

Enabling Social Innovation in Lebanon

Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ↓

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Lebanon’s social innovation ecosystem.

✓ Direct focus on social innovation 🔗 Connected but indirect focus on social innovation ✗ No focus on social innovation

INSTITUTIONAL FRAMEWORK

Official Definition of Social Innovation 🔗



Lebanon has no official legal definition of social innovation, and the term is rarely used in government discourse. Social innovation is generally understood as falling within the domains of civil society and social entrepreneurship; however, there is no government-adopted definition as of 2025.

Government Body for Social Innovation ✓



There is no dedicated government body overseeing social innovation. Responsibilities fall indirectly on public sector institutions such as the Ministry of Social Affairs and SME support units under the Ministry of Economy and Trade. These operate under the umbrella of the Council of Ministers, which is responsible for the preparation, financing, and implementation of all programmes related to the SDG agenda.

Government Strategy for Social Innovation ✓



Although Lebanon does not have a formal national strategy, a draft Social Entrepreneurship Framework was developed in 2018–2019 through an EU-funded initiative, proposing definitions, eligibility criteria, and incentives for social enterprises. The government adopted the framework in principle in 2019, but political and economic crises halted implementation. As such, Lebanon still has no integrated strategy as of 2025.

Policies, Laws & Regulations ✓ 🔗



Key frameworks indirectly supporting social innovation include:

- **Draft Law on Social Entrepreneurship (2020):** A proposed legal status for social enterprises, including incentives and tax benefits, was drafted with donor support but has not yet been enacted.
- **Law on Associations (1909):** Permits NGOs to form without prior approval and is widely used for civic initiatives; however, it does not recognise social enterprises as distinct entities.
- **Cooperative Societies Law:** Enables agricultural and craft cooperatives, which often operate as de facto social enterprises, though without integration into broader social innovation policy.
- **Central Bank Circular 331 (2013):** Mobilised up to USD 400 million into the tech startup ecosystem, indirectly improving conditions for impact-oriented startups between 2014–2018.

Policies, Laws & Regulations

- **Draft Law on Micro, Small and Medium Enterprises (2019):** Aims to enhance the capacity to establish, promote, and sustain MSMEs in order to achieve balanced economic and social development through public-private coordination. Not yet enacted.
- **Ministry of Social Affairs Strategy 2025–2026:** "From the Ministry of Social Affairs to the Ministry of Social Development".
- **Reform laws:** Including the Public Procurement Law (2021), laws related to health and social justice (2023), and legislation linked to the environment and renewable energy (2022) — all aimed at securing sustainable investment. All face implementation difficulties due to the economic crisis, which limits the state's capacity to finance development projects and the absence of sustainable enforcement mechanisms.

Official Statistics

Lebanon does not collect national statistics on social innovation or social entrepreneurship; instead, social enterprises are classified either as NGOs or as small and medium enterprises (SMEs).

Government Programs

There are no sustained national programmes for social innovation. Donor-funded projects fill the gap, notably the EU-funded Badael programme (2017–2020), which trained over 9,000 individuals and incubated ventures while contributing to the development of the draft social entrepreneurship law. Other public SME support programmes (e.g., Kafalat loan guarantees) benefit entrepreneurs broadly but are not specifically designed for social enterprises.

ECOSYSTEM

Stakeholders

Lebanon's ecosystem is driven primarily by civil society, intermediaries, and philanthropy.

- **Leading Social Innovators / Enterprises:** Examples include arcenciel, ProAble, and Live Love Lebanon, which combine social impact with innovative operational models.
- **Intermediaries & Networks:** Key actors include Beyond Group/BRD (policy advocacy and capacity-building), Makesense Lebanon (youth-focused innovation), DOT Lebanon, and Ashoka Arab World Fellows.
- **Social Investment & Philanthropy:** Alfanar provides venture philanthropy and impact investment to education and livelihood-focused social enterprises, while Fondation Diane and diaspora networks offer additional support.
- **Academic & Research Institutions:** The American University of Beirut (AUB), the Lebanese American University (LAU), and other universities run entrepreneurship centres and community innovation programmes. Participation in Erasmus+ initiatives has expanded social entrepreneurship training and research. The Lebanese Social Enterprises Association (LSE) was established in 2018 to coordinate ecosystem actors.



Support Initiatives

Support comes primarily from NGOs, incubators, and international organizations:

- **Berytech** and **AltCity** have hosted social innovation hackathons and startup acceleration.
- **UNICEF's GIL, INJAZ**, and **Nawaya Network** promote youth entrepreneurship and digital innovation.
- **The UNDP Accelerator Lab and YLP programs** advance experimental, youth-driven social innovation.
- **The EU-funded Safir programme** expanded training and regional networking for youth social entrepreneurship.
- The EU-funded **Badael** program (2017–2020), trained over 9,000 individuals and incubated ventures while co-developing the social entrepreneurship draft law.
- International organisations such as the UN and EU provide support and funding to the National Commission for Lebanese Women (NCLW) for women's economic and social empowerment and for the integration of a gender perspective into public policy.



Collaboration

Government–NGO collaboration exists but is limited and inconsistent. Cross-sector coordination is largely informal, with emerging structures, such as the Social and Solidarity Economy Task Force, that involve NGOs, UN agencies, and academia.

Project-specific collaborations—e.g., FabricAid's textile recycling model involving NGOs, donors, and municipalities—demonstrate significant potential but remain unsystematized.

FINANCE



Financing Schemes

There is no centralised financing strategy for social innovation in Lebanon, and there is a lack of diversity and systemic integration in social innovation financing mechanisms.

- **International Donor Funding:** The primary source of financing, focused on vulnerable groups and livelihood creation.
- **Venture Philanthropy/impact investment:** Alfamar and limited angel networks support select social enterprises. A **USD 50 million regional impact fund** backed by Alfamar is under development to invest in social enterprises across Egypt, Jordan, and Lebanon. As of 2025, it remains in the fundraising/pre-launch stage and has not yet begun deploying capital.
- **Local Public/Private Funding:** SME financing mechanisms like Kafalat and microfinance institutions indirectly support grassroots entrepreneurship. Central Bank Circular 331 previously stimulated venture capital investment but collapsed after 2019.



Financing Inclusivity

Donor funds prioritize youth, women, refugees, and marginalized groups, making financing pro-poor by design. However, access is uneven; and urban organizations and English- and French-speaking applicants are more likely to secure funds. Rural innovators face barriers due to limited outreach and the absence of national funding.

SOCIETY



Public Awareness of Social Innovation

General awareness of social innovation is low; many innovators identify themselves simply as NGOs or businesses rather than social enterprises. Awareness has increased slightly through youth-focused events and hackathons, but societal understanding remains limited. (Even in public sector correspondence and reports, the concept of social innovation is not typically used, the terms "social protection" and, more recently, "social development" tend to be preferred.)

Research ✓ 🔗



Research is driven by NGOs, universities, and international agencies, with AUB, LAU, and other universities running entrepreneurship centers and community innovation programs. Academic studies examine barriers to entrepreneurship, and international policy reviews highlight Lebanon's lack of frameworks. Impact measurement remains weak and fragmented with Beyond Group/BRD's 2015 report on Fostering Social Entrepreneurship in Lebanon serving as a foundational reference.

Education & Human Capital ✓ 🔗



While Lebanon does not offer official degree programs in social innovation, some universities include related coursework, and a few offer certificates (e.g., Middle East University). Erasmus+ programs have enhanced curricular development. Non-formal training (UNICEF GIL, UNDP labs, NGO bootcamps) remains the primary source of capacity-building for the sector. The continued brain drain remains a significant factor behind the absence of skills and talent within Lebanon.

Entrepreneurship



143rd / 190 countries



Business Environment

Lebanon ranked 143/190 in the World Bank's Doing Business Report 2020, reflecting severe barriers for all entrepreneurs.

94th / 133 countries



Innovation Capacity

In the Global Innovation Index 2024, Lebanon ranked 94/133, with stronger performance in creative outputs than in institutional support.



Social entrepreneurship prevalence

The entrepreneurial culture is strong, but systemic obstacles limit sustainability. Social entrepreneurship has grown informally through NGOs; however, many ventures remain dependent on donor funding.

Social & Environmental Consciousness



Solidarity

Lebanon demonstrates strong informal solidarity but low institutional trust. The Legatum Prosperity Index ranks Lebanon 165/167 in social capital.



Political participation



Volunteering

Formal volunteerism and charitable giving levels are low, although helping strangers is relatively common.



124th / 180 countries



Sustainability

Environmental awareness grew following crises such as the 2015 waste crisis. Lebanon ranked 124/180 in the Environmental Performance Index 2024.