CHAPTER 10

Partnership for High Social Impact in Africa: A Conceptual and Practical Framework

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Introduction

Today's world is faced with severe challenges. Poor and emerging countries are most particularly hit by the externalities of economic transitions, deep social fractures and climate change threats. African economies, although rich in natural resources, represent some of the most affected regions. Even though the continent has registered a 5% average growth rate over the past decade, indicators unveil deep social unease and local governments' inability to absorb the growing social pressures (World Economic Forum, 2017).

This discrepancy has urged the emergence of a novel paradigm to unleash growth, based on combined contributions from governments, the

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private sector and civil society: Social Innovation. Defined by the European Commission as innovations that are both social in their ends and in their means, this type of innovation represents new ideas (including products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations (European Commission, 2017). Mulgan, Tucker, Ali and Sanders (2007) define social innovation as "innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purposes are social". More generally, the concept is considered as "a new approach to tackling intractable or entrenched, or emergent, social issues" (The Young Foundation, 2017).

Across all these definitions, a central concept arises as a major enabler of social innovation: the social innovator or social entrepreneur. Social innovation cannot happen without passionate and visionary social entrepreneurs who can go against the conventional institutional and managerial streams, and who can successfully navigate the hurdles *en cours de route*. Social entrepreneurs are the biggest source of social innovation to date (Schöning, 2013). They are change agents who disrupt the status quo and "open up the space for solutions to take root, scale and become the foundation of profound social transformation and a more peaceful and prosperous world" (Skoll Foundation, 2017).

In Africa, social innovation can be a significant driver of social transformation. Among the 200 incubators in the continent, only a few are defined as social incubators (Afric'innov, 2015). This tiny representation is an indicator of both the emergence of this field and the immensely untapped potential it represents for the continent. In this chapter, we aim to understand the social innovation context and drivers in Africa. We propose a conceptual framework that helps set the foundations for fostering social innovation growth and expansion in the continent, then we focus on Morocco as an application case and demonstrate that the proposed framework has enabled the emergence of an ecosystem conducive to greater social impact through social innovation.

The remainder of the chapter is organized as follows. First, we discuss the concept of social innovation and its underlying strands in the literature and present an overview of social innovation adoption in Africa. Next, considering some structural deficiencies related to the continent, we propose a conceptual framework for making social innovation emerge and successfully work in the region. This framework is put under scrutiny with the case of Morocco and Enactus Morocco: we analyze contextual drivers of social innovation in the country and demonstrate that the proposed framework enables positive sustainable value creation through social innovation. Lastly, we conclude and discuss the limits and perspectives of this work.

Social Innovation: The Ultimate Solution for Africa?

Overview and Main Strands

Although the roots of social innovation trace back to the early history of mankind, the concept has only recently been under scientific scrutiny. While some authors maintain that the concept emerged in the 1970s (Chambon et al., 1982), others argue that social innovators contributed to the French revolution (Godin, 2012). In general, most authors in economic thinking refer to Josef A. Schumpeter and his pivotal publication in 1912, "Theory of Economic Development". In that work, Schumpeter (1934) acknowledges the role of innovation in cultural, social and political life, and in the transformative process of "creative destruction".

During the last two decades, the concept of social innovation was discussed from different angles and seen through different lenses. Two strands remain, however, predominant in the literature: the agentic and structuralist approaches (Cajaiba-Santana, 2014; Mulgan, 2006). In the individualistic agentic approach, social innovation is seen as the outcome of the efforts undertaken by "… a very small number of heroic, energetic, and impatient individuals" (p. 13) (Mulgan et al., 2007) who are the originators of the social innovations and who are generally widely celebrated across the world. In the structuralist approach, social innovation is enabled and shaped mainly by social and institutional structures, local context and society's ability to accommodate new ideas and practices. In reality, both approaches can coalesce into an integrative perspective as equally contributing to the emergence and development of social innovation initiatives (Cajaiba-Santana, 2014).

Despite the crucial place it acquired in some critical spaces of human development, social innovation remains marginal in mainstream innovation studies as compared with technical innovation. Historically, profit maximization and economic value creation have been the main driver of technological innovation (Dawson & Daniel, 2010). In contrast, social innovations, being more concerned with and driven by the greater common good, have attracted less attention probably due to the lack of consensus around the relevance and specific meaning of the term, or to its perception by some analysts as a passing fad that is too imprecise to be applied to scientific research with enough rigor.

Social entrepreneurs have undoubtedly played a pivotal role in the development of social innovation. Freed from traditional business thinking, social entrepreneurs—also denoted as social innovators—outpace classical established organizations in discovering these innovations, prototyping them and transforming them into large-scale viable solutions. Social innovators rely heavily on design thinking as one of the most compelling processes for creating disruptive solutions for "extreme" social needs (Brown & Wyatt, 2010). Their work is chiefly based on cyclical revisiting of the interfering "spaces" of inspiration, ideation and implementation.

However, social innovators are often faced with the classical "chasm" between ideation and successful scaling up of the solution. Although this pattern is present within any typical innovation lifecycle curve, it is particularly challenging in the social innovation area which is dominated by "passionate and enthusiastic Social Entrepreneurs who burn for their solutions, [and who give] little attention … to the next steps" (Osburg, 2013).

Trapped between potentially revolutionary social innovations and the inability to readily transform them into scalable value solutions, social entrepreneurs occupy the empty space no one wants to enter, especially in ecosystems that do not foster creative entrepreneurial action for society. Therefore, the need for structured working frameworks for social innovation is pressing. In Africa where governance, institutional and cultural barriers are still important, such frameworks are even more essential for the advancement of social innovation.

Social Innovation in Africa

Today, the African economy does not create enough wealth to meet its pressing social needs. Despite the steady economic growth of the continent over the past decade, African governments have failed to translate this growth into positive social welfare based on inclusive and sustainable development. The weight of poverty and unemployment is prevalent in most countries, compounded by civil wars and political instabilities. United Nations Development Program (UNDP) experts argue that not only do inequalities deprive the poor of the positive effects of growth, but they also undermine efforts to reduce poverty. It is clear today that such macroeconomic indicators as GDP growth rate usually used to describe the situation of African countries do not faithfully reflect the social reality of the continent or the conditions of poverty in which most African citizens are being trapped. A paradigm shift has become necessary to overcome these structural problems. Social innovation, as a new concept, can play a key role in supporting national social policy and adapting it to the new societal challenges (El Ghaib, 2016).

To end poverty, protect the environment and create prosperity for all, the United Nations (UN) proposed in 2015 a new sustainable development agenda for the 2030 horizon. This agenda, which adopts a set of 17 sustainable development goals (SDGs) that cover the main challenges facing our planet, can be used in Africa as a good framework for governments, the private sector and social entrepreneurs to co-construct solutions for the many social shortcomings the continent suffers from.

If the Grameen Bank has emerged in poor Bangladesh as a tentative social support system that later developed into the reference microfinance system in the world, no apparent barriers seem to hamper the materialization of similar social innovations in Africa. Social innovation initiatives are increasingly growing in many countries. Examples include Community and Individual Development Association (CIDA) City Campus, the first private higher education institution in South Africa to offer a virtually free business degree to students from disadvantaged backgrounds; Yunus Social Business, an accelerator and fundraiser for social enterprises in Tunisia; Bridge International Academies which increases access to high-quality primary education for Kenyan children with families living on less than US$2 per day, etc. Although these initiatives are scattered, slowly growing and not yet systematized in their originating countries, they are progressively changing lives and demonstrating that social innovation can be a viable solution for excluded populations in the continent.

Nevertheless, scaling remains a chief impediment for most social innovations. As explained by Nwuneli (2016), "despite their early successes, most interventions reach hundreds and even thousands, but struggle to achieve impact at the necessary scale by reaching millions of people across the continent". In Africa, scaling is a particularly important difficulty impeding the generalization of social innovations' impact. This is due essentially to the lack of credible data for local communities for impact measurement and monitoring purposes, to the heterogeneity between communities, to the fragmented ecosystems, and finally, to the lack of talents and financial support.

PHSI: A Framework for High Social Impact

The Necessary Paradigm Shift

The national governance framework adopted by African countries since their independence is, in most cases, outdated. In general, this framework remains centered around an omniscient and omnipotent state capable of meeting all national needs. In practice and in general terms, the African State presents itself as the sole agent of development, with all its consequences and limits in terms of capacity for intervention and adapting to the rapidly changing global context.

The innovation proposed in this chapter is based on a paradigm shift that encourages going beyond the simple search for appropriate policy instruments for governments, to move towards broader research on how different societal actors can organize themselves to solve problems of mutual interest (El Ghaib, 2016; Webb, 2005).

By changing this paradigm, it is possible to directly address some of the realities of governance in the twenty-first century, such as the limits of the state in the face of globalization and lack of financial resources, or the emergence and recognition of non-state actors who can intervene and even carry out governance functions (professional associations, NGOs and communities, etc.).

Recognizing certain limits of the state and the importance of non-state actors obviously does not mean that state institutions will not remain central actors in public policy or that conventional instruments of governance will become obsolete.

In setting the 2030 Agenda for Sustainable Development, the UN had recognized SDG 17—Partnership for the goals—as one of the main goals to achieve. Indeed, "an unprecedented level of cooperation and collaboration among civil society, business, government, NGOs, foundations and others" is required for achieving a sustainable development of our planet (Stibbe et al., 2018). In fact, this partnership goal came as a response to the limitations of traditionally used state-led, top-down development approaches.

For social entrepreneurs to implement their solutions on a large-scale, strong partnerships with Governments and corporations are necessary. Social innovators, like all entrepreneurs, need strong financial support to scale their venture. It is ventures. It's not about charity or philanthropy, rather it is about partnerships that set the foundations for the co-creation of a sustainable and more impactful value.

In the following, we propose Partnership for High Social Impact (PHSI), a partnership-based sustainable governance framework for African countries to allow them to mobilize main stakeholders around common social goals such as SDGs. It will also allow them to mobilize, better allocate and monitor resources for the goals. Finally, it will help them benefit from potential investment flows on an economic, social and environmental level.

PHSI Framework

PHSI is based on the winning trilogy involving the State, the private sector and civil society, each of which plays a critical and balancing role in the collaboration dynamics that take place between the three. At the heart of these dynamics, the social innovator occupies the central connection spot which serves to align interests and to harmonize goals for sustainable value creation (Fig. 10.1). Thus, the PHSI framework seeks to set the foundations for a sustainable and high-value-adding economy through notions of sustainability and social responsibility of public, private and non-government bodies.

The Role of State

The State plays the role of strategist by putting in place a legislative, institutional and legal framework serving as a guide for governmental and public action. The State also plays a key role as the driver of this process and guarantor of good governance. As part of a new social contract, the State must allow the establishment of an open, participatory, inclusive, and responsible political system, a prerequisite condition to ensure citizen participation and support for the adoption of reforms and developmental goals. This is part of the State social responsibility which is a concept promoted by the World Bank (2011) which considers it a crucial factor for improving development objectives in terms of economic growth, social justice and public service delivery.

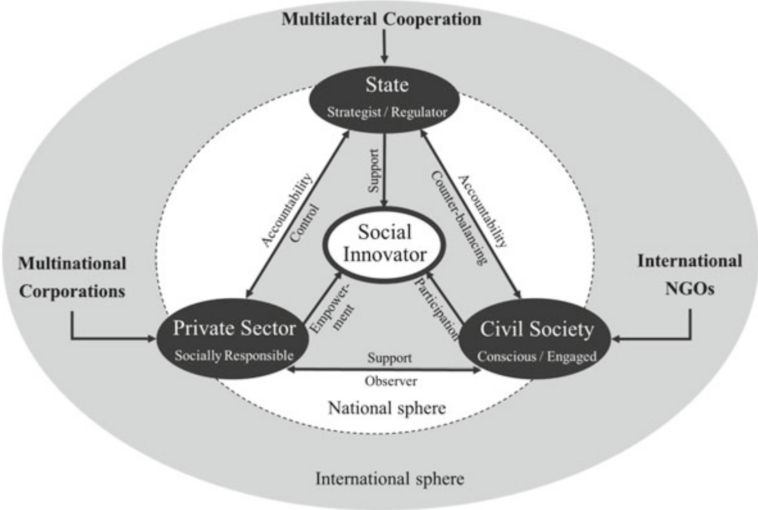

Fig. 10.1 PHSI framework (*Source* Authors)

To establish strong foundations for social innovation, the State sets the overarching vision for local institutional players to build roadmaps and execute the social innovation strategy. It supports implementation through financing, regulation, accountability and supervision.

Another key role of the African State is to create meaningful partnerships with foreign governments and international cooperation agencies, to help attract funding for social innovation and sustainability national strategies. These funds can be critical indeed to unlock financing at various stages of the social entrepreneurship value chain.

The Role of the Corporate Sector

Corporate Social Responsibility (CSR) is not a regulatory obligation. In Africa, except for a few countries that have tightened their social and environmental regulations or have regional stock exchanges that require non-financial reporting from listed companies, multinationals and even local companies are left to their own devices by the State and are their own arbiters.

In the absence of legal obligation, some fulfill their societal mission with minimum standards by adopting a charitable or philanthropic approach rather than a real structured approach of corporate social responsibility. This is the case (although not an absolute rule), for most companies from the emerging BRICS (Brazil, Russia, India, China and South Africa) countries and from major African groups or local companies that, in general, do not feel concerned by the reputational risks or threats of prosecution that non-compliance with environmental or social clauses entails. It is at this level that the State's role of legal guarantor becomes crucial in order to regulate the conditions of access of these companies to the local market (reduction of ecological impact, alignment with national community development programs, non-financial reporting ...) and impose the rule of law by applying the full force of the law—even though it is often difficult for developing countries to reject interesting bilateral agreements that can serve as levers of economic growth.

To unleash the full potential for social innovation development in Africa, private companies must integrate sustainability frameworks—as aforementioned—into their internal management and governance systems. Enterprises can be an active part of the social entrepreneurship value chain by providing financial and non-financial support to local social innovators who usually lack access to structured funding organizations and management savvy. In addition, private companies can leverage arms-length relations with multinational corporations to build partnerships around triple-bottom-line value creation that are directly beneficial to local social innovators and local communities.

The Role of Civil Society

Civil Society, for its part, must be able to play the role of counterbalancing the State and public officials. It must be committed and aware of its rights. Citizen participation, under the umbrella of Civil Society Organizations (CSOs), can lead to positive change in public provision and benefits. In Africa, CSOs can act as mediators between the State and citizens. They can be valuable allies for state authorities and can encourage positive evolution, particularly in the expression of the needs and satisfaction level of citizens with respect to public services and development projects.

CSOs also play a cornerstone role in the social transformation process in Africa by bringing in competence-building programs from international NGOs as well as financial support to implement these programs locally. This has proved vital for many sectors across the continent, particularly relating to women empowerment, childcare and human rights.

With regards to the relationship between Civil Society and Business, CSR has made progress today because of increasingly stringent consumer demands and the pressure exerted by CSOs, particularly by international NGOs.

Thus, whether through relations between State and Civil Society or Multinationals and Civil Society, citizen participatory processes and mechanisms for bottom-up dialogue encourage citizen engagement and empowerment as well as improve services and community projects.

The Social Innovator

At the heart of the sustainable value creation triangle, the social innovator drives the transformation process through multi-level close-knit relationships with key stakeholders at local, national and international levels (Fig. 10.1).

Social innovators as agents of change can play a key role in supporting state and private actors to solve societal issues that threaten growth and prosperity. They go where governments and corporations do not dare to venture. Through an approach centered on the users and their needs, social innovators work closely with Design Thinkers (Brown & Wyatt, 2010) and Human Centered Designers (IDEO, 2015) to enable high-impact solutions to come out of the bottom rather than being imposed from the top.

However, in Africa, social innovators face many hurdles and impediments that can get accentuated with loose institutions and weak governance schemes, among others. These barriers must be removed to allow them to play their role more effectively.

PHSI in Action: Focus on Morocco

Societal Deficits in Morocco: Current Situation

Many efforts have been made at the economic level to make Morocco a country in the process of emergence. With the implementation of ambitious industrialization programs, access to renewable energies and the establishment of modern basic infrastructure, the country has given itself the means to achieve sustainable economic growth. Today, Morocco is an attractive country for foreign investment. The business environment, while still having some important areas of improvement in terms of corruption or efficiency of administration, is quite conducive and can lead to economic take-off. However, given the constraints of population pressure, it would be difficult to create enough jobs for all young people entering the labor market each year. Moreover, many challenges remain in terms of human development, education, health and environmental protection to enable Morocco to make the transition to an emerging economy.

Human development in Morocco can seriously hamper any potential economic growth as it can destabilize social peace and reduce the chances of shared prosperity. In its 2018 report on inequality, global inequality and within nations, Oxfam (2018) states that Morocco has the highest level of inequality in North Africa. On average, the standard of living of the richest 10% in Morocco is 12 times higher than that of the poorest 10%. Although the poverty rate was divided by three between 2001 and 2014 (from 15.3% down to 4.8%), the number of poor and vulnerable people is still high, estimated, respectively, at 1.6 and 4.2 million inhabitants.

Education is also one of the major challenges facing Morocco. The World Economic Forum (WEF) ranks Morocco 119th out of 137 countries in the quality of primary education and 101st in vocational training and higher education. In terms of innovation, the country is ranked 76th out of 126 countries according to the 2018 edition of the Global Innovation Index. For Oxfam, education plays a key role in creating and reproducing inequalities. Despite undeniable improvements, one-third of the Moroccan population is still illiterate and nearly three-quarters of young graduates are unemployed.

In terms of health, the WEF ranks Morocco 88th out of 137 countries. Despite the efforts of the Moroccan government, the World Health Organization (WHO) says that 40% of deaths are due to cancer and metabolic diseases, 20% of the population is 10 kilometers from a health facility, only 6 doctors are available per 10,000 inhabitants and, finally, 50 to 60% of drugs are more expensive than in neighboring countries.

Social inequalities and inadequacies in education and health justify the weakness of the Human Development Index (HDI) and rank Morocco 123rd out of 188 countries in 2018.

Finally, and with regard to environmental challenges, Morocco remains fragile and threatened by the risks of climate change and pollution. Desertification, water stress, deforestation, air and water pollution and solid waste management are all issues that threaten the environment in Morocco and its sustainable development.

Social disparities and environmental challenges exacerbate poverty and exclusion and call for urgent human development initiatives. Some of these initiatives have been launched over the last fifteen years, such as the National Initiative for Human Development (INDH), the Rural Drinking Water Supply Program (PAGER), the National Construction Program (PNCRR) and the Global Rural Electrification Program (PERG). Other initiatives in the field of social protection have also been launched, such as medical coverage or special funds for social cohesion and mutual assistance which aim to improve the living conditions of the poorest populations and to fight against poverty, precariousness and social exclusion.

Although these human development initiatives were heavily mobilized by government and business, they did not allow for a profound social transformation among the target populations. To date, the economic and social gap between the poor and the rich is widening (Oxfam, 2018). This situation questions the viability and sustainability of such a model of social support and calls for new social development systems that can create tangible and sustainable social and economic value.

Mapping of Social Innovation Players

The social innovation ecosystem in Morocco is at an embryonic stage. A few highly fragmented players compound the scene where a strong need for social startups is yet to be met. While the Global Entrepreneurship Summit held in Marrakech in November 2014 and the King's speech for entrepreneurship endorsement are two flagship events that gave momentum to the start-up sector, only a handful of organizations are today shaping the Social innovation development market. They are unequally balanced both in size and impact produced. While mainly headquartered in the two most important cities of the country, Rabat and Casablanca, they are nevertheless striving to reach out to the other regions of the country. We categorize these players into three main groups: the inspirers, the accelerators/incubators and the financiers (Fig. 10.2).[1]

We define *inspirers* as organizations that search for and nurture the social entrepreneurship potential in young adults. Their actions may take several forms including inspirational conferences, motivational speeches, competitions and empowerment programs. The inspirers are generally

[1] In this categorization, we present only the incubators that are exclusively focused on high-impact societal projects. Other more traditional players are not cited here.

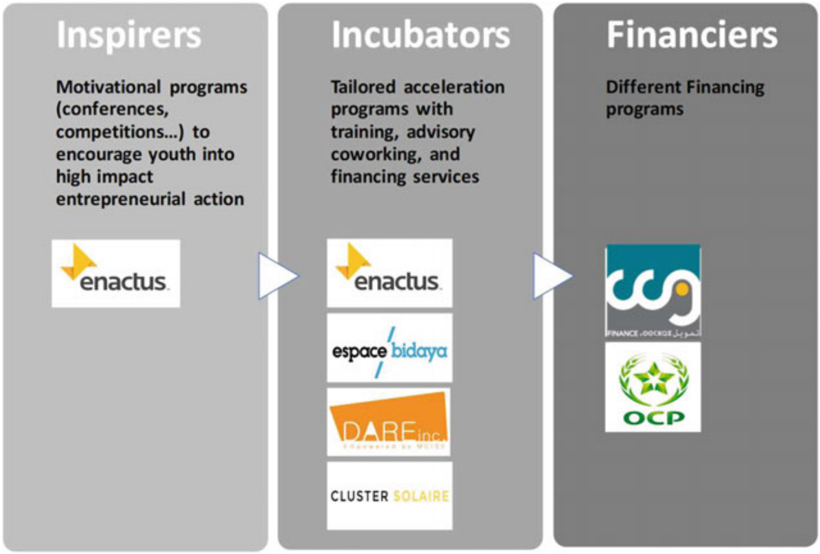

Fig. 10.2 Social innovation players in Morocco (*Source* Authors)

backed up by representatives of international organizations whose vision and mission lay in high-impact entrepreneurship and social innovation. In Morocco, one major actor fits in this category: Enactus. Besides other programs at other stages, Enactus Morocco is heavily invested in inspiring university students for social entrepreneurship. The organization focuses on four innovation strains: high-impact social entrepreneurship, sustainable agriculture and food security, priority social sectors (Education, Health and Energy) and energy efficiency and environmental sustainability.

The *incubators* host the social ventures at the pre-seed or seed stage and provide them with ecosystems of support ranging from training, advisory to mentorship and capacity building. Some accelerators, such as Enactus Morocco, also offer connecting platforms between the startups and existing financing programs and institutions.

Financiers offer investment capital in different forms: subsidies, debt, equity and/or honor loans. The major institutional players are OCP Group and Caisse Centrale de Garantie (CCG). Their respective financing strategies are depicted later.

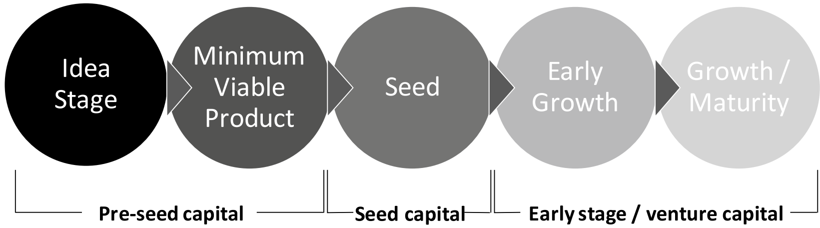

Fig. 10.3 Lifecycle of startups (*Source* Authors)

Finally, after scanning the overall social innovation environment, we observe that each of the players falls into a single category except for Enactus Morocco which acts simultaneously as an inspirer and as an incubator. Enactus Morocco also presents a unique business model that has enabled the organization to increase both impact and scalability potential. Its organizational business mode is described below.

Financing Modes

Financing the seed phase of startups and innovative enterprises is, in general, one of the major constraints to the development of innovation in Morocco and Africa. Social innovation and more specifically social impact in Morocco and Africa, has always stumbled against the financing constraints of the early-stage and seed phase, especially during the first development steps of innovative startups.[2]

The entrepreneurial process for startups is quite complex and "requires specialized and tailored technical and financial supports depending on the development phase of the startup from the idea stage to full maturity and high growth". Understanding the life cycle of startups and the needed support is key for supporting the emergence of a dynamic entrepreneurial ecosystem and boosting the entrepreneurial activity (Fig. 10.3).

In Morocco, the entrepreneurial ecosystem is growing but fragmented. However, beyond this fragmentation, the social entrepreneurial ecosystem is characterized by:

[2] In this chapter, we are excluding income-generating activities or what can be described as "survival social entrepreneurship".

- a low intervention capacity of supporting organizations in accompanying innovative projects and startups in terms of training and funding.
- a virtual absence of access to adequate financing for innovative projects and startups.
- an absence of intermediation structures between supply and demand for financing social innovation projects.

Removing these constraints requires special attention from various stakeholders: government, businesses, banks and financial institutions and the international community. The experience of Morocco in this sense is interesting and deserves to be quoted and described.

Two turning points mark this experience. The first decisive turning point was the action taken in 2013 by OCP Group, as part of its social responsibility, to strengthen the Moroccan entrepreneurial ecosystem. The second turning point was the launch in 2017 by the Moroccan public financial institution CCG of a specialized fund to finance the seed phase of innovative startups and support the development of innovation in Morocco. The CCG's action has also been accompanied by measures taken by the Moroccan Government in the framework of the 2018 Finance Act. These two dates constitute strong milestones leading to the reinforcement of the entrepreneurial ecosystem, and more particularly of the social innovation ecosystem in Morocco.

OCP Group's intervention in 2013, through the OCP Entrepreneurship program, is part of this state-owned company's desire to create shared value (CSV) with the communities in which it operates (Porter & Kramer, 2011). After three years, the program has empowered innovative entrepreneurs and strengthened the capacities of startup-supporting organizations such as Réseau Entreprendre Maroc, Enactus Morocco, StartUp Maroc, etc. Support from the program in terms of capacity building and financing of pre-seed phases of startups is described in the case of Enactus Morocco. This program has been designed over a period of three years with a gradual decrease in the Group's financial support in favor of self-sustainability and/or support by other donors.

The second point of inflection is related to the entry in the running, in 2017, of CCG and the launch of Innov Invest Fund (2IF). The objective of the 2IF fund is to increase the offer for innovation financing and seed funding for entrepreneurs and innovative startups, particularly through the mobilization of private sector financing (Fig. 10.4). The project's interventions are aimed at:

(1) bringing out innovative projects and financing the most promising ones;
(2) increasing the interest of ecosystem actors in financing innovative startups;
(3) contributing to strengthening the ecosystem in terms of funding innovative projects and startups in their early-stage of development.

To create a regular deal-flow of innovative projects, CCG is developing partnerships with active Moroccan support organizations. It aims at labeling ten support organizations that will ensure support services and funding to about 30 innovative projects over the three-year certification period. In total, some 300 projects will be supported in their pre-seed phase by providing entrepreneurs with both technical support (coaching, mentoring, networking, incubation, prototyping, etc.) and funding (grants through "Innov Idea" and/or honor loans through "Innov Start"). The purpose of these services is to improve the quality and viability of accompanied projects, thus enabling them to access, in their seed phase, larger amounts of financing in the form of equity and/or

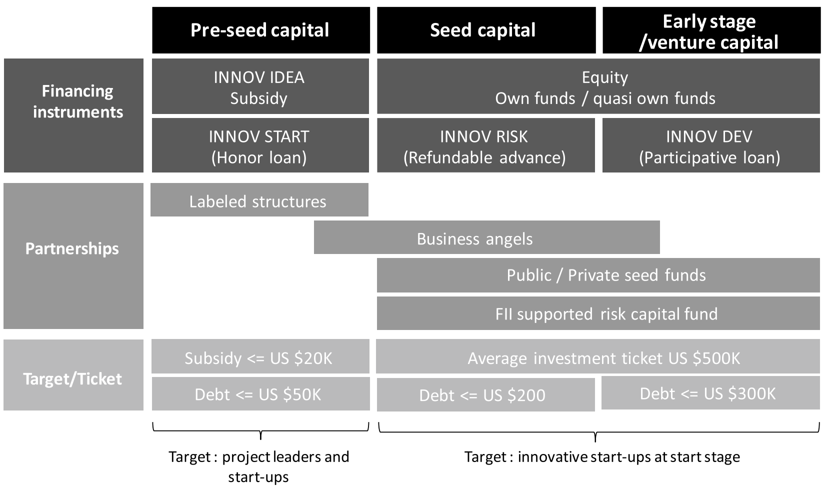

Fig. 10.4 Innov invest fund structure (*Source* CCG, Authors)

quasi-equity within the framework of the investment funds structured or supported by 2IF.

For the financing of the 2IF, the Moroccan Government has requested a US$50 million loan from the International Bank for Reconstruction and Development (IBRD). CCG is responsible for implementing the 2IF Fund and achieving its economic and societal goals.

Since its launch in late 2017, the US$50 million 2IF public funds have leveraged an extra US$40 million in private funds for the seed phase and early-stage of innovative startups and companies.

In view of its economic and financial objectives, on the one hand, and its societal objectives, on the other hand, this investment class falls under the category of Impact Investments (Morgan, 2010). The entry of CCG along with some Moroccan private equity funds is filling a major gap in the value chain finance of innovative startups in Morocco (Fig. 10.5). This will make the act of investing in startups and high-impact projects more legible by international institutional investors (pension funds, insurance companies, international foundations and sovereign wealth funds) who tend to have a stronger appetite for sustainable and responsible investing because of their fiduciary obligations.

While this structuring public–private project is expected to generate a sizable impact—although limited—it enabled most importantly putting in

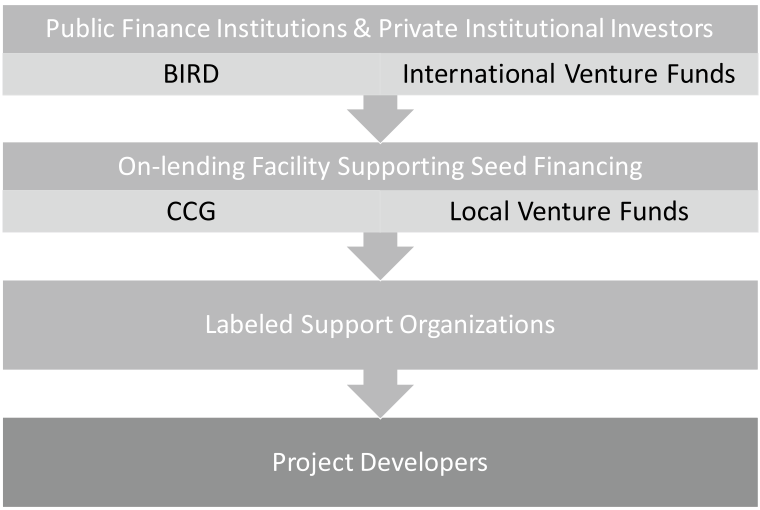

Fig. 10.5 Start-up value chain finance in Morocco (*Source* Authors)

place the right ecosystem for attracting a portion of the world's flow of impact investment to benefit local entrepreneurs. This innovative experience that effectively matches international supply with local demand for high-impact investment can serve as a model that African countries can adopt and adapt to their specific contexts, needs and regional systems.

Bringing Pieces Together: PHSI in Morocco

The social, economic and political ecosystem in Morocco is conducive to the emergence of a fertile ground favoring the emergence and spreading of social innovation initiatives. In the Moroccan context, the PSHI framework demonstrates that well-established partnerships can help boost social innovation stakeholders towards fast implementation of innovative solutions for large societal impact.

The leadership of the State is paramount in setting a strong partnership between different stakeholders. In Morocco, this leadership is embodied in the person of the King who launched the National Human Development Initiative (INDH) in 2005 with the aim of reducing social disparities, ensuring a better distribution of the fruits of the economic growth and improving the living conditions of the poorest citizens.

During the period 2005–2018, Phases I and II of the INDH were mostly focused on reducing the deficit in terms of infrastructure and basic services in under-equipped areas and accompanying people in precarious situations. Despite the size of the allocated budgets ($3 Billion), the program was not able to achieve the needed results in terms of human development index.

A third phase of INDH for the period 2019–2023 is now underway focusing more on investing in human capital rather than in infrastructure. A total budget of $2 billion is allocated to Phase III (90% from the Government budget and 10% from international cooperation). Half of this budget is dedicated to the economic integration of youth and the improvement of their income and for the education and health of the rising generations.

In Phase III, a change in paradigm has occurred in the implementation process; the program relies more on national NGOs and leaders in their field, acting as social enterprises to implement specific programs for youth, education and health. The implementation of this new phase of programs will also follow a methodology based on innovative and creative governance to achieve greater cohesion and efficiency. Among others, this methodology will include the adoption of a participatory approach, the adoption of contractual policy and renewable partnership system, and the consecration of the integrated management of projects to ensure convergence between the different government sectoral programs and INDH programs.

Of interest to us in this chapter is the program dedicated to income enhancement and youth economic integration. With a budget of $420 Million, this program focuses on securing income and creating jobs for young people in all twelve regions of Morocco. This will be achieved through training to improve youth employability and, training and support measures for young social entrepreneurs to integrate their projects in the local economic development to boost economic activities and facilitate the socio-economic integration of local youth. Beyond the INDH financial support, innovative social enterprises will benefit from the CCG's program during their pre-seed, seed and early-stage phases. As seen earlier, this program will add another $90 Million of potential financial resources to the partnership.

Enactus Morocco, as a social enterprise and leading NGO, played an important role in training, empowering and supporting local young social entrepreneurs to create more opportunities for employment and sustainable value. Enactus Morocco signed in early 2020 a three-year partnership agreement with INDH to train and accompany 18- to 35-year-olds not in education, employment or training (NEETs) from two regions of Morocco to create their own business. The objectives for the first region (Marrakesh—Safi) were to train 613 NEETs in the pre-creation phase and accompany in the post-creation phase 176 very small enterprises. In December 2021, after two years and despite the COVID crisis, Enactus Morocco was able to train 501 NEETs and accompany the post-creation of 105 very small enterprises. Similarly, for the second region (Souss—Massa) the objectives were 1000 NEETs and 300 very small enterprises; the achievements were 501 and 105, respectively.

The corporate sector in Morocco has also been identified in Phase III as a main stakeholder for the program. The CGEM (The official representative organization for the Moroccan private sector with more than 33,000 members) is now part of the partnership for human development in Morocco. With its two specialized commissions on CSR and on Social Entrepreneurship, CGEM will certainly be a key driver in sensitizing local companies to participate more actively in the program through financial support and/or skills-based sponsorship.

Civil Society in Morocco is very dynamic. The number of associations rose from 17,000 in 1997 to 60,000 in 2014. This number rocketed since then because of the INDH program. Local associations are key in the implementation of the program and will serve as relays between national leading NGOs and local communities.

This four-legged partnership framework has put Morocco on track to build cross-sectorial synergies and attract public international funds towards creating new opportunities for inclusive and sustainable growth in the country.

Case Study—Enactus Morocco: A Social Innovation Educator and Change Maker

Enactus Morocco is a non-profit organization that was founded in 2003 as an affiliated organization of the international non-profit organization Enactus (Enactus Morocco, 2022). Enactus Morocco has been the foundation by which hundreds of social enterprises came to fruition and has assisted in the development of over 20,000 students since its conception. Enactus' platform allows to connect students and influence their business and leadership development through inspirational conferences, empowerment programs, motivational speeches and competitions.

All companies founded through Enactus Morocco must adhere to the Triple Bottom Line principles which require them to formulate their business models around building economic wealth creation, human development and environmental protection. Since 2015, they have also required businesses to follow the UN's SDGs. In 2017, Enactus Morocco was connected to 119 universities in Morocco and helped over 5,500 students form teams and create sustainable businesses. Enactus Morocco launched an incubator, EMPACT, in 2015 with the help of the OCP Foundation. This incubation program assists the progress of high-impact projects and startups through funding, mentoring and networking events to further leverage their business.

Originally, Enactus Morocco was mainly financed through philanthropy and corporate donations but was struggling to raise the capital needed to scale its business and social impact. In 2013, the board of directors decided to transition Enactus Morocco's business model to one of creating shared value for companies and the communities in which they operate. This has allowed the organization to be more focused on the mentoring, training and financing they provide. In transitioning its business model, Enactus Morocco has been able to launch its own incubator which provides the opportunity for teams to attain USD 2,000 in grant money and up to USD 15,000 USD in zero-interest loans. The CSV model has also helped the organization expand its value proposition allowing it to impact more people and communities. With the 2IF, the grant money increased to USD 20,000 and the zero-interest loans sealing increased to USD 50,000.

In reimaging its value proposition and reconfiguring its business model, Enactus Morocco was able to scale its revenues in three years from USD 150,000 to USD 1,300,000 and increase the number of teams involved from 47 in 2014 to 105 in 2021. The organization has also been able to more than double the number of people impacted by the sustainable development projects which derive from Enactus Morocco from 80,000 to 195,000. In 2021, and despite the COVID crisis, Enactus students implemented 120 projects bolstering social impact and job creation in the communities they serve by reaching out to more than 30,000 beneficiaries and providing 75 permanent jobs.

Case Study Questions

(1) Enactus Morocco, as a Civil Society Organization (CSO), has diversified and scaled its revenues and social impact based on a win–win partnership with the private sector using CSV principles. How do you envision a similar impact based on a win–win partnership in the local context of your country?

(2) Scaling social impact is one of the main challenges facing Africa. How do you see PHSI framework applied to various African contexts?

Conclusion

The African economy does not create enough wealth to meet the pressing social challenges in terms of job creation, education, healthcare and human development. A paradigm shift has become necessary to overcome these structural problems. Social innovation, as a concept supported by social innovators—a new generation of entrepreneurs—can be a significant driver of social transformation in Africa.

In this chapter, we propose *Partnership for High Social Impact (PHSI)*, a conceptual partnership-based social innovation framework that seeks to set the ground for sustainable societal value creation in Africa based on the specific constraints and peculiarities of the continent. We confront the PHSI framework to the Moroccan context and demonstrate that it enables favorable development and expansion of social innovation initiatives and impact. Indeed, the public–private partnership for financing innovative startups, along with civil society's strong role-playing, has resulted not only in closing the gap in the value chain finance through an increased future inflow of impact investments for the country's development needs but also in empowering supporting social structures and in strengthening the entrepreneurial ecosystem at large.

From a research perspective, the PHSI framework makes three main contributions. First, it presents management researchers, businesses and policy makers with a conceptual roadmap that allows bringing together major stakeholders around sustainable development goals to identify Africa's most pressing needs in the short and medium terms. Second, it not only identifies social innovators as key players in a new social contract for the continent but also favors an ecosystem that creates more social innovators through structured empowerment programs. Third, it proposes mechanisms to address some of the most significant challenges social innovators face: financing and capacity building.

While we have been able to validate the framework's viability through the examination of one case country, it would be highly informative to assess the model's applicability and generalizability to other countries from main African sub-regions. The foreseen result should be a hardcore frame specific to African management culture and governance modes, surrounded by dynamic levers that can vary based on regional context and country-level specificities. We see this as an interesting research perspective that can be valuable for both research and policymaking.

Points to Ponder

- Who are the key stakeholders in the non-profit sector of Africa?
- In what ways can the different groups of stakeholders in Africa's non-profit sector collaborate for high social impacts on communities?
- Enactus Morocco, as a Civil Society Organization (CSO), has diversified and scaled its revenues and social impact based on a win–win partnership with the private sector using CSV principles. How do you envision a similar impact based on a win–win partnership in the local context of your country?

- Scaling social impact is one of the main challenges facing Africa. How do you see PHSI framework applied to various African contexts?

Actionable Recommendations

Private leadership	*Public leadership*
Promote responsible leadership and management of a private business.	Set a clear roadmap to achieve the sustainable development goals (National Sustainable Agenda) and support implementation through financing, regulation, accountability and supervision.
Create sustainable shared values (CSV) with local communities.	Promote the emergence of a strong national entrepreneurial ecosystem in terms of capacity building and financial support.
Partner with supporting organizations (incubators) and social entrepreneurs to achieve sustainable goals.	Set partnership frameworks with the private sector and social innovators to contribute to the achievement of the National Sustainable Agenda.

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