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MEDUP!
Promoting social entrepreneurship in the Mediterranean Region

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REPORT

NEEDS ASSESSMENT OF SOCIAL ENTERPRISES IN THE MENA REGION

– TUNISIA –

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This needs assessment is conducted as part of the European Union (EU) funded project MedUP! Promoting social entrepreneurship in the Mediterranean region. MedUp is a four year project headed by Oxfam Italia in partnership with local partners in Morocco (Oxfam Morocco and Enactus), Tunisia (Oxfam Tunisia and the Tunisian Center for Social Entrepreneurship), Egypt (Oxfam Egypt and Sekem), Palestine (Oxfam Palestine and the Agricultural Development Association - PARC), Lebanon (Oxfam Lebanon) and Jordan (Oxfam Jordan and Johud). The project aims to promote social entrepreneurship in the Middle East and North Africa (MENA) region on the macro, meso and micro levels, through reinforcing the capacities of Social Entrepreneurship Support Organisations (SESOs), accelerating existing Social Enterprises (SEs) and advocacy efforts. This activity (A2.1.1.) of the project is the needs assessment that aims to provide an understanding of the services provided and needs of SESOs and SEs and will be used to adapt the subsequent activities (trainings, subgrants, etc.) accordingly. This study focuses on Tunisia.

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1. **Profile of participants and their representativeness regarding country and context both for SEs and SESOs.**

Social enterprises (SEs) and Social Entrepreneurship Support Organisations (SESOs) were invited to partake in the focus group discussions (FGDs) and workshop, and some were interviewed individually due to their inability to participate in the FGDs. Most of the SE participants were women, whilst most of the SESO participants were men.

SEs

The projects operate in various fields: sustainable tourism; urban environmentalism; handicrafts; education; empowerment of persons with disabilities; gastronomy; and economic inclusion of women.

The participants represented different stages of development of the project – ideation, start-up, and growth and consolidation. Considering that social entrepreneurship is still quite young and developing in Tunisia, a bit more focus was placed and it was easier to find participants in the ideation or start-up phases than in the growth and consolidation phase.

Of the entrepreneurs who participated in the focus group discussion and interviews, two were registered as associations, four as businesses, one of the associations and one of the businesses are considering adopting a hybrid system, one was still acting informally with the intention of formalising their activities, and two were in the ideation stage.

In terms of geography, five participants were from Tunis, but there were some represented from the other regions, namely two from Mahdia, one from Jandouba, and one from Ariana. Some are active in urban zones and some in more rural areas.

The geographic representation is important as there is an inequality between entrepreneurs operating in Tunis and those further away from the capital in terms of access to information, services, opportunities, networks, and there is generally a difference in level of soft and other skills according to the social entrepreneurship support organisations (SESOs).

In terms of support, seven of the nine of the entrepreneurs engaged with one or more SESOs to support the development of their projects. The engagement ranged from participation in incubation programs, to being assisted with preparing an application for funding, participating in competitions to win funding, to asking for assistance with administrative procedures to register the business.

SESOs

The SESOs that partook in the focus group discussions and interviews included incubators, an information platform, a crowdsolving platform, coworking spaces, a coaching service and investors.

Four of the SESOs interviewed focus specifically on social entrepreneurship (or rather impact entrepreneurship/social projects), while most others on entrepreneurship and startups in general.

In terms of geographic distribution, most of the coworking spaces interviewed come from regions other than Tunis (although when considering all the coworking spaces, most are concentrated in Tunis[1]), whilst the other SESOs are all based in Tunis and some have activities outside of Tunis.

Three of the SESOs support specifically women entrepreneurship, either because it is a founding aim of the organisation, because they are implementing projects that focus on women entrepreneurs or because their communities have organically grown to be more representative of women.

The SESOs range from being businesses themselves, to being projects or associations reliant on funding in the form of grants to operate.

[1] The overrepresentation of coworking spaces from the regions outside of Tunis was to understand better their needs and how actors can promote social entrepreneurship in the regions - contributing to the decentralisation of the support services and information.

2. FGD I and interviews – Social Entrepreneurs/Enterprises

Activity	Date	Place	Participants
Focus group discussion	01.10.2018	Lingare L'Mdina, Tunis	5
Interviews	04 – 30.10.2018	Various	4
TOTAL			9

Goals, actions, and main challenges of the SEs regarding stages and clusters. Also include interesting and unsuspected findings.

a. SEs: Stage I – Ideation and Incubation; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

Participants found their project ideas in various ways. One participant wanted to create an alternative to milk after seeing her husband and other family members suffer from lactose intolerance and so she decided to work on producing almond milk. Another wanted to combine her passion for agriculture with the need to create greener urban spaces to counter climate change and improve sustainable cities and wellbeing. A third participated in an ideation event whereby she and her team identified the need to facilitate the transition from an academic to a professional environment by inspiring and teaching youth about relevant soft and hard skills.

After finding the idea, most participants searched for guidance on how to start a project[2]. The motivation to start a project ranged from wanting to start a business to wanting to address an issue and try do so in a financially sustainable way. They did so by contacting incubators and other SESOs. Projects that have participated in the incubation programs offered by SESOs (such as Dar El Ain that was supported by Lab'ESS or Amando that was supported by the Tunisian Center for Social Entrepreneurship) were enabled to think more strategically about their projects, to test their ideas, develop business models and gain support to apply for more specialised services at other organisations. This suggests that the

[2] A project can refer to a business idea or a desire to find a solution to a challenge through an initiative. In the understanding of social entrepreneurship in Tunisia, both desires qualify as social enterprises. Social entrepreneurship is understood more as a system's change initiative than a purely business with an impact.

SESOs play an important role in structuring the initial idea and orienting the entrepreneur in how to start. Of the SEs interviewed, two that did not receive support at the incubation stage of their development needed more time to find information and some still did not manage to formalise due to lack of knowledge and guidance. They also suffer from lack of competencies in certain business managerial fields.

Projects at the ideation phase that are initiated by a team have experienced instability as the team members change – they find stable jobs; lose enthusiasm. This is especially the case for projects that are launched through ideation competitions and events such as the Sustainable Development Goals (SDG) Camps initiated by the United Nations Development Programme (UNDP) in Tunisia where the teams did not know each other before the events. As such activities that promote team building, team work and team management need to be incorporated into incubation programs.

ii. Impact

The participants in the ideation phase generally have an idea of the impact that they wish their projects to achieve, but they do not always have a clear idea of the problem (rather a more holistic or comprehensive understanding of the problem needs to be developed) that their 'solution' links to or how to contextualise and view the possibilities of scaling the impact.

The projects at this stage also do not place too much focus yet on impact measurement as they are preoccupied with launching the projects. As such, impact measurement is generally underdeveloped. This limited view of impact also translates into a lesser horizon for scalability.

One of the participants, Entr@crush, mentioned that they use the SDGs developed by the UNDP to frame their impact. They will use Google Analytics to measure certain indicators and impact (number of visitors to specific pages on the site; the location of the visitors; number of visitors who converted to customers; number of visitors who signed up to the newsletter). This idea aroused interest from the other participants (from all development

stages) as it can help to create a common language around impact shared between entrepreneurs, funders/investors, SESOs and clients.

iii. Finance

SEs in this phase have difficulty in determining where to search for financing/funding due to lack of access to information. They ask friends and possibly other entrepreneurs – but the lack of contact with other SEs or SESOs means that they do not necessarily get referred to sources of funding adapted for social entrepreneurs. It is therefore important to communicate on funding and investment options for social entrepreneurs (and also relate the available options to the legal status of the project).

SEs in this stage also have limited options as funders are reluctant to provide starting funds to SEs. What the SEs in this stage do is either self-finance or search for seed funding. For example the team from Entr@crush is working on building a beta version of their platform and they are paying from their personal funds for any expenses. They want to learn how to write proposals so to apply for funding that will enable them to launch the project. Other projects have applied for small grants provided through donor projects or foundations, such as Bloom Masters (supported by the BIAT Foundation). Dar El Ain applied for seed-funding from Fikra, a fund for social projects from the North-Western region of Tunisia, with the assistance of an association. This funding allowed Dar El Ain to purchase the first camping equipment necessary to begin its activities.

iv. Legal

SEs in the ideation phase generally lack information on what legal structure is suitable for their project, especially if their project is not in a 'traditional' field, such as crowdfunding. Azza from Urban Garden for example does not know where to begin searching for this kind of information. There is a lack of access to clear information and a focal orientation point as the legal frameworks are dispersed across different ministries and institutions. This was mentioned by Rania from Dar El Ain who spent a lot of time trying to find a fitting legal status for the project through the Ministry of Tourism, and after much back and forth and searching, found that she should apply for another legal status through the Ministry of Youth and Sport. This process lasted about two years.

The participants mentioned that they would like to have one source that would centralise all information and that they would like to discuss more with already established social enterprises so to learn from their experiences about the advantages and disadvantages of the different legal frameworks.

Hayfa from Entr@crush had a clearer vision of the legal status that the project would have: a startup. This was facilitated by the new StartUp Act and due to her exposure to the startup world through internships and participation in relevant events and competitions.

As there are limited funds for projects in the ideation or startup phase, some entrepreneurs choose to form an association because with this legal status they are eligible for more funding options from international NGOs and development funds. On the longer-term, the status as an association can be limiting in the types of income generating activities they can undertake and how staff and board members are remunerated. As such, some projects opt for hybrid models (an association and a business).

b. SEs: Stage II – Start Up; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

Participants in this phase are in mixed phases when it comes to having business plans. Just over half the participants have business plans that they drafted with the assistance of SESOs that they were incubated by. The others began their activities without drafting business plans and without the knowledge how to do so, but want to do so now[3].

The projects that are in the startup phase generally seek to clarify their strategies and form longer-term goals. A number of the participants mentioned their intention to scale-up and expand the projects. Dar El Ain for example has a short-, mid- and long- term strategy that

[3] Observation: This example shows that SEs in the start-up phase should perhaps be sub-divided into two further groups: those that arise from a more structured and supported environment (mainly those that were incubated); and those that grew more organically and started their activities before complying with the procedural and structural norms propagated by SESOs.

maps out the expansion plans in terms of activities and also in terms of potential country-wide or regional replication of the model.

Amyra from Coin Tipi wants to scale up and apply the pedagogic methodology used around Tunisia and expand regionally. She has already established partnerships with schools in France through which conference calls are organised between the children who are the beneficiaries of her project and children in French schools. However, there is a lack of a structured strategy as the founder does not possess the necessary business know-how and skills. As such the entrepreneur is in need of capacity building and of reinforcement through additional team members. She also needs to formalise the project.

In terms of human resources, the projects seek to improve the skills and quality of their work. As they start to execute their activities and work in a more structured manner (in management, admin and finance, marketing, technical areas), the projects generally need some reinforcement in terms of human resources. However finding competent and reliable team members is not very easy due to the instability that scares many people and the general inability to provide attractive salaries at this stage. The perception of instability stems from the fact that SEs have difficulty to find financing and to scale up. Thus they are not viewed as reliable and 'stable' employers. Some of these fears are also applicable to start-ups, but there is more confidence in start-ups as their aim is to make profit.

ii. Impact

Most of the start-ups do not have systematic methodologies to measure their impact. Some have certain quantitative KPIs (such as how many artisan women benefit from the inclusion in the touristic circuit), but they remain vague, are not always counted and are underdeveloped. Other projects do not keep count of beneficiaries at all. There seems to be a generally intuitive approach to impact measurement and some information is gleaned through conversations with beneficiaries.

The participants generally expressed a wish to better measure impact, but at the beginning there seemed to be a lack of awareness of the importance of a more methodical approach to this. Once one of the participants from the growth and consolidation phase mentioned why

she wants to improve impact measurement, the rest of the participants realised the value. This suggests that SESOs need to focus more on raising awareness of the importance of impact measurement and guide entrepreneurs on the processes and tools to measure impact.

iii. Finance

Startups struggle to find grants and loans. There is a disparity between the participants in terms of their knowledge where to search for funding. This does not necessarily have a correlation with the region that they come from, but rather on the business-mindedness of the entrepreneur and their access to a network.

The access to finance is also related to the legal status of the SEs. Those that were operating informally due to administrative barriers, such as Dar Al Ain at the beginning, had greater difficulty in applying for funding at the beginning.

From the conversations, it was gleaned that the startups are still searching for funding that would give them a certain push or ability to stabilise and grow their activities, while simultaneously working on strengthening the activities that can provide them with an income that would contribute to longer-term sustainability.

iv. Legal

Some of the startup stage participants still face administrative difficulties. It is not uncommon to find SEs that began operating informally and only after some years managed to formalise their activities due to administrative hurdles. Dar Al Mansoura battled for seven years to be registered. This was due to receiving conflicting information, and due to inefficiencies and lack of communication between the different administrative offices that the entrepreneur needed to approach. Dar El Ain also struggled to find the appropriate legal form for its project as it is 'innovative' in the Tunisian context. As previously mentioned, the entrepreneur was in contact with one Ministry and after being consistently blocked and not provided with adequate information or guidance, searched on the internet for the different legal forms offered by the different Ministries until it found one which seemed to be the

most suitable and then recommenced the procedure to register. This forced her to operate informally for approximately two years.

The legal, or rather administrative, barriers are high due to the lack of coordinated and clear information and due to the inefficiencies of the administrative structures. This can leave entrepreneurs in a legal limbo and also decrease their morale significantly.

Some projects are having difficulty in generating enough income from their principal revenue-making activities. This highlights two factors: the need to strengthen business models and also the link between finance and the legal status of the project. Dar Al Mansoura, for example, makes money through the renting of rooms. However, she would like to start selling local food products and crafts also to increase her sustainability prospects. She is limited by the legal status of the business and would need to either change the legal identity or mount a complementary business to be able to undertake a different generating activity.

c. SEs: Stage III – Growth and Establishment; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

SESOs in this development stage generally search how to further diversify their revenue streams so to ensure the longevity of the project. Gaia is starting to offer services such as team building activities to businesses and wants to begin selling products produced on the farm so to finance its running costs. Tilli Tanit wants to introduce a more affordable line of clothing and accessories so to increase revenues and include more women beneficiaries. They both cited the need to refine their growth strategies so to better manage them.

Projects at this level face the challenge of finding skilled people and retaining them. One of the reasons is that people generally prefer to have job security (and there is also social and family pressure to pursue this goal) and so if they find a public sector job, they would take it and leave the SE. SEs are associated as being unstable as there is an idea that the salaries are not guaranteed and employees do not always receive permanent contracts. Another challenge is particular to SEs that are registered as associations. Myriem from Gaia said that

there is also a perception that a job with an association is precarious and thus people are reluctant to stay.

At this stage management problems become apparent. Entrepreneurs at this stage need support in operations and financial management so to enable them to focus more on the growth of the project. Tilli Tanit has an idea of how to expand the project but is held back by stock management or time management issues, for example, impeding its ability to deliver products to customers in time and in sufficient quantity.

ii. Impact

The participants in the growth and consolidation phase are more aware of the importance of impact measurement as they have seen its value for self-assessment, marketing and access to funding purposes. However they still generally lack the know-how and tools to determine adequate indicators, how to measure them and how to interpret them.

Myriam from Gaia is aware of the number of children with disabilities that benefit from its programs and through conversations with their families can deduce the impact that the activities of the project have. However, they do not know how to record all of this information and how to use it to determine whether the project is reaching its strategic goals.

Tilli Tanit wants to present the impact through storytelling that will use the story of the production of each item to create a link and appreciation between the customer and the women who embroider. He needs support in the creation of this content.

iii. Finance

The projects in the growth and consolidation phase are searching for funding from donors and are simultaneously working to diversify their revenue streams. The participants indicated that they are still searching for funding to finance the development/expansion of the project, whilst they are looking to diversify and increase their own revenue streams so to be able to cover the running costs and decrease their dependence on donors.

Hands for Hope is struggling to scale up and expand its production due to a lack of funds. Sarah cannot purchase materials needed to produce larger quantities of materials and to employ more persons with disabilities unless she finds a client who can pay an advance. This is a precarious situation as she cannot guarantee a stable income for the employees and it impedes her ability to become sustainable. As such, she is searching for funds that can keep the project running even in periods when there are less orders from clients. The issue this project faces is that it is not eligible for funding from many organisations as it is a social business and not an association. She is also averse to taking out loans as they have high interest rates and are not adapted to social enterprises.

Tilli Tanit is also searching for funding that can help the project buy a stock of materials so that production can increase and be less dependent on custom-order clients. Tilli Tanit is applying for funding from different sources such as BloomMasters and has received funding previously from Souk Attanmia.

iv. Legal

SEs at this phase generally have legal statuses but some also start considering opening complementary entities to help the project either find alternative funds or to expand their activities. For example, Hands for Hope is considering establishing a complementary association to the business. Other projects that were associations establish complementary businesses so to be able to trade more easily. This suggests that SEs at this stage may re-evaluate the compatibility of their current legal statuses with the sustainability needs and might try to modify the legal status in order to find this complementarity.

Two of the three SEs interviewed at this stage provide regular contracts to their employees and pay the social security. Some have clear information on the contracts available and the taxes that need to be paid, whilst others need guidance in this field.

d. Other interesting and unsuspected findings in the SE FGD:

Impact

All of the entrepreneurs (from ideation to growth and consolidation stages) expressed a need to better identify and measure impact. This is important for them so that they can assess whether the efforts that they are investing are effective, whether they should change something in their activities or models, and also to use it for advocacy/visibility purposes.

Generally, the entrepreneurs do not have structured tools and methods to determine, measure and evaluate the impact. Some projects have certain quantitative indicators and most have more of an intuitive approach for impact measurement. For example, some have an idea of the number of beneficiaries that they work with and some have an idea of the impact that the projects have (direct and indirect) through conversations with the beneficiaries or persons close to them.

However, they need a more systematic approach to determine indicators, measure impact and evaluate the data so to be able to have a more holistic and empirical understanding of the impact of the project and whether the activities and resources engaged are effective in achieving the desired objectives.

It was noted during the focus group discussion that there is a desire to understand the direct and indirect impact of their activities.

Support for SEs in growth and consolidation phase

Participants in the growth and consolidation phase indicated that they do not always receive the same priority as projects that are in the ideation or start-up phase from SESOs. Myriam from Gaia shared her impression that this is because the SESOs are focused on supporting the less-developed projects to get up and running and that they consider the projects in the growth and consolidation phase to be already stable and thus necessitate less attention.

Network

Almost all of the SEs expressed the need to be part of a network. This was especially so for the entrepreneurs at the ideation and start-up stages. The importance of the network is to facilitate the exchange of information, opportunities, and experts, to provide a sense of solidarity for the entrepreneurs, and to give them a more united voice for advocacy efforts.

The need for a network at the growth and consolidation stage is less so as they generally have experience through which they have created a network of their own.

When asked what traits helped the entrepreneurs succeed or evolve their projects, the SEs consistently evoked a positive attitude and perseverance in the face of administrative hurdles, social pressure and lack of funds. This further highlights the need to ensure that SEs have access to a network that can function as a support structure morally and practically.

Need for exchange

In Tunisia, the small size of the market and the small number of SEs is interpreted as both a challenge and an opportunity by the SEs. While some see it is as an opportunity to establish themselves without the pressure from competitors, other SEs view it as a challenge as there aren't competitors against whom to measure their growth and competencies. This suggests that there should be serious consideration to promote exchange programs between SEs in the region and possibly internationally so to provide them with the opportunity to exchange experiences, self-assess and allow SEs to be part of a network that encourages improvement and growth. Otherwise, in an environment that lacks the competitive edge, they might stagnate in the development or improvement of their projects where they do not individually possess a high level of drive.

Communication

Majority of the entrepreneurs (especially the ones coming from outside of Tunis) mentioned that they have a challenge with communication on two fronts. On the one hand, they need communication support for their projects (content development, design, and dissemination) and on the other, they need more communication on social entrepreneurship in general in Tunisia so that it gains a more visible status in the country.

On the broader level, the ecosystem should work together with the public authorities to create a communication on social entrepreneurship, its role in Tunisia and opportunities for growth. This will provide a framework within which the social entrepreneurs can present themselves and position themselves in the Tunisian economic and development landscape.

Balancing impact and need to follow procedure – financial management

The entrepreneurs have difficulties with their financial management on several levels. One level is how to balance their desire to cooperate with suppliers and collaborators who are also considered as beneficiaries but who are frequently not formalised, with the need to comply with formal accounting standards.

Dar al Mansoura and Ftartchi, for example, want to buy from artisans and women who cook from home, however they are limited as these artisans and women often do not operate formally and thus cannot issue invoices with registration numbers. This means that Dar al Mansoura and Ftartchi are pushed to either buy from formal shops or operate in the grey, diluting their impact.

Need for personalised coaching / support

Most of the entrepreneurs noted that there are too many generic trainings and services for social entrepreneurs (trainings on how to pitch / business model canvas / etc) and that they need a more personalised or customised approach. They suggested that the incubation/acceleration/coaching programs take this into consideration and focus more on the individual projects.

The trainings and events offered have not kept up with the evolutions of the social entrepreneurs generally. This means that they receive support until a certain point and then support for evolution is stunted. This is detrimental as it can hamper the consolidation and scalability of the enterprises, and also limits their competitiveness with foreign enterprises/services/products.

SEs from the growth and consolidation phase said that they are tired and do not have time to attend events and competitions, but need more concrete support – finance; technical training/support.

3. Workshop of SEs and SESOs

Activity	Date	Place	Participants
Workshop	01.10.2018, 11:30 – 13:30	Lingare L'Mdina, Tunis	5

a. Challenges from FGD I (see ANNEX I)

Due to the difficulty in assembling more SEs and representatives from SESOs and having them participate in the focus groups, there was a low participation in the workshop. Therefore the challenges and solutions developed were generalised across the development phases.

The challenges chosen during the workshop:

1. Need for a network

The group working on this need identified the lack of a network between social entrepreneurs, between social entrepreneurs and experts, support organisations, and other stakeholders as one of the main challenges. The lack of a network is especially relevant for projects in the ideation and startup phases (as the more mature projects have had the chance to build their own networks) and for projects emanating from outside of the capital.

2. Need for impact measurement

The entrepreneurs stated that they need to learn how to measure impact so to a) be able to evaluate whether the actions and resources that they are investing are actually achieving their objectives and to improve their actions accordingly; b) enable the entrepreneurs to communicate with more conviction on their projects to investors and the public.

The specific need is to be able to identify and determine indicators, tools to measure them, and also to learn how to interpret them.

b. Solutions developed

1. Need for network

Proposed solution: an online and offline platform that would map out the different actors from the ecosystem (entrepreneurs, support organisations), provide information and provide an opportunity to interact with the network. This would help to include actors situated outside of the capital and orient people initiating projects.

The aim of this platform is to:

- Enable SEs to know which SESOs to approach for what service
- Orient SEs in the ideation phase
- Connect SEs to each other
- Enable people to identify SEs and purchase goods/services from them
- Increase visibility of SEs
- Increase access to information relevant to SEs (events, relevant institutions, news, etc)

The platform should have an online and offline presence. The offline dimension of the platform can take form in thematic events that bring together stakeholders – such as the L'asiette de CONSOM'acteur organised by Lab'ESS, which is an event that promotes responsible consumption by connecting consumers with local producers, or Lingare L'Mdina, which was a celebration of social entrepreneurs from different regions of Tunisia.

Lab'ESS and the Tunisian Center for Social Entrepreneurship are already developing similar platforms. There are also some already live complementary sites. A recommendation would be to assemble SESOs working on similar projects such as this one to discuss and possibly link or coordinate the creation of these platforms so to avoid fragmentation of the market and duplication of work.

2. Need for impact measurement

The pondered solution is that SESOs provide:

- Access to an expert on impact measurement

- A training that involves theory but also, and more importantly, practical exercises whereby the SEs can apply the knowledge to their own projects and develop indicators, implement tools of measurement, and learn how to interpret the data
- The indicator and methodologies should include quantitative and qualitative indicators so to provide more contextual analysis
- Follow up – the entrepreneurs expressed their need to have follow up from a coach/trainer/mentor on the implementation of the exercises from the trainings. The follow up can take the form of a phone call after a week, and then another contact after another two or three weeks, depending of the exercise and strategy of implementation.
- The entrepreneurs also expressed their interest in being trained as trainers in impact measurement. They would then be able to transfer the skills to their teams and to other entrepreneurs too. They suggested that the participants of the training commit to provide a determined number of hours of training to others. The idea of the training of trainers (following the initial training and learning through doing through the implementation of the exercises) is beneficial on various levels: the first being that it can help alleviate the stress on the human and time resources of the SESOs; and the second being that it can assist with the diffusion of skills and know-how in the regions and areas where SESOs do not necessarily have reach.

The SESOs to whom the solution was presented did not have any comments to the contrary and agreed with the solution. The only caveat that they raised was concerning the training of trainers. They highlighted the need to well-select the participants in the ToT to ensure that the participants are dedicated and able to well transmit the knowledge/skills.

4. FGD II and interviews – SESOs:

Activity	Date	Place	Participants
Focus group discussion	28.09.2018	Lingare L'Mdina, Tunis	4
Focus group discussion	02.10.2018	Lingare L'Mdina, Tunis	4
Interviews	02.10.2018 – 01.12.2018	Various	4
TOTAL			12

Goals, actions, and main challenges of the SESOs regarding stages and clusters. Also include interesting and unsuspected findings.

a. SESOs: Stage I – Ideation and Incubation; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

There are a number of programmes and initiatives that aim to inspire youth to find challenges and viable economic models through which they can respond to those challenges. Such initiatives are the SDG Camps of the UNDP in Tunisia, the Justice Innovation Workshops organised by HiiL Justice Innovation in partnership with local partners, or ideation and inspiration events organised by the Tunisian Center for Social Entrepreneurship.

Most ideation services have been provided in the capital, Tunis, with few exceptions. However, SESOs are increasingly cognisant of the need to reach youth outside of the capital and are thus organising events in regions other than Tunis too. These efforts need to increase and possibly have a more stable presence in the regions (whether through strategic partnerships or some mentioned through the reinforcement of human resources) to ensure a more rooted impact.

SESOs also organise inspiration sessions whereby they organise a talk/presentation by an entrepreneur or similar. During these sessions, some also try to encourage female entrepreneurship. Lab'ESS for example organises sessions on inspiring women on the first Wednesday of every month.

Following ideation, a number of SESOs incubate SEs (TCSE, Shanti, Lab'ESS, El Space). They provide coaching, trainings, networking and other services that aim to clarify the project ideas, form viable business models, business plans and prepare the SEs to pitch to investors, amongst other things. Methodologies used by the TCSE and El Space include the Golden Circle, the Theory of Change and Design Thinking.

However, some SESOs say that not enough time is given to exploration of the problem that SEs want to respond to, resulting in ideas that are not innovative enough and impeded from having a real scalable vision of the desired impact. This may be due to time and performance constraints imposed by donors, or due to lack of real know-how from the SESOs to guide the SEs to analyse and unpack social problems.

Another challenge cited by SESOs is that many SEs at the ideation stage focus too much on the idea and not enough on the viability of a business model. Thus more focus needs to be placed on developing viable business models and minimum viable products for SEs during the incubation programs and that it is done in complementarity with the interest to have a positive impact.

The time taken to test the ideas is also quite limited. SDG Camp reference. Shanti and the TCSE try to provide more time for people to test their ideas, but they have cited the fact that they may need to do it more strategically, focus more on understanding the problem that the SEs want to address, and better integrate approaches such as the Proof of Concept and Minimal Viable Product.

In the existing incubation programs, most people use the Business Model Canvas. There are some efforts by the TCSE to incorporate a social business model adapted to the Tunisian context.

ii. Impact

The aforementioned ideation events generally employ the design thinking methodology. This means that the participants are encouraged to start by identifying a problem in society and

then developing a solution to that problem. This implies that there is a consideration for impact from the beginning in this process. However, there isn't enough consideration on what impact really means, how to sustain it, maintain it at the heart of the project, measure it and evaluate it and the topic is generally rushed through during the trainings (1-3 days on average are dedicated to this and in a theoretical way). The SESOs themselves said that they need to increase their know-how and understanding of impact measurement and its tools so to be better guide the SEs.

The framework of the SDGs is creeping into the impact expression in Tunisia at the ideation stage. This is done so through the SDGs camps, platforms such as T7arek or the incubation program of the Tunisian Center for Social Entrepreneurship. The interest of using the SDGs is to use a common language between actors (SEs, SESOs, investors, etc) and facilitate communication and collaboration. However, the manner in which the SDGs are presented – by organisations other than the UNDP - is slightly 'light' and not necessarily related to the Tunisian development agenda or explored in relation to specifically Tunisian issues.

iii. Finance

Many of the SEs do not have viable business models and investors are reluctant to fund projects at the ideation phase. This sentiment was expressed by the representatives of Carthage Business Angels and UGFS.

Incubators respond to this by encouraging SEs to bootstrap when possible or by helping them to prepare their business plans and application files for funding with institutions/competitions such as BloomMasters or seed-funders such as Fikra.

Some incubators and programs provide small grants to projects at this stage to fund the testing or starting costs. For example, the TCSE has provided grants to incubated projects for this purpose.

Incubators and coworking spaces also respond by organising or hosting information sessions on funding opportunities for their communities. The coworking spaces are especially strategic in facilitating access to information on funding/finance options to SEs from various

regions as they are a bit more geographically present if compared to incubators. It was suggested during the FGDs and interviews that collaborations between existing spaces, incubators and other SESOs should be strengthened and increased so to make information on and services offered by SESOs more accessible.

Legal

SESOs provide limited orientation to ideation stage SEs. Some SESOs organised consultation sessions with legal experts so that SEs can learn of the options available and get advice on the procedure for the formalisation of their projects. The TCSE offered networking and limited grants to certain projects that were incubated so to cover the formalisation costs. They also advised a SE not to formalise too quickly before testing the idea and ensuring that they chose the correct legal status for the project. El Space has partners who help with the registration processes of the entrepreneurs that they incubate.

In order to spread awareness on certain laws pertinent to entrepreneurs (and SEs), some SESOs organised information sessions on the Startup Act. These information sessions could become more systematic or become a travelling session that is replicated in various spaces around the country (coworking, innovation hubs, etc).

SESOs (incubators specifically) could receive a general training on legal frameworks pertinent to businesses so to be better equipped to orient entrepreneurs. They also indicated that they would benefit from expanding their database of experts/consultants who could then provide more in depth guidance to the SEs.

b. SESOs: Stage II – Start Up; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

SESOs provide incubation and acceleration services to SEs in this phase to help them to consolidate and update their business plans. SESOs provide these services through trainings, one-on-one coaching and mentoring. At the end of the incubation or acceleration programmes, the SEs are encouraged to partake in pitching events in front of potential investors or donors.

However, one of the SESOs mentioned that in reality, there are no real accelerators in Tunisia adapted for SEs. There are only two to three real accelerators for start-ups, and the SESOs dealing in social entrepreneurship need to develop organised acceleration programs and partnerships for social entrepreneurship.

ii. Impact

The investors and larger organisations are showing interest in assessing whether the investments made in social enterprises are making an impact. As such, Price Waterhouse Coopers is working on a study in Tunisia to determine how to measure the social impact/return of/on investment. The considerations that they are taking into account are environmental impact, transparency and good governance, economic impact, and so forth.

As most SESOs providing incubation or acceleration services cater to start-ups and not specifically to social entrepreneurs, barring exceptions such as El Space, TCSE or Impact Partner, start-ups do not receive much support in impact measurement. This would be an added value for the SESOs who do focus on social entrepreneurship to distinguish themselves and develop tools and methods to measure impact and to create greater ties between investors and entrepreneurs through this.

However, SESOs have mentioned that they would need more skills or tools to guide SEs on how to measure impact and relate it to their scalability strategy.

iii. Finance

There are limited options of finance for SEs in the start-up stage. There are some specialised funds and equity investors, such as the Social Business Fund of UGFS North Africa or Flat6Labs, which invest in social businesses or start-ups. However those investors have said that they are willing to invest in projects that have sound business models, provide quality products/services, and have the potential for scalability. Many SEs do not fulfil all of these requirements and as such are not considered for these investment opportunities.

There needs to be a dialogue facilitated between the SESOs that incubate/accelerate SEs and potential investors to better understand why SEs do not qualify or are overlooked by

investors and use that information to strengthen the support provided, and also to rethink some funding options and adapt them to social entrepreneurs.

Some SESOs, such as El Space, support SEs at this stage to seek for grants and also through helping them evaluate and improve their services so to be more eligible for certain grants and financial options.

iv. Legal

SESOs help SEs at this stage by connecting them with legal experts who can provide advice on legal structures and questions. The SESOs also cover the costs of the consultations when funding is available (when the consultation forms part of a donor-funded project, for example). A challenge in this stage can be that some legal experts (in Tunisia, actually accountants are the persons who advise entrepreneurs on legal forms and contracts) provide conflicting information as they do not necessarily have a lot of experience in working with social entrepreneurs.

c. SESOs: Stage III – Growth and Establishment; goals, actions, and main challenges for following clusters:

i. Organizational Development & Business Management

Some of the challenges cited by the SESOs facing SEs are difficulties that they face to scale up and expand. The challenges come in the form of a limited local market, inadequate infrastructure both to reach internal markets and to export, and producing enough to justify logistical procedures and costs of exports. These challenges impede the SE's ability to scale up, attract more investment and increase its revenue stream potential. A limited number of SESOs work with SEs at this stage of development. Wikistartups provides support for export to the start-ups that they support. Carthage Business Angels is working on creating a network with potential partners in Francophone African countries to facilitate expansion and export of start-ups. Other accelerators could enhance their knowledge or ties with SESOs who have an experience in issues such as expansion and export to better serve SEs who are ready to expand.

The difficult environment to scale-up in Tunisia (find the right support; funding; access to market) can push successful SEs and, more specifically, start-ups to leave Tunisia. This is what Mr. Ben Ammer termed the 'project drain'. The projects that leave do so because they find acceleration opportunities with foreign SESOs, or they find financing or other incentives to move. This highlights the need to render the environment more favourable and the services offered of higher quality so that successful projects have prospects to continue to develop in Tunisia and be based in Tunisia, even if they expand regionally or internationally. A more favourable environment refers to more incentives, more opportunities to grow in terms of access to market and export, more financial resources, and more access to specialised trainings, technologies, etc.

Other SESOs provide networking and matching services to SEs at this stage in order to facilitate their access to market and business development. This can happen through organising networking events, through organising one-to-one meetings between SEs and potential collaborators, the organisation of exhibition or sales events, and similar.

ii. Impact

SESOs do not generally provide sufficient support on impact measurement. They can guide the SEs to frame their interventions using the SDGs, or they can propose that SEs start following certain indicators (such as number of beneficiaries) through regular reports. However, as there aren't many SESOs who deal with SEs (social entrepreneurship) at the growth and consolidation phase, there isn't enough content and know-how developed for SEs at this level.

iii. Finance

The representative from UGFS mentioned that his fund is interested that social entrepreneurship represent a certain percentage of economic activity in Tunisia. This reveals a desire in making SEs succeed – however also the need for SEs to be deemed economically viable, truly innovative and scalable to benefit from the potential investments.

The financiers are also interested in spreading the risk and promoting co-investing so to increase investments made in 'high-risk' projects such as SEs. UGFS, through its Social

Business Fund, is currently co-investing in projects together with Flat6Labs and IntilaQ. The projects are not necessarily social, but rather start-ups.

The selection criteria of SEs for investment are a) employability; b) innovation; and c) scalability.

Employability is of great interest to certain investors and to many funders (especially EU-based) due to the high unemployment rates in Tunisia, due to the inability of the private sector to create enough and diversified jobs, and due to the interest to retain Tunisian youth in the country to contribute to development. It has an economic interest laced with political considerations.

Some investors have partnered with SESOs (eg. UGFS with Impact Partner / Carthage Business Angels with Wikistartups) so have access to SEs. These links should be extended between more SESOs so to promote more of the link between investors and social enterprise and investment and impact.

iv. Legal

Another point mentioned is that the concept of social innovation should be integrated into the concept of *innovation* so that SEs can benefit from legal frameworks and labels such as found in the StartUp Act of 2018. This was proposed by an SESO during an interview and this could be something that all the SESOs rally behind so to create a more favourable legal environment for SEs.

d. Other interesting and unsuspected findings in the SESOs FGD:

Quality of goods and services provided by SEs

One of the points raised by various SESOs (coaches and funders) is that quality of the products and services offered by the SEs generally needs to improve and be more consistent. This is important for two reasons: to gain more investor/funder confidence; to gain more appeal in the market and facilitate the creation of a stable client base. The effect is also two-

fold – to ensure that the project becomes sustainable and to create a better perception of social entrepreneurship in general.

Research and social entrepreneurship

The SESOs interviewed raised the point that there is a lack of trust and a good working relationship between academia and the business world. As such, research and innovations in academia are not transformed into viable business models and businesses that search for certain solutions that can be offered by experts do not have access to them. It could be worthwhile to strengthen ties between academia and business and increase the platforms that facilitate interaction. Students working on their end-of-year projects could be trained in business skills so to allow them to create start-ups based on their projects and research, or the ideas could be entered into an ideas bank.

Creating regional links

A number of the coworking spaces that have emerged have an interest to distinguish themselves and serve a specific community. Co'art works with the creatives community. Hive 12 works more with IT and women led projects. They initially started as coworking spaces, but then started organising events, trainings and providing advice to entrepreneurs on how to develop their projects. They would be interested to further develop their skills to coach and orient entrepreneurs (from the ideas stage to growth and consolidation) in developing their projects. It could be interesting to provide a guideline on 'light' support for social entrepreneurs and then strengthen partnerships with more technical partners to provide a complementary set of services OR to aid them to develop their domain specialised support (creative industries and IT) which can be complemented by a network of incubators and trainers who can provide guidance on the business model, etc.

The partnership between SESOs can also manifest itself through rotating trainings and workshops, where expertise is shared and not confined to a certain space, thus providing a more holistic offering to SEs and expanding the geographical reach of opportunities. This is particularly pertinent as there are not so many SEs to merit the expansion of many SESOs and so there should be a sharing of expertise and resources.

Incongruence between programme and context

At times, the programmes designed and implemented by technical partners are not adapted to the Tunisian context. For example, funders provide funding to project ideas, but the submitted project ideas are not necessarily well prepared or ready to manage funds. Shanti has identified this gap and responded in turn by making it one of its axes to work on program design with technical partners. It 'pre-incubates' SE projects to strengthen their ideas and then to prepare their application files before applying for the funding opportunities, thus increasing the quality of the applications. This highlights again the need to strengthen the projects at the ideation stage for their own sustainability, ability to gain finance and to diminish the wastage of funds on projects that are not ready but supported nonetheless due to the interest of fulfilling certain KPIs.

Network / ecosystem collaboration

Although there is an absence of a stable social entrepreneurship ecosystem (Walid from KiHub said that there is no ecosystem, just actors), there are some initiatives to create an exchange between actors in the entrepreneurship/start-up scene. Bi@t Labs, Flat6Labs, and Lab'ESS have signed a convention to meet once a month and discuss their activities. Such initiatives can be leveraged.

5. Other information, recommendations from the assessment day

Independence/models of SESOs

An observation of the incubators and some other SESOs is that many of them are over reliant on a limited number of funders. This can impact on their ability to design and implement projects that are adapted to the local context and real needs. SESOs should exercise their power of proposition, but in order to improve their positions to do so, should try and diversify their own funding or revenue streams. This would allow for more independence, space for creativity and flexible actions and a richer offering of services and events. The diversification of funding or revenue streams can also contribute to the sustainability and stability of the SESOs, enabling them to better execute their programs and creativity.

Social entrepreneurship definition

As there is no shared definition of social entrepreneurship and no specific criteria, there is always a certain level of confusion on what constitutes a social entrepreneur. It is recommended that one of the ecosystem actors intervenes at this stage, while social entrepreneurship is still finding its feet, to propose a Tunisian definition and a charter of criteria or a SE label. This can assist with the placement of social entrepreneurship in the Tunisian economy, in designing certain financial instruments adapted to social entrepreneurs, in facilitating a clearer communication strategy, and inspiring other projects/people to become social entrepreneurs.

Limited reach

In terms of reach of people (especially in the ideation phase), there is a tendency to recycle participants in events and programs. For example, ideation events are organised by various actors over the course of a year, even in various regions. It is common to see the same participants attending those events. If the same people attend five different ideation events, this will not result in the production of five different projects, but if lucky one. The energy put into organising these events, which can be of a good quality, is wasted to a certain extent. Thus more effort should be placed into reaching out to people who do not normally attend these types of events – awareness raising activities, more activities 'in the field', increased collaboration with actors who are active on a local level.

Impact

It would be useful to organise trainings/exercises in impact measurement and try to instil an awareness of the broader context and ripple effect of the project's actions/interventions. This would be both for SESOs and for SEs. A possible methodology or rather theory to use could be systems thinking. This could promote a zooming out and realisation of the broader contexts within which the projects operate. This can also assist the SESOs and SEs in finding new axes of intervention, new strategic partnerships and providing more of a vision of how their projects can develop.

6. Annexes

Annex I – SE participants

Name: Azza Chtioui Project: Green roofs Established: no Stage: ideation Region: Tunis	This project aims to use unexploited urban spaces (roofs, balconies, gardens, etc) to create organic vegetable gardens. The produce of these gardens would be used for individual consumption and for commercial purposes (sold to restaurants, hotels, etc). The project aims to reduce costs (both economic and environmental) of food production by cutting down on transportation and packaging, by creating green spaces in urban zones that lead to healthier and cooler environments, by reconnecting citizens with nature, and by providing food sovereignty to low-income families.	Focus group discussion 01.10.2018
Name: Hayfa Sdiri Project: Entr@crush Established: no Stage: ideation Regions: Tunis	Entr@crush is a Tunisian solution to the issue of economic empowerment. The project aims to facilitate Tunisian youth's transition from abstract academic concepts to professional life. Entr@crush is a platform offering a wide range of services, ranging from showcasing startups and success stories to e-learning videos for both hard and soft skills to displaying potential investors and weekly events. The project is being conducted in	Focus group discussion 01.10.2018

	partnership with university professors and self-help coaches.	
Name: Amyra Hammami Project: Coin Tipi Established: 2016 Stage: start-up Regions: Tunis FB page	Coin Tipi is a space offering alternative educative activities for children - reading and discussions, artistic activities, learning about nature, co-creation of books. The project emerged in response to the rigid educational system that does not sufficiently support creativity, connection with nature and teach soft skills.	Interview 05.10.2018
Name: Aida Ben Ammar Project: Ftartchi (project of the association APES) Established: 2018 Stage: start-up Region: Tunis Website: www.apes.tn	Ftartchi is a project of the association APES. The project stems from the problem that there aren't many places to eat quality 'home' style food in Tunis that are accessible (financially and geographically), and that the efforts and know-how of traditional cooking are not valued. The solution is that Ftartchi groups together women who prepare home-cooked meals upon order at home and then delivers the meals. The women are remunerated and people have access to healthier and traditional food.	Focus group discussion 01.10.2018
Name: Yousr Aichaouia Project: Dar Al Mansoura Established: Stage: start-up / growth and consolidation Region: Mahdia Website: almansoura.e-monsite.com	A guesthouse close to the village of Melloulech in Mahdia. The guest house aims to promote sustainable tourism and create a local economic and cultural dynamic by linking local farmers, artisans and food producers to the touristic circuit. The project also aims to promote and preserve local gastronomy and know-	Focus group discussion 01.10.2018

	how.	
Name: Rania Mechergui Project: Dar El Ain Established: 2017 (formally) Stage: start-up Region: Jandouba FB page	An ecotourism initiative whose activities aim to provide a source of income for the local population. The initiative has designed hiking trails in the region of Jandouba. Each circuit connects to local artisans and women who can provide food and lodging to guests.	Interview 04.10.2018
Name: Myriem Ben Brahim Project: Gaia Established: 2007 / 2009 (formally) Stage: growth and consolidation Region: Ariana Website: http://www.fth-gaia.com/	A farm that provides therapy to handicapped persons from marginalised communities through art, interaction with animals and conventional methods too. The activity is sustained through funds and revenue generating activities that are complementary.	Focus group discussion 01.10.2018
Name: Nejib Bel Hadj Project: Tilli Tanit Established: Stage: growth and consolidation Region: Mahdia FB page	A space of cocreation between young designers and women who work in traditional embroidery. The efforts are united under the brand Tilli Tanit. The project aims to promote the economic inclusion of women – through providing an income for women embroiders, and to preserve traditional techniques of embroidery from Mahdia.	Interview 05.10.2018
Name: Sarah Raddadi Project: Hands of Hope Established: 2009 Stage: growth and consolidation Region: Tunis FB page	Hands for Hope is a social enterprise that provides training and employment to people with disabilities. It also educates people with disabilities on their rights as well as their duties. The problem that the project addresses is the lack of awareness of rights and duties of people with disabilities, and the lack of	Interview 17.10.2018

	implementation of laws that prescribe the employment of or procurement of goods/services offered by persons with disabilities.	

Annex II – SESO participants

Name: Hanen Samet Organisation: Yomken Region/reach: national Website: www.yomken.com	Crowdsolving platform – focus on solving technical issues faced by entrepreneurs	Focus group discussion 02.10.2018
Name: Nazeh Ben Ammar Organisation: Carthage Business Angels Region/reach: national FB page	Angel investors – invest in startups that have scalability potential	Focus group discussion 02.10.2018
Name: Brahim Nabli Organisation: Creed Consulting Region/reach: mainly Tunis FB page	Coaching for artisanal projects	Focus group discussion 02.10.2018
Name: Mohamed Slah Frad Organisation: United Gulf Financial Services (Social Business Fund) Region/reach: national Website: www.ugfsnorthafrica.com.tn	Investment fund for projects with a social impact.	Interview 02.10.2018
Name: Mahdi Baccouche Organisation: Shanti Region/reach: Tunis and other regions FB page	A social enterprise and incubator of social projects (they incubate their own projects and those proposed by others)	Interview 05.10.2018
Name: Yousri Helal Organisation: Lab'ESS Region/reach: mainly Tunis Website: www.labess.tn	An incubator of social and solidarity projects. They offer coaching, thematic events, networking.	Workshop 01.10.2018
Name: Ichraf Jarray Organisation: Hive 12 Regions: Sousse FB page	Coworking space – focus on IT community and on women freelancers	Focus group discussion 28.09.2018
Name: Malek Maazoun Organisation: Co'art Region: Sfax FB page	Coworking space that focuses on creative projects and offers related trainings and events.	Focus group discussion 28.09.2018

Name: Mohamed Ghachem and Firas Bezzine Organisation: Lingare Mahdia (Tunisian Center for Social Entrepreneurship) Region: Mahdia Website: tcse.network	Innovation hub offering ideation, incubation, acceleration, coworking and other services.	Focus group discussion 28.09.2018
Name: Afaf Zaidene Organisation: UNFT Kairouan Region: Kairouan Website: www.unft-kairouan.org.tn	Association working on women's issues – will start an incubator for women led projects.	Focus group discussion 28.09.2018
Name: Walid Abaidi Organisation: Ki Hub Region: Kasserine FB page	Association working on promoting social entrepreneurship in Kasserine. They provide incubation, acceleration and coaching programs for SEs at all levels of developments.	Interview 21.11.2018
Name: Adnen Ben Haji Organisation: El Space Region: Tunis Website : www.elspace.org	An innovation hub dedicated to making a leading sustainable community through entrepreneurship and innovation. El Space supports entrepreneurs and innovators by hosting, training and offering networking opportunities. They offer incubation and matching services.	Interview 01.12.2018