



STATE OF SOCIAL ENTREPRENEURSHIP IN AFRICA

Lessons from 10 Years of LEAP Africa's
Social Innovators Programme (SIP)

LEAP Africa Report 2024

Disclaimer

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Suggested Citation: LEAP Africa (2024). State of Social Entrepreneurship in Africa: Lessons from 10 Years of LEAP Africa's Social Innovator's Programme - Research Report

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APPRECIATION

LEAP Africa's MERL team expresses its profound appreciation to all SEP alumni who participated in the Key Informant Interviews, Focus Group Discussions, and completed the research survey.

We recognize the invaluable contributions of Ndidi Okonkwo-Nwuneli (Founder, LEAP Africa & CEO, The ONE Campaign), The Board Chair, Clare Omatseye and all Board members of LEAP Africa. We appreciate Kehinde Ayeni (Executive Director, LEAP Africa), and Amabelle Nwakanma (Director of Programmes and Partnerships), as well as the Programmes team, Joy Godwin (Programmes Manager), Chukwuemeka Okeke (Senior Programmes Coordinator, Towojesusudun Odede (Programmes Coordinator), Richard Chidiebere (Grants & MERL Officer), and Quadri Badmus (Policy, Advocacy, and Government Relations, Associate) for their relentless contributions towards to the research report.

The contributions of the Communications team: Hembadoon Inyamkume, Mfon Etuk, Joshua Olawuyi, Joy Igbinedion, Victor Vincent, and Aniebet Udokang, and the Procurement and Administration team, are greatly appreciated for their role in producing The State of Social Entrepreneurship in Africa research report.

Special thanks to all funding partners of the social entrepreneurship programmes, including the Ford Foundation, International Youth Foundation, Sahara Foundation and Union Bank.

This report reflects the state of social entrepreneurship in Africa and encapsulates key lessons from LEAP Africa's decade-long work with social entrepreneurs. It serves as a practical resource on social entrepreneurship in Africa and is essential reading for anyone passionate about driving social change.

Abdullahi Ibrahim
Senior MERL Coordinator, LEAP Africa

ABBREVIATIONS

CAMA: Companies and Allied Matters Act

CAMFED: Campaign for Female Education

DRC: Democratic Republic of the Congo

GDP: Gross Domestic Product

GEM: Global Entrepreneurship Monitor

ICT: Information and Communication Technology

INDH: National Initiative for Human Development

MENA: Middle East and North Africa

NGOs: Non-Governmental Organizations

SDGs: Sustainable Development Goals

SEF: Social Enterprise Forum

SEP: Social Entrepreneurship Programme

SIF: Sahara Impact Fund

SIP: Social Innovators Programme

STEM: Science, Technology, Engineering, and Mathematics

YEF: Youth Enterprise Fund

FOREWORD



Over the past decade, LEAP Africa has championed the transformative power of social entrepreneurship across the continent. Through our flagship Social Innovators Programme (SIP), we have worked alongside young changemakers to redefine possibilities, spark innovation, and catalyse systemic change in communities. As someone deeply committed to accelerating Africa's growth and development, both personally and professionally, I am immensely proud to present this milestone publication; this report, *The State of Social Entrepreneurship in Africa: Lessons from 10 Years of LEAP Africa's Social Innovators Programme*, is a testament to our collective journey, filled with milestones, challenges, and impactful solutions.

In 10 years, LEAP Africa's SIP has empowered nearly 300 social innovators, equipping them with the tools, networks, and confidence to transform lives and address pressing challenges in education, health, agriculture, and beyond. Collectively, these innovators have touched over 4 million lives, generated millions in funding, and expanded their impact across 14 African countries. Behind these numbers are countless stories of courage and creativity that affirm what is possible when we invest in Africa's youth.

The findings in this report offer a profound reflection on the role of social enterprises as vehicles for inclusive growth and sustainable development. The stories of resilience, innovation, and collaboration documented here reaffirm the critical role of young African entrepreneurs in driving change amidst socio-economic challenges.

The report represents both a moment of pride and a call to action. Its insights and lessons compel us to deepen our commitment to nurturing social enterprises, creating ecosystems that truly support their growth, and designing accelerator programmes that respond to the realities faced by our innovators. It challenges us to push boundaries, rethink solutions, and collaborate more. It also provides critical insights into the evolving ecosystem of social entrepreneurship in Africa, highlighting both opportunities and pressing challenges. It is our hope that this publication will serve as a resource for stakeholders across sectors—governments, funders, academic institutions, and private enterprises—to co-create an enabling environment for social enterprises to thrive.

As we celebrate this journey, LEAP Africa remains committed to empowering more young innovators, fostering partnerships, and amplifying the impact of social entrepreneurship in shaping a sustainable and equitable future for Africa. *The State of Social Entrepreneurship in Africa: Lessons from 10 Years of LEAP Africa's Social Innovators Programme (SIP)* is more than a reflection of the past decade—it is a celebration of the vision, resilience, and relentless determination of the young changemakers who have partnered with us to reimagine the future of our continent. And I am deeply privileged to be part of these amazing stories and people.

Dianna Amabelle Nwakanma

(Director of Programmes, & Partnerships LEAP Africa)

OVERVIEW

Africa, a continent characterised by its rich diversity and immense potential, continues to grapple with considerable development challenges despite notable progress in some sectors. Over the past decade, much of the region has faced stagnating economic growth, a decline in per capita income, and a business environment hindered by high levels of corruption and a lack of adequate regulatory frameworks. Yet, amidst these hurdles, a promising and dynamic force is emerging – social entrepreneurship. Social enterprises, driven by a profound sense of purpose and commitment to solving critical social issues, have found fertile ground in Africa, creating innovative solutions that improve lives and empower communities.

The global emergence of social entrepreneurship is particularly evident in sub-Saharan Africa, which, alongside Australia and the United States, holds the largest share of social entrepreneurs worldwide. For many in the region, social entrepreneurship is not just a career choice, but a response to the stark realities of poverty, inequality, and economic instability. It is the driving force behind transformative solutions that address key challenges such as healthcare, education, clean energy, and access to finance.

The Social Innovators Programme (SIP) by LEAP Africa has been a key contributor to the growth and development of social enterprises across the African continent. This year-long fellowship is more than just a programme; it is a powerful catalyst for change. By providing young, passionate entrepreneurs with the tools, resources, and networks needed to scale their impact, SIP has empowered over 294 social innovators across 14 African countries. The results are striking: more than \$6 million in funding and revenue generated, over 800 jobs created, and a direct positive impact on the lives of up to 4 million people



SIP Alumni Emmanuel Owobu (Founder, Mobicure) during award presentation for Dr. Pamela Hartigan Award by Reeta Roy (President and CEO, Mastercard Foundation) alongside Ndidi Okonkwo Nwuneli (Founder, LEAP Africa & CEO of The ONE Campaign)

Table 1. Intended audience and use of report

Intended Audience	How Stakeholders can use the Report
Social Entrepreneurs	<ul style="list-style-type: none"> • <i>Understand key challenges and opportunities:</i> Gain insights into the key challenges and opportunities faced by social enterprises in Africa, and identify strategies for growth and innovation. • <i>Best practices and recommendations:</i> Learn from the success stories and best practices of other social entrepreneurs, and use actionable recommendations to refine strategies, improve visibility, and enhance impact readiness.
Government and Policy Makers	<ul style="list-style-type: none"> • <i>Supportive policies and regulatory environment:</i> Use findings to guide the development of supportive policies that foster a favorable environment for social entrepreneurship. • <i>Public-private partnerships and support:</i> Explore opportunities for collaboration with social enterprises to co-create solutions. Identify key areas where targeted support can strengthen social entrepreneurs, enhancing their capacity to scale their impact and contribute to economic growth.
NGOs, Incubators, Accelerators	<ul style="list-style-type: none"> • <i>Programme design and implementation:</i> Use insights to inform the design and implementation of initiatives that provide essential support structures and capacity building for social enterprises. • <i>Research and advocacy:</i> Leverage findings to guide research and policy advocacy, fostering stronger networks and partnerships to support social entrepreneurs beyond fellowship programmes
Investors, Funders, Industry Bodies	<ul style="list-style-type: none"> • <i>Investment alignment:</i> Understand the funding needs of social enterprises and tailor investment strategies to better support them. • <i>Sustainable partnerships:</i> Identify opportunities for collaboration with social enterprises and create impactful CSR initiatives that align with long-term development goals.
Education Providers	<ul style="list-style-type: none"> • <i>Curriculum development:</i> Leverage the report to update social entrepreneurship modules and incorporate social entrepreneurship into curricula. • <i>Partnerships with social enterprises:</i> Foster collaborations with social enterprises to create practical training opportunities, providing students with hands-on experience in social innovation

INTRODUCTION

Social entrepreneurship in Africa is a dynamic and rapidly growing sector that harnesses innovative solutions to address pressing social and environmental challenges while simultaneously generating sustainable economic impact.

LEAP Africa's Social Innovator's Programme stands out for its commitment to supporting and investing in social enterprises, recognizing them as crucial catalysts for inclusive growth and sustainable development across the continent.

Despite the significant hurdles faced by entrepreneurs, such as limited awareness and support for their cause, lack of financial resources, balancing social impact, financial impact and sustainability, scaling and replicating impact, LEAP Africa has played a pivotal role in elevating the profile of social entrepreneurship in Africa since the inception of the programme.

Through its efforts, LEAP Africa has effectively raised awareness and elevated the standards of these enterprises, contributing to their advancement and impact on the continent. The Social Innovators Programme, spanning 11 years, has achieved remarkable success in nurturing quality social innovators. Embracing an inclusive multi-sectoral approach, LEAP Africa has supported entrepreneurs continent-wide, pioneering innovative solutions to address diverse societal challenges such as poverty, inequality, access to education and healthcare, environmental degradation, and unemployment.

From fledgling initiatives to established enterprises, LEAP Africa has provided technical support to social entrepreneurs through partnership development, market access, organisational structuring, impact measurement and other vital skills.



Participants during LEAP Africa SIPA event

The term "Social Entrepreneurship" was reported to be coined in the 1980s by Bill Drayton, the founder of Ashoka and a notable social entrepreneur.²

In Africa, social entrepreneurship is often characterised by the creation of viable socioeconomic structures, relations, institutions, organisations and practices that yield and sustain social benefits.^{3,4} Social entrepreneurship ventures typically provide innovative solutions to persisting social problems which were previously overlooked by businesses, governments and non-governmental organisations.^{5,6}

Social entrepreneurship is regarded as a cluster concept consisting of five subclusters namely: social innovation, social entrepreneur, social entrepreneurship organisation, market orientation, and social value creation.⁷

Social innovation refers to the development of novel solutions to address pressing social issues, often involving creative approaches that challenge traditional methods. Social entrepreneurs are the individuals who identify these challenges and take proactive steps to implement innovative and scalable solutions, blending business acumen with a strong commitment to social change.

A social enterprise organisation is the structural entity—whether a nonprofit, hybrid, or for-profit enterprise—through which these entrepreneurs operate, ensuring sustainability and impact at scale.

Market orientation plays a crucial role, as social enterprises must balance financial viability with their social mission, leveraging business strategies to remain competitive and self-sustaining.

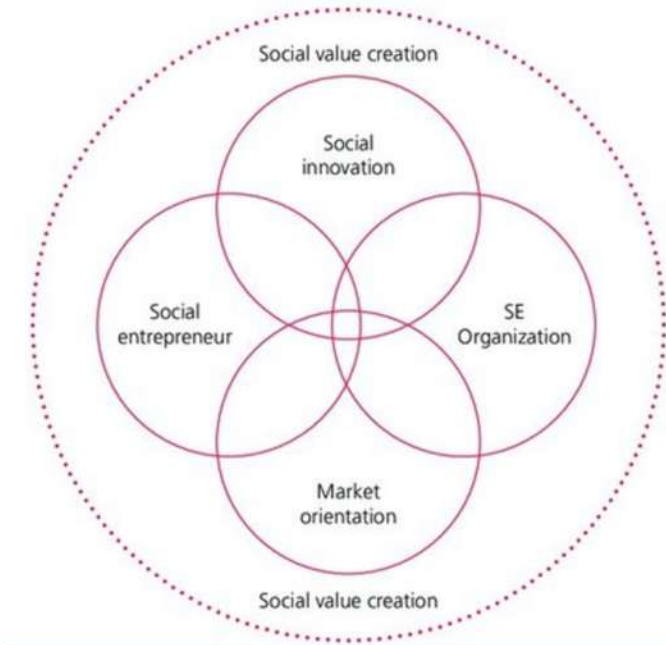


Figure 1: Social Entrepreneurship Cluster Concept

The primary goal of social entrepreneurship is social value creation, which aims to deliver lasting benefits to communities by tackling issues like poverty, education, healthcare, and environmental sustainability. These five subclusters collectively shape social entrepreneurship as a dynamic field that integrates mission-driven goals with entrepreneurial approaches.



LEAP Africa SIP Fellows 2019 alongside Ndidi Nwuneli (Founder, LEAP Africa & CEO, ONE Campaign), and Femi Taiwo (Former, Executive Director, LEAP Africa)

Yet, as the study reveals, the journey of social enterprises in Africa is far from straightforward. Despite their resilience and resourcefulness, social entrepreneurs continue to face a myriad of challenges, including economic instability, corruption, a lack of adequate policy support, and limited access to funding. Additionally, social enterprises often struggle with talent retention and skills gaps, which hinder their ability to scale and sustain impact. The need for robust support structures—comprising financial backing, mentorship, market access, and policy advocacy—has never been more urgent.

This report explores the state of social entrepreneurship in Africa, with a particular focus on the journey and impact of LEAP Africa's Social Innovators Programme over the last decade. It reflects on the lessons learned, identifies key enablers of success, and highlights the opportunities that lie ahead. Through a comprehensive analysis of both qualitative and quantitative data, the research offers actionable insights into how stakeholders can further strengthen the social entrepreneurship ecosystem across the continent.

Central to the findings is a clear message: social entrepreneurs are essential to achieving sustainable development in Africa. To fully harness their potential, it is crucial for governments, investors, NGOs, and educational institutions to collaborate more effectively, creating an ecosystem that nurtures innovation, promotes sustainability, and drives inclusive growth. The recommendations presented in this report are designed to inspire a collective effort to support and scale social enterprises, ultimately contributing to the achievement of the Sustainable Development Goals (SDGs) and the realisation of a prosperous Africa.

As we look ahead, the lessons from the past decade of LEAP Africa's SIP serve as both inspiration and a call to action for all stakeholders invested in Africa's social and economic transformation. By fostering a supportive, innovative, and collaborative environment, Africa can harness the power of social entrepreneurship to create lasting change for generations to come.

LEAF

AFRICA

According to a British Council report, social entrepreneurs in Sub-Saharan Africa have created between 28 million and 41 million jobs, playing a vital role in reducing unemployment and supporting job growth.⁸

LEAP Africa's Social Entrepreneurship programme has contributed significantly to reducing unemployment gap among young people in Africa by increasing access to employment opportunities among youth in rural and urban communities.

For over a decade, our social entrepreneurship programme has fueled a continent-wide movement comprising 294 Changemakers empowered across 14 African countries, unlocking over \$6 million in funding and revenue, and transforming the lives of more than 4 million people.

This research aims to shed light on the current landscape of social entrepreneurship in Africa and assess the impact generated by the Social Innovators Programme over the years. In particular, it seeks to explore and answer the question on the extent of the programme's influence on the social innovation ecosystem and LEAP Africa's contribution to this achievement.



A Beneficiary of Social Innovators Programme and Awards 2020/2021 Cohort

APPROACH & METHODOLOGY

A mixed methods approach was employed for the research. Preliminary Desk review of previous Evaluation and Programme reports of LEAP Africa's Social Entrepreneurship Programme from 2013 – 2023, and previous case studies of LEAP Africa's Social Innovators Programme conducted between 2013-2018 was done. Secondary literature sources such as: research reports and articles on social entrepreneurship across Africa were also reviewed.

Quantitative data was collected through the use of SurveyMonkey which was administered to all LEAP Africa's social entrepreneurship Alumni (2013-2023) via email, and through the Virtual Community of Practice. An informed consent was obtained from survey participants and interview participants virtually. A total of 44 survey responses was received from SEP Alumni with social enterprises across 10 countries (Benin Republic, Ghana, Kenya, Malawi, Nigeria, Rwanda, South Africa, Tanzania, The Gambia, and Uganda).

Qualitative Data was collected through Virtual Key Informant Interviews conducted with 14 social entrepreneurship fellowship programme Alumni with social enterprises located in nine countries (Burundi, Cameroon, Cote D'Voire, France, Ghana, Nigeria, South Africa, South Sudan, and United States of America).

Quantitative Data was analysed using Microsoft Excel, and Microsoft Power BI, while Qualitative Data was analysed using Thematic analysis.

The research faced limitations due to a low survey response rate. This was mitigated through In-depth qualitative interviews and the use of secondary data sources to enhance the robustness of the findings.



Figure 2: Map showing Geographical Coverage of SEP fellows equipped by LEAP Africa

RESEARCH FINDINGS

This section presents the findings from our in-depth research on social entrepreneurship in Africa, examining financial management practices, regulatory environments, and the pressing challenges and emerging opportunities faced by changemakers. Central to these insights is the remarkable 10-year impact of LEAP Africa's Social Innovators Programme.

Gender Disparity: Among the social entrepreneurs, 63.6%, were males while 36.4% were females. Persons with Disability and Internally Displaced persons accounted for 2.3% each. The gender disparity recorded is similar to that reported in Nigeria, where 63% of social enterprise leaders were males, and among Congolese social entrepreneurs, where social enterprises were largely owned by males, and women-led social enterprises represented 23% of the 622 Social Enterprises.^{9,10}

Age Group of Respondents: Of the 44 social entrepreneurs from 10 African countries who participated in the research survey, more than half (54.5%) were young adults aged 26-35, while 25% were between 36-39 years old, and 20.5% were 40 years and above. These findings revealed the remarkable presence of youth within Africa's social entrepreneurship space, a reflection not just of demographics, but of a deeper truth: social entrepreneurship across the continent is being boldly led by the next generation. LEAP Africa's Social Innovator's programme played a pivotal role in this movement by empowering young social entrepreneurs with tools, skills and resources needed, thereby a youth-led transformation across Africa's social enterprise landscape. These findings corroborate that reported in the Global Entrepreneurship Monitor (GEM) where a higher proportion of young individuals (aged 18-34) are involved in start-up enterprises (61%) compared to those in operational stages (52%).

Chart showing Age of Respondents

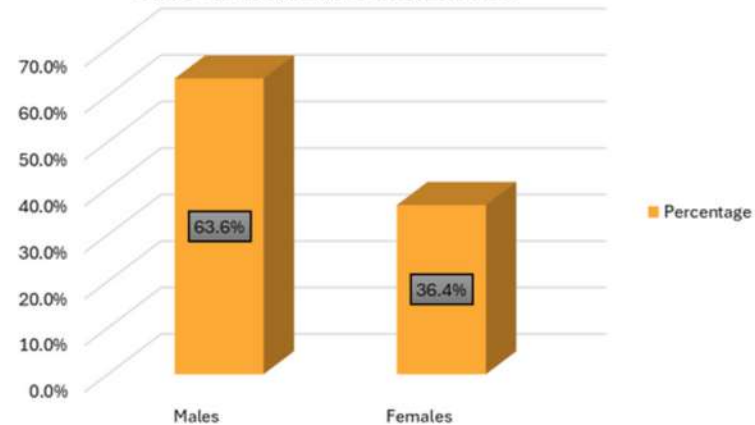
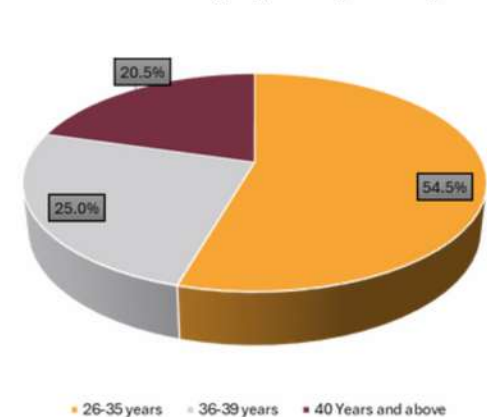


Chart showing Age Group of Respondents



Highest Educational Qualification of Respondents: More than half of the respondents of the survey had Bachelor's degree as the highest form of education, while those with Master's degree qualification accounted for 36.3%. Respondents with PhD and Higher National Diploma degrees accounted for less than 5% of the participants (2.3%) each.

These findings indicate that majority of social entrepreneurs in Africa possess at least a university-level education, highlighting the critical role of formal education—particularly undergraduate and master's degrees—as a foundational enabler for participation in social entrepreneurship. Vocational and doctoral qualifications remain less represented.

Marital Status of Respondents: Among the social entrepreneurs surveyed, 68.2% are married, 25% Single, while 2.3% each are Divorced, Separated and Widowed. The findings suggests that the majority of social entrepreneurs in Africa are married indicating that many individuals in this sector may have established personal and family stability, which could contribute to their entrepreneurial pursuits.

The single respondents form a significant minority, showing that a considerable number of social entrepreneurs are still unmarried, potentially reflecting younger individuals or those focusing on their careers before marriage. Meanwhile, those who are divorced, separated, or widowed represent a low percentage portraying that social entrepreneurship in Africa may be more common among individuals in stable relationships compared to those who have experienced marital disruptions. These trends could have implications for work-life balance, financial security, and support systems available to social entrepreneurs in different marital situations.

Chart showing Educational Qualification of Respondents

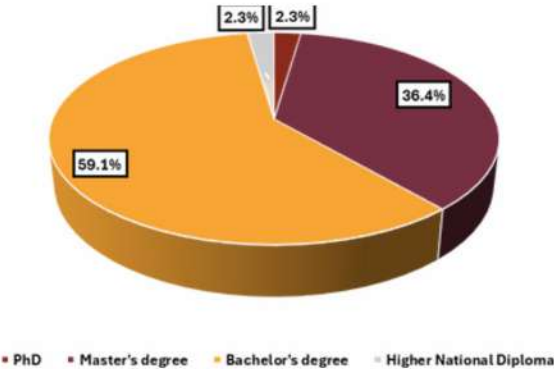
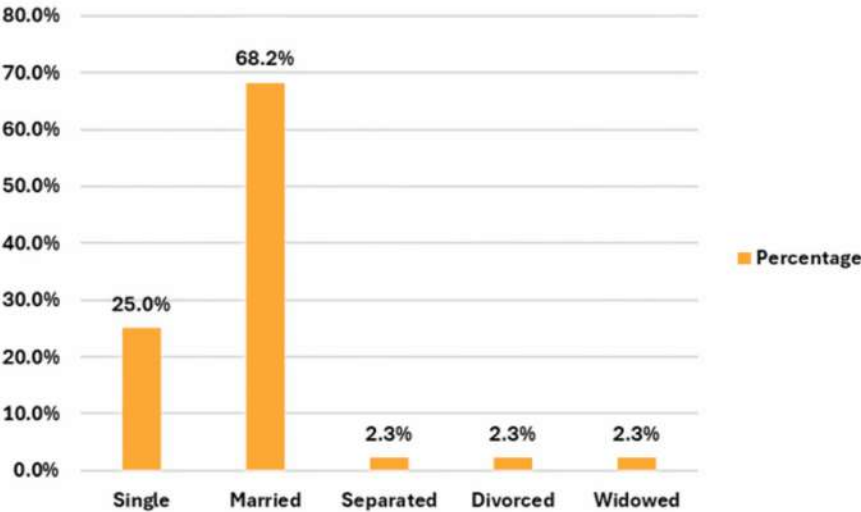


Chart showing Marital Status of Respondents



Religion of Respondents: A significant proportion (79.5%) of the respondents are Christians, 15.9% of Islamic religion, while 4.5% belonged to traditional religion.

These findings indicate that Christian communities may have a stronger presence in social entrepreneurship initiatives across the African region surveyed. This could be influenced by factors such as population distribution, faith-based values promoting social impact, or access to networks and resources within Christian communities.

Meanwhile, 15.9% of respondents identify as Muslims, reflecting the presence of Islamic entrepreneurs in the sector, though in a smaller proportion. Traditional religion followers represent 4.5%, indicating a minimal representation of indigenous spiritual beliefs among social entrepreneurs.

Geographical Location of Respondents: An uneven distribution of social enterprises was recorded. Social enterprises owned by the respondents located in the semi-urban area are 40.9%, urban areas 34.1%, and rural areas 25%.

Over the past decade, LEAP Africa has supported Social Innovators in establishing of social enterprises across diverse geographic settings ranging from semi-urban areas, urban centers, rural communities. This pattern reflects a strategic inclination toward semi-urban locations, which offer a balance between infrastructure access and closeness to underserved populations. Urban-based enterprises benefit from stronger infrastructure and funding channels, while rural enterprises—though fewer—are vital in addressing deeply rooted social and economic challenges. This distribution underscores the adaptability and reach of empowered innovators in responding to context-specific development needs.

Chart showing Religion of Respondents

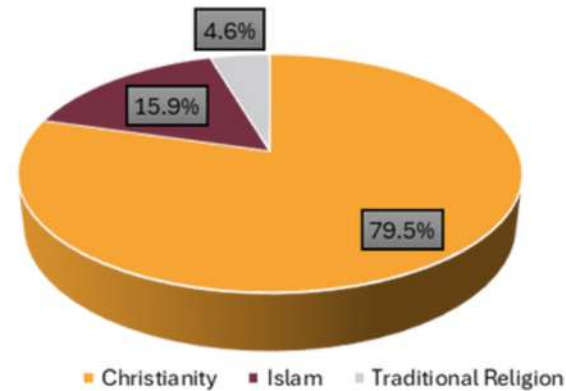
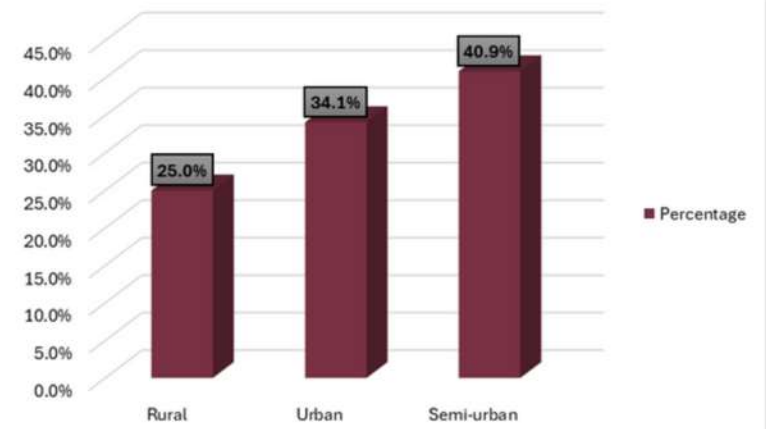


Chart showing Geographical Location of Respondents' social enterprises



Registration Status:

Among social enterprises established by the social entrepreneurs, 95.5% were registered with the Corporate Affairs Commission and a regulatory body in their respective countries, while 4.6% were not registered with any regulatory body. These findings suggest that most social entrepreneurs recognize the importance of formal registration, which can provide legitimacy, access to funding, and legal protection.

A small fraction (4.6%) of the enterprises that remain unregistered, indicate barriers to formalization, such as bureaucratic challenges, financial constraints, or a lack of awareness about the benefits of registration. Overall, these findings indicate that social entrepreneurs are largely committed to operating within legal frameworks, which may enhance credibility, compliance, and long-term sustainability. However, the presence of unregistered enterprises highlights the need for possible interventions to support full formalisation.

Year of Operation:

A significant portion (47.1%) were still in their early stages, operating between 2 to 5 years, while 38.2% were in the mid-development phase, with 6 to 10 years of operation and 11.8% have been in operation for 11-15 years.

These findings indicate that nearly half (47.1%) of the surveyed entities are in their early stages (2-5 years), still refining their structures and strategies. About 38.2% have reached the mid-development phase (6-10 years), showing stability but continued growth. A smaller group (11.8%) has operated for 11-15 years, indicating maturity and sustainability.

Respondents' Social Enterprises: Registration Status

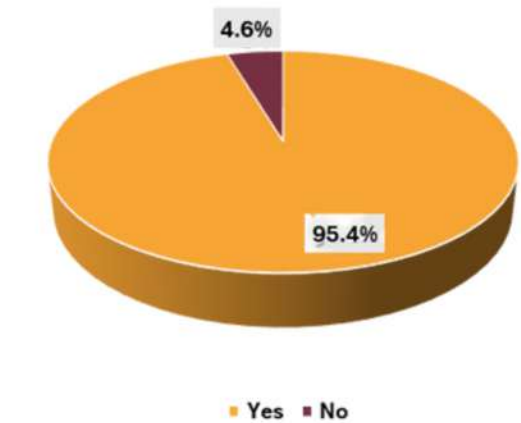
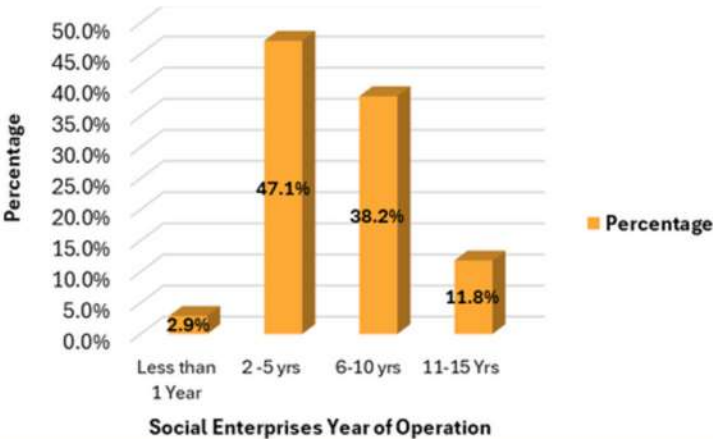


Chart showing Social Enterprises Year of Operation



Type of Social Enterprise:

Social enterprises have grown across Africa. Diverse social enterprise categories were recorded during the research such as Social Impact Business (66.2%), Non-Governmental Organization (18.2%), Corporation (4.5%), Social Impact Business and Corporation (4.5%), Non-Governmental organisation and Social Impact Business (2.3%), Social Impact Business and Profit enterprise (2.3%).

The data highlights the growth and diversity of social enterprises across Africa, with the majority (66.2%) operating as Social Impact Businesses, reflecting a strong preference for business-driven models that generate both profit and social impact. Non-Governmental Organizations (18.2%) also play a significant role, emphasizing the continued importance of nonprofit approaches in addressing social challenges.

Other structures, such as Corporations (4.5%), hybrid models like Social Impact Business & Corporation (4.5%), and combinations of Social Impact Business with Non-Governmental Organizations (2.3%) or Profit Enterprises (2.3%), suggest that African entrepreneurs are adapting social enterprise models to fit diverse economic and community needs.

For a period of ten years, LEAP Africa has been at the forefront of empowering social entrepreneurs who are driving transformative change across Africa. Through sustained support and capacity-building, we have catalyzed the growth of social enterprises delivering innovative, locally driven solutions in diverse and critical areas—including Active Citizenship, Advocacy and Social Inclusion, Agriculture, Business Support and Economic Empowerment, Climate Change, Education, Environment, Health, Media, Renewable Energy, Technology, Peacebuilding, Security, Telecommunications, Sanitation (Wastewater), and Sustainable Tourism.

Chart showing Type of Respondents Social Enterprise



These social enterprises are not only addressing some of the most pressing challenges facing communities today but are also fostering inclusive development, promoting environmental sustainability, and advancing equitable access to opportunities. Their work continues to strengthen systems, inspire civic engagement, and create lasting social and economic impact across rural, urban, and semi-urban contexts.

This diversity signals the progression of social entrepreneurship in Africa, showing that individuals and organizations are innovating and tailoring their approaches to address social and economic challenges in Agriculture, Health, Media, effectively. The presence of multiple models underscores the flexibility of social entrepreneurship in Africa, allowing businesses to balance financial sustainability with social impact.

The image is a composite graphic. The background is a light gray surface with a series of parallel, diagonal white shadows cast across it from the top left. On the right side, there is a close-up of a rusty chain-link fence. A single, blank, yellow rectangular sticky note is attached to the fence with a small metal fastener. At the bottom of the image, the word "RESILIENCE" is written in a large, bold, white, sans-serif font. The letters of the word are semi-transparent, allowing the fence and shadows behind them to be visible.

RESILIENCE

ECONOMIC CHALLENGES AND THE RISE OF SOCIAL ENTERPRISES IN AFRICA

According to the Global Enterprise Monitor, aside Australia and the United States, Sub-Saharan Africa boasts the largest share of social entrepreneurs globally.¹¹

Recent economic and social indices show that many countries in Africa still face several development challenges.¹² In the last five years, just three (Ethiopia, Benin and Rwanda) out of 54 African economies have experienced annual growth rates exceeding 6%.¹² This marks a decrease from 12 economies in the earlier decade, and no African nation has achieved a significant increase in average per capita income, with half experiencing a decrease, including major economies like Nigeria, South Africa, and Algeria.¹²

The region's average Ease of Doing Business score was less than 40, which is lower than the global average of 63.¹³ The region's average Corruption Perceptions Index score was 33%, with 90% of sub-Saharan African countries scoring below 50%.^{14,15} Despite these challenging factors, Social Enterprises have continued to emerge and thrive in Africa.

Research reports have shown that, in addition to significant personal life experiences and a strong intentional mindset for improving livelihoods and creating impact, poverty and challenging socioeconomic conditions are important factors that drive individuals towards engaging in social entrepreneurship across the continent.¹⁶



A Bramble Network beneficiary and LEAP Africa Youth Enterprise Fund alumnus, driving educational transformation in Africa through alternative models, technology, and community-based solutions in Ibadan, Nigeria.



REGIONAL

DYNAMICS

AFRICA'S REGIONAL DYNAMICS IN SOCIAL INNOVATION

In the past decade, social entrepreneurship in Africa has undergone several dynamics. In South Africa, interest in and engagement in social entrepreneurship and Innovation has been on the increase.^{3,17} This is evidenced in growing international and domestic research on social entrepreneurship in South Africa; the creation of learning hubs for knowledge exchange such as the Bertha Centre for Social Innovation and Entrepreneurship (BCSIE) at the University of Cape Town); and the formation of practitioner networks.¹⁷

Conversely, social entrepreneurship in the Democratic Republic of Congo (DRC) is still at the nascent stage.¹⁰ However, social enterprises are receiving increased recognition from customers, donors, and the government and have designed solutions tailored towards addressing health, waste, financial inclusion and livelihood challenges.¹⁰ Furthermore, Grassroots social enterprises have re-emerged with a rapid rise of new information and communication technology (ICT) in certain areas of service delivery.¹⁰

Notably, progress for social entrepreneurship in the Democratic Republic of Congo has been uneven across sectors and geographies. Urban areas are characterised by a higher level of entrepreneurial activity, including social entrepreneurs while rural areas have limited social enterprise.¹⁰ This may result from information gaps on grassroots and community-based organizations, which are rarely registered, and the lack of rural entrepreneurship data.¹⁰

Social enterprises in the DRC are active at local, national, and international levels, but their operational reach remains limited.¹⁰



SEP Alumni - Mfuoe Ratshikombo- CEO & Founder, Oumies Grande, South Africa

Gender Disparity is prevalent among Congolese social entrepreneurs with the majority being males while women-led Social Enterprises represented 23% of the 622 Social Enterprises reported in a study.¹⁰ Furthermore, The Democratic Republic of Congo ranks 182 out of 190 countries for Ease of Doing Business in the World Bank's report, and the ecosystem conditions currently do not meet the needs of the private sector.¹⁸

In Kenya, social entrepreneurship has experienced a vibrant landscape. The percentage of female-led social enterprises (44%) in Kenya is higher Gender disparity.¹⁹ This can be attributed to the concerted effort to empower women through various initiatives such as state intervention through constitutional reform, setting the target of eliminating the gender gap by 2030, and the creation of funds specifically targeting women such as Women's Enterprise Fund and Uwezo Fund.^{19,20} However, one in ten social enterprises in Kenya operate internationally.²⁰

Social enterprises in Ethiopia were established to address mainly mental health and education issues facing vulnerable persons in the society.²¹ Erk Mead is a social enterprise that focuses on mental health and education by delivering programmes for children and youth via a radio show and other media platforms.²¹ Ethiopia's social enterprise sector thrives within a supportive ecosystem comprising of the Social Enterprise Forum launched in September 2016 to connect entrepreneurs, investors, government, businesses, and NGOs for lasting impact.²²



SEP Alumni - Joyce Rugano, Founder, EcoRich Solutions, Kenya on the field with stakeholders

In many developing countries, such as Burundi, Small and Medium Enterprises (SMEs) play a crucial role in driving economic growth.²³ Small and medium enterprises in Burundi are enterprises that have between 10 to 250 employees and there are in different categories such as services, commerce, manufacturing, among others.²³

In Burundi, SMEs contribute to the realization of Vision 2025 by creating job opportunities, generating government revenue, and helping to reduce poverty and income inequality.²³ Policy makers in Burundi are committed to promote small and medium-sized enterprises since 2011, some changes have taken place.²⁴ According to Burundi's Private Sector Development Strategy (PSDS), the SME sector, primarily comprising manufacturing, services, and commerce, contributed 13% of the country's Gross Domestic Product between 2014 and 2020. Notwithstanding that the expected contribution of SMEs to Gross Domestic Product was over 50%, their performance has not been realized to its full potential, thus hindering their contribution to the socio-economic development of Burundi.²⁵

Social entrepreneurship in Burundi is shaped by regional dynamics that influence the growth and sustainability of small and medium enterprises (SMEs). While SMEs play a critical role in driving economic growth, their development varies across different regions due to disparities in infrastructure, access to capital, and market opportunities.²³ Urban areas, particularly Bujumbura, have a higher concentration of SMEs due to better access to financial services, skilled labour, and government support programs.²³



SEP Alumni - Jolis Nduyiwimana
- CEO, WEGE Company, Burundi

In Morocco, the social entrepreneurship ecosystem is still nascent however social enterprises are on the increase.²⁶ Social enterprises in Morocco are focused mainly on building awareness and education about social entrepreneurship, incubation or mentorship programmes that provide early-stage capacity building support.²⁶

Geographical distribution of social enterprises in Morocco shows the concentration in large, urban areas, such as Rabat, Casablanca, Tangier, Marrakech and Fes.²⁶ This could be due to the presence of social amenities that support the operation of social enterprises. Similarly with other African countries, social enterprise leadership in Morocco is dominated by men, with 64% of the social enterprises surveyed being led by men.²⁶

As an emerging economy, Nigeria is still in the early stages of social enterprise development. Nigeria is currently experiencing a burgeoning social enterprise landscape.⁹ Much progress remains to be made when it comes to gender parity in leadership, because 69% of social enterprise leaders, and 63% of mainstream business leaders are males.⁹

There are currently no specific laws governing social enterprise in Nigeria. However, social enterprises are, by their nature, businesses and therefore, in theory, have access to, and benefit from, the policy landscape for businesses more widely.⁹

The regional dynamics of social entrepreneurship in Morocco and Nigeria reflect both opportunities and challenges shaped by economic, social, and policy environments. Addressing these regional disparities through policy interventions, gender-inclusive initiatives, and improved access to resources could enhance the impact and sustainability of social entrepreneurship in both countries.



SEP Alumni - Chioma Ukonu - Founder and COO of Recycle Points, Nigeria

BARRIERS FORESIGHT OPPORTUNITIES



BARRIERS, FORESIGHT AND OPPORTUNITIES FOR SOCIAL ENTERPRISES IN AFRICA

One in ten social enterprises in Kenya operates internationally.¹⁹ A major challenge experienced by social enterprises in Kenya is limited access to capital.¹⁹

Furthermore, there is no government policy or legislation specifically that regulates social enterprises in Kenya.¹⁹ Hence, social enterprises are obliged to make use of existing legal structures also used by other private or third sector organisations.¹⁹

Similarly, in Morocco, there are currently no policies explicitly aimed at regulating the operations of social enterprises.²⁶ A few governmental initiatives effectively support social enterprises, including the National Initiative for Human Development, Ministry of Handicrafts, Social Economy and Solidarity launched their National Strategy of the Social and Solidarity Economy 2010-2020 to promote the wider social economy including social enterprises.²⁶

In Morocco, social enterprises are constrained majorly by limited access to finance and resources, nonavailability of adequate workspaces, lack of awareness about social entrepreneurship in Morocco, Government regulations, and a lack of business support and advice.²⁶

Social enterprises in Burundi encounter significant challenges such as strict legal regulations, competition from large corporations, limited access to financing, and outdated technology.²⁷ These challenges are further compounded by an evolving landscape driven by shifting consumer demands, technological advancements, and increasing quality standards.²⁸



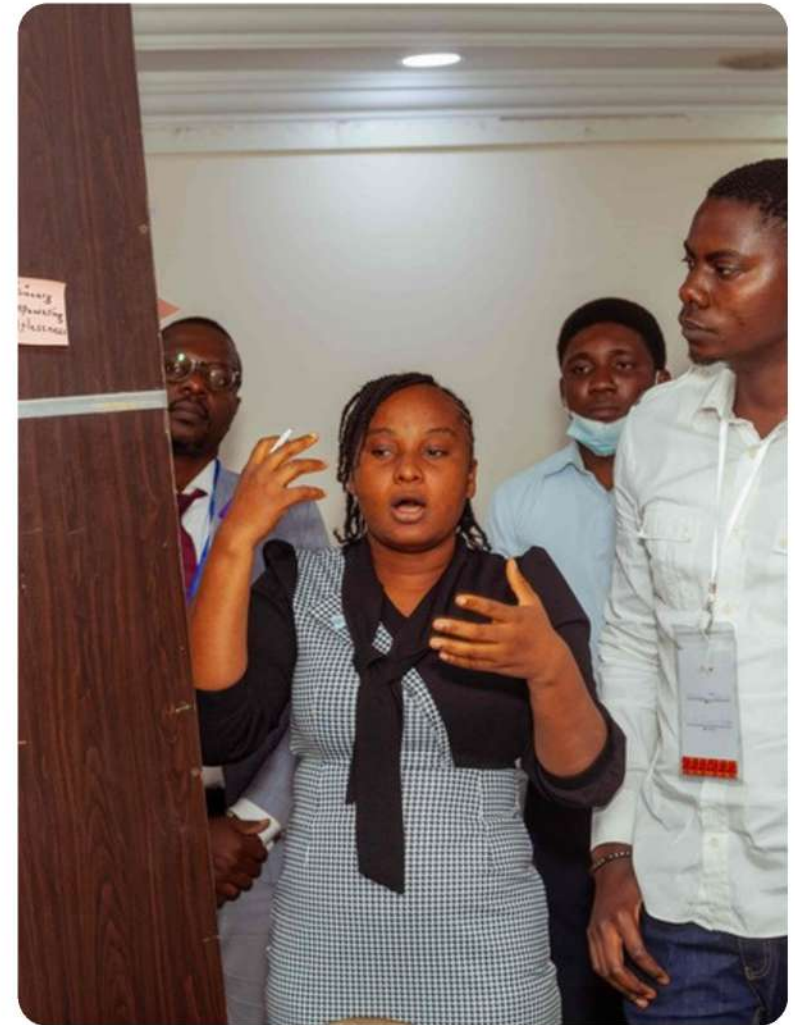
SEP Alumni - Alero Ogholi- Founder, Rural Development and Reformation Foundation (RUDERF) speaking during Panelist session SIPA 2018/2019 Graduation event

In Ethiopia, there is no distinct legal form or registration process for social enterprises.²² A study conducted by the British Council reported that in Ethiopia there is no distinct legal form or registration process for social enterprises.²² Major challenge faced by Social enterprises in Ethiopia is similar to that in Kenya, a lack of access to capital.²²

In Nigeria, there are currently no specific laws governing social enterprises. However, social enterprises are, by their nature, businesses and therefore, in theory, have access to, and benefit from, the policy landscape for businesses more widely.⁹ Laws around taxation discriminate against social enterprise. Since social enterprises have no single or unique legal form in the country, they are taxed in the same manner as business entities.

Financing issues remain a major challenge experienced by social enterprises in Nigeria.⁹ Although, the social enterprise landscape in Nigeria has witnessed the presence of investors such as: Nigeria Capital Development Fund, LEAP Africa, Acumen West Africa, Tony Elumelu Foundation, Lagos State Employment Trust Fund, African Development Foundation and several others.

These stakeholders have supported social entrepreneurs with funding and including technical supported require to operate their enterprises thereby contributing to sustainability and long-term impact of the innovation rolled out by social enterprises.



Assurance Chinemerem, Founder, OnePad Reusable Menstrual Pad speaking during SIP fellows workshop

in South Africa, social enterprises operate in an environment characterised by limited state resources and support, and declining international donor funding.³ Also, there is no clearly specified policy regulating the operations social entrepreneurship in South Africa, including lack government support, which is reflected by the lack of a supportive legal environment.²⁹

Other challenges include difficulty in retaining employees, poor location and networking and high crime rate. South Africa has one of the highest crime rates globally, with business property break-ins remaining prevalent. This high crime rate hampers the growth and performance of social entrepreneurs.²⁹

Social enterprises operate in an environment characterised by limited state resources and support, and declining international donor funding. Social entrepreneurs face a funding dilemma, as many financial institutions struggle to clearly define their nature.³⁰ They are often rejected by philanthropic organizations for being perceived as too business-oriented, while traditional investors dismiss them for prioritizing social impact over profit.³⁰ A major challenge they encounter is the difficulty in attracting donors, which is crucial since their survival depends on institutional partnerships and support from well-wishers.³⁰

In the Democratic Republic of Congo, social enterprises face challenges of complex regulations, limited access to finance, weak physical infrastructure, fragmented markets, skill shortages, and lacks a dedicated legal framework or supportive policies.¹⁰ All of which constrains entrepreneurial activity and growth, result in weak supply of credit, and increases production and distribution costs.¹⁰



Adaorah Enyi - CEO Co-founder, Oncopadi Tech speaking during SIPA 2023

While supportive government policies and ecosystem players such as non-governmental organisations, investors, and corporations are crucial for the success and sustainability of social enterprises in Africa, research have shown that in some cases, the sense of entitlement of social entrepreneurs might hinder the growth of their social enterprise.³¹ Therefore, social entrepreneurs may be driven by more than just altruistic motives, but also by the associated gains, recognition, influence, and a sense of social worth.^{32, 33}

Social initiatives will be widely accepted if it mirrors the needs and aspirations of the people.³⁴ Hence, building sustainable social enterprises requires grit and persistence.³⁴ The ultimate value of a social initiative is determined by its usefulness and the social good it delivers to the largest number of people in the society.³⁴

LEAP Africa's Social Innovators Programme is a year-long accelerator fellowship that empowers young change makers through a holistic approach of building their capacity, connections and credibility.³⁵ SIP also provides a platform for training, supporting and showcasing a new generation of change leaders across Nigeria to scale their social innovations and sustain the impact of their enterprises.³⁵

With less than six years to achieve the global goals, many African countries still fall far behind at actualising the SDGs, hence young people need to be equipped to be at the forefront of social transformation. The SIP fellowship equips young people aged 18-35 years with the skills and resources they need to turn their social innovations into sustainable enterprises.



SIP Alumni Wale making contributions during SEP programme workshop held in Nigeria

This fellowship programme culminates in an awards ceremony to showcase the most outstanding social enterprises and success stories within a cohort annually.³⁶

For a period of 10 years, 294 fellows have undergone the fellowship programmes, across 13 African countries with over \$6,000,000 in funding and revenue generated.

The fellowship programmes has also pivoted topnotch solutions in key areas such as: Agriculture, Art, Clean energy, Education, Sustainable environment, Healthcare, Human Rights, Law, Science and Technology, Sanitation and Social Inclusion/Advocacy, Youth Empowerment.³⁶⁻³⁸ The SIP programme has led to improved capacity of fellows in the following key areas: Pitching, and Fundraising.

The capacity building and mentorship component of the fellowship received by the fellows has helped them structure their enterprises for sustainability and scalability.³⁶⁻³⁸

Furthermore, LEAP Africa's SIP also employs Virtual Community of Practice in Fellows Engagement. This has provided support for fellows through relevant information and resources for their organisational development, including improving fellows capacities in pitching and fundraising.

Reports have shown that social entrepreneurs emerging from these fellowships are contributing to reshaping the socioeconomic landscape of the continent.



Ogochukwu Ekezie (Former, Chief Brand & Marketing Officer, Union Bank Plc) during delivery of opening remarks at SIPA 2020

WHAT
WE ARE
LEARNING



A Decade's Worth of Learnings From LEAP Africa's Social Entrepreneurship Programme

Financial Management

LEAP Africa explored the financial management structure of social enterprises across Africa. 79.55% of the 34 social enterprises surveyed have a designated finance officer, while 81.82% have finance policies guiding their operations, indicating a structured approach to financial management.

Findings from the qualitative research indicate that LEAP Africa's Social Innovators Programme was instrumental in enhancing the financial management structure of the social enterprises. Out of the 14 social entrepreneurs interviewed, 71% of the social enterprises were found to have Structured Financial Management and established Financial Systems, with 14.3% reported having financial Management Tools in Place while (7.1%) reported facing challenges regarding financial management systems.

Additionally, Improved Financial practices were observed among 21.4% of the social enterprises interviewed.

A solid financial management system is paramount to the growth and sustainability of social enterprises in Africa. The research revealed that 70.5% of social enterprises surveyed secured new funds after completing LEAP Africa's social entrepreneurship programme. Furthermore, 78.6% of the SEP fellows interviewed have accessed new funds post-SEP demonstrating the programme's role in enhancing financial sustainability, and this occurred due to improvement in financial management structure which enhanced accountability and trust to Donors.



Policy Regulations - The Case of West Africa: Policy regulations are crucial in determining the nuances of various sectors including the social entrepreneurship ecosystem. Our research found that in most African countries, there are no dedicated agencies to oversee the work of social enterprises therefore there are few sector-specific policy regulations. The existing regulations cover taxation and registration of social enterprises and in most of these countries, social enterprises are subjected to the same tax regulations as for-profit organizations.

In Nigeria, the Companies and Allied Matters Act (CAMA) 2020 was widely recognized as the fundamental regulatory policy for social enterprise registration and operations while the Corporate Affairs Commission (CAC) is the regulatory body for legal status and operations, playing a crucial role in formalizing social enterprises.

Other policy regulations include the National Health Act (2014), the Nigeria Data Protection Regulation (NDPR), the Nigerian Startup Act 2022, the National Policy on the Social Enterprise Sector (2022), and the regulatory agency NAFDAC. These policies illustrate how social enterprises interact with sector-specific regulations, ensuring compliance with national standards in health, data protection, and startups..



In East Africa, Malawi, regulatory policy mechanisms identified include tax laws, Micro, Small, and Medium Enterprise (MSME) policies, and renewable energy policies.

Micro, Small, and Medium Enterprises (MSME) Policies help to provide access to resources and support for social enterprises within the MSME category such as duty-free importation of capital equipment and machinery, raw materials spare parts, and other inputs, and also promote a system that helps to foster access to finance for social enterprises. Renewable Energy Policies and certification Policies are country-specific regulatory requirements that regulate social enterprise operations, such as quality control and environmental sustainability.

However, in South Africa, sector-specific policies that regulate the operations of social enterprises in the country exist. Policies and Regulations such as Broad-Based Black Economic Empowerment (B-BBEE) Act (2003), Health and Safety regulations, Compensation for Organisational Injuries and Diseases (COIDA), Unemployment Insurance Fund policy, Food and Health Safety regulations such as HAZAP, HACCP, etc.

These policies promote economic inclusion and secure funding and contracts for social enterprises and also help to ensure that products comply with the health and safety standards of the organization and also to ensure that consumers access healthy food



Geography of Operations: For a period of 10 years, LEAP Africa's social entrepreneurship Alumni have designed and implemented social innovations tailored towards addressing issues across 16 thematic areas namely: Active Citizenship, Advocacy/Social Inclusion, Agriculture, Business Support & Economic Empowerment, Climate Change, Eco-tourism, Education, Environment, Health, Logistics, Media, Peacebuilding, Renewable Energy, Sanitation, and STEM and Technology.

A higher percentage of social enterprises (40.9%) were located in semi-urban area compared to urban (34.1%) and Rural areas (25%).

The observed differences in the geographical distribution of social enterprises could be due to the relative needs of the various location as well as the relative availability of social amenities that could support the establishment of social enterprises in semi-urban and urban areas compared to rural areas.

These findings underscore the resourcefulness of social innovators across Africa and their relevance in contributing to improving key sectors of the economy in Africa.



Reach: LEAP Africa's SEP Alumni have expanded their social enterprises beyond the shores of Africa to Europe and America.

A case in point is Salubata, a social enterprise that repurposes old plastic waste into stylish modular shoes founded by Fela Akinse and Yewande Akinse with a social enterprise presence in France (Paris), and the United States (California and Los Angeles). Salubata products are also available in about 54 countries across the world and patents in China, Ethiopia, and Kenya.

I'm Human Organisation has also expanded project activities to Nigeria and Kenya. OnePad Reusable Pad has expanded market access to multiple states in Nigeria and Ghana with over 15,000 packs of sanitary pads sold. Findings from the research showed that The 100,000 Smiles Foundation, a dentalcare social enterprise based in Nigeria has reached over 7,000 children in 60 schools, impacted 67,000 direct beneficiaries in Kano, and 4,000-5,000 in Abuja and reached 3 million people through radio programmes on oral hygiene.

In Cameroon, I'm Human Organisation has reached approximately 5,000 direct beneficiaries. STEMi Makers of Africa has implemented projects in Ghana and the United States of America and reached 120,000 direct beneficiaries since the completion of the SIP fellowship programme.

In Nigeria, Youth Initiative for Sustainable Agriculture (YISA) has empowered 25 youth in Abia State with agricultural entrepreneurship skills in various agricultural sectors while Ecobarter serves 5,000 households within Nigeria.



SEP Alumni, Dr. Jumah Saeed (Founder & Executive Director, The 100,000 Smiles Foundation)

Increased Access to other funding, capacity-building, and mentoring programmes: Our research showed that 78.6% of the SEP Alumni have accessed financial funding worth over \$1,071,124 from local, and international donors since completing LEAP Africa's social entrepreneurship programme. The increased access to funding reflects that social entrepreneurs have become better positioned than they were before participating in the social entrepreneurship programme.

Also, 85.7% of the SEP Alumni received non-financial support in various forms such as capacity building, In-kind donations, access to mentorship and fellowship programmes. SEP Alumni Jolis Nduwana (Founder, Wege Company, Burundi) and James Madhier (Founder, Rainmaker's Enterprise, South Sudan) have participated in international fellowships such as: the West Africa Acumen fellowship, and Echoing Green Fellowship respectively.

Employment Creation: High unemployment rates remain a stark reality among youth in Africa. This research demonstrates that social entrepreneurs have contributed to job creation for 858 people across 15 African countries, France, and the United States of America.



Ecobarter's Recycle Van Collector owned by SIP Alumni, Rita Idehai

Organisational Growth and Structure: Significant improvement in organisational structure was found in most of the social enterprises that participated in the survey and interviews. Viban Velveeta (Executive Director and Founder, I'm Human Organisation) who owns a social enterprise with headquarters in Doula, Cameroon, particularly mentioned that her social enterprise experienced a significant restructuring in processes and policies after she completed LEAP Africa's social entrepreneurship programme.

Another SEP Alumni, Osamede Obayuwana (Co-Founder, TFS Cargo Bicycles), explained that his social enterprise has expanded shipping operation services and engaged in asset financing for low-income earners after completing the social entrepreneurship programme.

John Thuch Madhier (Founder & Executive Director, The Rainmaker Enterprise shared during the research told LEAP Africa that his organisation transitioned to a structured team, using impact metrics for project monitoring and evaluation after he completed the SIF programme.

These findings buttress the importance of providing technical, mentorship, and training support to social entrepreneurs to foster the sustainability of social enterprises in the long run.



James Thuch Madhier (Founder & Executive Director, The Rainmaker Enterprise) during SIPA 2022

Improved Partnerships and Collaborations: Africa is a land filled with numerous needs that cannot be all solved singlehandedly. Hence, the importance of forming viable partnerships and collaborations across the social entrepreneurship ecosystem. Findings during the research revealed that the SEP fellowship programme was an eye opener that enabled most of the SEP Alumni understand and access partnerships with other organizations that could support their organization needs.

Salubata was able to secure partnerships with Canva, and Amazon post-SIP. The technical support received through these partnerships were instrumental in providing a lifetime access and assistance to storytelling and presentation resources, which helped Salubata secure additional investments and improve market communication and reach.

After the SIF program, I'm Human Organisation secured partnerships with fintech and corporate firms in Cameroon. Similarly, Youth Initiative for Sustainable Agriculture collaborated with IFAD, Lake Chad Research Institute, and Nigerian universities after the SIP fellowship.

Increased Recognition and Visibility: Our research found that most SEP fellows' social enterprises gained greater visibility after completing the fellowship. Fela Akinse shared with LEAP Africa that Salubata has become a global case study for various organizations and universities. Alero Ogholi, Executive Director of the Rural Development and Reformation Foundation, shared with LEAP Africa that her organization has gained increased visibility and credibility since completing the SIP fellowship.



SEP Alumni, Co-Founder Salubata, Fela Akinse

CHALLENGES



Challenges Social Entrepreneurs Face in Africa

During interviews and survey research, SEP Alumni identified the following as key challenges faced by social entrepreneurs in Africa.

Corruption: Corruption within Government Agencies was identified as a major challenge by 14.3% of the SEP Alumni with enterprises in Nigeria and South Africa. This issue primarily involves the misappropriation of funds intended for local businesses and favoritism in selecting social enterprises that have connections with government officials.

Economic Instability: 28.6% of the SEP Alumni reported an unstable economic climate in most African countries was another challenge shared by the SEP Alumni interviewed. For instance, shortages in fuel which led to rising costs of raw materials, impacted raw materials collection and product distribution, unstable electricity, and internet outages were identified as bottlenecks that affect the operational cost of social enterprises in Africa. Economic instability leads to the undervaluation of African social enterprises by local investors, prompting some entrepreneurs to relocate to developed countries where they receive better recognition and greater growth opportunities.

Talent Skills Gap, Recruitment, and Talent Retention: 28.6% of the SEP Alumni was finding suitable Human Resources with the right skills and Talent Retention. Furthermore, the respondents with social enterprises located in Cameroon, and Nigeria noted that Staff Attrition makes it difficult to retain Talent within social enterprises in Africa due to relocation and getting better remuneration in other organisations.



Tosin Dabiri (Investment Manager, Strategic Investments, Chapel Hill Denham) speaking during Panelist session at SIPA 2023

Some of the SEP Alumni in Nigeria and Cameroon interviewed mentioned challenges in the staff skills gap in Grant writing, and also organisational experience about how social enterprises operate.

Funding Bureaucracy: 57.1% of the SEP Alumni identified Funding Bureaucracy as a challenge experienced by African social entrepreneurs. This was attributed to bureaucratic funding requirements stipulated by funders from social entrepreneurs in Africa. Additionally, factors such as the long period during which Grant applications are reviewed, and lengthy due diligence procedures by some funders usually delay funding and these typically do not align with the timing social entrepreneurs need funds to operate their social enterprises. Furthermore, the social entrepreneurs interviewed opined that the metrics funders most funders usually prefer to finance projects that are easy and would yield big impact numbers in the short term but with minimal long-term impact. This preference poses challenges for social entrepreneurs trying to pitch innovative solutions that, while crucial and cost-effective in the long run, require high upfront costs and longer time frames to show results.

Ignorance about Social Entrepreneurship & Mentorship issues: Only 0.1% of SEP alumni noted that a key challenge is the lack of understanding among funders regarding the operations and offerings of social enterprises, as well as difficulties with mentorship. Due to funders' limited knowledge of how social enterprises function, they often release funds in fragmented tranches, which can hinder the effectiveness of these enterprises. Additionally, mentorship challenges were highlighted, particularly instances where mentors attempt to appropriate the ideas of their mentees, undermining the core purpose of the mentorship programme.



Dr. Jumoke Oduwole (Special Adviser to the President on PEBEC and Investment) speaking during SIPA 2023

Lack of Regulatory Policies and Poor Government Support: 28.6% of the SEP Alumni interviewed reported that the lack of coordinated regulatory policies for social enterprises across various countries in Africa and poor support from the Government was a challenge.

The research revealed that in the countries interviewed, there was no specific policy that currently does not support social enterprises. In Burundi, the Government policy restricts social enterprises from withdrawing funds in foreign currency, and this affects the ability to import necessary equipment.

Poor government support is evident in the absence of crucial infrastructure like well-maintained roads, reliable power supply, and stable internet, all of which are essential for social enterprises to succeed in Africa.

Limited Access to Funding: Limitations in Accessing funding opportunities were reported by the SEP Alumni interviewed with social enterprises located in Cameroon, Nigeria, France, South Africa, South Sudan, and the United States.

Particularly, 64.3% of the SEP Alumni noted that there are very few local funding opportunities for social enterprises in Africa with massive dependency on foreign funders in developed countries limiting access to funds and being highly competitive.

For instance, in Nigeria, accessing funding locally is difficult for social entrepreneurs because businesses are only interested in funding social enterprises if they will derive benefit through marketing or any other avenue.



Lola Adekanye (Investment Manager, Country Director, CIPE Nigeria) speaking during Panelist session at SIPA 2023

Myopic Mindset: The myopic mindset attribute portrayed by some entrepreneurs was recognized as a challenge. Some social entrepreneurs in Africa pitch pity stories to funders, and these are not sustainable. This was reported by 14.3% of the SEP Alumni interviewed. Furthermore, people expect immediate results from social entrepreneurs without contributing effort.

Taxation Burden: Multi-level taxation was a significant challenge reported by 28.6% of the social entrepreneurs interviewed, with social enterprises in Cameroon, France, Nigeria, and the United States. In Cameroon, social enterprises are taxed similarly to traditional businesses.

In Nigeria, multi-level taxation is primarily faced by social entrepreneurs in the recycling sector, where taxes are imposed at various stages, including during the transportation of raw materials and the delivery of the final product.

Restrictions in funding: This was a foremost challenge identified by 28.6% of SEP Alumni interviewed with social enterprises in Nigeria, South Africa, and South Sudan. Some SEP Alumni mentioned that local and global funding is skewed, with restrictive funding criteria usually allocated to specific thematic areas such as infectious diseases and life-threatening diseases, Climate Change interventions, and Tech.

Other sectors such as chronic diseases, and dental healthcare do not receive many funding opportunities. Other factors that were identified to cause funding restriction include age limit. These factors cumulatively limit social entrepreneurs from being able to hire skilled staff and expand their social enterprises.



LEAP Africa Team during Site Visit to Osamede Obayuwana, Co-Founder The Farmer's Sons Cargo Bicycles

WHAT
LIES
AHEAD



OPPORTUNITIES FOR SOCIAL ENTREPRENEURSHIP IN AFRICA

Despite the challenging social entrepreneurship landscape in Africa, there are emerging opportunities that can be tapped into in the social entrepreneurship ecosystem. Some of the key opportunities include:

Prioritising Innovation: Prioritising innovation in product development as well as in storytelling and sustainability is a key opportunity social entrepreneurs in Africa can tap into. Innovation in terms of Systems Building, addressing issues in underserved communities with unmet needs such as Climate Change, Clean Energy, Education, healthcare, power/energy and finance sector, Gender-based ventures, community health, and youth-focused programs were identified. **Diversified Funding:** Social entrepreneurs in Africa should take steps towards tapping into Diversified streams of funding, This will reduce dependence on grants and enhance social enterprise sustainability. Diversified streams of grants including Venture Capital (VC) funding are more efficient.

Public-Private Partnerships: There are opportunities for the government and social enterprises to build mutually beneficial relationships and form alliances that would enhance the ease of operation for social enterprises across Africa. Such partnerships are not only beneficial short term but also in the medium and long term thereby contributing to the economic growth of countries where social enterprises operate across Africa.



LEAP Africa team during site visit to Rita Idehai (Founder & CEO, The Ecobarter Company)

Expanding Existing Capacity Building and Mentorship Opportunities:

Initiatives such as the LEAP Africa SIP programme, Accelerator and Incubation programmes, networking events, and educational services in South Africa were highlighted as valuable resources for social entrepreneurs in Africa.

By tapping into these opportunities, they can sharpen their skills and boost their capacities. Additionally, African social entrepreneurs should take advantage of digital platforms locally and globally to connect with peers and expand their networks.

Diversified Funding: Social entrepreneurs in Africa should take steps towards tapping into diversified streams of funding. This will reduce dependence on grants and enhance social enterprise sustainability. Diversified streams of grants including Venture Capital (VC) funding are more efficient.

Public-Private Partnerships: There are opportunities for the government and social enterprises to build mutually beneficial relationships and form alliances that would enhance the ease of operation for social enterprises across Africa. Such partnerships are not only beneficial short term but also in the medium and long term thereby contributing to the economic growth of countries where social enterprises operate across Africa.



A female poultry entrepreneur and beneficiary of TFS Cargo Bikes using a Cargo Bicycle to transport poultry eggs

RECOMMENDATIONS



OUR PRESCRIPTIONS

Lessons and Recommendations for Lasting Change Towards Prosperity



Social entrepreneurship in Africa is a dynamic and rapidly growing field, utilising innovative solutions to address pressing socioeconomic challenges. To fully harness this opportunity and achieve sustainable impact and development in Africa, a collaborative effort is essential among all stakeholders. By leveraging their respective strengths and resources, governments, NGOs, funders, social enterprises, and other relevant actors can create an enabling environment that fosters the growth and success of social enterprises. Key recommendations include:

With less than six years to achieve the global goals, many African countries still fall far behind at actualising the SDGs. Hence, young people need to be equipped to be at the forefront of social transformation.

Social Entrepreneurs



Build more innovation

Social entrepreneurs should continuously explore new product or service ideas that address evolving needs and market trends in their communities. Fostering a culture of innovation within their organisations is essential, encouraging collaboration with others and leveraging technology to enhance their offerings. Collaborating with local communities and institutions can also spur creative solutions tailored to local contexts.



Adopt an impact-readiness approach

Social entrepreneurs should clearly define their social and environmental impact, develop clear-cut, measurable metrics to track progress, and craft compelling narratives that effectively communicate their organisation's value proposition. Engaging with stakeholders to gather feedback and refine their impact measurement strategies is also crucial.



Improve application and investment readiness

Social entrepreneurs should be proactive in identifying and pursuing relevant funding opportunities and focus on refining their application materials to increase the chances of securing funding and support. This includes developing compelling narratives that articulate their mission, vision, and impact, alongside robust financial models, practicing pitching skills, and seeking mentorship from experienced individuals. Investing in training and development for your team can also enhance your organisation's capacity and effectiveness.



Upskilling and human resource development

Building a strong team of talented individuals who share your organisation's mission and values is important. Investing in continuous learning and development for social entrepreneurs and their teams is equally crucial for long-term sustainability. This can be achieved through tailored training programmes focused on leadership, management, financial literacy, and sector-specific skills. Partnerships with educational institutions and leveraging online learning platforms can facilitate access to relevant resources.



Improve organisational visibility

Enhancing visibility is essential for social enterprises to attract funding, partnerships, and community support. Entrepreneurs should invest in strategic marketing and communications strategies, including social media outreach, storytelling, and media engagement. Developing a strong online presence through websites and social platforms can amplify their mission and impact. Furthermore, showcasing success stories and case studies can help build credibility and inspire others in the sector.



Networking and community building

Building strong networks among social entrepreneurs can create a supportive ecosystem that fosters collaboration and shared learning. Organising regular meetups, forums, or conferences can facilitate the exchange of ideas and best practices. Creating online platforms for networking can also help entrepreneurs connect with peers, mentors, and potential collaborators across the continent, enabling them to tackle common challenges and leverage collective resources.

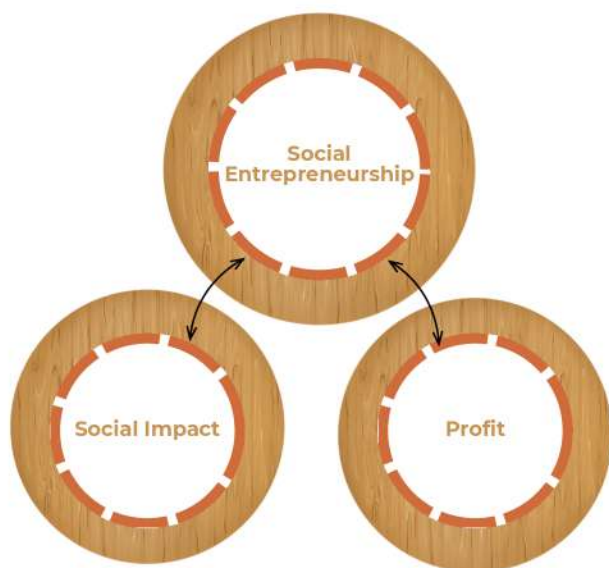


Figure 3: An overview of enabling factors for social entrepreneurship in Africa

Government and Policy Makers



Policy formulation and advocacy

In many African countries, the absence of dedicated agencies to oversee social enterprises hinders their growth and sustainability. Therefore, governments should establish dedicated agencies to support social entrepreneurship and implement regulatory policies that enhance access to funding and streamline operations. Additionally, governments should address infrastructure challenges, such as electricity and water supply, and ensure a supportive legal and regulatory framework.



Sponsor interventions to support social innovation and enterprises

Government at national, state, and local levels should prioritise targeted interventions that stimulate innovation and support the growth of social enterprises. This could include establishing funding mechanisms, such as Social Enterprise Grants and Innovation Challenge Funds, designed to provide seed capital and scale-up financing for high-potential social ventures.



Favorable tax structure

Governments should develop tailored tax incentives for social enterprises, including tax breaks or waivers specifically designed for them. This could encompass reduced corporate tax rates, exemptions on value-added tax (VAT) for social goods, and deductions for reinvested profits. Additionally, simplifying compliance processes for social enterprises will help reduce administrative burdens, making it easier for these organisations to thrive. Streamlined reporting requirements and targeted guidance will cater to the unique needs of social entrepreneurs.



Public-Private Partnerships

Governments should actively promote and facilitate public-private partnerships (PPPs) that harness the strengths of both sectors in addressing social challenges. These partnerships can mobilize resources, expertise, and networks, enabling social enterprises to scale their impact significantly.



Cocreating solutions with social enterprises

Governments should facilitate regular dialogue between government agencies and social enterprises to collaboratively identify pressing social issues and develop innovative solutions. By organising forums and workshops, governments can create opportunities for collaboration and mutual understanding. Furthermore, establishing formal feedback mechanisms will enable social enterprises to provide input on policies and programs affecting their operations, ensuring that their insights are integrated into government decision-making.



Awareness and Education

Governments can take steps toward public awareness campaigns to highlight the societal impact of social enterprises. These campaigns should emphasise the role of social entrepreneurs in addressing pressing social and environmental challenges, such as poverty, inequality, and climate change.

NGOs, Incubators, Accelerators



Create networking platforms

Networking platforms and communities should be created where social entrepreneurs collaborate to discuss more about their work and journey in the social entrepreneurship ecosystem. Such platforms would facilitate knowledge sharing, networking, mentorship opportunities and resource mobilisation among social entrepreneurs.



Establish funding linkages

NGOs, incubators, and accelerators should make efforts to establish robust funding linkages that connect social entrepreneurs with diverse funding sources, including philanthropic capital, impact investors, and government grants. For example, the African Venture Philanthropy Alliance (AVPA) actively fosters collaborations between social enterprises and impact investors, facilitating access to critical funding that supports ventures addressing pressing social issues such as healthcare and education across the continent.



Post-fellowship support for programme's alumni

NGOs, incubators, and accelerators need to implement robust post-fellowship support mechanisms for alumni of entrepreneurship programmes. This support should encompass ongoing mentorship, access to funding opportunities, and networking platforms that facilitate collaboration among alumni and industry experts.

For example, structured mentorship programmes can pair alumni with seasoned entrepreneurs who provide guidance on scaling operations and navigating market challenges. Additionally, creating dedicated alumni networks can foster peer support and collaboration, enabling entrepreneurs to share best practices and resources.



Knowledge management, mobilisation and use

There is a need for effective knowledge management systems that facilitate the systematic capture, sharing, and utilisation of knowledge among stakeholders in the social

entrepreneurship ecosystem. Many impactful initiatives by social entrepreneurs go undocumented, limiting their potential influence. Creating an accessible open-access repository, such as a Journal of Social Innovation or Journal of Social Impact, would allow social entrepreneurs to share success stories and lessons learned, thereby promoting transparency and enhancing knowledge transfer. This initiative would also enable the aggregation of best practices, case studies, and research findings, fostering a culture of learning and collaboration within the social enterprise ecosystem.



Leverage technology and create a Unified Database

A centralized, verified platform should be developed to collect and consolidate data on social enterprises across different African countries. This platform should be accessible to funders, NGOs, incubators, accelerators, and other key stakeholders to foster collaboration, improve data reporting, and enhance transparency. NGOs, incubators, and accelerators should also educate and encourage social entrepreneurs to continue leveraging technology and explore innovative tools that can streamline operations, improve efficiency, and scale impact.

Investors, Funders, Industry Bodies



Increase local support

Investors, funders, and industry bodies should prioritize increasing local support for social enterprises by facilitating access to funding from local sources and creating tailored investment vehicles. This would help reduce dependency on foreign funding, promote economic resilience, and encourage the development of sustainable, homegrown solutions.



Public-Private Partnerships

Investors and funders should advocate for and engage in public-private partnerships (PPPs) that connect social enterprises with government resources, infrastructure, and policy support. These collaborations can enhance the scalability and reach of social enterprises by providing access to critical services such as healthcare, education, and infrastructure, while simultaneously driving public sector reform. PPPs also foster shared risk, long-term sustainability, and greater collective impact.



CSR Initiatives (to support social enterprises)

Corporate Social Responsibility (CSR) initiatives are needed to support social enterprises by aligning CSR strategies with long-term social impact goals. Investors and industry bodies can encourage businesses to not just fund, but also collaborate with social enterprises to scale their solutions, integrate sustainable practices, and enhance innovation. By doing so, they create win-win opportunities where companies not only meet social goals but also contribute to local economic growth.



Co-create with social enterprises

Investors and funders should adopt a co-creation model when engaging with social enterprises, working alongside them to co-design solutions that address local challenges. This collaborative approach ensures that funding and support are more relevant, practical, and impactful. By involving social entrepreneurs in the decision-making process, funders can better understand the context and needs of the enterprises, while also building trust and fostering innovation that is directly aligned with market realities.

Education Providers



Integrate social entrepreneurship into curriculum

Incorporate social entrepreneurship into academic programmes, providing both theoretical and practical training. Create specialized courses and degree programs focused on social innovation, impact measurement, and sustainable business practices.



Strengthen entrepreneurial skills and practical training

Provide practical skills training, including financial management, business planning, and grant writing. Offer access to incubators, accelerators, and mentorship programs to help young people launch and scale social enterprises.



Partner with social enterprises and industry stakeholders

Education providers should build partnerships with social enterprises, incubators, and industry bodies to offer internships, project-based learning, and keep programmes aligned with the latest trends, ensuring they remain relevant and impactful.



Kehinde Ayeni (Executive Director, LEAP Africa); Ms. Clare Omatseye (Board Chair, LEAP Africa) and a participant during SIPA 2023 in Abuja

Conclusion

Social enterprises are driving inclusive growth and sustainable development across Africa, serving as key catalysts for positive social and economic change.

By addressing critical social and economic challenges, these enterprises bridge gaps in education, healthcare, and financial inclusion while creating jobs and fostering community resilience. Unlike traditional businesses, social enterprises prioritize impact, making them instrumental in achieving Africa's development goals.

Their ability to innovate and operate in resource-constrained environments highlights their importance in driving long-term economic transformation and social equity.

At the heart of this movement are young African entrepreneurs who, despite facing systemic challenges such as limited access to funding, policy constraints, and market barriers, continue to drive meaningful change. These entrepreneurs are leveraging technology, creative business models, and community-driven solutions to tackle pressing social issues. Their resilience and ingenuity demonstrate the potential of Africa's youth as catalysts for transformation. However, to scale their impact and ensure sustainability, they require an enabling environment that nurtures innovation, investment, and collaboration.

Therefore, the government, investors, and other key stakeholders must take decisive action to support the growth of social enterprises. This includes creating policies that facilitate access to finance, investing in capacity-building programs, and fostering networks that promote knowledge exchange and collaboration. A well-supported social enterprise ecosystem will not only empower young entrepreneurs but also accelerate Africa's progress toward sustainable development. The time to act is now—by investing in social enterprises, we are investing in Africa's future.

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