

THE LEBANESE SOCIAL ENTREPRENEURSHIP ECOSYSTEM

MAPPING REPORT

Prepared for:

OXFAM LEBANON



This project is co-funded
by the European Union



Promoting social entrepreneurship in the Mediterranean Region

This publication was produced with the financial support of the European Union.
Its contents are the sole responsibility of Oxfam Italia and do not necessarily
reflect the views of the European Union.

TABLE OF CONTENTS

INTRODUCTION	4
SE & THE SOCIO-ECONOMIC CONTEXT.....	5
"MEDUP!" MAPPING STUDY	ERRORE. IL SEGNA LIBRO NON È DEFINITO.
CHAPTER 1 – DEFINITIONS FOR LEBANON.....	9
SOCIAL ENTREPRENEURSHIP	9
SOCIAL ENTREPRENEURSHIP ECOSYSTEM.....	10
SOCIAL ENTREPRENEURSHIP SUPPORT ORGANIZATIONS	12
CHAPTER 2 –THE MICRO LEVEL SOCIAL ENTREPRENEURS’ REALITY.....	13
UNDERSTANDING SES’ REALITY.....	ERRORE. IL SEGNA LIBRO NON È DEFINITO.
CHALLENGES & BARRIERS	16
CHAPTER 3 – THE MESO LEVEL SE SUPPORT ORGANIZATIONS	18
MAPPING SUPPORT SERVICES	18
CHALLENGES & BARRIERS	23
CHAPTER 4 – THE MACRO LEVEL POLICY & ADVOCACY EFFORTS	25
EXISTING LEGAL MODELS.....	25
SUGGESTED SE POLICY FRAMEWORK.....	26
MAIN POLICY ACTORS	ERRORE. IL SEGNA LIBRO NON È DEFINITO.
CHALLENGES & BARRIERS	31
CHAPTER 5 – RECOMMENDATIONS.....	32
AT THE MICRO LEVEL.....	ERRORE. IL SEGNA LIBRO NON È DEFINITO.
AT THE MESO LEVEL.....	ERRORE. IL SEGNA LIBRO NON È DEFINITO.
AT THE MACRO LEVEL	ERRORE. IL SEGNA LIBRO NON È DEFINITO.

This report is developed as part of the MED UP! project in response to OXFAM Lebanon's request. It uses data from the Lebanon country report issued for the EU Formulation Mission and Mapping of SE Ecosystems in the Southern Mediterranean (2016).

November 2018

INTRODUCTION

The political, economic and social challenges Lebanon is facing are perceived as opportunities within the country's entrepreneurial culture, its active civil society and the recent support that has gathered around economic and livelihood development and support.

The sectarian power-sharing system that governs the country is the primary cause for political instability, polarization within communities, weakening public institutions' performance on a political level as well as public service provision level, mismanagement of public resources and lack of transparency that further fuels corruption within government institutions, making them quasi paralyzed.

Since the outbreak of the Syrian war, financial, economic, social and cultural problems have increased with more than 1.5 million refugees seeking safety in Lebanon. Since then, Lebanon has been overwhelmed with striking and unplanned-for changes, to name a few:

- A 50% increase in Labor Force¹
- A significant percentage of employment is in the informal economy, which is estimated to be equivalent to 30% of GDP²
- Unemployment rates vary between regions, as in some underprivileged areas, it can reach up to 70%; (central Beirut only accounts for 1% of the total poor Lebanese)
- The unemployment rate has increased to 35% amongst youth
- Around 86% of Syrian refugees live in 242 poor villages in Lebanon.³
- Poverty rates in the Bekaa, North, and South Lebanon regions at 38%, 36%, and 31% respectively are well above the national average of 27% and around twice as high as in Mount Lebanon and Beirut having 22% and 16%, respectively.⁴
- 52% of displaced Syrians, 10% of Lebanese along with 6% of Palestine Refugees from Syria are extremely poor and live on less than \$2.4/day.⁵

¹ Gebara, Khalil. *The Syrian Crisis & Its Implications on Lebanon*. Université Saint Joseph, 9 Mar. 2015.

² UNHCR. *Lebanon Baseline Information*. 10 Oct. 2013.

³ Oxfam International. *Lebanon Country Profile*. www.oxfam.org/en/countries/lebanon.

⁴ *Snapshot of Poverty and Labor Market Outcomes in Lebanon*. Central Administration for Statistics (CAS) & World Bank Group, 2015.

⁵ UNHCR. *Lebanon Crisis Response Plan*. 2017.

Moreover, socio-economic growth is hindered by a high level of public debt (representing 150% of national GDP)⁶ as well as weak infrastructure (with Lebanon ranking 130 of 137 in quality of infrastructure)⁷ and public services. According to the Lebanon Crisis Response Plan 2017 – 2020, services in the country have also deteriorated with⁸:

- Public hospitals accumulating a deficit amounting to US\$ 15 million
- Water demand increasing by 28%
- Municipalities increased spending on waste disposal by 40%

In light of the social, economic and political challenges, Lebanon is highly reliant on international governments and donors' support to survive. Over the past few years, these challenges have been key incentives for more private initiatives and have led to the flourishing of the entrepreneurship ecosystem. According to the Global Entrepreneurship Monitor, Lebanon's ecosystem includes a high number of early-stage entrepreneurial activity, reaching 15% of the working-age population. One of the possible explanations for this high number is the country's history of liberal economic policies with high involvement of the private sector.⁹

The entrepreneurship ecosystem experienced a significant boost since decree 331 was issued by the central Bank in 2014 providing between 400 and 650 million USD¹⁰ in guarantees at 85% for banks and venture capital funds to support start-ups, particularly in the technological sector. According to BDL's vice governor Mr. Charafeddine, there are currently around 800 startups in Lebanon providing 6000 employment opportunities, adding 1 billion dollars to the Lebanese treasury.¹¹ With growing economic indicators, their social impact remains limited.

SE & THE SOCIO-ECONOMIC CONTEXT

Social entrepreneurship seems to be a new concept in the Lebanon, however, a 2012 study in 137 localities showed that it is an old practice. As a result of local culture of solidarity and needs, most municipalities are home to agricultural and women cooperatives, mutual insurance funds and sustainable associations to support the underprivileged within a society, all of which could serve as models for social

⁶ Government of France. *Economic Conference for Development through Reforms with the Private Sector*. Join Statement. 6 Apr. 2016.

⁷ *The Global Competitiveness Report 2017–2018*. World Economic Forum, 2017.

⁸ UNHCR. *Lebanon Crisis Response Plan*. 2017.

⁹ *2016 National Report*. Global Entrepreneurship Monitor, 2016.

¹⁰ Rahal, Maya. *What the Central Bank of Lebanon's New Investment Policy Means for Startups*. Wamda, 3 Sept. 2013.

¹¹ *ArabNet Beirut Conference Highlights the Importance of Innovation and Entrepreneurship as Drivers of Lebanon's Economic Development*. Executive Bulletin, 23 Feb. 2017.

entrepreneurship in Lebanon. In 2010, Beyond Reform and Development launched for the first time a series of conversations around Social Entrepreneurship in Lebanon through panels, forums and workshops, aiming to push Social Entrepreneurship on the agenda of stakeholders (state and non-state) as a tool to engage citizens in finding innovative solutions.

Since the issuance of circular 331 by the Central Bank, many of the incubators and entrepreneurship support service providers that were launched have started to include social entrepreneurship initiatives within their programs and services, without adapting their tools to fit the particular needs that Social Entrepreneurs have compared to commercial entrepreneurs. For example, Kafalat, which is a partnership between private banks and the Central government to provide loans for start-ups up to 500,000 USD did not yet develop specific financial products for social enterprises.

Few universities also started designing social entrepreneurship programs, for example Université Saint Joseph that offers a Graduate diploma, the American University of Beirut with an undergraduate course and Haigazian University that offers an extra-curricular program.

An important observation particular to Lebanon is the faith-based organizations that are catching up on the social entrepreneurship hype that is taking place around it. Though they find in it an opportunity to do charity in a more sustainable way but it can contribute to more sectarian tension indirectly as it enhances sectarian based approach to development.

On another side, the private sector is also catching up on the issue and becoming more active in the scene by developing new programs related to social entrepreneurship such as BLC Bank launching the WEInitiative to support women entrepreneurs and BankMed providing adapted products for green start-ups and Blom Bank recently partnering with the Hult Prize to support social entrepreneurs. In 2015, UN Global Compact (UNGC) launched the Lebanese chapter aiming “to provide opportunities for learning, policy dialogue, and partnerships on the **Ten Principles** of responsible conduct and the **17 Sustainable Development Goals (SDGs)**”.¹² In other words, this platform supports private sector organizations to become more involved and play an active role in social impact and sustainable development.

Since 2017, more social entrepreneurship projects have been supported by international agencies including UNDP, USAID, the EU and DFID. The drawback with this type of programs is their sustainability as they have, most of the time, short life

¹² *Global Compact Network Lebanon*, UN Global Compact, <https://www.globalcompact-lebanon.com/about-page/>.

span and performance indicators that are not necessarily fit to social enterprises life cycle. It is only recently that some INGOs started developing long term programs building on lessons from the few experiences piloted recently to grow the social entrepreneurship ecosystem such as OXFAM, Mercy Corps and UNICEF.

In addition to the political and security unrest, social enterprises face multiple challenges within the current context. These challenges touch upon the multiple levels of support they need including financing mechanisms, legal frameworks or tax incentives, and business support services necessary for the social enterprise life cycle.

MEDUP! MAPPING STUDY

Oxfam Italia in partnership with several North and South Mediterranean partners is implementing an EU funded Action entitled “MedUP! Promoting social entrepreneurship in the Mediterranean region” over the course of 4 years that has started in March 2018 in 6 countries of the MENA region namely Morocco, Tunisia, Egypt, Lebanon, Jordan and Occupied Palestinian Territories.

The aim of this project is to increase economic inclusiveness and employment in these countries where adequate policies on social entrepreneurship are in place, public-private dialogue and exchanges of practices are promoted and high-quality services for social enterprises are provided. The action will intervene at three different levels to promote national ecosystems where social enterprises can contribute to tackle socio-economic and environmental challenges:

- the micro level explores the challenges faced by and opportunities available to social entrepreneurs to help them develop their enterprises.
- the meso level examines support provided to social entrepreneurs while identifying social entrepreneurship support organizations (SESOs) and the types of services they provide including technical skills, business development, access to financing, networking, mentoring...
- the macro level looks at policy and advocacy initiatives and public-private dialogue to improve regulatory and policy environments.

Within the delineated context, this document presents the context of social entrepreneurship in Lebanon. More specifically, it starts by examining what social entrepreneurship in Lebanon entails to better set the target group. It then moves to identifying social entrepreneurs’ needs and challenges, followed by an understanding of the support ecosystem around these social enterprises to better link the needs and challenges of SEs with potential interventions at the ecosystem level. Finally, the report presents the macro level including suggested policy framework public and

private actors, and initiatives. The last section of the report provides recommendations at the three levels.

This study provides a non-exhaustive overview of the social enterprise landscape in Lebanon based on available information as of November 2018. Although a range of stakeholders were interviewed to verify, update and supplement the information collected from secondary sources and previous work, it was not possible to consult all relevant stakeholders within the constraints of the study.

CHAPTER 1 – DEFINITIONS FOR LEBANON

Before moving forward with the mapping of the Social entrepreneurship ecosystem in Lebanon, it is important to define the main concepts around this exercise. This is particularly important since the concepts around social entrepreneurship are broad and different depending on the country, the region and socio-economic ideology of any group of people. In many countries around the world, the concept is gaining momentum and consensus among the stakeholders involved, leading to a definition of the concept for each of these countries. In Lebanon, there is yet a national consensus that needs to be built around social entrepreneurship. However, efforts have been invested to define social entrepreneurship in Lebanon, paving the way to the policy discussion as will be presenting in Chapter 4.

The following section does not go into the broad and – sometimes – quite diverging definitions that exist around the world, but rather presents contextualized definitions of the different concepts inspired from global conversations and based on efforts that have taken place in Lebanon.

SOCIAL ENTREPRENEURSHIP

Social entrepreneurship is a new concept for Lebanon but it is an old phenomenon in our communities. Culturally, citizens in localities, both in urban and rural contexts, have always created collaborative initiatives for local solidarity, aiming to serve their community through solving its social problems, employing local citizens and using local resources.

These entities are usually financially sustainable and include revenue generation from local citizens, and reinvestment of profits to serve the maximum number of citizens.

As such **social entrepreneurship** is defined as any phenomenon through which a collective group of **citizens** strive to **solve their community's social 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.**

As there is no policy or legal framework for social enterprises in Lebanon, and based on the study conducted with more than three hundred social enterprises identified by stakeholders, a set of parameters was compiled covering three dimensions: the social outcome intended by social enterprises, the governance structure of the social enterprise, and the agency of the social entrepreneur (or the group) that is driving it.



Figure 1: The three dimensions of a Social Enterprise.

Source: *Beyond Reform and Development. The Social Entrepreneurship Momentum – A Solution Brief. Beirut. 2016.*

The Social Enterprise Outcome Dimension is concerned with social impact and innovation within the political, social, economic and cultural contexts of the country.

The Social Enterprise Governance Dimension differs between countries based on the legal frameworks available and those found to be most suitable to the social enterprise business model to ensure its financial sustainability and the participatory nature of its governance.

The Social Entrepreneur Agency Dimension is critical for the credibility and legitimacy of people aspiring to start their own social enterprises within communities that often feature strong social proximities and weak formal accountability mechanisms.

SOCIAL ENTREPRENEURSHIP ECOSYSTEM

Generally, an ‘ecosystem’ represents a group of interconnected elements with their environment. *“Like biological ecosystems, an entrepreneurial ecosystem consists of different elements, which can be individuals, groups, organizations and institutions that form a community by interacting with one another, but also environmental determinants that have an influence on how these actors work and interconnect; in entrepreneurial ecosystems, these can be laws and policies or cultural norms”*.¹³ (GIZ, p. 10)

One of the most widely used models used to define the entrepreneurship ecosystem is Daniel Isenberg’s Ecosystem Domains, which defines six elements of the entrepreneurship ecosystem.

¹³ *Guide for Mapping the Entrepreneurial Ecosystem. Gesellschaft Für Internationale Zusammenarbeit (GIZ).*



Figure 2: Isenberg's Entrepreneurial Ecosystem Domains

Source: Guide for Mapping the Entrepreneurial Ecosystem. Gesellschaft Für Internationale Zusammenarbeit (GIZ).

The primary function of an entrepreneurial ecosystem is to contribute to a positive economic impact of new businesses, by providing these entities with the needed elements to enable their work and allow their survival and growth. These elements can range from a policy framework, to infrastructure, legal support, access to markets....

The same applies to social entrepreneurship, where in addition to ensuring the survival of new social enterprises, the social entrepreneurship ecosystem has a vital role in supporting the scalability of social impact.

SOCIAL ENTREPRENEURSHIP SUPPORT ORGANIZATIONS

Taking Isengard's model, support organizations are defined as provide technical support such as premises, advice and expertise throughout the different stages of the entrepreneurial life cycle, from building self-awareness and confidence, to market research and business planning, all the way to accessing markets and investments.

When it comes to financial support organizations, the Isengard model separates them from other – more technical – support organizations. For this exercise, financial support organizations will be included as part of the Social Entrepreneurship Support Organizations.

CHAPTER 2 –THE MICRO LEVEL

SOCIAL ENTREPRENEURS' REALITY

UNDERSTANDING SE's REALITIES

Generally, social entrepreneurs in Lebanon are driven by the frustration resulting from the political insecurity and the flagrant social challenges that citizens face. Lebanese youths are starting to perceive social entrepreneurship as their way to claim ownership of their own localities and actualize their vision of a better country.

There is no data when it comes to understanding the reality of social entrepreneurs in Lebanon. In fact, given the history of the concept in the country and the broad spectrum of organizations that could be considered as social enterprises, it is difficult to reach conclusions as to their profiles, the sectors they are most active in, let alone assess their impact. However, it would be difficult to claim that social entrepreneurs are mostly from a specific age range, gender, region, background, nationality....

Due to the lack of formal legislation for social businesses in Lebanon, most initiatives tend to register as private companies. This means that social enterprises cannot benefit from any additional benefit and incentives. Some social businesses are registered as both an NGO and a private company. This is mostly the case of NGOs who begin performing income-generating activities and gradually shift their model to that of a social business. Another form of formal registration for SE initiatives in Lebanon is the cooperative. Initiatives registered as cooperatives are mostly related to the agro-food industry. These elements will be further developed in Chapter 4.

It is important to mention that, even though the numbers may show slight increase when compared to entrepreneurship, women's participation in social entrepreneurship remains low. According to the Lebanon SME Strategy, this stems "from a continuing patriarchal culture and inadequate supporting environments".¹⁴ The Strategy goes on to explain that "women entrepreneurs and business owners tend to come from upper-third household income, indicating a relative financial comfort in their family thereby lowering the risks of launching their businesses".¹⁵ A survey on Women's entrepreneurship and SME development in Lebanon by the European Delegation explains that, even though there are no specific legal frameworks that prevent women from entering the entrepreneurial sphere, one of the main challenges women face in Lebanon is accessing financing through loans.¹⁶

¹⁴ *Lebanon SME Strategy – Road Map to 2020*. Ministry of Economy. 2014.

¹⁵ *Lebanon SME Strategy – Road Map to 2020*. Ministry of Economy. 2014.

¹⁶ "Women's Entrepreneurship & SME Development in Lebanon". *Enhancement of the Business Environment in the Southern Mediterranean*. European Union. 2016.

Recently, more attention has been going to social entrepreneurs in Lebanon in global and regional competitions and media outlets. This has sparked even more attention and has enabled the widespread of 'successful' cases of social enterprises such as Souk El Tayyib, Arc En Ciel, FabricAid....

Another factor influencing the interest in social entrepreneurship is the rising lack of trust in the NGO sector and tiresome from the dependency on foreign funding. That is why many civil society organizations are creating a social enterprise arm to ensure an alternative approach to financing and more sustainability to their social impact. These include Namlieh for women economic empowerment, Lebanese Eco-movement for waste management, Arcenciel, and Souk El Tayib.

IDENTIFYING SEs' NEEDS

The section presents the main needs listed by SEs according to the stage of development of their SE. It is important to mention that the information provided below is based on a series of interviews and focus group discussions with organizations and initiatives operating within the SE sector.

IDEATION STAGE

Organizational Development	SE at the ideation stage are mostly concerned about prioritizing their tasks and managing their time efficiently. They expressed the need for more adapted and long term support to develop their business model.
Finance	SE at this stage have increasing access to financing through competitions as well as local and international NGOs. The challenge is building a sustainable model that allows them to reach different types of financing opportunities.
Impact	SE at the ideation stage require access to communities to build a relevant product/service in response of the need. For that, they are focused on gaining access to these communities and need support in engaging stakeholders. There is also a need to connect idea-stage SEs to each other and to other existing SEs for better optimization of resources.
Legal	SEs are often overwhelmed with questions related to legal form, even before testing their service/product.

STARTUP STAGE

Organizational Development	SE startups are less concerned with their internal structure than with the data needed for them to understand where they stand in their own industries. Their needs are therefore concentrated around accessing information on the sector they operate in.
Finance	SE startups are mostly challenged in covering the costs of building and testing their products. Their financial needs thus revolve around financing hardware to build their prototypes or testing their services. Another financial challenge relates to increasing fixed cost, including financial management and procurement...
Impact	SE startups need exposure and access to support opportunities. Thus they may benefit significantly if provided with support in framing their messages and communicating them. Another need at this stage is gaining greater visibility and accessing opportunities to market their product or service. There is also a need for the public awareness around SE for communities to better support emerging SEs. SE startups have also expressed the need for community-related data to be able to optimize their impact-driven efforts.
Legal	Legal support is also core at this stage as the entity is taking shape, expanding their operations and reaching out to more stakeholders. It is important to note that some startups mentioned legal support particularly for patents and intellectual property.

GROWTH STAGE

Organizational Development	At their growth stage, SEs have expressed their needs for internal support on the following issues: <ul style="list-style-type: none"> - Team alignment and culture (mostly when dealing with inter-generational relationships) - Relationship management (internally and externally) - Strategic planning - Highly technical skills support depending on their sector of operations. These included kitchen management, production management, and other types of skills requiring very context-sensitive consultancies (often very expensive to hire)
Finance	Growth SEs consider rent as one of their biggest financial burdens. Furthermore, they often find it difficult to hire consultancies that would improve their technical work due to the implicated high costs. Growth SEs also complain about lack of tax incentives and government-related benefits.

	Some growth SEs function on project-based funds and require support in shifting their financial model to becoming more self-sustained and able to cover a more stable company structure.
Impact	Growth SEs are keen on measuring the social impact of their work and some of them struggle in finding the required means, such as relevant software to gather and compute impact-related data, as well as the required skills to set up their impact measurement framework.

CHALLENGES & BARRIERS

A CHALLENGING CONTEXT TO WORK IN

Social entrepreneurs thrive on social, economic and political challenges. However, the constant state of economic uncertainty and political instability puts constant pressures on them.

A SMALL YET POTENTIALLY MASSIVE PIPELINE

Although there seems to be an immense pool of citizens who are interested in developing their ideas into a social enterprise, there is a limited number of ideas that have the potential to scale up and create long term impact.

A SOCIAL vs. ENTREPRENEURIAL CONUNDRUM

It is true that social entrepreneurship is an old practice in Lebanon. However, people still have difficulty envisioning a combined model of social impact and entrepreneurial activity. This makes social entrepreneurs' mission to ensure community engagement and participation challenging.

A LIMITED ABILITY FOR OPTIMIZATION

Even with an increase in interest and attention going to social entrepreneurship, existing social entrepreneurs are not connected to one-another. This limits any possibility of collaboration and optimization of resources for more impact.

A GROWTH MYTH

There is increasing pressure on social entrepreneurs to scale their operations, in the entrepreneurial sense. It is important to deal with social entrepreneurial ideas based on the impact they aim to achieve and allow them to focus on a specific community or target group instead of dissipating efforts to transform them and risk losing their impact.

AN EXCLUDED SEGMENT OF THE POPULATION

While social entrepreneurship is regarding a less challenging given its social focus, women social entrepreneurs are faced with similar challenges as women entrepreneurs within the same patriarchal culture.



CHAPTER 3 – THE MESO LEVEL SE SUPPORT ORGANIZATIONS

While the entrepreneurship ecosystem is developing rapidly, the social entrepreneurship ecosystem is still premature and highly reliable of the former to launch initiatives pertaining to social entrepreneurship. The result of this phenomena can be observed at many levels:

1. Availability of Services: the needed services are not all available or provided within the social entrepreneurship ecosystem
2. Adaptability of Services: the available services are not all adapted to social entrepreneurs, and to the different stages of their life cycle
3. Accessibility of Services: the available and adapted services are not all accessible to social enterprises across the country

This challenge in technical services for social entrepreneurs is paralleled with the absence of adapted financing mechanisms for social enterprises; the main financial tools remain as follows:

- Commercial loans through banks, if the social enterprises are registered as a business, or
- Grants through international agencies grants with a risk of unsustainability.

SERVICES PROVIDED TO SEs

When asked about services they were provided, interviewed SEs mentioned the following:

Ideation Stage	StartUp Stage	Growth Stage
<ul style="list-style-type: none">- Establishing innovation hubs- Setting up formal and non-formal entrepreneurship education programs- Ideation and social innovation sessions across the different regions- Inspirational sessions with successful social entrepreneurs and publishing of successful cases	<ul style="list-style-type: none">- Informal and formal mentoring- Access to labs and material for testing- Legal advice (certification, patents, registration)- Business model and feasibility support- Access to Mentoring services- Access to funding institutions	<ul style="list-style-type: none">- Grants, reduced interest loans through Financing organizations, specifically Venture philanthropies, and subsidized loans- Access to mentoring services

- In-kind and financial support as seed financing

Another type of services that was mentioned was related to the support provided to NGOs in their transition towards an SE model. This included the provision of grants and in-kind support to organizations to develop and adapt their model into a more sustainable model.

SE initiatives in Lebanon that receive support from various organizations and programs are generally satisfied with the services they receive, mostly those at the ideation and startup phases of development. At these stages of development, SEs are more likely to receive support, however their match with support programs becomes more difficult at the growth stage.

SEs in their growth phase are more critical of the support offered to them, particularly because their needs become more specific and programs are less adaptable to them and often deny the experience these SEs have accumulated over the course of their development. It is important to mention that most of the structured programs targeting SEs at their growth stage are presently discontinued.

MAPPING SUPPORT SERVICES

Projects explicitly aimed at achieving social change have only recently intersected with the supportive network for local businesses, emerging startups, and innovation. While startup incubators, accelerators and innovation hubs have been lingering for a relatively longer period in Lebanon, SE incubators and social innovation hubs began to actively emerge in the recent year. Those new SE-related initiatives came after a wave of national and international focus on the Lebanese labor market, including studies to track the potential for improved employability as well as skill-matching and capacity building, especially that SE is expected to close a gap found in the previous types of endeavors to decrease unemployment levels and improve the wellbeing of local communities. It also adds the values of sustainability and innovation to the equation.

In fact, on past two years, social enterprises have gained access to more adapted services due to the high involvement of international development agencies in the sector.

Based on Isengard's Ecosystem Domains, the following section is a general description of the main support organizations within the Lebanese social entrepreneurship ecosystem. A more detailed description of their programs and focus is listed in the mapping list attached to the report.

BUSINESS SUPPORT

The social entrepreneurship ecosystem in Lebanon lacks most of the services at all stages of the enterprise cycle being at the level of ideation, start-up or expansion phases.

There are very few specialized business support services and few programs dedicated to social entrepreneurs, mostly in their ideation and startup phases. Specialized entities include MakeSense, while other entrepreneurship business support entities with programs for social entrepreneurs include Berytech, Injaz, and other organizations from the entrepreneurial ecosystem.

There has been a growing number of competitions followed by business support services for social entrepreneurs. Recently, the Hult Prize launched a chapter in Lebanon, and the Global Social Venture Competition is preparing their second edition. Other programs and actors are also launching social entrepreneurship or social innovation competitions.

When it comes to networks the social entrepreneurship ecosystem, the Society for Social Entrepreneurs, which was launched in 2012, is inactive since 2014, but many organizations have been reintegrated in the SE Platform.

Other types of services, including incubation, acceleration and business support (legal and accounting) are not adapted to social enterprises.

When it comes to legal advice, interviewed SEs reported that legal advice is accessible for them in return for fees (either retainer fees or one-time consultancies). In some cases, lawyers offer discounted rates due to their own belief in the SE's cause. The reduced costs of accessing legal advice are however only confined to informality.

LOCAL AND INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

There are a number of programs and projects being implemented by International organizations and agencies such as the EU, USAID, DFID, the Italian Cooperation, UNICEF, UNDP, ILO, OXFAM, COSV, OSI and others... Also, some regional organizations have their programs implemented in Lebanon such as the Arab World Social Innovators' program of Synergos. The program was regional and supported 50 social entrepreneurs serving poor and marginalized communities in Egypt, Jordan, Lebanon, Morocco and Palestine. However, the program closed in 2015.

Local organizations are also playing an important role either in the implementation of some support programs for SEs, trainings and incubation services for many social enterprises. Few examples include Ruwwad Al Tanmiya, Shift Social Innovation Hub, Rural Entrepreneurs...

FINANCING INSTITUTIONS

Securing a bank loan has been the least source that social entrepreneurs tap into because local banks are conservative and hesitant to invest in any new venture that has yet to prove its success, especially in social sectors that might not be highly profitable.

Many of the social entrepreneurs in Beirut the capital are resorting either to their personal savings and family support or to existing (and increasing) social innovation competitions to ensure seed funding for their startups. Crowdfunding platforms gained momentum in the past 5 years, with Lebanon based platform Zoomal.

There are no financial institutions dedicated solely to social enterprises, at the same time there is a number of microfinance institutions that help fund social startups if they prove to be profitable, such as Al Majmoua, IbdAA, etc.... One of the few cases is Alfanoor Venture Philanthropy Fund that provides financial support in the form of long-term, 0% interest loans. Recently, there has been growing talk of the need to design an impact investment fund to cater for the needs of social entrepreneurs.

HIGHER EDUCATION INSTITUTIONS

Universities are playing a proactive role in promoting social entrepreneurship. Université Saint Joseph launched a graduate diploma on social entrepreneurship through the School of Social Work, American University of Beirut integrated an undergraduate course on social entrepreneurship within its school of business in addition to issuing couple studies on the subject, Sagesse University added a graduate course on social entrepreneurship within its NGO Management Master program, and Haigazian University developed a three-year extra-curricular program to help students start their own social enterprises.

IDENTIFYING SESOs' ACTIONS & CHALLENGES

The section presents the main challenges listed by SESOs according to the stage of development of SEs for which they provide support. It is important to mention that the information provided below is based on a series of interviews with organizations and initiatives operating within the SE sector.

As mentioned earlier, the SE ecosystem lacks most of the services at all stages of the enterprise cycle being at the level of ideation, start-up or expansion phases. In fact, it was challenging for SESOs to be specific when it comes to expressing challenges faced when serving SEs at the different stages of development. The below is a summary of findings based on the set interviews as well as previous experience working with SESOs.

IDEATION STAGE

Organizational Development	<p>SE at the ideation stage receive support to develop their business model and/or business plan and prototype through competitions and technical support that is provided before.</p> <p>The challenge is related to the need to ensure more adapted and long term support to SEs to further develop, improve and test their business model.</p>
Finance	<p>There is a growing frequency of competitions, giving SEs at this stage access to seed funding of up to 10,000 USD to pilot their idea or build a prototype.</p> <p>As mentioned in the previous chapter, the challenge is building a sustainable model that allows them to reach different types and bigger amounts of financing opportunities at this stage and later stages.</p>
Impact	<p>SE at the ideation stage should focus on defining the communities that will benefit from their service in response to a need and how they will benefit. This is usually included in the ideation process, where the idea is developed in response to an actual need.</p>
Legal	<p>SESOs are providing legal support at this stage, through legal training sessions and/or coaching.</p> <p>The challenge is linked to the actual need of SEs to decide on the legal status of their organization at this stage.</p>

STARTUP STAGE

Organizational Development	<p>SEs face multiple and diverse internal issues at this stage and though SESO have general programs to support their internal growth. Mentoring activities are usually helpful if tailored. It is important to intensify mentoring programs for SEs and ensure adaptability.</p>
Finance	<p>It is challenging for SEs to access financing opportunities that allow them to cover their increasing cost, while continuing to test and improve their product. Financing opportunities specific to SEs at this stage are limited in availability and in amounts.</p> <p>There is growing discussions about the need to create an impact fund for SEs to access.</p>
Impact	<p>Some marketing and networking support is being currently provided to SEs in framing their messages and communicating them to market their product or service.</p> <p>Additionally, the growing number of programs that are being implemented are helping build greater public awareness around SE.</p> <p>The challenge remains in helping SEs develop their impact measurement framework.</p>
Legal	<p>SESOs are providing legal support at this stage, through legal training sessions and/or coaching.</p>

	However, few opportunities for free or discounted support are available at this stage.
--	--

GROWTH STAGE

Organizational Development	Organizational services for SEs at this stage are the least available. SESOs must provide highly technical and sector specific skills. Moreover, less technical support needed like Team alignment and culture, Relationship management and Strategic planning are costly and rarely adapted to the SE model.
Finance	Finance is the most important yet least available at this stage of development. SESOs must provide sustainable financing tools that are adapted to the SE models. They must also provide support in shifting financial models to becoming more self-sustained.
Impact	SESOs should focus on helping Growth SEs in measuring their social impact and build the SEs' skills to set up their impact measurement framework.

CHALLENGES & BARRIERS

A MAJOR GAP IN SERVICE PROVISION

The social entrepreneurship ecosystem and support organizations thrive on existing entrepreneurial programs, making adapted services very dire and inaccessible to most social entrepreneurs outside of the center.

MISMATCH BETWEEN DEMAND AND SUPPLY

Given the limited number of adapted services provided, outreach of these services remains limited, mostly to major cities and known SEs.

AN UNCOORDINATED DUPLICATION OF EFFORTS

Available services are mostly focused on the ideation and startup stages of the entrepreneurial lifecycle, with many SESOs investing resources and time duplicating efforts instead of building on previous programs and results to further build the ecosystem.

A CLEAR NEED FOR FINANCING AND ACCESS TO MARKETS

While it is true that there is a general gap across all services and stages of the life cycle, there is clearly absence of adapted financing tools and mechanisms for social entrepreneurs beyond seed-funding.

AN UNINFORMED SUPPORT

Limited data about social enterprises' needs and challenges as well as poor market research lead to the development of uninformed support services that seldom allows social entrepreneurs to develop strategies, build business plans and size their markets.

AN UNTAPPED RISK FOR THE ENTREPRENEURIAL ECOSYSTEM

Even with services being provided mainly by actors of the entrepreneurial ecosystem, most actors in that ecosystem are reluctant to design tools and programs adapted to social enterprises given a lack of interest from their investors.

A HIGHLY COMPETITIVE ENVIRONMENT

The highly competitive donor-funded-program syndrome has move from the NGO sphere to the social entrepreneurship ecosystem, influencing stakeholders' interest in the topic as well as their ability to collaborate positively for the development of the sector and social impact.

CHAPTER 4 – THE MACRO LEVEL POLICY & ADVOCACY EFFORTS

There is no specific legal form for social enterprises in Lebanon and as such, social entrepreneurs are using existing legal forms to set up their entity either as an NGO, a commercial enterprise (SARL: Société à Responsabilité Limitée or SAL: Société Anonyme Libanaise), or as a cooperative. In some case, enterprises choose to combine models and to register as both SAL and NGO, under the same name. This allows them to direct their social impact activities through NGO, while their revenue generating activities are channeled through their commercial entity. It is important to note that fewer start-ups opt as cooperatives. This is mainly due that in practice, cooperatives have become limited to agricultural activities and experience many red tape procedures by the Ministry of Agriculture.

Many social enterprises are registering as Civil Companies which is a legal form applied for services as opposed to products and used mainly for law firms, private health clinics and small consulting firms.

EXISTING LEGAL MODELS

MODEL	DESCRIPTION
Civil Companies	Companies in Lebanon can register in the form of a civil company at the civil company register at the court of first instance. A civil company “do not by definition have profit as an objective but they do share the administrative structure of a commercial company”. The civil company follows the rules and regulations of the S.A.R.L companies. The procedures and regulations for the civil company are vague and people are not aware of their possibilities as civil companies, however, this legal framework is considered as the closest to an SE framework that can respond to the specificities of a social enterprise.
Commercial Companies	(SARL: Societe a Responsabilite Limitee or SAL: Societe Anonyme Libanaise): All Lebanese and foreign individuals and companies intending to do business in Lebanon must register at a commercial court within two months of the date of commencement of business or acquisition of an official business address. The estimated time to complete the registration is between 10 and 15 days after receipt of the documents. From a regulatory perspective, Lebanon’s free market economy and strong laissez-faire tradition has set minimal restriction and safeguards, except for a few industries. Taxation is primarily fixed at a total tax rate of 30% for all companies alike. However, Lebanon is a

	<p>small country and does not provide a lucrative market place for social enterprises to generate income to sustain their businesses. As per Corporate Income tax: Companies and organizations that are granted an indefinite exemption from CIT include the following:</p> <ul style="list-style-type: none"> - Educational institutions. - Hospitals, orphanages, asylums, and other shelters that admit patients free of charge. - Shipping, sea, and air transport associations - Farmers provided they do not display farm produce and cattle outlets or sell products and meat after conversion tax. - Syndicates and other types of professional associations. - Miscellaneous non-profit organizations and co-operatives. - Holding companies and offshore companies. - Public sector bodies that do not compete with private institutions. <p>One form of commercial business that is as well in favor of social enterprises when they are operating outside Lebanon is the SAL Offshore; the advantage that it is exempted from income but it pays a yearly lump sum of 600 USD.</p>
Civil Society Organizations	<p>The environment in Lebanon is an enabling environment for CSOs to operate.</p> <p>There are no restrictions whatsoever on CSO funding in Lebanon. However, the CSO legal form presents many challenges related to the absence of a public fund for CSOs in Lebanon and the challenge of sustainability presented by the fluctuation in donations and change in priorities for international organizations.</p>
Cooperatives	<p>The formation of cooperatives has a separate law that dates back to 1909. The law is outdated but does not impose any restrictions on cooperatives. However, cooperatives are also considered as not-for-profit organizations.</p>

SUGGESTED SE POLICY FRAMEWORK¹⁷

Over the last two years, Beyond Reform and Development have relaunched the efforts to develop a policy framework adapted to social enterprises in Lebanon. These efforts included more than 50 organizations from the public, private, and social entrepreneurship ecosystem, as well as a number of social entrepreneurs and academic institutions. The process went through a series of meetings and legal consultations around the main challenges faced by social entrepreneurs in the country, in addition to the values and core elements for social entrepreneurs to integrate.¹⁸

¹⁷ Beyond Reform and Development. Social Entrepreneurship in Lebanon: A Suggest Legal Framework. Unpublished work. 2018.

¹⁸ Beyond Reform and Development. The Social Entrepreneurship Momentum. Solution Brief. 2016

The policy discussions led to the identification of three possible policy options that were analyzed in terms of Cost, Timeframe needed to start implementation and Level of Resistance from the stakeholders, namely policy makers. The options are listed below:

1. **Creating a new legal entity and status for social enterprises**
2. **Amending the existing models to make them more adapted to SE**
3. **Designing a qualification model**

The working group following up on the legal framework came to the conclusion that a qualification process was best suited to social entrepreneurs in Lebanon, as it does not require to change any of the existing statuses, nor to re-register for already existing SEs. It gives the space to any organization to decide whether the efforts to make are worth the benefits offered by the qualification. This way, the cost, timeframe and resistance issues are no longer as problematic.

After opting for the qualification model, the Working Group started imagining what could be the requirements that would entitle SEs to the qualification and therefore, incentives. Very soon, it became clear that the model would be weak if there was a unique set of requirements that would constitute a threshold defining whether an organization is an SE or not.

- If standards and requirements are too high, most organizations will be deterred from applying to the SE qualification and will judge the entry cost too high.
- If we lower standards and requirements to accommodate more organizations, our model will be loose, not binding enough and not incentivizing any further for SEs that already fit the criteria.

Indeed, the experience from already-existing SEs shows that they find themselves at very different levels. That is why a three-layered matrix is suggested, taking into account nascent and aspiring SEs, as well as already-existing SEs that could perform better if they had more incentives to do so.

Therefore, the 3-layered matrix will give different incentives to each of the three levels of qualifications, and therefore incentivize SEs at these different levels, especially the more general one, to aim for higher levels of incentives and impact. Hence, the three qualifications correspond to the basic requirements for being considered an SE, the improved SE (SE1) and a more impactful SE (SE2).

The requirements were inspired from the definition set in chapter 1 and include the following criteria:

1. **Social Impact**
 - Measures its social impact
 - Works on priority sectors
 - Works in priority regions

- Employs disadvantaged people

2. Internal Governance

- Limits difference between highest and lowest salary
- Adopts participatory decision making mechanisms
- Is not majority owned by a third-party business
- Issues financial reports
- Publishes financial and social reports

3. Financial Sustainability

- Works on increasing percentage of income from commercial activity compared to grants
- Has a limited profit distribution model

Depending on the level of qualification of the SE, the level and type of incentives varies from support from ecosystem players to fiscal and networking incentives provided by the central government. An initial list of incentives has been developed but is still under assessment.

	SE [ALL conditions]		SE1 [at least one of the conditions]	SE2 [ALL conditions]
Social Impact		fills all SE requirements PLU:		
Social Impact Measurement	Social Impact Measurement [within 2 years of qualification]			
Priority Sectors			Working on priority sectors set by governing body	
Priority Regions			Working on priority regions set by governing body	
Employment of Disadvantaged people			Employing 10% of disadvantaged people	Employing 30% of disadvantaged people
Governance				
Difference between highest and lowest salaries				
Decision Making	[Commercial] Restrictions on majority ruling in decisions related to the core elements of the SE			
Ownership	Majority of shares NOT owned by existing commercial business			
Financial Reporting	[NGOs and Coops] Financial Reporting Mechanisms set for Commercial Businesses - COMMON FINANCIAL REPORTING TEMPLATES			
Social Reporting	COMMON SOCIAL BALANCE SHEET			
Online Transparency	Publish Financial and Social Balance Sheets			
Participation of stakeholders, users and workers in decision mechanisms	Mechanisms for participation of workers in decision making in bylaws		Mechanisms for participation of stakeholders and users in decision making in bylaws	Mechanisms for participation of stakeholders and users in decision making in bylaws
Financial Model				
% of revenue from commercial activities	At least 50% of revenue generated through commercial activities		At least 75% of revenue generated through commercial activities	At least 75% of revenue generated through commercial activities
Profit Distribution	Maximum 40% of profit distributed		Maximum 30% of profit distributed	Maximum 15% of profit distributed

Figure 3: The suggested Policy Framework for Social Entrepreneurship in Lebanon

Source: *Beyond Reform and Development. Social Entrepreneurship in Lebanon: A Suggest Legal Framework. Unpublished work. 2018.*

MAIN POLICY ACTORS

On a structural level, interviewed representatives of the public sector have showed reluctance to organize the social enterprise sector and provide it with incentives as government has weak capacity to monitor it. However, with growing interest from the international community, more governmental actors have expressed interest to take part of the process of policy development for social entrepreneurship.

The main governmental actors include:

- a) The Ministry of Social Affairs (MoSA)
- b) The Ministry of Economy and Trade (MoET)
- c) The Ministry of Labour (MoL)
- d) The Prime Minister's Office (PMO)
- e) The Central Bank (BDL)
- f) The National Employment Office (NEO)
- g) The Ministry of Education and Higher Education (MoEHE)
- h) The Central Administration of Statistics (CAS)
- i) The Economic and Social Council
- j) The Economic and Social Fund for Development, part of the Council for Development and Reconstruction
- k) The Investment Development Authority of Lebanon (IDAL)

Ministries in Lebanon have a traditional role especially in economic development. With the Syrian Refugee Crisis, the Ministry of Social Affairs has been playing a more important role in the livelihood sector in response to the crisis. Additionally, the Ministry of Economy and Trade focusing on the macro market and economic policies has recently launched the Lebanon SME Strategy – Roadmap to 2020, which also addressed some of the main challenges faced by entrepreneurs in general.

The Ministry of Labor is responsible for job creation and the Ministry of industry and the Ministry of Agriculture have roles related to job creation in these specific sectors.

The Economic and Social Council was established in 1995. Its general assembly represents different Lebanese stakeholders (employers, trade unions, liberal professions, NGOs) and does not include any representatives from the public sector. The main task of the council is to ensure the participation of economic sectors and vocational sectors in the formulation of the state's economic and social policy and the development of cooperation and coordination among various sectors.

The four Chambers of Commerce, Industry and Agriculture (CCIA) in Lebanon (Beirut and Mount Lebanon, North Lebanon, South Lebanon and Bekaa Valley) are independent legal entities working for the public benefit to promote the development of business enterprises. Other stakeholders include:

- a) Chambers of Commerce, Industry and Agriculture
- b) Social Entrepreneurs, including the Lebanese Social Enterprise Association (LSE)
- c) Social Entrepreneurship Support Organizations, including
 - Academic Institutions
 - Financing Organizations: Kafalat, Al Fanar, Microfinance Organizations...
 - Incubators, accelerators and other technical support organizations
- d) UN agencies, specifically Global Compact Network – Lebanon, UNDP, ILO, UN ESCWA, UNICEF
- e) Donors and International Development Agencies

CHALLENGES & BARRIERS

AN INFORMAL POLICY PROCESS

With Lebanon's power sharing governance model, the policy making process is slow and mostly informal. There is no policy dialogue on macro social and economic policies except some initiatives within certain ministries such as the ministry of economy and the ministry of social affairs on job creation and livelihood mainly funded by international agencies with a particular focus on Syrian refugees and local development in areas bordering Syria.

A HIGHLY BUREAUCRATIC STRUCTURE THAT LACKS CAPACITY

Any new legal framework requires an apt governing body to monitor and enforce it. Currently, government entities are viewed as highly corrupt, bureaucratic and lacking capacity.

A SLOW JUDICIAL SYSTEM

The Lebanese legal framework is based on civil law, inspired by the French system, with disputes typically resolved through a three-tiered court (first instance, appeal, and cassation). Lebanon's judicial system is plagued by slowness, shortage of judges and inappropriate structures.

A DIFFICULT ENVIRONMENT TO DO BUSINESS

The commercial framework has several critical laws that still require updating, are yet to be ratified, or are poorly enforced (e.g., competition law, code of commerce, insolvency law) as well as all e-commerce related laws to create a more enabling environment for any startup to operate.

A ONE-SIZE FITS ALL FISCAL SYSTEM

The taxation system in Lebanon does not provide small and nascent commercial entities with any incentive to start, operate and grow in Lebanon. It has high financial implications on the commercial entity, with high regulatory and setup cost, often putting SMEs at a disadvantage compared to larger competitors.

CHAPTER 5 – RECOMMENDATIONS

This chapter presents recommendations at the micro, meso and macro levels to support the development of the social entrepreneurship sector in Lebanon.

UNIFYING THE APPROACH TO SE

One of the most challenging aspects of the SE sector in Lebanon is the fact that multiple stakeholders have become involved with no unified framework for SE to fit the local context. That has created different understandings of what social entrepreneurship could mean or how it is applied. With a new suggested policy framework, it is recommended that any program focusing on or integrating social entrepreneurship uses the framework to select and support social enterprises in the country.

That said, with the number of programs that have started or are in progress, data can be gathered to better understand the needs of these enterprises and more successful cases of SEs would be documented, building the case for a legal framework and advocacy efforts with government.

FORMALIZING SE EDUCATION

Academic institutions are currently opening opportunities for their students to try and experiment with new ideas. This process often occurs as part of existing course work, and/or individual instructors who like to push their students to be innovative and creative. There is a need for formalized support for SEs within universities through social entrepreneurship specific education and social innovation hubs or clubs to motivate and support emerging ideas and startups. This is beginning to occur in some universities, yet the processes are being slowed down by the internal bureaucratic procedures and lack of internal coordination among university departments.

Having said that, SE education should not be exclusive to universities and should have very wide outreach. That is why, additional promotion and awareness programs are always needed and should be developed within a formalized approach with a knowledge transfer mindset to allow local level organizations (local governments, educational institutions, NGOs, business support....) to play an active role in promoting citizen engagement through social entrepreneurship.

SUPPORTING SE NETWORKS

Few initiatives have attempted to bring SEs together for learning and influence. However, high levels of competition and absence of specific support to create and grow the network have led to little structure and activity. While a network of SEs can also influence and lead the process of service design and provision, it can act as a quality assurance mechanism for

support services and their compatibility with the needs of SEs at the different stages of development.

One of the recommendations is to support any network of SEs, within the unified framework, to self-organize and define its role within SE development and the broader SE ecosystem. This could also lead to the creation of value chains within the SE networks and increase chances of up-scaling of SE services/products.

BUILDING CAPACITY OF SESOs

As mentioned in the previous chapters, most services provided to SEs in Lebanon are not adapted to their needs and are mostly linked to existing tools from the entrepreneurial ecosystem. As such, two types of interventions for support organizations are needed:

1. Build the capacity of existing entrepreneurial service providers to better adapt existing services to fit the needs of SEs
2. Support new and upcoming service providers to build and focus on SE specific services

General capacity building topics for all SESOs could include the following:

- Social Entrepreneurship Theories – Application and Adaptations
- Social Entrepreneurship Models – Lebanon and Elsewhere
- Needs and Challenges of SEs at the different levels of development
- Social Innovation – Definition and Applications
- Impact Measurement Tools and Applications
- Social Business Modelling and Social Business Planning
- Mentoring Social Enterprises

It is important to mention that in-depth follow up is required with both types of SESOs (existing and new) to ensure the necessary adaption and integration internally. This could be provided in the form of mentoring to SESOs to directly adapt and test services as well as design relevant interventions.

This type of direct support can also be helpful for SESOs attempting to work with existing SEs at the growth stage. In fact, as mentioned in chapter 3, most structured support for SEs at this level of their lifecycle has stopped or is believed to be disconnected from their actual needs. It is therefore important to support SESOs in developing adapted approaches and tools for SEs in their growth stage, with a focus on:

- Relationship management
- Team management
- Strategic planning

Another recommendation is linked to the needs of SEs at the growth stage to be linked to technical experts depending on their sector of intervention. It is therefore important to support SESOs in building rosters of experts by sector and in helping them adapt their intervention (if need be) to social entrepreneurship.

SHARING INTERNAL SERVICES

Sustainability challenges for SEs include their capacity to manage their operations efficiently. One recommendation is to provide SEs with common shared services including financial management and software, impact measurement software, legal support, HR management, procurement.... Shared services would imply cutting fixed cost and investing more in advancing the service/product and thus the SE's impact.

DESIGNING FINANCING MECHANISMS

Financing SEs is one of the most recurrent needs mentioned by startup and growth stage SEs. In fact, as mentioned earlier, the integration of SE in INGO and donor programs has increased funding for early / ideation stage SEs. Though these opportunities still come in the form of grants, they are available.

The leap for SEs for more impact and scalability is closely linked to the availability of financing opportunities for the startup and growth stages. Whatever the form (social impact bonds, social impact investment fund, quasi-equity debt, recoverable loan, patient loan...), it is important to support ecosystem actors to develop suitable and adapted financing mechanisms for SEs and build their capacity to manage such mechanisms efficiently and sustainably.

MAKING SUPPORT ACCESSIBLE

Like SEs, SESOs need to make their services more accessible to SEs from various backgrounds including different income levels, regions, education levels, social statuses, stages of development, sectors etc....

A possible intervention at this level would be to create a network of SESOs to better coordinate efforts and to build a comprehensive map of services provided. Outreach could include innovative online tools and mobile apps.

EDUCATING KEY STAKEHOLDERS

In line with the above recommendations, it is important to engage key policy and ecosystem players and educate them on SE and how SE can have an impact on socio economic conditions in the country.

Annex 1 – Methodology

The methodology focused on qualitative data collection tools, as follows:

TOOLS	OBJECTIVES	DATA	PARTICIPANTS
Conduct 12 semi-structured interviews	The semi-structured interviews will help in understanding the characteristics, constraints, gaps, and opportunities of the social entrepreneurship ecosystem at the three levels.	<ul style="list-style-type: none"> • Current policy and legal framework, initiatives and advocacy endeavors for the sector. • Characteristics of SESOs and Business support and development structures and access to finance • Characteristics of social entrepreneurs. • Challenges and constraints of social entrepreneurs (financial, administrative, legal, regulatory, market etc.) 	<ul style="list-style-type: none"> • Donor agencies: <ul style="list-style-type: none"> ○ EU: Virginie Cossoul ○ Open Society Foundation: Daan Besamuca • Public institutions: <ul style="list-style-type: none"> ○ Ministry of Economy and Trade: Johnny Matta, Rouba Kik ○ National Center for Scientific Research: Rola Bou Khouzam • SESOs: <ul style="list-style-type: none"> ○ Berytech: Krystel Khalil ○ Shift Social Innovation Hub: Omar Assaf ○ UK Lebanon Tech Hub: Elie Mouawad ○ Tripoli Entrepreneurs Club ○ AltCity: David Mounir Nabti • Partners from civil society, and public and private institutions: <ul style="list-style-type: none"> ○ CoSV: Paolo Comoglio ○ Hector Hajjar – Plexi Pro • Academic institutions: <ul style="list-style-type: none"> ○ USJ: Nabil ○ Balamand University: Samer Hajjar
Conduct 3 focus groups with Social Entrepreneurs	The focus groups will provide in-depth qualitative information on the characteristics, constraints, gaps, challenges and opportunities faced by social entrepreneurs in Lebanon at the first three levels of the entrepreneurial lifecycle.	<ul style="list-style-type: none"> • Main goals, challenges and opportunities of SEs at the different stages of their lifecycle • Actions that SEs have taken and tools they have used to reach these goals in each stage • Main challenges and barriers to reach the goals in each stage • Relevant actors that SEs have interacted with for services and support at the different stages and how they would assess the provided services 	<ul style="list-style-type: none"> • Social entrepreneurs at the different stages of the entrepreneurial lifecycle: <ul style="list-style-type: none"> ○ Ideation: ○ Startup ○ Growth