essentially focused on supporting SESOs.

Support services and programmes

There is limited SE-focused support dedicated to entrepreneurs addressing social and environmental challenges, and advanced support is almost non-existent.

Similar to neighbouring entrepreneurship environments and ecosystems, the entrepreneurship and social entrepreneurship ecosystems are highly interconnected. Social entrepreneurship support services and programmes tend to be limited in comparison with entrepreneurship support services and programmes. Thus, social entrepreneurs resort to entrepreneurship support for capacity building, funding and networking.

The ministry of entrepreneurship and empowerment – goals

- Advocating for the proposed start-up law.
- Creating a stakeholders' taskforce to organise and coordinate efforts in the sector, and build local support networks.
- Building partnerships with key players such as the Ministry of Finance, Ministry of Education, NGOs, academia.
- Setting up links with international markets and global investors.
- Youth capacity building in coding and software development.
- Support organisational capacity building.
- Facilitating e-government and access to data.

Some of the major entrepreneurship support programmes are the Fast Forward Accelerator Programme, launched in 2013, and which assists businesses that work in the internet and mobile technologies. Supported by IBTIKAR fund, Welfare Association, GIZ and e-Zone, the programme has established a hub where entrepreneurs can gather and share their ideas, and has also helped them with funding, coaching, mentoring and other support services.⁷² Similarly, Gaza Sky Geeks (GSG) is an ICT start-up accelerator launched in 2011 by Mercy Corps and Google to provide start-ups with the necessary support and connections to global networks.⁷³ Its main target audience is youth, while programmes generally attract young people with ages ranging from 20 to 40 years. GSG also organised and directed the annual Gaza Start-up Weekend, the Intalqi women's empowerment programme and the Gaza Challenge.⁷⁴

A main player in SE development in Palestine is the Palestinian Agricultural Relief Committee (PARC) which started in 1983 and is the first to work on SE in Palestine by initiating the integration of COOPs in the fair trade sector and persuading them to have social impact at the core of their operations in 1994. Under the MedUp Project, PARC officially worked on SE, and in collaboration with Danida to empower SEs in the agricultural sector. PARC also supported start-ups and SEs with community-based business models in rural areas and across all districts with grants, and incubation and acceleration programmes.

More recently, and as reported by most participants, the major player in the Palestinian social entrepreneurship ecosystem is BuildPalestine. It was initially founded with the intention of being a crowdfunding platform for social projects where Palestinian entrepreneurs could collect funds from international donors, then assumed the responsibility of spreading awareness about SE based on an apparent need in the ecosystem. BuildPalestine currently has several programmes such as the Social Innovation Bootcamp, BUILDx, and other skill advancement programmes through which changemakers at idea stage go through the business development cycle, while more advanced SEs are supported in raising money and campaigning for external investors. BuildPalestine also hosts the Social Innovation Summit which is an annual global gathering of up to 1,800 passionate social entrepreneurs and experts interested in SE in Palestine and around the world.

Also, the well-known pioneer and supporter of the social entrepreneurship sector, Ashoka, has been present in Palestine with the facilitation of Ashoka Arab World. Since 2007, Ashoka selected 12 Palestinian fellows from different areas of expertise to serve as ambassadors. These entrepreneurs were empowered and put at the forefront of social innovation and development.⁷⁵ Palestine's first social entrepreneurship event 'Ashoka in Palestine' was co-organised in 2017 by Ashoka Arab World, which helped promote the sector and further empower SEs.⁷⁶

Main communication and outreach strategies employed by SESOs

- Direct contact (e.g. schools and university visits)
- Social media (Facebook primarily) / website
- Email marketing and newsletters (Arabic newsletter for local outreach and English one for international communications), webinars
- Partnerships and free provision of business consultancies

Entrepreneurship education is available and is provided by NGOs and a few support organisations. SE education is absent from formal education at school level and there is only one university SE-related programme.

Entrepreneurship education programmes are provided as additional tracks and elective courses at school and graduate levels by schools, universities and support organisations like INJAZ Palestine. For SE specifically, organisations like Ibtikar, a major player in promoting education for social innovation, has developed diverse programmes for students and young adults around social innovation and innovation within the SDGs' scope. One example is the Youth Social Innovators, a one-year capacity building programme for school students who 'work in teams, explore social issues that concern them, and develop and implement creative responses and solutions to social needs'.⁷⁷

Universities encourage entrepreneurship through partnerships with external organisations, with leading entrepreneurship competitions (e.g. Hult Prize) or by launching business incubators to further build youth employability. Incubation programmes educate students on entrepreneurship, and provide boot camps and business development programmes to support creative ideas.

Birzeit University, precisely its Innovation and Entrepreneurship Unit, was developed as an umbrella for all entrepreneurship and social entrepreneurship projects and initiatives such as the BHub and the Leadership and Active Citizenship Programme, also known as Masari. The latter is student-focused with a three-year programme introducing the social solidarity perspective to education, while familiarising students with local social problems and incentivising them to innovatively address these communal challenges.

The Leadership and Active Citizenship Programme is mandatory for all undergraduate students to participate and pass regardless of their major. Under its third pillar around SE, students learn how to build a social enterprise and its social business plan, pilot test their ideas, and work on turning the initiative into an actual social enterprise. The content is characterised by its simplicity, its use of the Arabic language and its contextual aspect. This programme was not only able to educate a large number of students on the concept of SE, but also to increase the flow of SEs with potential for growth in incubators' pipelines.

⁷² Assi, H., 2018. Mapping and Needs Assessment of Social Enterprises and Social Enterprises Support Organisations in Palestine.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Palestine: Ashoka: Everyone a Changemaker. *Ashoka*. Available at: <https://www.ashoka.org/en/country/palestine>.

⁷⁶ Ibid.

⁷⁷ Ibtikar For Empowerment and Social Entrepreneurship: <http://www.ibtikar.ps/en/posts/2>

Social entrepreneurs lack key skillsets. This is still perceived as problematic by support organisations.

Several participating support organisations reported a skills gap among youth and entrepreneurs. This is consistent with the World Bank's findings which showed that the major impediment to entrepreneurial activity in the West bank and Gaza is the level of education and training, which are still perceived as too traditional and not nurturing creativity or entrepreneurial thinking.⁷⁸ Study participants additionally linked this perception to the limited experience of entrepreneurs who are usually young and eager to secure employment, and therefore choose the entrepreneurial path out of necessity.

Available support and capacity building programmes focus on building general business skills, including business development and modelling. They are usually helpful for social entrepreneurs at an early stage of their idea development, and where they continue to require guidance on finding the link between vision setting and resource planning, and mobilisation to the created solutions. Yet there is usually no continuity beyond these trainings, which leaves a remarkable skills gap among entrepreneurs in general and social entrepreneurs in specific.

The skills that were most reported as lacking are mainly:

- Critical thinking, strategic thinking and creative thinking
- Financial planning and management
- Presentation, proposal writing, fundraising and marketing skills
- Networking and partnership building
- Social impact measurement.

Participating social entrepreneurs have emphasised the need for entrepreneurs to be patient, passionate, willing to learn, and to adopt a growth mindset based on continuous reflection of their work.

⁷⁸ World Bank, 2018. *Tech Startup Ecosystem in West Bank and Gaza: Findings and Recommendations*. World Bank.

⁷⁹ Invest Palestine: <http://investpalestine.ps/>

Funding and financing

As previously observed, several challenges govern the funding and financing of SEs in the Palestinian ecosystem: the small market, the restricted access to finance, the limited pipeline of investment-attractive ideas that are feasible, sustainable and scalable, and the heavy reliance on donor funding. The latter is based on responses to humanitarian crisis or a pre-set programme influenced by funding trends and internationally set development priorities instead of being catered to the actual financing needs of SEs.

In general, research participants confirmed that a lot of pre-operational money is available for SEs in Palestine. This is usually offered by support entities like incubators, accelerators and local NGOs through their programmes, competitions and grants, which are now very common. A few religious funds are available for start-ups to tap into for financial support (e.g. the Islamic Development Bank in Palestine). Other available funding sources for entrepreneurial initiatives are microfinancing institutions, which are usually focused on specific sectors, and leading crowdfunding campaigns.

The Bank of Palestine and the Higher Council for Innovation and Excellence (HCIE) are two public institutions that have been financially supportive of entrepreneurship and innovation. Several participating members of women entrepreneurship support organisations stated that the Bank of Palestine used to offer zero per cent interest loans to women entrepreneurs during the last two years. It has also provided 'green loans' to support environmental and energy-friendly initiatives, along with technical non-financial consultations. The HCIE also offers seed support in addition to its incubation programmes and access to network opportunities.

Investment funding was reported to be the most challenging form of financing to access by SEs since private investors, venture capitalists (VC) and angel investors are very limited in number to non-existent. Ibtikar Fund is the only currently active VC in Palestine which considers itself and is similarly perceived by participants as an impact investor given its job creation impact. Ibtikar Fund's support is focused on seed stage and early stage capital funds.

Given the scarcity of local angel investors, Palestinians saw an opportunity to attract impact investments from the diaspora despite the contextual challenges and the lack of trust in the market by the diaspora, and to build on success stories. This was the drive behind the initiation of Invest Palestine in 2016 which aims at 'connecting investors directly to local Palestinian entrepreneurs and building a sustainable business partnership between them'.⁷⁹ Invest Palestine was able to redirect the efforts of the diaspora towards earning return on investment and making a social impact at the same time, managing legal and regulatory barriers, and building the capacities of SEs on different levels to become investment-ready. Invest Palestine works with start-ups at the pre-investment capacity building phase which can amount to \$30K and provides up to \$700K in investment money later, all depending on each entity, its needs and its investment plan.

Along the lines of mobilising global resources to build Palestinian communities, Rawa Fund is a global philanthropic platform funding creative grassroots solutions across Palestine. With its focus on the creative sector, Rawa Fund brings an innovative approach to fund management based on a systemic, sustainable and participatory approach. In addition to the provided grants that amount to \$35K depending on funding cycles, Rawa Fund provides non-financial support such as mentorship and coaching, and facilitates peer-to-peer learning.

There is a clear absence of adapted financing tools and mechanisms for SEs beyond seed-funding, and most critically for SEs in the middle growth stages.

As described, financing and funding in Palestine leaves a gap in financing options for SEs beyond the seed stage. The financing ecosystem concentrates on seed funding with few large impact investment opportunities and no funding sources for SEs in growth stages. Thus, SEs become trapped in the middle growth stage when they are not small enough for seed funding programmes or large enough for advanced forms of investment funding. Most commonly, seed funding is limited in its amount (up to \$10,000) and time frame. Some participating social entrepreneurs stated that seed funding is (1) often focused on realising the UN Sustainable Development Goals (SDGs), and (2) is usually conditional on restrictions from donors.

In addition to the funds previously mentioned, the Palestine for Development Foundation (PsDF) is a national non-profit founded by the Palestine Investment Fund as its CSR arm. Its goals are to strengthen people's skills and capacities, and to support them in employment and social life by promoting an entrepreneurship culture that creates and develops innovative, creative and competitive Palestinian communities. PsDF essentially builds the capacity of youth entrepreneurs and supports MSMEs through diverse entrepreneurship programmes and financing schemes (both financial and non-financial support). With PsDF's diverse programmes, it is an attempt to bridge the gap between basic to advanced support for SEs while trying to cater for entrepreneurs at different growth stages.

Networks and partnerships

The SE ecosystem in Palestine lacks networks and platforms for collaboration where SEs can connect, share knowledge, experience, and connect with each other and with support organisations.

Generally, participants reported having no local or regional SE network or platform for collaboration. Most social entrepreneurs expressed how challenging it was to connect and network with other SEs and SE key players at the local and regional levels, yet relatively easy to access global networks, often through international programmes such as the TechWomen programme by the U.S. Department of State's Bureau of Educational and Cultural Affairs.

Conversely, SEs seek local and international partnerships to grow their operations and become more sustainable. Several of the SEs interviewed started by establishing local, often short-term, partnerships with public institutions and NGOs, then entered into national strategic partnerships with the aim of reaching out to international business organisations for wider expansion.

I always need to reach out to other Palestinian entrepreneurs to get more drive in continuing this path and believing in this country, because with everything happening around (political, economic..), it is easy to lose purpose and meaning.

Social Entrepreneur



List of entrepreneurship stakeholders in Palestine

Organisation	Location	Type	Specific to SE?
Ibtikar for Empowerment and Social Entrepreneurship	Palestine	NGO	Yes
BuildPalestine	Palestine	NGO	Yes
CEWAS Middle East	Palestine, Jordan, Lebanon and Iraq	Business support and Environment	Yes
Agricultural Development Association (PARC)	Palestine	Association	No
Higher Council for Innovation and Excellence (HCIE)	Palestine	Public institution	No
Reef Finance	Palestine	Financing	No
Bethlehem Business Incubator (BBI)	Palestine	Business support	No

Role	Website
Ibtikar develops a new and creative educational approach that strengthens the capacity, skills and entrepreneurial mindsets of youth, women and children from all backgrounds.	http://www.ibtikar.ps/
The first Palestinian crowdfunding platform to provide an alternative means of funding for local communities. Their team works on the ground to support grassroots efforts to run successful crowdfunding campaigns, and also to connect people with resources and opportunities to make their social enterprise or non-profit a success.	https://www.buildpalestine.com/
Supports entrepreneurs at all stages: ideation, incubation, acceleration and scale-up. Builds enabling ecosystems, and offers technical assistance, finance support, tailor-made coaching and training, as well as ensuring good governance and integrity.	https://www.cewasmiddleeast.org/home#firstSlide
Formed by a group of agronomists, agricultural engineers, pioneer farmers and vets in response to the lack of agricultural extension services for Palestinian farmers.	http://www.pal-arc.org/welcome/index/en#
The HCIE pursues a leadership role in consolidating a culture of innovation and excellence within Palestinian society, empowering innovators and strengthening a national innovation system.	https://hcie.ps
Seeks to develop and offer high-quality microfinance products and services to meet the needs of Palestinian citizens. It focuses on providing microfinance products and services to rural areas, poor and marginalized groups, and developing these products to become an added value in economic development and empowerment, with a greater focus on agricultural and productive sectors as well as income generating, job-creating enterprises that contribute to enhancing self-sufficiency.	http://www.reef.ps/en
BBI is an innovative, open hub to incubate, mentor and support local start-ups, entrepreneurs, students and faculty, particularly women and youth interested in the non-ICT sectors. BBI offers various training services, workshops, mentorships, networking opportunities and internships.	http://www.bbi.ps

Organisation	Location	Type	Specific to SE?
HCCI Business Incubator-Hebron Chamber of Commerce and Industry	Palestine	Business support	No
Techno PARK (PTP)	Palestine	NGO	No
Agri-business Accelerator	Palestine	Business support	No
Al Nayzak Organisation	Palestine	NGO	No
Taawon Organisation	Palestine	NGO	No
Palestine Information and Communications Technology Incubator (PICTI)	Palestine	Business support	No
Vitas Palestine	Palestine	Financing	No
Palestinian Businesswomen's Association (Asala)	Palestine	NGO	No

Role	Website
Provides all citizens with the opportunity to submit applications for financial and managerial support to their projects. They also provide constant follow-up and guidance to ensure the project's success.	http://hebroncci.org/incubator/
Believes in transitioning Palestine towards a knowledge-based economy, clustering local technology sectors and integrating them with global value chains. Provides an environment that offers an international-standard office space infrastructure as well as business development services.	https://www.technopark.ps/en/article/171/Palestine-Techno-Park-PTP
A non-profit company that aims to develop and invest in innovative agricultural projects, and to turn them into successful and scalable start-up enterprises by providing advisory support services, capacity building, mentorship and hosting, in addition to facilitating access to funding and markets.	http://www.agbusinesshub.ps/en
A non-profit non-partisan Palestinian Arab organisation specializing in education, counselling and research in various fields and different sectors of society. Adopts unique and innovative methods and motivates the learner to explore in a way in which he/she is a partner and not only a receiver.	https://www.alnayzak.org
Taawon strives to make a distinguished contribution toward furthering the progress of Palestinians, preserving their heritage and identity, supporting their living culture and building civil society by methodically identifying the Palestinian people's needs and priorities, and establishing the soundest mechanisms to maximize the benefits from available funding resources.	https://www.taawon.org/en
PICTI provides sustainable channelling between start-ups, accelerators and investors at both the local and international levels, including the Palestinian diaspora.	http://picti.ps
Vitas is an extension of Ryada. Ryada provides microfinance services to low and moderate-income people to support them to start or develop their own businesses, improve their living conditions and help them buying their consumables.	https://vitas.ps/en
Asala empowers women who have limited resources to realize their economic and social rights by using a holistic approach to development in accordance with their needs. Asala envisions an entrepreneurial Palestinian woman that is capable and influential in a democratic society that adheres to social justice.	https://asala-pal.org

Organisation	Location	Type	Specific to SE?
Palestinian Network for Small Businesses and Microfinance (SHARAKAT)	Palestine	Financing	No
Palestine Investment Fund	Palestine	Financing	No
Leaders International Fast Forward Accelerator Programme	Palestine, Belgium and Jordan	Business support	No
Gaza Sky Geeks (GSG)	Palestine	Business support	No
Sunbula	Palestine	Artisanal crafts	Yes
Rawa Fund	Palestine	Financing and Business support	Yes
Palestinian Agricultural Development Association (PARC)	Palestine	NGO	No
PPU Business Incubator	Palestine	University and Business support	No
Faten	Palestine	NGO	No
Invest Palestine	Palestine	Business support	No

Role	Website
A fully owned subsidiary of the Palestine Investment Fund (PIF) with the mandate of investing in Palestinian SMEs.	http://www.sharakat.ps
PIF is Palestine's development-centric sovereign wealth fund. It seeks to maximize impact through innovation by investing and partnering in cutting-edge strategic projects in underdeveloped and vital sectors.	http://www.pif.ps/home/
Assists businesses that particularly work in the internet and mobile technologies. Established a hub where entrepreneurs can gather and share their ideas. Helped entrepreneurs with funding, coaching and mentoring, along with other support services.	https://leadersinternational.org
An ICT start-up accelerator launched in 2011 by Mercy Corps and Google to provide start-ups with the necessary support and connections to global networks.	https://gazaskygeeks.com/
A non-profit fair-trade organisation that supports marginalized women and communities in Palestine through traditional artisanal crafts.	https://www.sunbula.org/
Rawa fuels civic engagement, funds creative solutions, and raises social capital among communities and grassroots organisations across Palestine to incite new thinking on how best to foster organic, effective and community determined resource allocation and social investment.	http://rawafund.org/
National development institute that works on developing the agricultural sector through rural civil society to enhance local resource management.	www.pal-arc.org
To develop Palestinian micro, small and medium enterprises by providing (initially a technology based physical incubator) business services to Palestinian entrepreneurs, especially in Hebron.	https://it.ppu.edu/Business_Incubator_Unit
Provides financial support to small entrepreneurs, projects in new economic sectors and to farmers who own isolated land near Israel's separation wall. It offers group loans, individual loans, Islamic lending, and housing and start-up loans.	www.faten.org
It provides consulting and support services for Palestinian entrepreneurs to help their enterprises achieve alternative solutions and gain visibility from a global network of investors.	http://investpalestine.ps/

Organisation	Location	Type	Specific to SE?
Ibtikar Fund	Palestine	Financing and Business Support	No
Drosos	MENA region, Germany and Switzerland	Private foundation	No
Bethlehem Fair Trade	Palestine	NGO and Artisanal	No
Injaz	Palestine	NGO	No
YMCA	Palestine	NGO and financing	No
Business Women's Forum	Palestine	Non-profit organisation	No
Asala	Palestine	NGO	No
Rural Women Cooperative Association for Saving and Credit - ucasc	Palestine	Umbrella organisation of the CASC network	No

Role	Website
It invests in innovative Palestinian companies in their early stages. Ibtikar's investments begin at seed level through local accelerators, continue in post-acceleration phases, and can also include series A investments in its portfolio companies.	https://ibtikarfund.com/
The foundation promotes skills and creates living conditions which enable disadvantaged children, young people and young adults to take control of their lives and make a positive contribution within their community.	https://drosos.org/en/
BFTA's mission to empower the most vulnerable producers in Palestine, support them to become active agents in their own livelihoods, and develop their social rights and their communities. It does so by linking global fair trade markets to Palestinian producers.	https://bethlehemfairtrade.org/
INJAZ is a member of Junior Achievement Worldwide. It aims to strengthen economic opportunities for Palestinian youth by providing a series of educational and economic courses of a practical nature carried out in schools and universities by private sector volunteers.	https://injaz-pal.org/en
The Palestine YMCA raises funds each year to create safe and positive places for recreational activities. They provide assistance for any individual who desires to participate (regardless of age, gender, race or religion).	
It works to strengthen the role of businesswomen and entrepreneurs in the Palestinian economy and society by building their capacities and skills, advocating their role, establishing networks and coalitions, and contributing to reducing the barriers faced by women.	http://www.bwf.ps/
The NGO focuses on contributing to the empowerment of Palestinian women in poverty by supporting beneficiaries in the areas of capacity building, access to markets, advocacy and lobbying for women's economic and social rights.	https://asala-pal.org/
The Union of Cooperative Associations for Saving and Credit (UCASC) in Palestine is a democratic cooperative voluntary union. It presents and protects its members with savings and credit cooperative associations in Palestine by institutionalizing them, building their capacities and improving their legal environment.	https://www.ucasc.ps/

Organisation	Location	Type	Specific to SE?
The Palestinian Working Women Society for Development	Palestine	Human rights organisation	No
Cooperation for Community Development Asso	Palestine	NGO	No
Arab Women's Union - Beit Sahour	Beit Sahour, Palestine	NGO	No
Inash Alusra	Al-Bireh, Palestine	Non-profit women's organisation	No
YWCA	Palestine	NGO	No
Dalia	Palestine	Association	No
Adel	Palestine	NGO and sustainable agriculture	No

Role	Website
The PWWSO works for gender equality and the elimination of all forms of discrimination against woman. They work towards their goals through mobilizing and empowering women's participation in decision-making, development, advocacy processes and the expansion of women's access to justice by improving the psychological well-being of women and girls, and combating gender-based violence.	https://pwwsd.org/en
The mission of the Cooperation for Community Development Association is to support women, children and young people of both genders, and people with special needs; provide them with psychological and social support; and empower them economically and culturally.	https://www.facebook.com/CFEDA/?fref=hovercard
The Arab Women's Union is one of the pioneer organisations in the area of Beit Sahour that aims to support women and advocate for their rights through social, economic, cultural and rehabilitative programs that reflect their needs.	https://womenunion.ps/
They aim to strengthen the steadfastness of the Palestinian people on their land, support their struggle for freedom and independence, support the values of justice, contribute to sustainable development through economic and social empowerment, preserve heritage, advance women and the Palestinian family, and provide educational and academic programs according to market needs.	https://www.facebook.com/InashAlusra/ https://inash.org/ - Not operational yet
They envision a free and democratic civil society where women and youth are empowered to exercise and protect their political, economic and social rights. The YWCA of Palestine has three thematic areas of work: Leadership Development and Civic Engagement, Economic Justice and Just Peace.	https://ywca-palestine.org/
Dalia Association is a community foundation that realizes the rights of Palestinians to control their resources for their own durable development for generations to come. Their mission is to mobilize and properly utilize the resources necessary to empower a vibrant, independent and accountable civil society through community controlled grant-making.	https://dalia.ps/
By providing outlets for small farmers and family-headed or female initiatives, ADEL contributes to building an alternative economic model. It connects smallholders directly to markets, therefore improving the livelihood of farmers and strengthening food security in Palestine.	https://www.adelfairtrade.com/

List of social enterprises in Palestine

Name	Location	Industry
Souktel	Palestine and North America	IT and services
Sharek Youth Forum	Palestine	Education and Youth empowerment
Bait Byout	Palestine	Entertainment and Learning
Bike Palestine	Palestine	Tourism and Heritage
Om Sleiman	Palestine	Agriculture
EduBook	Palestine	Education, IT and services
Sawaed19	Palestine	Volunteer network
Askadar	Nablus, Palestine	Education and recreation
Ardna Store	Palestine	Media
Hakini	Palestine	Mental health

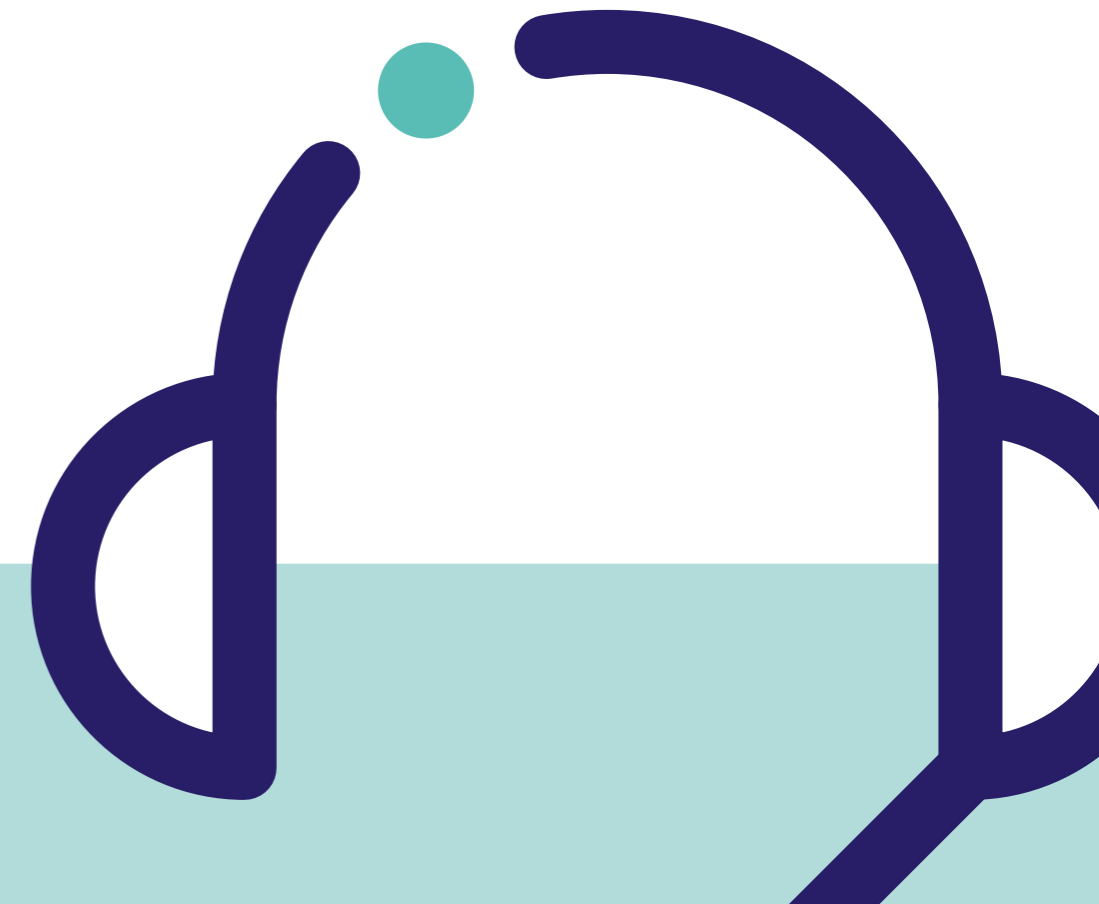
Main activity	Website
A mobile phone-based service that uses SMS technology to link people with jobs and connect aid agencies with people who need their help.	http://www.ibtikar.ps/
Sharek Youth Forum focuses on the development of young people into engaged, employable and active citizens. They amplify the voices of Palestinian youth to reach those with the power to make change.	http://www.sharek.ps/
Bait Byout is the first Live Action Role Playing (LARP) organisation in the Arab world. Bait Byout is a youth-led organisation that aims to build a free society by creating a positive impact on the lives of individuals, using creative and critical tools within an entertaining, loving and safe space for all.	https://baitbyout.org/
Bike Palestine offers the chance to experience the cultural and religious diversity of Palestine. Secure and easy cycling in an enchanted landscape rich in history.	http://bikepalestine.com/#welcome-to-palestine
The farm is part of the community supported agriculture (CSA) system in Palestine that is working on reviving Palestine's traditional agricultural heritage.	https://www.facebook.com/omsleimanfarm/
EduBook is an interactive communication platform for schools that provides a safe learning environment for all students, teachers, parents and school administrators.	https://edubook.me/#/login
Established in 2019, Sawaed19 connects volunteers from all over the world with non-profit organisations and opportunities.	https://sawaed19.net/
An artistic and cultural centre in Nablus that offers different activities and courses: ballet, dabke, music, painting, choir and English conversation.	https://www.facebook.com/askadar.nablus/about/?ref=page_internal
Aiming to inspire positive change towards a greener environment and a healthier way of living.	https://instagram.com/ardnastore?igshid=1hr5jmx2zztxj
Their aim is to help find answers to mental health issues of members of civil society and improve their psychological status with the help of skilled psychologists.	https://www.hakini.net/

Name	Location	Industry
Jusoor	Palestine (accept other outside customers)	Education, IT and services
Flowless	Palestine	IT and services, water management
Foras	Palestine	IT and services
Canaan	Palestine	Agriculture and food products
Zaytoun	Palestine	Agriculture
Yaffa	Palestine	Agriculture
Holy Land Boutique	Palestine	Artisanal
Handmade Palestine	Palestine	Artisanal
Sakiya	Palestine	Agriculture

Main activity	Website
An interactive educational platform that provides virtual laboratories and interactive simulations of science for university and school students, to provide an enjoyable educational experience in several languages.	https://jusoor.com/ar/
Flowless provides smart solutions to help utility companies enhance water supply efficiency, utilizing emerging technologies for automated faults detection and process optimization.	https://wp.flowless.co/
We connect institutions that provide opportunities such as universities, vocational training centres, cultural institutes, training centres, NGOs and private companies with entrepreneurial and ambitious youth. We also seek to connect youth with the best educational opportunities, capacity building and networking in Palestine and globally.	https://foras.ps/
Canaan produces specialty food products made from artisan ingredients sourced from over 2,000 small-scale family farms in Palestine. It is organised according to fair trade and ecological principles.	https://canaanusa.com/
Supports Palestinian farmers through fair trade.	https://zaytoun.uk/
Yaffa Palestinian Products provides an online platform for Palestinian foodstuffs.	https://yaffa.co.uk/
Provides an online platform for women to showcase and sell their handmade crafts and products	https://www.holylandboutique.com/
Handmade Palestine supports fair trade artisans in Palestine through their online webstore.	https://handmadepalestine.com/
Sakiya's core programs engage food production, exhibitions, symposia, publications and education/training workshops, exploring the intersections between art, science and agriculture in a sustainable and replicable model.	https://sakiya.org/

Name	Location	Industry
Palestinian Circus School	Palestine	NGO, Culture and Art
Fragments Theatre - Jenin	Jenin, Palestine	NGO, Culture and Art
Fiction Council	Palestine	Media
Baladi Centre for Culture and Arts	Palestine	Culture and Arts
Palestine Friendship House	Nablus, Palestine	NGO

Main activity	Website
The Palestinian Circus School provides weekly circus clubs since 2006. These events aim to give an opportunity to Palestinian youth and children to taste, learn or even become professional in their passion to become a circus trainer, artist or performer.	https://www.facebook.com/ThePalestinianCircusSchool/ https://palcircus.ps/
Fragments Theatre aims to provide a space for women, children and youth to express themselves through artistic and cultural activities.	https://wp.flowless.co/
Fiction Council aims to protect, develop and spread the culture of Arab fiction in the fields of fantasy and science fiction, artistically, through literature and culturally in Palestine.	https://foras.ps/
Baladi Centre for Culture and Arts is an independent artistic cultural centre based on voluntary work, and believes in positive change in society and acceptance of the other.	https://canaanusa.com/
They support resilience-enhancing educational, cultural and recreational programs for children and young people in Nablus. Its programs can cover current issues but their approach and goals stay the same: to provide services for children and youth.	https://palestinianhouseoffriendshipcom.wpcomstaging.com/



Yemen country findings

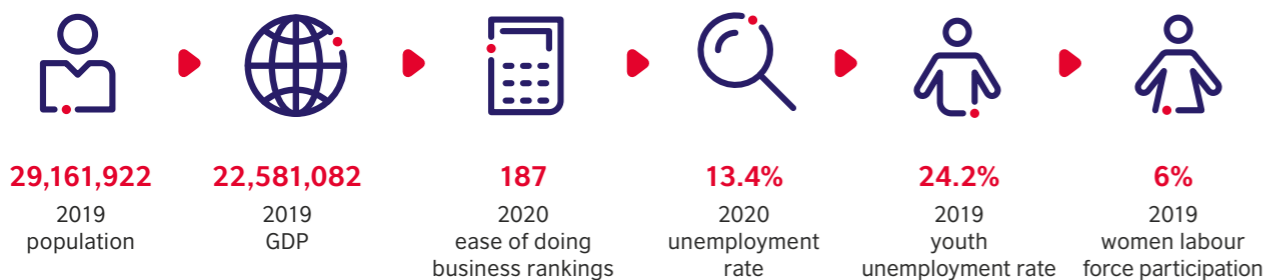
Social entrepreneurship in Yemen

Overview of country context

At the southern end of the Arabian Peninsula lies Yemen, a unique country that once had a thriving economy but has endured multiple conflicts recently. Historically, Yemen's economy 'played a vital role in the world's ancient history in trade, architecture and innovation'.⁸⁰ However, in modern history, a grim picture was painted for Yemenis, especially after the war that began in 2015.⁸¹ According to the United Nations, the war in Yemen is 'the biggest humanitarian crisis facing the world with more than half the population facing malnourishment'.⁸² The 2015 conflict led to a large number of deaths, a rise in the number of internally displaced people, major destruction of infrastructure and obstructed service delivery across Yemen.⁸³ According to the 2018 Humanitarian

Needs Overview, around 75 per cent of the population (the equivalent of approximately 22 million people) became in need of humanitarian protection or assistance.⁸⁴ Yemenis were already poor and shortly after the war broke out, they lived on around \$4.5 per day, and unemployment rose to 52 per cent. In 2016, with the further deterioration of the situation, the average Yemeni lived on only \$1.8 per day and unemployment reached over 60 per cent.⁸⁵

As a result of the conflicts, Yemen's businesses have been struggling and the business environment across the country has deteriorated drastically. The main problems include: (i) currency devaluation; (ii) fuel and power cuts; (iii) road blockages; (iv) security unrest; (v) lack of foreign skilled workforce; (vi) political instability; (vii) scarcity; (viii) improbability and volatility of the available raw materials; and (ix) unbearable logistical and tariff costs'.⁸⁶



⁸⁰ Hope for Yemen: How UNDP is building for the future in the midst of conflict - Yemen. *ReliefWeb*. Available at: <https://reliefweb.int/report/yemen/hope-yemen-how-undp-building-future-midst-conflict>

⁸¹ Ibid.

⁸² War and Growth: how one entrepreneur defied the odds in Yemen. *Wamda*. Available at: <https://www.wamda.com/2018/10/war-growth-entrepreneur-defied-odds-yemen>

⁸³ Sofan, S.A., 2019. *Yemen Bringing Back Business Project: Risky Business-Impact of Conflict on Private Enterprises*. World Bank.

⁸⁴ United Nations Office for the Coordination of Humanitarian Affairs, 2018. *Humanitarian Needs Overview—Yemen*. Available at: <https://reliefweb.int/report/yemen/yemen-2018-humanitarian-needs-overview-enar>

⁸⁵ Hope for Yemen: How UNDP is building for the future in the midst of conflict - Yemen. *ReliefWeb*. Available at: <https://reliefweb.int/report/yemen/hope-yemen-how-undp-building-future-midst-conflict>

⁸⁶ Ibid.

While entrepreneurs in the MENA region are concerned about funding, support and legal frameworks, those in Yemen are simply worried about their well-being, security and livelihoods. Therefore, the concept of entrepreneurship, let alone social entrepreneurship, is still very new in Yemen, where the opportunities for start-ups are few and the challenges are many.⁸⁷

Entrepreneurship scene

As Yemen continues to struggle through war and political battles, several efforts are being put in place to cover the socio-economic gaps that has been growing over the past five years. Both Yemen's private sector and civil society organisations have sustained their work during these tough times through interventions and actions characterised by personal initiative and social engagement. Despite the political, economic and cultural challenges continuously facing the country, citizens continue to look for ways to solve their problems, sustain themselves and ensure access to basic services.

With the hardships that the country has undergone, it is crucial for the entrepreneurship sector in Yemen to have the support of a strong ecosystem, with initiatives that can offer various forms of aid to SEs. This has taken place through interventions from the donor community and international organisations, in addition to the support of banks, the Ministry of Social Affairs and Labour (MOSAL) and the Ministry of Industry and Trade. Organisations like the ROWAD Entrepreneurs Foundation and its BlockOne Acceleration programme have emerged as 'pillars of strength' for Yemen's entrepreneurs. ROWAD was established by three Yemenis as a hub to provide support for entrepreneurs and create a supportive ecosystem.

In addition ROWAD started the BlockOne Business Acceleration Programme and the BlockOne Incubator to provide mentorship, training and networking opportunities to entrepreneurs. International and donor organisations also started to provide some support to the sector. For example, in 2015, UNDP launched Yemen's first Social Business Lab (four-day event) in partnership with the Business Support Center, the Small and Medium Enterprise Promotion Service (SMEPS), ROWAD Entrepreneurs Foundation and the Yemen Women's Union. This initiative gathered '50 youth from five crisis-affected districts of Sana'a to identify promising business-oriented solutions to their communities' challenges'. These youth acquired a thorough understanding of the concept of social entrepreneurship and the effect of Yemen's multiple crises on businesses. The UNDP has also helped in funding and training, giving start-up grants to nine microfinance institutions in Yemen, and around 7,000 small and micro-businesses were given training and equipment.

In addition, Al Amal bank, YFoundation, UNOPS and GIZ among others have been working with a large number of NMSMEs with the provision of loans and business support services to help start-up and existing businesses survive through the war and thrive again. Organisations such as Pragma, Yemen Business Club, and GIZ have provided training and capacity building programmes to MSMEs and individuals in vocational training and business support programmes. Along the same lines, technical support continues to be provided by organisations such as Injaz, Education for Employment and Estidamah among others.

⁸⁷ War and Growth: how one entrepreneur defied the odds in Yemen. *Wamda*. Available at: <https://www.wamda.com/2018/10/war-growth-entrepreneur-defied-odds-yemen>

SE ecosystem analysis

Culture

Social entrepreneurship is a new concept in Yemen, but initiatives are building on entrepreneurship experiences.

Social entrepreneurship in Yemen is very new and the concept has not yet become known to many. In fact, most of the interviewed participants were not aware of the concept and only referred to entrepreneurship throughout the conversations without necessarily covering the social aspect of it. However, following concept explanation, models and practices of social entrepreneurship turned out to be inherent in Yemeni society, driven by societal and economic needs. Social solidarity and support practices have existed for a long time through familial, tribal and neighbourhood groups, in addition to COOPs primarily focused on food and agriculture. Almost all interviewees and participants in FGDs agreed that their experiences in the entrepreneurship sector and start-ups pave the way for the establishment of the social entrepreneurship sector in Yemen.

The Global Entrepreneurship Council (GEC) in Yemen is currently focused on encouraging and spreading the concept of entrepreneurship, working on building capacity and supporting entrepreneurs through their journey. Organisations such as the GEC and others can play a major role in transferring the knowledge they have to support the establishment and the spread of social entrepreneurship in Yemen as a way to support the post-war recovery.

The concept is not well known in Yemen, yet most people speak of entrepreneurship while not necessarily focusing on social aspects. However, with the current drastic situation any support intervention is having a positive impact on both the social and economic levels.

With the current crises, social entrepreneurship in Yemen is vital to create a shift in how both the community and the government deal with and analyse social problems, address them, and design solutions that move from demanding change to creating it. As it develops, social entrepreneurship is a concept that will affect the way organisations in Yemen (public, private and civil society) address challenges, work and grow. However, it will be important that social entrepreneurship in Yemen as a concept and in practice be adapted to fit its social, economic, political and cultural context.

Young people, CSOs and some private sector entities are innovating ideas to solve local problems and are willing to take things a step further to widen their experiences and expand their knowledge.

With Yemen's economy struggling with political instability, entrepreneurship seems to be emerging as a 'helping hand'. According to Yemeni entrepreneurs, 'entrepreneurship is their best bet for solving significant social challenges of Yemen'.⁸⁸ This was confirmed by almost all interviewees from support organisations who said that despite the hardships that the country and the Yemeni people are facing, the private sector through its perseverance has managed to sustain itself. This in turn has encouraged others to start their own businesses in the hope that it will be a step towards a better personal future. In addition, several CSOs have developed income-generating ideas that could possibly become new enterprises at a later stage to help sustain the CSO, while at the same time contribute to the local economy and create jobs. Most of the interviewees and participants in the FGDs said that there are several new ideas at the very early stages of development initiated by young people who are trying and willing to take risks in establishing start-ups. Several of these initiatives are a result of vocational and technical training, and are home based such as hairdressing and beauty services, cooking and delivery services.

While it wasn't highlighted as an example during interviews, Al Mokha is a social enterprise founded in DC aimed at creating jobs in Yemen through reviving the coffee business.

Infrastructure is a major obstacle, especially the internet and electricity. 'There has been no public electricity in Sana'a since the start of the war in March of 2015', making business incubators such as BlockOne more relevant for SMEs and start-up founders. Amid the instability in the country, perceptive entrepreneurs have emerged to solve problems and provide services. It is worth mentioning here that the UNDP and SMEPS research indicates that 29 per cent of business owners pursued 'income diversification as a survival strategy'.

Given the loss of public electricity, a demand for solar solutions arose. Several entrepreneurs started small businesses to import panels, batteries, installation services and maintenance services. For example, an enterprising Afkar 2.0 winner is working on assembling solar panels, while another is working on a prototype for biogas production.



More than 50 per cent of the Yemeni population now rely on the sun as the main source of energy, mainly through solar panels funded by local investors and local banks, and implemented by private sector entities. This has supported households and farmers to cut costs on other modes of energy such as diesel, and to sustain their farms. Such an initiative could be replicated and scaled up to target a larger number of households and support sectors beyond farming and agriculture.

In Yemen, Solar Power Has Become a Lifeline - online article.

Yemenis perceive pressing socioeconomic challenges as opportunities for business and jobs creation.

Many people are looking at the challenges within the current context as opportunities for them to develop businesses and solutions, but more importantly to create their own jobs; hence shifting how they see these challenges and empowering others to take responsibility in achieving the change they aspire to. Tamween is the first online humanitarian support platform. It started off as a platform focused on catering services, then expanded to cover aspects of delivery, linkages to providers and then investors. Although the initial impetus behind Tamween was not necessarily the premise of a social enterprise, it presents a model that could be replicated across other sectors while highlighting the social aspect as a foundational core.

When asked about what motivates people to consider entrepreneurship, and social entrepreneurship in particular, the following key factors were referred to:

- There is a sense of support and willingness at the government level to support entrepreneurship ideas specifically within the Ministry of Social Affairs and Labour (MOSAL) and the Ministry of Industry and Trade.
- Unemployment rates are high among women and youth, and many are emigrating to find stable and rewarding jobs. It is becoming increasingly important to create local jobs and help retain Yemeni talent in the country.
- There are a few successful social entrepreneurship initiatives in Yemen that should be highlighted to encourage others to start with their own ideas.
- Yemenis are exposed to SE initiatives from the region that they think could be replicated in Yemen.

- There are rising social and economic problems that require innovative solutions and mechanisms for resolution, more specifically in the sectors of power, health, environment and agriculture.
- There are so many aspects that the iNGOs and donor community need to cover and local intervention is also important to sustain a better future for Yemen.

Policy and government

Since the concept is still very new, social enterprises are not yet defined or categorised as legal entities and do not enjoy a specific legislative framework in Yemen.

All initiatives taking place in Yemen at the moment are still categorised as either businesses or initiatives by CSOs or humanitarian organisations. Although the SE scene in general implies that it may be early to talk about legal frameworks before the concept and implementation is widespread, some interviewees believed that legal conversations at an early stage might help to cut the process shorter.

As described earlier, some forms of social entrepreneurship are being carried out by private sector companies that are developing solutions for existing social and economic problems, and by CSOs, informal initiatives and groups with income-generating activities, vocational training, and the provision of basic start-up kits and services. Hence, in order to operate formally, an entrepreneur chooses to register their idea under one of the following forms:

- A company, such as a limited liability company, a joint stock company (public or private), joint venture, branch of a foreign company, sole proprietorship or a partnership company;
- An NGO with the hope of income-generating activities to spin off as entrepreneurial projects.

Discussions about a legal framework are welcome, as long as they will allow for the sector to grow.

Although it may seem early to start conversations on legal discussions for social entrepreneurship in Yemen, most of the interviewees said that the current laws for private companies and NGOs, and the experiences from other countries on SE, have shown that the availability of a legal setup helps the sector as it grows. Currently, most existing social enterprises are informal and are not registered under any legal framework. To avoid lengthy periods of time between initiation and registration, a legal framework will encourage greater investment in the sector. At present, start-ups are tied to either private sector entities or NGOs, hence following one of those legal structures. As Yemen is still struggling with war and things will take time to regulate, interviewees suggested that investment in the sector would help to restore hope that the economy can be revitalised in the coming years. Moreover, the current confusion and lack of understanding of the SE sector among Yemenis pose a risk that in the absence of a specific legal framework, initiatives will continue to be led by the private sector or NGOs and hence one aspect of would always be present to override another. For example, if an NGO carries out the initiative, it will be viewed more from a social perspective than an economic one. The opposite would be true if the initiative was initiated by the private sector. Hence, a clear definition of what a social enterprise is and which legal framework defines it would help clear up these misperceptions.

Support services and programmes

For any start-up, the nexus between idea funding and mentorship is extremely vital. In the case of Yemeni start-ups, the ideas exist, with several entrepreneurs having innovative concepts, yet funding and mentorship remain areas of concern.⁸⁹ Wealthy companies, especially following the war, have shut down and suspended their operations, and consequently halted their funding for local Yemeni projects and businesses.⁹⁰ In addition, individuals leaving the country have 'created a large void when it comes to mentoring or investments for Yemen's start-ups'.⁹¹ A survey research conducted by the United Nations Development Programme (UNDP) and Yemen's Small Micro Enterprise Promotion Service (SMEPS) from August to September 2015, revealed that one-fourth of businesses had shut down as a result of the rising conflicts, with the service sector the most impacted.⁹² Meanwhile, '35 per cent of medium-sized and 27 per cent of small enterprises' have closed; SMEs were largely hit, while only 17 per cent of large businesses shut down.⁹³

As the crises continue and the population's well-being deteriorates in the face of displacement, famine and the pandemic, most support efforts and programmes have been focused on humanitarian support. Only recently was some support structured around MSMEs and vocational education and training. According to many interviewees, the current support provided is given primarily to NGOs, educational centres and MSMEs.

⁸⁹ Hariharan, S., 2016. Moving Mountains: Yemen's Startups Innovate Under Unimaginable Circumstances. *Entrepreneur*. Available at: <https://www.entrepreneur.com/article/277753>.

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² UNDP, 2015. *Rapid Business Survey: Impact of the Yemen Crisis on Private Sector Activity*. Available at: https://www.ye.undp.org/content/yemen/en/home/library/crisis_prevention_and_recovery/undp-smeps-rapid-business-survey.html

⁹³ Ibid.

There is no specific fund or support focused solely on social entrepreneurship. Financing options are mainly from personal savings, family and friends, or microfinance loans, which do not allow 'for support of bold and creative ideas with high growth potential'.⁹⁴ 'There is no venture capital scene in Yemen - and although there are some cases of funding through the support of established businessmen, they are rare and there are no clear access channels to them at present.'⁹⁵

According to the research of UNDP and SMEPS, 73 per cent of businesses have had no access to external funding since the war broke out. In Sa'dah, Sana'a, Abyan, Hajjah, Taiz and Aden, the top three contributors to business closure were infrastructural damage, capital and customer loss, and mounting debt.

However, as many NGOs and companies have started initiatives to support the local economy, it has become more plausible that the SE sector could see light soon through support provision. The current support provided through loans, banks and private investors to private sector entities is allowing them to expand their lines of business a little beyond what they used to do, and on a slightly bigger scale such as the solar power project, plastic collection and recycling, and supporting vocational and technical jobs. This surely paves the way for an expansion and diversification of the sectors within which SE will be initiated as a potential solution to a problem and a means to transfer current pressing challenges into opportunities.



Image © Mat Wright

At the same time, it is important to note that several interviewees mentioned the presence of some coaching and mentoring business support services through newly established incubators working with micro and small businesses, and some start-ups. NGOs, on the other hand, have been supporting newly initiated entrepreneurship and social entrepreneurship ideas primarily through programmes in partnership with INGOs, more specifically through the provision of seed funding or in-kind support with specific equipment or tools to start an entrepreneurial project. Startup Valley Accelerator is an NGO that provides support services for entrepreneurs and businesses free of charge with the aim of contributing to a revival of the Yemeni economy. Capitalizing on the programmes, support and experience that this accelerator and others have offered can kick-start support service provision to social enterprises in Yemen.

⁹⁴ Ibid.

⁹⁵ UNDP, 2015. *Rapid Business Survey: Impact of the Yemen Crisis on Private Sector Activity*. Available at: https://www.ye.undp.org/content/yemen/en/home/library/crisis_prevention_and_recovery/undp-smeps-rapid-business-survey.html.

When asked about which sectors have a higher potential for growth and opportunity, in general interviewees and participants in FGDs referred to solar power and energy; waste management; tailoring and handicrafts upgrading; agriculture, specifically revitalization of coffee and other crops as opposed to Qat; and lastly, technology with a focus on finding solutions for better infrastructure and access provision.

Based on the above, the support and governance sphere in Yemen is still in its foundational stage in the establishment and support of SE. However, what is currently being provided to entrepreneurs and NGOs could form a base to expand towards SE.

Direct support services	Indirect support services	Investment	Access to markets
<ul style="list-style-type: none"> Nascent incubators Business advisors /mentors Entrepreneurship education in schools and universities that could also eventually include social entrepreneurship education 	<ul style="list-style-type: none"> Capacity building and vocational training building on market gaps and available skills More opportunity is focused on bigger governorates such as Sanaa, Aden, and Hadramout with the possibility of expansion to rural areas Vocational training and in-kind 	<ul style="list-style-type: none"> Bank loans Donations Individual investors Grants Governmental support material but not financial 	<ul style="list-style-type: none"> Access to local markets primarily and not to international markets. Local markets are still small in relation to the need for expansion Networks are not common yet, with little coordination and linkages between some, but there is potential for the development of entrepreneurship and social entrepreneurship networks

The table above provides a summary of current support programme provision which can serve as a potential base to expand the SE sector.

List of entrepreneurship stakeholders in Yemen

Organisation	Location	Type	Specific to SE?
ROWAD Foundation	Sana'a, Yemen	Non-profit organisation	No
Block One	Yemen	Programme	No
Mubadara -Youth Entrepreneurship Programme in Yemen	Yemen	Business support	No
Business Support Center Yemen - BSC	Yemen	Business support	No
StartupYemen	Yemen	NGO	No
SMEPS	Sana'a, Yemen	Business support	
Innovative Yemen	Yemen		
Global Entrepreneurship Council Yemen	Yemen	Business support	No

Role	Website
ROWAD's mission is to create a vibrant entrepreneurial ecosystem in Yemen by introducing the different pillars of the ecosystem to the Yemeni scene, starting from creating awareness of the importance of entrepreneurship to Yemen's economy, providing structures and channels that local and international investors and venture capitalists can trust and work with, creating success stories and support networks, and engaging the government to create start-up friendly policies.	http://www.bdc.org.jo
Engage potential Yemeni entrepreneurs (skilled professionals, new graduates, serial entrepreneurs, business degree graduates) in a rigorous and rewarding experience that will highlight the importance of entrepreneurship to Yemen's economy.	http://www.blockone.org
Aims at building the capacity of business development service providers to improve the employability and entrepreneurship capacity of young women and men; the project will be implemented by SMEPS-SFD in Yemen.	https://www.facebook.com/Mubadara-Youth-Entrepreneurship-programme-in-Yemen-351561064976521/
Creating economic opportunities for youth and supporting a greater number of start-ups and SMEs in Yemen.	https://www.facebook.com/Business-Support-Center-Yemen-BSC-1410193732622247/
A platform for a group of activities and initiatives that gather entrepreneurs, innovators, capital holders, local and international investors, experts and mentors; enabling entrepreneurs to transform their innovative ideas into on-ground start-ups by providing them with valuable advice, guidance and mentoring, in addition to logistic and financial support to guarantee the entry of start-ups to domestic and international markets.	http://startupyemen.org
Established to support economic development through private sector development under three main components: value chain development, business development services and entrepreneurship.	https://smeps.org.ye
To attract innovative actors globally to address sector development requirements in Yemen that will facilitate an accelerated post-war reconstruction phase.	http://www.innovativeyemen.org
Aims to spread the culture of entrepreneurship in Yemeni society, and seeks to link entrepreneurs, MFIs and decision makers with NGOs and INGOs.	http://gecy.org

Organisation	Location	Type	Specific to SE?
Startup Valley Accelerator	Sana'a, Yemen	NGO	No
Ministry of Industry and Trade - Sana'a	Yemen	Regulator	No
Ministry of Industry and Trade - Aden	Sana'a, Yemen	Regulator	No
Pragma	Yemen	Development Co.	No
Yemen Business Club, YBC	Yemen	Support organisation	No
Social Development Fund, SFD	Sana'a, Yemen	Support organisation	No

Role	Website	Contact
The first business accelerator in Yemen to provide services for free to entrepreneurs, with the aim of supporting emerging projects, developing ideas and converting them into products or services.	https://www.facebook.com/SVA.GECY	
Authorization of business activities - business registration strategic approach: working according to clear goals, strategies and plans, and continuously simplifying and documenting work mechanisms. The Ministry's mission: to create an appropriate environment for economic growth, developing the business sector, promoting entrepreneurship, innovation and competition, and protecting consumers.	http://www.moit.gov.ye/moit/	
Authorization of business activities - business registration		
Capacity building support Provide organisations with state-of-the-art knowledge management tools to develop, apply and evaluate best practices. Meet the needs of each project by rapidly mobilizing an international network of experts across the globe.	pragma@pragmacorp.com	
Capacity building support for entrepreneurial initiatives. Aims to be a leading, sustainable organisation in the service of business owners and their organisations, and actively contribute to the development of the country.	https://www.ybc-yemen.com	
Funding microfinance: mobilize supporters around the world and connect them with small business owners and entrepreneurs. In designing a novel approach to implementing its programmes, SFD provides a model of how to use the Social Fund approach to deliver good aid in difficult locations. SFD has four main programs: <ul style="list-style-type: none"> - Community Development - Capacity Building - Small and Microenterprises Development - Labour Intensive Programme. 	https://www.sfd-yemen.org/	

Organisation	Location	Type	Specific to SE?
Small and Medium Enterprise Promotion Services, SMEPS	Sana'a, Aden and Hadhramaut, Yemen	Support organisation	No
YFoundation		Support organisation	No
Injaz	Sana'a, Yemen	Support organisation	No
UNOPS		Support organisation	No
Education for Employment	Sana'a, Yemen	Support organisation	
Estidamah	Hadramout	Support organisation	
Sanaa Chambers of Commerce	Sana'a, Yemen	Regulator	No

Role	Website
Financial and technical support. Supports grassroots initiatives with financing, training, coaching and funding. The Small and Micro Enterprise Development Agency contributes to growth and resilience by supporting development projects and creating thousands of sustainable job opportunities.	https://smeps.org.ye/about
Donor funding and training support for small farmers' resilience.	
Technical support provider facilitating entrepreneurial training and technical support. Aims to equip young people in Yemen to drive the country's economy forward through mentoring and training designed to inspire them to develop ambition, entrepreneurship and professional skills.	http://www.injaz-yemen.org/
Financial and in-kind donations, especially for solar energy. Provides financial and in-kind support for social business. UNOPS provides project management, procurement and infrastructure services to governments, donors and UN organisations.	https://www.unops.org/fr/yemen https://ye.unopsmr.org/#
Technical support provider facilitating entrepreneurial training and technical support. Acts as a bridge between youth and private sector or self-employment opportunities.	https://efe.org/our-network/yemen
Technical support provider facilitating technical assistance for social businesses.	https://www.facebook.com/istedamaorg/
Registration	www.scci.com.ye

Organisation	Location	Type	Specific to SE?
Direct Aid	Kuwait (supports organisations in Yemen through the Yemen Relief project)	Support organisation	No
Hemat Shabab	Sana'a, Yemen	Non-profit development organisation	No
GIZ	Sana'a, Yemen	Support organisation	No
Al-Amal Bank	Yemen	Microfinance bank	No
Azal Microfinance Programme	Yemen	Microfinance	No

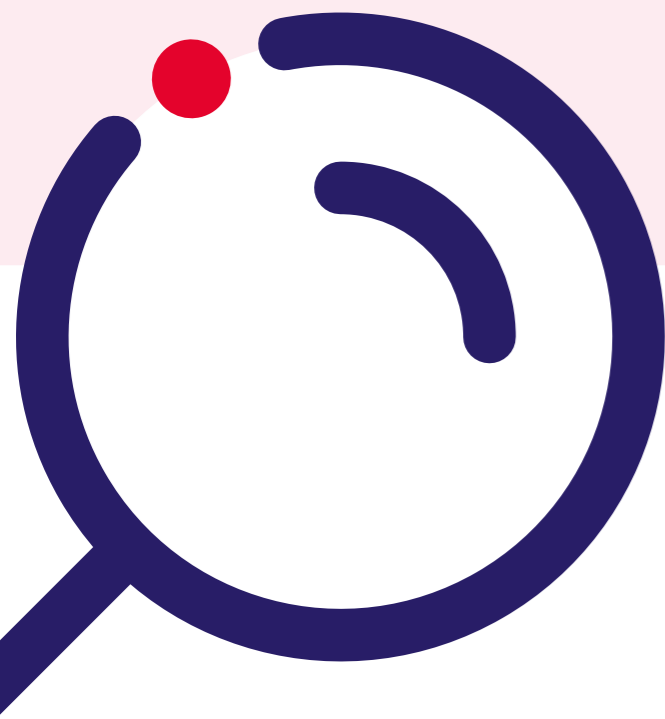
Role	Website
Funding and training Focusing on development projects that achieve sustainability, DA carries out development work for disadvantaged communities, targeting the neediest social groups, the sick, orphans, victims of disasters and famines, and performing activities of righteousness and goodness.	https://direct-aid.org/donate/en/most/yemen-aid.html
Awareness and local development. Social and economic empowerment of disadvantaged families. Encouraging and advancing the engagement of Yemen's youth in entrepreneurial projects. Promoting positive social and environmental messages through varied media platforms. Providing quick response and relief in the event of humanitarian crises.	http://www.hemmatshabab.org/aboutus.aspx
Capacity building/funding. Supporting IT and solar start-up projects and entrepreneurship by mentorship, training and matching grants.	https://www.giz.de/en/worldwide/369.html
AMB is a non-profit organisation seeking to offer sustainable financial services for low-income households in Yemen, particularly owners of micro and small enterprises. It provides multiple financial services (credit, savings, insurance, remittances, money exchange and cash distribution).	https://alamalbank.com/en/about-us/overview/
Supporting local farmers with the provision of efficient financial services that meet financial needs through new branches and partnerships with other local actors in rural and urban areas in Yemen, to achieve financial sustainability and improve the business working environment.	https://azal-ye.com/en/about

List of start-ups in Yemen

Name	Location	Industry
Wagbat	Sana'a, Yemen	Food delivery service
Solar Ray	Yemen	Solar energy services
Skoolsbook	Yemen	Education
Tamween	Yemen	Catering
Ana Mehani	Yemen (also present in Egypt)	Delivery services
Aljwalfortrans	Sana'a, Yemen	Transportation services
Yotta Gate	Sana'a, Yemen	Education

Main activity	Website
Online application for food delivery service in Yemen.	https://wagbat.com
Leading company in the field of collecting solar panels locally, maintaining batteries, and selling alternative energy devices and equipment	https://www.facebook.com/solar.ray.ye/
A multi-party platform that connects educational institutions and subscribers in the Arab world.	https://www.facebook.com/skoolsbook/
First professional online catering store in Yemen. With a steady step, Tamween has devoted many resources and technologies to achieve professionalism and excellence of catering services in Yemen.	https://www.facebook.com/tamweenstore/
An online home services marketplace that helps customers to find and select the best, verified service providers nearby.	https://www.anamehani.com
A local transportation company that serves its customers in a way that suits their business aspirations and needs, and with an approach to differentiation and creativity in transportation.	https://aljwalfortrans.site123.me
E-solutions for MFIs and education. YottaGate's products facilitate the provision of financial, educational, agricultural and e-commerce solutions in a complete framework that fits the needs of different government and private sectors such as companies, organisations, hospitals, universities, schools, shops and accounting offices. Through consultation, they serve SMEs in technical, managerial, financial and marketing aspects to assess and improve their business.	https://yottagate.com/#about

Name	Location	Industry
YCASH	Yemen	Financial services
Al-Rasheed Schools - Sana'a	Sana'a, Yemen	Education
So-Safe Water	Aden	Water
Youth Leadership Development Foundation	Yemen	Education
Nahda Makers	Aden, Yemen	NGO
Amal Foundation	Yemen	Education



Main activity	Website
Social cash transfers and money transfers: FinDev Gateway, previously known as Microfinance Gateway, is CGAP's independent knowledge platform where the global financial inclusion community comes together to share the latest research, lessons and ideas on making financial services work for the disadvantaged.	https://www.findevgateway.org/about-findev
Aims to prepare a generation of innovators who participate in building their country through an exciting educational and instructional environment, sustainable professional development, contemporary techniques and effective communal partnership.	https://rasheed.school/english/
Supporting drinking water provision (filters, fridges, etc.).	
Aims to increase male and female youth participation in the development of their communities through high standards of quality education, and participatory and action-oriented training. Youth NGOs and initiative capacity building are provided in all Yemeni governorates in response to development and labour market needs.	https://www.yldf.org/
Civic initiatives (youth, women, girls and vulnerable groups). Takes the lead in empowering communities through humanitarian responses and sustainable development programs in a professional way via effective partnerships.	https://english.nahdamakers.org/
Amal Socio-cultural Feminism Foundation is a national non-profit organisation focusing on the social, political and educational rights of women in Yemen.	http://alamalwomens.com/

Iraq country findings

Social entrepreneurship in Iraq Overview of country context

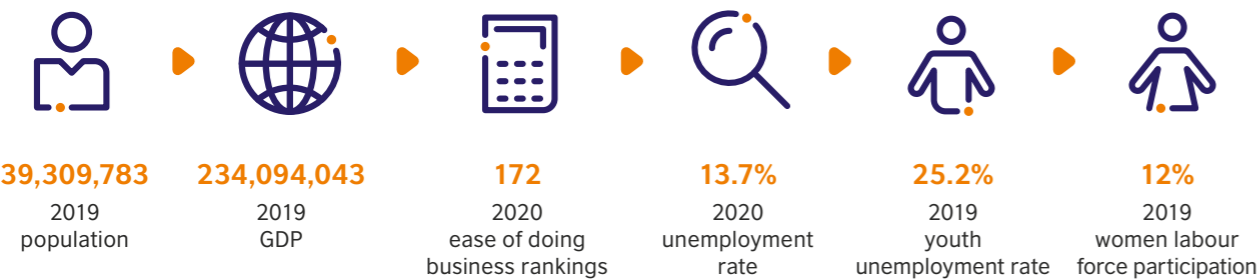
Over the last few years, ongoing crises have emerged in Iraq. Setbacks like war and corruption have adversely affected the country, and led to economic deterioration and instability.⁹⁶ With a deteriorating political situation, fragile healthcare system and various social issues, Iraq's hardships have been amplified and have prompted the eruption of nationwide protests.⁹⁷ The roots of these crises go way back in time.

From the nationalisation of vital economic sectors in 1970s, to the commandeering of all economic levers by the state to support the war effort in the 1980s, through the period of sanctions imposed on Iraq in the 1990s, these shocks, as well as the absence of strategic planning, mismanagement, maladministration, weak financial institutions, the absence of modern coherent systems for managing state revenues, an ineffective and outdated banking sector, complex

and antiquated government procedures and destruction of infrastructure and the costs of the war against Daesh terrorists, have led to an Iraqi economy directed by the state after the events of 2003. The new political system has failed to create a free and diversified modern economy as outlined in Iraq's constitution.

Recently, the country is suffering from a sharp decline in oil prices, flight of investment capital outside the country, low external investment coming into the country and the repercussions of the COVID-19 pandemic on the economic crisis.

All these factors have led to an expansion of the role of the state in all aspects of economic life. The emergence of a command economy is seen as a key cause of the crisis. It is associated with the increase in the number of employees in the public sector. The cost to the Iraqi exchequer of these salaries and pensions has come at the expense of the government's ability to invest in basic infrastructure in Iraq.



⁹⁶ Iraqis turn to entrepreneurship as corruption hinders economy. *Wamda*. Available at: <https://www.wamda.com/2019/01/iraqis-turn-entrepreneurship-corruption-hinders-economy>.

⁹⁷ Overview. *World Bank*. Available at: <https://www.worldbank.org/en/country/iraq/overview>.

Rising unemployment

According to Iraqi Trading Economy, the national poverty rate has increased to 32 per cent. Unemployment remains a persistent challenge in Iraq, especially for youth and women. Many internally displaced persons are unemployed, underemployed, informally employed or out of the labour force. The COVID-19 pandemic has further compounded these employment challenges. In this context, providing jobs and livelihoods remains a high priority to promote social cohesion and improve resilience.

Despite the fact that the new Iraqi government announced a date for new parliamentary elections in response to protests, the economic challenges have persisted and remained burdensome.⁹⁸ This has prevented Iraq from achieving growth and reaching sustainability through innovative concepts such as entrepreneurship.⁹⁹ In fact, according to the World Bank's Doing Business Report 2020, Iraq ranked 172nd out of 190 countries in terms of ease of doing business.¹⁰⁰

Meanwhile, Iraqis are now exploring opportunities beyond the country's conflicts and corruption, where 'a small community of entrepreneurs, investors, international non-profits are working to build up an ecosystem'.¹⁰¹

Any effort to rejuvenate the Iraqi economy must involve the large-scale creation of new job opportunities.

In the recently approved white paper on economic reforms prepared by the Crisis Cell for Financial and Fiscal Reform, the Iraqi government states that it seeks to put Iraq's economy on a path that allows the state to take appropriate steps in the future to develop it into a diversified, dynamic economy that creates opportunities for citizens to live a decent life.

The Iraqi business news article, published on the 5 November 2020

Decline of the private sector

The expansion of the state's role, the complex administrative system and the state's weakness in imposing the rule of law, the militarisation of society, and the influence of non-governmental actors in public institutions have led to the decline of the Iraqi private sector. With the exception of a number of small and medium-sized companies operating in the oil and telecommunications sectors, and very small companies operating in the fields of trade, retail, transport, construction, hospitality and textiles, there is almost a complete absence of private sector companies in manufacturing. In addition, most of the larger private sector companies depend on providing services to the state and on government contracts.

⁹⁸ Ibid.

⁹⁹ Iraqis turn to entrepreneurship as corruption hinders economy. *Wamda*. Available at: <https://www.wamda.com/2019/01/iraqis-turn-entrepreneurship-corruption-hinders-economy>.

¹⁰⁰ World Bank, 2019. *Doing business 2020*. The World Bank.

¹⁰¹ Lakshmanan, R., 2019. After endless conflicts, an entrepreneurial ecosystem blooms in Iraq. *The Next Web*. Available at: <https://thenextweb.com/insights/2019/07/19/after-endless-conflicts-an-entrepreneurial-ecosystem-blooms-in-iraq/>.

Given the lack of funds available, it follows that the only means of increasing economic activities is through entrepreneurship. What is required is a massive number of entrepreneurial projects to be initiated, incubated and supported through a network of organisations dedicated to the cause of successful start-ups.

The overarching observation made by all participants is that the social entrepreneurship ecosystem is still almost non-existent given that the current hype is around entrepreneurship. Hence, they were only able to reflect on the entrepreneurial ecosystem, its challenges and best practices, while exploring the space for social entrepreneurship, its understanding, stakeholders' appetite, potential challenges and opportunities.

Entrepreneurship ecosystem analysis

Entrepreneurship scene

The Iraqi ecosystem is still at an early stage of development. As mentioned above, Iraqis are now turning to entrepreneurship as local corruption hinders the economy. With entrepreneurial opportunities rising in the country, Iraqi entrepreneurs are benefitting from this opportunity by founding start-ups that offer solutions and address the current necessities.¹⁰² According to an in-depth analysis conducted by KAPITA in 2020, Iraqi entrepreneurs are motivated by various factors, including making a change, targeting a problem, financial factors and the need to improve existing services/products.¹⁰³

The Iraqi entrepreneurship ecosystem has grown and expanded rapidly over the past few years.

Member of an ESO

The Iraqi ecosystem was born a couple of years back with the Start Up weekend launched by USAID in 2013, an event to encourage tech-oriented business ideas to develop, test and learn how to turn into viable companies.

Some of the key stakeholders of entrepreneurship in Iraq include The Station and Takween. These were created as independent, non-governmental and non-profit organisations that serve as a hub for entrepreneurs and the ecosystem, drive acceleration and build communities.¹⁰⁴ They have become the 'first shared spaces for creative development in Iraq' where local initiatives are empowered through business support services, capacity building training and networking.¹⁰⁵

Similarly, some offer equity free seed capital, an intensive training programme, international mentorship, and access to an exclusive investors and ecosystem partner network.¹⁰⁶

Other local actors include KAPITA, an Iraq-based business hub that launched the country's first angel investor network to provide support services to start-ups that need funding.¹⁰⁷ Sponsored by the German government through GIZ (German Agency for International Cooperation), the network offers Iraqi entrepreneurs and start-up founders with various services, including access to information and crucial connections, alongside financial assistance.¹⁰⁸

In addition to IOM, the UNDP created the UNDP Accelerator Lab that prioritises youth unemployment and supports local initiatives in scaling up.¹⁰⁹ The Accelerator Lab works along UNDP specialists to detect the challenges faced by Iraqis and to identify opportunities that will offer solutions to these problems.¹¹⁰ Entrepreneurship in Iraq is generally nurtured by international organisations, local non-profit organisations and the private sector, universities and support organisations.

¹⁰² KAPITA, 2020. *Iraqi Entrepreneurs' Journey: An In-Depth Analysis*. Available at: <https://kapita.iq/storage/app/media/Research/Iraqi-Entrepreneurs-Journey-v1.pdf>

¹⁰³ Ibid.

¹⁰⁴ The Station Foundation for Entrepreneurship is one of Iraq's lead co-working spaces, and Baghdad's first co-working space. *TheStation - Home*. Available at: <https://the-station.iq/about>.

¹⁰⁵ AfricaNews, 2018. Is Baghdad becoming a new hotspot for young entrepreneurs? *Africanews*. Available at: <https://www.africanews.com/2018/07/06/inspire-middle-east-is-baghdad-becoming-a-new-hotspot-for-young-entrepreneurs/>.

¹⁰⁶ About Us. *Takween Accelerator - Iraq's First Tech Startups Accelerate*. Available at: <https://www.takweenaccelerator.com/about-us>.

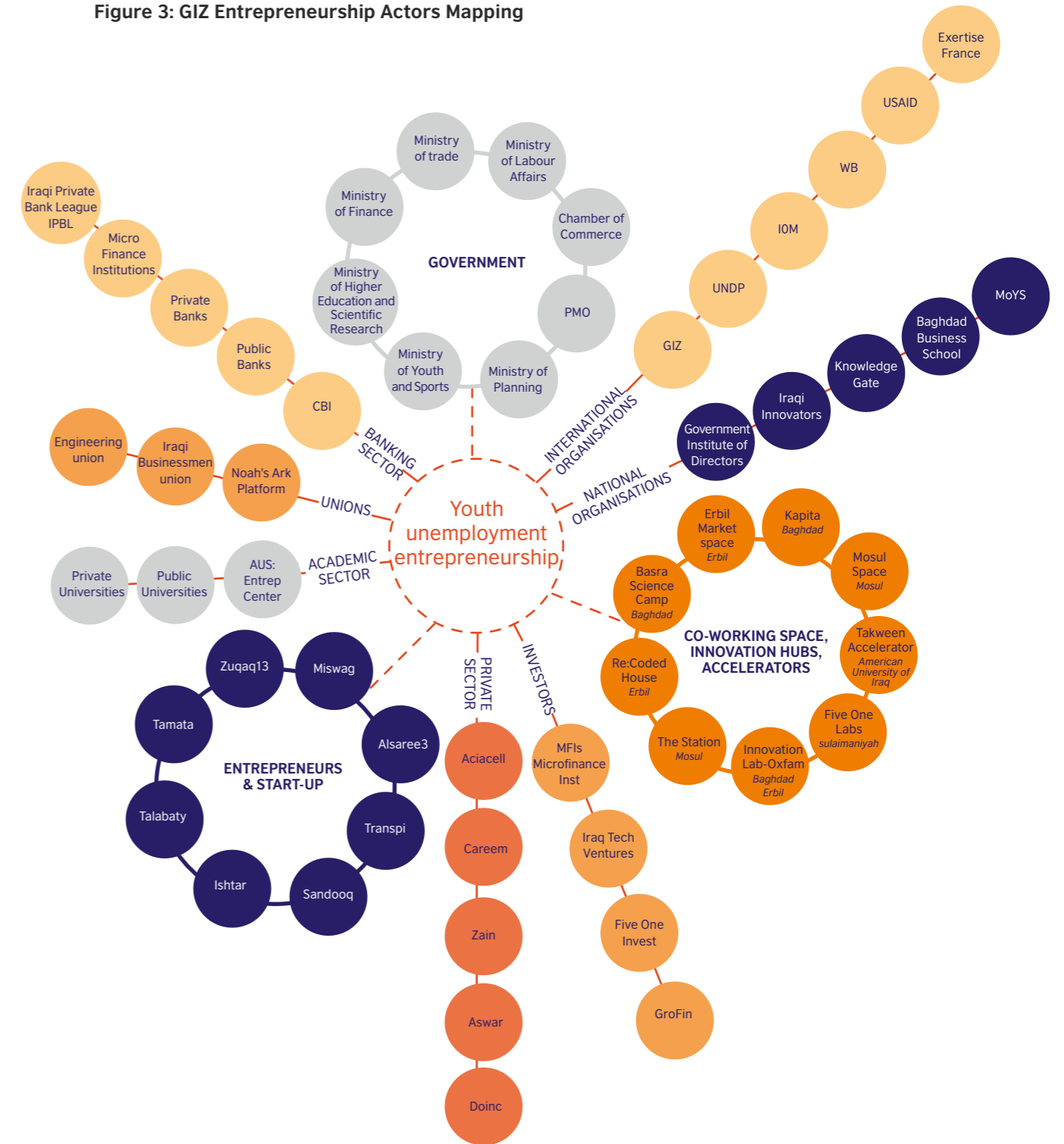
¹⁰⁷ Anon, KAPITA launches first Iraqi angel network. *Wamda*. Available at: <https://www.wamda.com/2020/08/kapita-launches-iraqi-angel-network>.

¹⁰⁸ Ibid.

GIZ initiated, supported and facilitated the creation of many initiatives, including Iraqi Start Up Rise, a space where all ecosystem players share learning, challenges and activities about supported start-ups. Currently, it is focusing on reviewing the legal framework in Iraq in relation to the start-up registration process to become more efficient and accurate, i.e. reflecting the actual service activity it delivers.

Stakeholder mapping: Sensing and exploring activity

Figure 3: GIZ Entrepreneurship Actors Mapping



¹⁰⁹ Al-Qoch, S.F. & Replication-Receiver, 2020. Exploring Innovation in Iraq. *UNDP*. Available at: <https://www.iq.undp.org/content/iraq/en/home/blog/exploring-innovation-in-iraq.html>.

¹¹⁰ Accelerator Labs. *UNDP*. Available at: <https://www.iq.undp.org/content/iraq/en/home/accelerator-labs.html>.

Sector trends at the national level

Many start-ups are gearing towards technology and digitised solutions such as e-commerce and e-shops.

On the 21 January 2021, the EU launched a 22.5 million euros project 'strengthening the agriculture and agri-food value chain and improving trade policy' (SAAVI). The five-year project is being implemented by the *International Trade Center (ITC)* in close collaboration with the government of Iraq and other local partners. SAAVI will build the capacities of micro, small and medium enterprises, and broaden the knowledge and skills base for youth, including training on entrepreneurship and business skills.

The project will also contribute to mitigating the socio-economic impact of the COVID-19 pandemic, which is presenting new challenges for Iraq, and will boost reconstruction of the rural economy.

Challenges

Legislative, regulatory and institutional framework

For Iraqi entrepreneurs, the legal framework is a complex process. Registering businesses is a costly and time-consuming process at the best of times. Entrepreneurs are forced to consult with and shuttle back and forth between multiple ministries and chambers of commerce who may interpret their start-up as a different type of business, which impacts the cost, scope of work and taxation. In fact, it can take around six months to register a start-up in Iraq. Hence, **most start-ups 'do not even bother registering their company'**.¹¹¹ Less than half of start-ups in Iraq are registered as owners become demotivated, along with the appetite of investors to support ventures.¹²

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Iraqis turn to entrepreneurship as corruption hinders economy. *Wamda*. Available at: <https://www.wamda.com/2019/01/iraqis-turn-entrepreneurship-corruption-hinders-economy>.

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Ibid.

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KAPITA, 2020. *Iraqi Entrepreneurs' Journey: An In-Depth Analysis*. Available at: <https://kapita.iq/storage/app/media/Research/Iraqi-Entrepreneurs-Journey-v1.pdf>

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Mohammadali, Z.M. and Abdulkhalig, S.S., 2019. Prospects and challenges of entrepreneurship development in the Kurdistan region of Iraq: an overview. *International Journal of Entrepreneurial Knowledge*, 7(2), pp.4-16.

Unlocking the potential of the agriculture sector of the country will lead to the creation of employment and entrepreneurial opportunities for youth, particularly those living in rural areas who have been affected by prolonged conflict.

ICT News Iraqi Trade Center, 30 November 2020.

Those that are registered are for specific reasons that include being able to work with agencies and corporations, branding and legal purposes.¹¹³

When it comes to tech entrepreneurs and social entrepreneurship in particular, Iraq lacks a legal framework. This remains a challenge alongside the lack of intellectual property (IP) rights and patent laws.¹¹⁴ Entrepreneurs establishing tech start-ups are often left without the protection and freedoms provided by being legally registered.

Furthermore, the Kurdistan region of Iraq, and the central and southern Iraq region, follow two separate legal and fiscal frameworks that may discourage and complicate the establishment and expansion of start-ups in these locations. For instance, it is hard for foreigners to register in the central and southern Iraq region, but easier to do so in the Kurdistan region of Iraq.

According to FiveOneLabs, one of the challenges facing Iraqi entrepreneurs, particularly in the tech field, is unfair taxation and they are asked to pay tax on the funding they receive.

When entrepreneurs choose to register their tech businesses, they must register as a traditional business and open a brick-and-mortar location. They could choose to register as an 'office', which is the least expensive choice, but an 'office' registration could negatively impact the entrepreneur's ability to take on equity in the future. Other registration choices are more expensive and time-intensive.

Start-ups are not encouraged to promote themselves on social media to avoid attracting unwanted taxation and the interest of unethical, corrupt individuals or entities.

Limited financing mechanisms

Access to finance remains one of the key issues facing Iraqi entrepreneurs. There are some initiatives that offer *loans*. Even if offered at a low interest rate, a loan requires a public sector employee as a guarantor or a property guarantee, which by itself is a challenge. Hence, many start-ups are self-financed or look to family and friends for funding. This limits their growth to their personal financial capacity (or incapacity). Thus, many entrepreneurs tend to work on other projects or employment at the same time to cover their individual costs and sustain themselves. For those who are able to find angel investors, the terms can often be stringent or investors may seek a majority, rather than a minority, stake in the company.

The Iraqi legal framework is a complex process where most start-ups 'do not even bother registering their company'. It takes too long, with no discernment and specific qualification for tech and social entrepreneurs.

In addition, the **lack of regulatory and banking infrastructure** in Iraq has served as a setback for entrepreneurs and caused distrust in the banking sector. This discourages foreign investors from working with entrepreneurs in a transparent, safe, ethical and profitable matter where both parties' rights are preserved.

High cost of launching an enterprise

Regulations stipulate that a business must have a physical office, a lawyer and an accountant on retainer. These are immense costs for someone looking to launch a start-up. Around the world, many early stage entrepreneurs operate their registered businesses from home or from co-working spaces. Regulations in the Kurdistan region of Iraq stipulate that an office (with four walls) is required, which would likely add several hundred (if not thousands) of dollars in expenses to a new business, depending on where in the country they are located.

Therefore, for entrepreneurs, it is very challenging and discouraging to start a business, cover the initial inception costs, and sustain these until their concept is validated and they start to be operational, and generate revenue.

For social entrepreneurs, it generally takes a longer time to cover their operating costs and generate revenue. Investors may become impatient if they are looking for a quick return on their investment. According to GroFin manager, an investor would be interested in a social enterprise if it first proves to have economic value and viability with a social message, and is assessed as low risk.

Unfortunately, many start-ups are unregistered, most sole proprietorship, unaudited, with no bank account. Hence, they present a high risk to potential investors and contributors.

Inefficient operation

Entrepreneurs' operations rely on a cash economy with 'cash on delivery' still being the norm. This causes a number of problems, including the risk that customers will not actually pay their order and the start-up will be left with the burden. In the process, the business has to transport cash from across the country to their headquarters, which is dangerous and time-consuming. Balancing budgets can take months with delays in customer payments and additional delays in cash transportation.

Iraq faces the barrier of being blacklisted to foreign investor support. To all intents and purposes, it is still disconnected from the international financial system for reasons relating to sanctions and the risk of money laundering. OFAC lifted the majority of the country wide sanctions against [Iraq in 2003](#), but the risk of somehow funding proscribed groups remains enough of a barrier that most international e-payment methods do not connect to Iraq. PayPal and Stripe, among other payment services, have restrictions against operating in Iraq. This means that freelancers based in Iraq cannot be paid by foreign clients, and Iraqi entrepreneurs cannot easily supply their products or services to customers in other countries.

Furthermore, some scarce skills such as coding and developing can be expensive, adding to the start-up costs and delaying the launch of businesses. (This was noted in the number of non-technical founders that have gone through FiveOneLabs incubator programmes.)

On another note, many may struggle to find space at an affordable rate and are faced with expensive rental space.

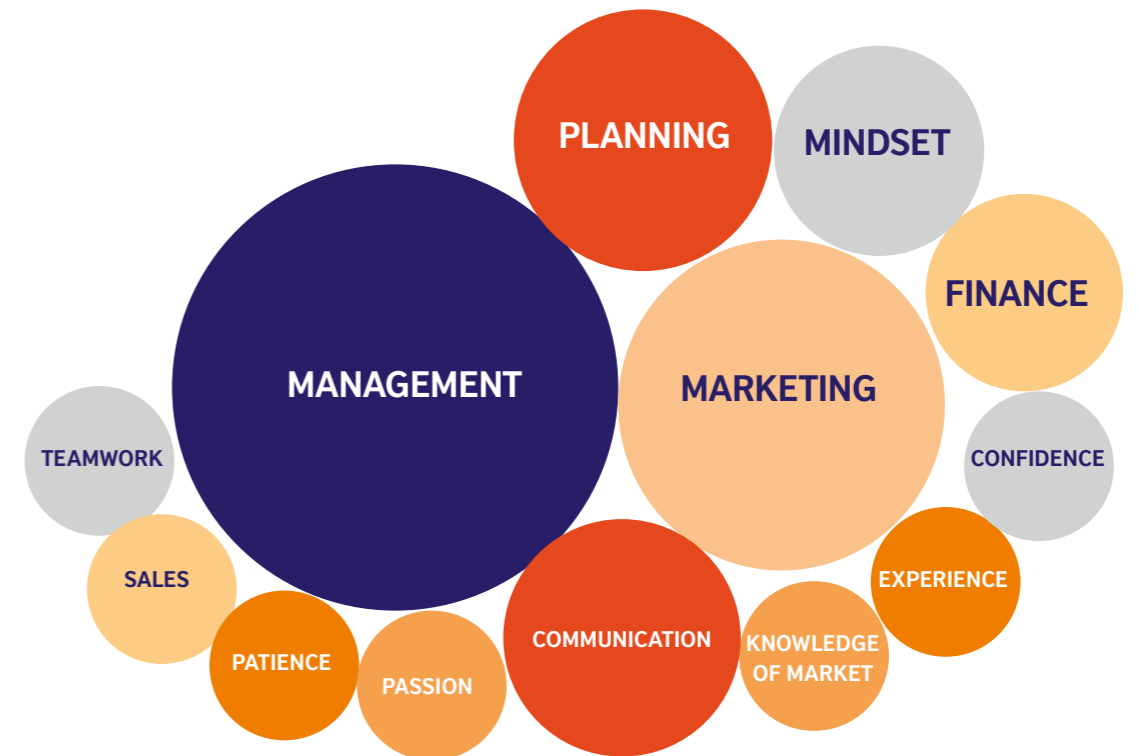


Skills gap

The current academic curriculums are mostly not updated to equip youth with critical thinking and problem-solving skills or with an entrepreneurial mindset.

The Iraqi human development index is very low. Based on Kapita's study of the journey of Iraqi entrepreneurs, below are their stated development areas to establish a business, with the major areas being management and marketing.

Figure 4: Iraqi Entrepreneurs' Journey Analysis Conducted by Kapita in Collaboration with GIZ, July 2020



Reliance on international experts to build local competences runs the risk of assistance not being tailored to local demand or adapted culturally. Furthermore, it is costly and there are high security risks due to local unrest.

To grow the pipeline, many initiatives in the Iraqi ecosystem serve early stage entrepreneurs with similar programmes and offerings. There are limited qualified mentors available to support entrepreneurs in the long-term, to integrate experiences on the entrepreneurial journey and overcome challenges.

Entrepreneurial mindset

As a consequence of the emergence of a command economy, youth are geared to safe public institution employment opportunities as it allows them to be self-sufficient and autonomous.

In general, entrepreneurship as a career path is not encouraged as it is high risk and does not fulfil existing needs for survival, sustainability and safety. Youth has been groomed to be one early on.

Asked about perception of what a SE is, one interviewee responded frankly: 'We need to first make a profit, generate cash, sustain ourselves and the operation, and potentially create jobs. That is more than enough. We need to nurture the entrepreneurial mindset and share successful start-up stories to grow the confidence of the ecosystem in general. It is premature to think of social entrepreneurship.'

Stakeholder collaboration

Even though many initiatives are emerging in the Iraqi ecosystem, the majority serve early stage entrepreneurs with similar services. There is room for stronger collaboration to avoid the duplication of services and activities. Thanks to the Iraqi Start-Up Act and similar initiatives, stakeholders are meeting, sharing challenges and experiences, supporting start-ups, and drafting and advocating for legal and fiscal reforms.

The digital skills gap in Iraq increases the time and cost of launching a start-up, mostly a tech start-up, according to Iraqi entrepreneurs.

Journey analysis conducted by Kapita, in collaboration with GIZ, July 2020

Social entrepreneurship

SE is a new concept in Iraq with no commonly agreed-upon definition. A social enterprise may be understood as a green project, an NGO that does not have the right to generate revenue, offering services for free, an initiative that creates jobs, and is donor and funding-dependent. Interestingly, KAPITA's 2020 in-depth analysis report revealed that making a change in Iraq is the second motivator for an entrepreneur to start their own start-up.¹¹⁵

In 2019, a Hackathon was implemented with an SE focus with Innovest. A selected percentage of the beneficiaries were SEs selected on the basis of a flexible set of criteria.

There are a few youth social initiatives but these are insufficient in number and not spread across all of Iraq. A few ecosystem partners such as Zain, Takween and CEWAS started promising programmes like the TS50 programme implemented by youth, a programme introducing computer science and programming, giving tech graduates an SE focus, Mosul Space, Knowledge Gate, Maker Space and Science camp. In addition to these programmes, a focus on agriculture and the environment was noted with increased interest in these sectors by CEWAS, IRIL and the AgriBusiness incubator. These initiatives and support entities are not completely SE-specialised but do offer support to start-ups working in agriculture and environment. There is a promising space to nurture the social entrepreneurial mindset, knowledge, and promote opportunities to sustain SEs and grow their societal impact.

There is a company selling eco-friendly products. When they conducted a survey to see why people buy their product, they discovered that it was for its quality and not because it solved a societal problem.

Member of an ESO

'To discern if it is an SE or not, SDGs are a good reference.'

'SE is an enterprise that makes profit with a goal of common good. It can be in any sector; it is the cause that is important. If it generates profit, it is used to scale and benefit the team, environment and community.'

'It is an economic activity with social value, ideology, innovation to provide solutions, and improve life through innovation.'

The consumer does not appear to take the social element into account as a key value when purchasing a product. The SE ecosystem in Iraq needs to capitalise on the societal problems facing different societies and support innovators. Currently, there is insufficient support.

In the absence of a definition of a social enterprise and lack of awareness in the community about its economic and social value, the current ecosystem is unable to mark a social enterprise out from the available start-ups.

Policy and government

The absence of SE definition goes hand in hand with the lack of an existing framework that can govern SEs in Iraq.

Similar to start-ups, entrepreneurs have stated that it is difficult to register their own start-up due to the cost, process and time. When start-ups abandon the complex registration process as a company, they become high risk in the eyes of potential investors.

Culture

A definition of social entrepreneurship is still lacking in Iraq and causes confusion about social enterprises versus start-ups. Although entrepreneurship has been growing recently in Iraq, SE still does not have a concrete definition and framework. This lack of a commonly agreed-upon definition affects the work of several existing SEs in Iraq that are defined as start-ups such as Tasty not Wasty and Larixa. Some participants defined SE in Iraq as follows:

The situation for SEs is similar due to the lack of a proper framework that incentivises innovation and tackles societal issues. With this in mind, it is vital to advocate for government to enact a SE-specific law to reduce legal process requirements and fiscal tax.

Support services and programmes

There is limited support dedicated to SEs in Iraq, which aligns with the entrepreneurship environment in neighbouring countries.

Current incubators, accelerators and support entities are working together with FiveOneLabs to ensure a proper reach to the start-up ecosystem in Iraq. However, further improvement is needed to capitalise on partnerships between like-minded organisations and institutes such as CEWAS and the AgriBusiness incubator to enable better support.

One fund is currently an active player in the Iraqi SE ecosystem. The Transform Fund under the Islamic Development Bank aims to support social and inspiring innovations that are linked to at least one of the sustainable development goals. Although the Fund does not address SEs directly, due to the lack of a common definition, the initiative still falls under this umbrella.

List of entrepreneurship stakeholders in Iraq

Organisation	Location	Type	Specific to SE?
CEWAS Middle East	Iraq, Palestine, Lebanon and Jordan	Business support	Yes
Takween Accelerator	Iraq	Business support	No
The Station	Baghdad and Mosul, Iraq	NGO	No
RUWWADALIRAQ (IRAQPRENEURS)	Baghdad, Iraq	Community organisation	No
Five One Labs	Kurdistan, Iraq	NGO	No
GIZ	Baghdad, Iraq	Development agency	No
Orange Corners Programme	Baghdad and Erbil	Programme	No
FasterCapital	Iraq	Business support	No

Role	Website
Support entrepreneurs at all stages: ideation - incubation - acceleration and scale-up. Builds enabling ecosystems and offers technical assistance, financial support, tailor-made coaching and training, as well as ensuring good governance and integrity.	https://www.cewasmiddleeast.org/home#firstSlide
The first accelerator in Iraq, created to help growth-stage technology businesses go farther faster. Aiming to be one of the leading actors in the national entrepreneurial and innovation ecosystem, Takween Accelerator provides equity free seed capital, an intensive training programme, international mentorship, and access to an exclusive investors and ecosystem partner network.	https://www.takweenaccelerator.com
One of Iraq's lead co-working spaces and Baghdad's first co-working space. The Station is the cornerstone for Iraqi youth with fresh and inventive ideas to set a first foot into the business world and entrepreneurial projects.	https://the-station.iq
The first competition and empowerment platform for entrepreneurs in Iraq.	https://ruwwadaliraq.com/Home/
A start-up incubator that helps refugees and conflict-affected entrepreneurs launch and grow their businesses in the Middle East. Aims to empower individuals to rebuild their lives and livelihoods, and to contribute to the economic growth of their communities.	https://fiveonelabs.org
Provides further education and professional qualification opportunities, financial subsidies and training for company start-ups. <ul style="list-style-type: none"> – Hosts a Startup Enablers weekly meeting – Mobilizes and advocates for the introduction of a Startup Act in Iraq. 	https://www.giz.de/en/worldwide/52758.html
The programme, powered by the Dutch Embassy and implemented by KAPITA in Baghdad and Mselect in Erbil, aims to reshape the Iraqi entrepreneurial ecosystem by providing economic opportunities, skills and empowerment for aspiring individuals who hold exceptionally promising ideas.	https://www.kapita.iq/programs/orange-corners-baghdad
An online incubator that can help accelerate/incubate start-ups by providing work per equity. The work can be technical development per equity or business development per equity. They can also help start-ups raise capital or find funding and help from angel investors, venture capital, other accelerators/incubators (with whom we have partnerships), government funds and crowdfunding platforms.	https://fastercapital.com

Organisation	Location	Type	Specific to SE?
UNDP Accelerator Labs	Iraq	Business support	No
Iraqi Angel Network (by KAPITA)	Iraq	Financing	No
KAPITA	Baghdad, Iraq	Non-governmental	No
Enterprise Development Fund	Baghdad, Iraq	Financing	No
GroFin - Northern Iraq Investment Fund	North Iraq	Financing	No
Field Ready	Baghdad, Mosul and Erbil	Non-profit organisation	Yes

Role	Website
The Lab works alongside UNDP technical specialists to understand what is happening on the ground and the challenges faced by communities on a daily basis. The team then works to identify opportunities to apply innovative local solutions, test them, and see how they can be further enhanced and embedded into UNDP, government and local partner responses.	https://www.iq.undp.org/content/iraq/en/home/accelerator-labs.html
The first angel group in the country that comprises a group of distinguished Iraqi businessmen and entrepreneurs looking to support the entrepreneurship ecosystem in Iraq and revitalise the country's private sector.	https://iraqangels.net
A private sector development company that aims to empower small and medium-sized enterprises (SMEs) through investment, research, incubation/acceleration and market development programmes	http://www.kapita.iq
IOM's Enterprise Development Fund (EDF) is an innovative livelihoods approach to contribute to economic recovery and private sector revitalization in Iraq through tailored support to small and medium enterprises (SMEs). The EDF aims to restore essential economic infrastructure by providing financial capital to SMEs.	http://edf.iom.int
GroFin, under the Middle East North Africa Investment Initiative (IRAQ MENA II), has launched the Northern Iraq Investments (NII) to provide finance and technical assistance to small and medium-sized businesses that have the potential to create jobs. NII aims to support local Iraqi entrepreneurs in rebuilding the region's SME sector. Its purpose is to help grow and develop sustainable small businesses to stimulate economic growth, foster stability and create sustainable livelihoods for the people of Iraq.	https://nii.grofin.com/
Field Ready runs a series of makerspaces across Iraq that encourage local manufacturing. Makerspaces have a very immediate practical value, allowing the aid sector, individuals, start-ups or established businesses to rapidly prototype and produce custom items to their or their customers' demands. There is immense value beyond that of the 'experiential' learning environment a makerspace provides and the further potential opportunities it generates. Field Ready works with local makers to create products that solve local needs.	https://www.fieldready.org/

Organisation	Location	Type	Specific to SE?
Plus The Edge	Sulymaniya	Company	No
Baghdad Business School - Iraq Fund for Higher Education	Baghdad	Non-profit organisation	No
WFP Tech For Food	North Iraq	Non-profit organisation	Yes
Pre-emptive Love Coalition	North Iraq	Non-profit organisation	Yes
Zain Telecoms	Iraq	Company	Yes
Science Camp	Basra, Iraq	Non-profit organisation	No
Mosul Space	Mosul, Iraq	Non-profit organisation	No

Role	Website
Advertising company which hosted the Iraq Hackathon to support and encourage entrepreneurship.	https://www.plustheedge.com/
A market-driven 'education to employment' programme established by the Iraqi Fund for Higher Education (IFHE). IFHE is a not-for-profit organisation dedicated to providing new educational and employment opportunities for Iraqi youth both locally and abroad to develop the knowledge, skills and abilities they need to be active and productive members of their communities, their country and the world.	http://iraqed.org/baghdad-business-school.html
WorkWell is a technological space where students can venture into entrepreneurship, programming and freelancing. The programme targets refugees and displaced persons with the goal of turning them into tech heroes to enter the digital job market.	https://www.wfp.org/countries/iraq
It creates jobs, providing capital for vulnerable families to start businesses, coaching to help their businesses thrive and connection to the global marketplace.	https://preemptivelove.org/workwell/
Zain Telecoms funds and supports local events and initiatives surrounding entrepreneurship and technology. Social entrepreneurship is also an area highly supported by the company.	https://www.iq.zain.com/en
Science Camp is a makerspace which provides training in digital fabrication and supports entrepreneurship by equipping entrepreneurs with the skills needed to create their own products and solve local problems.	https://www.facebook.com/Iraqimakerspace%20%20/
Mosul Space is a community for youth to work on education, innovation, entrepreneurship and technology. It provides a makerspace, co-working area and training programmes.	https://www.facebook.com/mosulspace

Organisation	Location	Type	Specific to SE?
IoT Makers	Baghdad, Iraq	Non-profit organisation	No
Noah's Ark (RiTs)	Baghdad, Iraq	Local company	Yes
Asiacell	North Iraq	Local company	Yes
UNDP Innovation for Development	Iraq	Non-profit organisation	Yes
Iraq Tech Ventures	Iraq	Financing	No

Role	Website
We are here to share the passion of creating with you. You can learn how to use materials as well as build cool projects. Imagine DIY meets education! We provide a wide variety of technical courses and mentorships which have made our vision of expanding the community of 3D modelling, design manufacturing, cinema 4D, electronics, robotics, AI and web development come to life. We also offer a co-working and makerspace in the heart of Baghdad.	https://www.facebook.com/iotmakeriq
RiTs is an innovative Iraqi company with deep local and international experiences in business management, IT and capacity building. We present Noah's Ark© to the people of Iraq as a humble initiative to institutionalize the creation of new work opportunities in the Iraqi private sector. We achieve this through concentrated efforts to nurture entrepreneurship among Iraqi youth. We focus our efforts on university graduates in particular.	https://noah-ark.org/noah-ark/about-us
A telecoms company supporting and sponsoring entrepreneurship activities and events across Iraq.	https://www.asiacell.com/
UNDP established 'Innovation for Development' in 2018. Informed by the successful implementation of the 'Inno4dev' initiative between 2015–2018, the project aims to upskill individuals (young women and men) and institutions in the field of innovation, entrepreneurship and the SDGs.	https://bit.ly/3g123Rq
At Iraq Tech Ventures, we provide minimum investment to approved start-ups in Iraq and connect potential investors to opportunities in Iraq. We are passionate about diversifying Iraq's economy away from oil and into more sustainable sectors like technology.	https://iraqtechventures.com/

List of start-ups and social enterprises in Iraq

Name	Location	Industry
Miswag	Iraq	Shopping services
Mishwar	Baghdad, Iraq	Delivery service
Bil Weekend	Iraq	Travel and Tourism
Zuqaq 13	Baghdad, Iraq	Fashion
Tech 4 Peace	Iraq	Media
Daraj	Baghdad, Iraq	Bookstore
The Book Cafe	Kurdistan, Iraq	Food and beverages
Brisma	Kurdistan, Iraq	Food delivery service
Peyk Bookstore	Kurdistan, Iraq	Online bookstore
Dakakenna	Mosul, Iraq	Shopping and retail
Al-Faisaliya Restaurant and Cafe	Baghdad, Iraq	Community hub

Main activity	Website
First e-commerce business in Iraq offering over 15K SKUs from over 75 renowned distributors and brands, in more than 150 different departments, with a domestic shipping service covering Baghdad and the provinces.	https://miswag.net
Online and mobile app-based home grocery delivery service.	https://www.facebook.com/mishwar.iq/about/?ref=page_internal
Travel and tourism start-up with the goal of promoting cultural heritage as a factor of country development; organises group camping trips, museum visits and adventures to natural sites.	https://www.facebook.com/BilWeekend/
Streetwear brand that designs t-shirts and other souvenirs influenced by pop culture and Iraqi heritage.	https://www.facebook.com/Zuqaq13/
Building awareness on current events in Iraq and across the Middle East in an effort to stop terrorist propaganda and the spread of false rumours through social media, disguised as real news. Educating people in the region about digital security through posts and online/offline seminars.	https://t4p.co/?fbclid=IwAR3tO12efRhDyN4jyNwYkN6wiTywppYvqSmwQCirkyUJNeqoXNYzdP7rzuY
Library and house for publishing and distribution.	https://www.facebook.com/darajbookstore/
Cafe, bookstore and creative co-working space that hosts speakers, events, film nights and language learning groups.	https://www.facebook.com/TheBookCafeErbil/
An app-based food delivery service based in Sulaimani and Erbil that connects local restaurants with customers and delivers food to their doors.	http://brsima.com/?fbclid=IwAR3jweyhAwG4X1pD-1jMQ0JIsIa4YEjs7_8Wk3zq3rPtHoqHtwfwfbKz3qDg
Independent online bookstore that delivers books from all over the world after customers place orders via Facebook or Instagram.	http://www.peykbooks.com/
Shopping delivery service that offers nearly 2,000 items to buy via an iPhone app and shipped directly to customers.	https://www.facebook.com/dakakenna/
A social and commercial project whose owners are three young people who provide their services in a community friendly way. They reflect the requests and opinions of their friends and customers through the permanent changes they make to their restaurant as they try to provide a distinctive, friendly service.	https://www.facebook.com/AlFaisaliya/

Name	Location	Industry
Iraq Nerd Store	Baghdad, Iraq	Fashion marketplace
Hili	Baghdad, Iraq	Local handmade goods
TradFood	Baghdad, Iraq	Food delivery service
Sihatkom	Mosul, Iraq	Healthcare
Pure Platform	Baghdad, Iraq	Payments
Reborn with Gluten-Free	Sulymaniya, Iraq	Food delivery
Sandoog	Baghdad, Iraq	Logistics and last-mile delivery
Lezzoo	Sulymaniya, Iraq	Delivery service
Medresty	Baghdad, Iraq	Education
IOT Kids	Baghdad, Iraq	Education
Startup University	Najaf, Iraq	Education
Eduba	Baghdad, Iraq	SAAS
R3	Erbil, Iraq	Recycling

Main activity	Website
Personalised and customised goods sold on Instagram. Iraq Nerd Store works with local designers to create unique designs for clothing and merchandise.	https://www.instagram.com/iraqinerdstore/?hl=en
Handmade items from local artisans. Products vary from herbal soaps, notebooks and coasters.	https://www.facebook.com/Hili4iraqi
Social enterprise aiming to help Arab women find a stable source of income by helping them sell home-cooked dishes.	https://www.facebook.com/tradfood
App to help people in Ninewa to find healthcare facilities.	http://www.sihatkom.com/
Electronic payments, card payments and mobile app.	https://www.facebook.com/PurePlatform/
Provides gluten-free products to gluten-sensitive people and helps them live a healthier life.	Rebornwithgluten.com
On-demand logistics and order fulfilment company.	https://www.facebook.com/sandoog.iq/
Food, pharmacy and grocery delivery.	https://lezzoo.com/
School management system with a social mission of increasing the level of education provided in Iraqi schools. The app lets teachers and parents communicate with each other and receive updates on students such as their homework and grades.	http://www.medresty.com/
Coding training for children.	https://www.facebook.com/IOTKids/
We want to spread the culture of entrepreneurship among universities in Iraq, especially in the central and southern region, and build a leading community of students. We also aim to reduce the skills gap between public university graduates and jobs in the private sector. We are working in cooperation with public and private universities to establish business incubators within the universities.	https://www.facebook.com/SUWIRAQ/
Eduba offers an e-learning and school management software for educational institutions in Iraq.	https://eduba.app/main/
R3 is a plastic recycling solution that connects citizens with recycling factories through freelance drivers. Users get points based on the amount of plastic recycled through the application. Points can be transferred to cash using Zain Cash or to earn free rides on Careem using promo codes.	https://r-3.webflow.io/

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The Iraqi entrepreneurship ecosystem has grown and expanded rapidly over the past few years.

Member of an ESO



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