

Navigating sustainable and circular business support in the Mediterranean: a regional outlook

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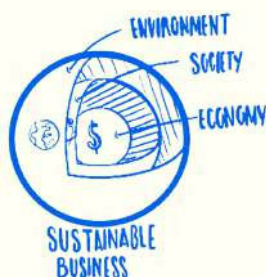
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01 Introduction

Why and how fostering justice-oriented circular business support in the Mediterranean?



Introduction: Why and how fostering justice-oriented circular business support in the Mediterranean? *Giorgio Mosangini, Team Leader Green Entrepreneurship, MedWaves (Spain).*



The urgent need for sustainable economic systems

The United Nations (UNFCCC, UNEP, UNCBD) and the scientific community have repeatedly highlighted that the triple planetary crisis – comprising climate change, environmental pollution, and biodiversity loss – has long demanded an urgent and radical transformation of our patterns of consumption and production, as well as of our economic systems. The global economy’s increasing consumption of natural resources is driving these crises¹. At the same time, growing inequalities, and the failure to achieve the Sustainable Development Goals, call for more inclusive and participatory socio-economic models.

Systemic change is now critical to protect the natural foundations of life while ensuring equitable access to resources for all. We are running out of time to prevent crossing irreversible thresholds in the triple planetary crisis, which threaten the well-being of current and future generations, as well as nature’s biodiversity.

What defines a sustainable economic system?

A sustainable economic system embraces a triple bottom line perspective, balancing environmental, social, and economic dimensions. At the macro level, it recognizes the economy as part of a larger system – society – which is, in turn, integrated into the broader and overarching context of nature. As such, economic systems and activities must align with social and environmental sustainability, and both economic and social systems must operate within the safe boundaries of the biosphere.

At the microeconomic level, companies must recognize that all their activities impact these three spheres and must respect environmental limits. Therefore, businesses should pursue ecological, social, and economic goals. A sustainable business delivers environmental value by reducing ecological impacts and addressing environmental challenges; social value by responding to societal needs and empowering communities; and economic value

¹ United Nations Environment Programme (2024), *Global Resources Outlook 2024: Bend the Trend – Pathways to a liveable planet as resource use spikes*, International Resource Panel, Nairobi.

by creating viable green products, services, and jobs. Given the primacy of the environmental dimension, investing in environmental sustainability offers the most effective pathway to achieving both social and economic development².

Are we making progress in meeting the triple bottom line?

At the macro level, when examining proxies for the three dimensions of sustainability – the environmental (ecological footprint), the social (Gini coefficient) and the economic (GNI) –, we find that no country fully meets the triple bottom line³. In fact, no nation achieves prosperity and sustainability simultaneously, even if it comes at the cost of equity. On the contrary, significant trade-offs exist between the three dimensions.

At the country level, we are clearly not moving in the right direction. Furthermore, countries that have reached high levels of economic development bear a greater responsibility for the triple planetary crisis. For instance, “high-income countries use six times more materials per capita and are responsible for ten times more climate impacts per capita than low-income countries”⁴.

Given these trade-offs, to reverse this trend and achieve triple bottom line sustainability, wealthier countries should prioritize reducing their ecological footprint and addressing wealth redistribution, rather than continuing to prioritise further economic growth. Conversely, disadvantaged countries, while still working to reduce environmental pressures, should have the opportunity to increase resource use to cover the basic needs of their populations, which remain unmet for large sections of society⁵.

2 United Nations Environment Programme / Mediterranean Action Plan (2016), *Mediterranean Strategy for Sustainable Development 2016–2025*, Valbonne, Plan Bleu.

3 Wu, T. et al. (2024), “Triple Bottom Line or Trilemma? Global Tradeoffs Between Prosperity, Inequality, and the Environment”, *World Development*, Volume 178.

4 United Nations Environment Programme (2024), *Global Resources Outlook 2024: Bend the Trend – Pathways to a liveable planet as resource use spikes*, International Resource Panel, Nairobi. See also: United Nations Environment Programme (2024), *Emissions Gap Report 2024: No more hot air... please! With a massive gap between rhetoric and reality, countries draft new climate commitments*, Nairobi.

5 Ibidem.

The contribution of emerging sustainable businesses to the triple bottom line

If we are not making progress towards the triple bottom line at the macroeconomic level, can we contribute to systemic change from the micro-economic level? A crucial element to this end is to radically transform how business models are conceived, shifting from “take-make-waste” business models, which hide and externalize environmental and social costs, to sustainable and circular business models, which give priority to and include environmental and social value creation and distribution⁶. Sustainable and circular business models should become the new standard in order to contribute at the macro level to the systemic change needed to address the triple planetary crisis.

Sustainable businesses generate environmental value through eco-innovation and eco-design, which enable the development of alternative solutions that reduce the environmental impacts and address environmental challenges.

Eco-innovation can bring new solutions at the process, product, and system level. Process eco-innovation increases resource and energy efficiency and reduces pollution in production processes. Product eco-innovation offers alternative products or services with increased environmental performance. Finally, system eco-innovation transforms value-chains and consumption patterns towards more sustainable alternatives to meet needs. At each step of eco-innovation, the potential of environmental value creation increases. Process and product eco-innovations alone, focused mainly on increasing energy and resource efficiency, are not enough to meet the challenges of the triple planetary crisis, which requires system-level eco-innovation through the involvement of multiple stakeholders, the conversion to sustainable value chains, and the enablement of complex changes beyond purely technological transformations (consumption behaviours, lifestyles, value systems, etc.).

As for eco-design, it helps companies to systematically assess and reduce their environmental impacts and improve their environmental performance along the life cycle of their products (or services): extraction of materials and resources; design and production processes; packaging and distribution; use and maintenance; and reuse and recycling.

6 Mosangini, G., Tunçer, B. (2020), *Circular Economy Business Strategies. Conceptual Framework to Guide the Development of Sustainable Business Models*, MedWaves, the UNEP/MAP Regional Activity Centre for Sustainable Consumption and Production, Barcelona.

Combining eco-innovation and eco-design, we can define, in order of increasing resource value retention, five major circular business strategies to build sustainable business models: prevent pollution and save resources; recover resources after disposal; extend resource use and reduce disposal; increase resource utilisation rate; and shift to circular supplies and design⁷.

This concerns the overarching environmental sphere. As for the other dimensions of the triple bottom line, sustainable businesses also contribute to the creation of social and economic added value.

As mentioned, a sustainable business model includes environmental and social value creation and considers environment and society as key stakeholders. By identifying and addressing social challenges and needs a sustainable business also creates and distributes social added value. Sustainable business models have a high potential to create meaningful jobs (circular activities are often more labour-intensive than traditional linear sectors). Moreover, a sustainable business model approach ensures that environmental and social missions come before profit. Such businesses systematically adopt a socially responsible approach, co-creating their project with local communities and users, empowering all the stakeholders, they ensure the best working conditions and safety, above and beyond regulations, they build and engage green and fair value chains and suppliers, and prefer democratic and horizontal governance and ownership structures, among other aspects.

Finally, at the economic level, a sustainable business model obviously needs to be economically viable. But it also offers important competitive advantages. Among others we can mention the mitigation of risks from resources and energy scarcity, the increase of resource and energy efficiency and the resulting reduction of costs and increase of productivity and profitability, the higher compliance with environmental regulations and standards, the access to growing green markets, or easier access to impact investment and public green subsidies.

From this perspective, new and emerging sustainable companies appear as the most relevant actors at the microeconomic level to support the transition towards triple bottom line sustainability. Simply making existing companies more resource-efficient is not enough for the scale of change required. A radical shift from linear to circular and fair new business models is needed.

The role of Ecosystems and Business Support Organisations

No company exists in isolation. As stated, any company is embedded in an economic, social, and environmental context, which it affects and by which it is affected. We have seen how companies can and should restore priority of their environmental and social goals and impacts. Conversely, the context in which they operate also greatly influences their chances of success in doing so. Multiple actors and factors shape their development and survival, from the support they receive in their early stages to their chances to access finance or markets.

Following this approach, MedWaves has been implementing, since 2015, [The Switchers Support Programme](#), an initiative seeking to enhance supporting ecosystems for sustainable business development in the Mediterranean and beyond. The programme seeks to address most of the factors that influence success of sustainable businesses: direct support for new and existing companies (development of sustainable business models, eco-design and eco-innovation, incubation, technical support, etc.); strengthening Business Support Organisations (BSOs) (capacity building, promotion of networking, etc.); access to markets; access to finance and investment; or the adoption of supporting public policies. One of the key elements of the programme is the provision of [methodologies and tools for the creation of sustainable and circular business models](#) to entrepreneurs, companies, BSOs, and experts.

Supporting BSOs' capacities and networking for circular business development is one of the top priorities of the programme. Since the transition is failing at the macroeconomic level, trying to support progress at the micro level through the emergence of new sustainable business models entails a crucial role of BSOs at meso level. They can help to create the enabling ecosystem for just circular businesses to arise. This is why The Switchers Support Programme implements extensive train-the-trainer programmes for circular business models and promote networking among BSOs committed to sustainable ventures development. Among other actions, informal networks to support sustainable entrepreneurs and companies have been promoted in eight southern Mediterranean countries gathering more than 120 public, private, and non-profit BSOs. The experiences of some of them are detailed in this publication. The main goal of the networks is to contribute to the creation of enabling environments for sustainable businesses, through the following strategic objectives:

- To share knowledge, experience, and resources.
- To coordinate activities and undertake common actions.
- To enhance the effectiveness and efficiency of service provision for sustainable entrepreneurs and companies.
- To continuously develop capacities within BSOs for sustainable business development.
- To increase financial resources available for sustainable entrepreneurs and companies.
- To increase awareness and knowledge creation concerning sustainable business models.
- To influence policies to become supportive for just and circular businesses.

More recently, MedWaves, together with CITET, organised a [regional conference on sustainable entrepreneurship](#) in Tunis in December 2025, bringing together around one hundred representatives of Mediterranean BSOs and other stakeholders.

This publication

The present publication forms part of these efforts and was developed in parallel to the international conference, seeking to provide an overview and reflection at the Mediterranean regional level on the role of BSOs in promoting ecosystems that foster the emergence of just and circular enterprises. It features contributions from approximately fifteen BSOs and other actors from the region across some ten countries. The articles are grouped around three main axes: the first and most numerous focuses directly on analysing the role of BSOs, their networking, sharing experiences, lessons learned, and reflections at both national and regional levels. A second section addresses the essential issue of access to finance and investment for circular ventures. Finally, the third thematic section covers topics related to public supporting policies for the creation of sustainable enterprises. In addition to these three sections, a fourth one includes testimonials from entrepreneurs and companies about the support received from BSOs.

Finally, an essential element of the current publication is the “Mediterranean Manifesto for sustainable and circular business development”, which promotes networking and defines a decalogue of principles to be followed by BSOs to ensure effective support for the creation of just and circular enterprises:

1. Apply innovative methodologies to foster environmental and social value creation (circular economy strategies, eco-innovation, eco-design, justice-oriented frameworks, etc.).
2. Build internal capacities for sustainable business development.
3. Ensure that the transition to sustainable business models is inclusive and equitable.
4. Foster and enable territorial ecosystems for sustainability.
5. Measure and report on the environmental and social impacts of business support initiatives.
6. Share and exchange knowledge, resources, and experiences on sustainable business development and make learning publicly accessible. Coordinate activities, launch joint initiatives, and promote networks at national and regional level.
7. Boost access to market and increase demand for sustainable products and services while challenging unsustainable consumption practices.
8. Support access to finance and investment for sustainable and circular businesses.
9. Raise awareness concerning sustainable and circular business models.
10. Advocate collaboratively for supportive policies and regulatory frameworks that enable sustainable business development.

The Manifesto has already been endorsed by more than thirty organisations from over ten countries.

We hope that this publication and the Manifesto will contribute to further strengthening the networking efforts of Mediterranean BSOs for the creation of ecosystems that foster the emergence of justice-oriented sustainable business models.



02 Sustainable Business Support Services and Networks



**Re-inventing MENA business support organizations for a new era,
Nedal Zahran, Business Development Director, Leaders International
(Belgium).**

The business support ecosystem in the south mediterranean has undergone remarkable expansion over the past two decades. Incubators, accelerators, and entrepreneurship support programmes have proliferated across the region. Driven by government strategy, a growth in new financial instruments and a flow of international development assistance funds, this growth led to remarkable success stories in what would have been considered unlikely places. Successful startups like Instadeep, Maktoob or Anghami fuelled the imagination of a generation of young entrepreneurs. Yet the question that stands: Successful as they were, are these startups the right model to follow for the region?

Today, the business support ecosystem stands at a critical juncture shaped by two converging pressures. Development funding, which was a precursor to the proliferation of business support organisations in the region, is contracting, and, donor priorities are shifting, whilst the region, and the globe, confronts the urgent imperatives of climate adaptation and environmental sustainability. We, as business support organisations, face an existential question: can we evolve beyond our origins to become genuinely sustainable entities that deliver measurable value to the businesses we serve, whilst also guiding entrepreneurs towards circular and green business models that address the region's environmental challenges?

The imperative for change

The current landscape of business support in the region is a testament to the role international development funding had on shaping the sector. Most incubators and accelerators emerged from specific donor initiatives, designed with programme cycles, deliverables, and key performance indicators that not only reflected donor programme cycle management approach but adopted models imported alongside the financing provided. This has created several structural challenges that persist and pose the key challenge to the sustainability of our organisations.

Whether we take the metrics of success (which have often been those easiest to report rather than those most meaningful for business success): Number of entrepreneurs trained, number of startups supported, number of jobs created, or the project grant cycles, we often structured our programmes around what could be accomplished within such a cycle resulting in programmes that excelled at generating initial momentum but the real transformation that we sought did not happen.

The constraints on development funding, combined with the urgency of environmental transition, represent both challenge and opportunity. For organisations willing to fundamentally rethink their approach, this moment offers the chance to build something more resilient and ultimately more impactful than what donor dependency allowed.

The central shift required is from a programme delivery mindset to a value creation mindset. Business support organisations must move beyond asking “what services can we provide with available funding?” to asking “what specific outcomes do entrepreneurs need, and how can we deliver them in ways that create mutual value whilst building environmental resilience into business models from inception?” This reorientation has profound implications for how BSOs structure their services, measure their impact, and sustain their operations.

Critically, business support organisations must help entrepreneurs recognise that green and circular business models are not philanthropic add-ons but sources of competitive advantage and resilience. A food processing business that eliminates waste through circular design reduces costs and creates new revenue streams from by-products. A fashion startup using recycled materials differentiates itself in export markets and insulates itself from volatile commodity prices. A logistics company optimising routes for fuel efficiency improves margins whilst reducing emissions.

Resilience-building is equally critical and often overlooked. Businesses across the region operate in environments characterised by currency fluctuations, regulatory unpredictability, political instability, and periodic economic shocks—now compounded by climate-related disruptions to water, energy, and agricultural systems. Business support organisations can provide genuine value by helping entrepreneurs build capacity through diversified revenue streams, flexible cost structures, and effective financial management.

Finding value through Introspection

One of the most significant missed opportunities in the region business support has been the tendency to import models from more advanced ecosystems Silicon Valley or European ecosystems without sufficient adaptation to local contexts. Our region has deep traditions of entrepreneurship, commerce that predate modern models by centuries. In regions where water has always been scarce, sophisticated systems for efficient use and recycling evolved over generations. Traditional architecture incorporated passive cooling, natural ventilation, and locally sourced materials—principles that contemporary green building simply rediscovers. Craft traditions emphasised durability, repair, and multi-generational use of goods. I believe our work has often disregarded these existing models and sought to emulate ones that have been successful in western economies while trying to understand and evolve existing practices could potentially be more rewarding.

Local financing cultures also merit attention, particularly for green businesses that often require patient capital and longer payback periods. Whilst business support programmes often culminate in pitch events modelled on Western investment showcases, many successful businesses from the region have grown through retained earnings, family capital, revenue-based financing, or relationships with local business angels who operate very differently from institutional investors. For green businesses with longer development cycles, these alternative capital sources may be more appropriate than venture capital models. Understanding and facilitating these capital pathways, whilst also educating local investors about the long-term value proposition of circular and green business models, would serve entrepreneurs better.

The business culture in the region has several models for investments and joint ventures that could be customised, refined or even recodified to meet the needs of emerging ventures for finance. These investment models are more relatable to investors and entrepreneurs in the region, and, I argue, should be easier to attract than other concepts like venture funds or angel investments. Yet business our programmes often ignore or actively work against these structures, promoting individualistic startup models that disconnect entrepreneurs from family resources and networks that could support their growth, whilst also losing the long-term orientation that family businesses naturally embody.

My argument is not for a rupture with western models for entrepreneurship support or financing. It is rather a call for a more culturally grounded approach would help entrepreneurs navigate rather than escape family business dynamics whilst building green business models. This might mean facilitating conversations about how to communicate value and projected returns of investments in a manner consistent with the priorities of local investors. The goal is not to romanticise traditional structures but to work with rather than against existing social and economic capital whilst channelling it towards sustainable business models.

I argue that, perhaps most significantly, the reliance on donor funding allowed many business support organisations to avoid the difficult question of their own business model. Consequently, while our service was directed towards the entrepreneur, our client was predominantly the development agency or donor financing our programmes. Now, as this model reaches its limits, the region faces an additional complexity. The countries of our region are amongst the most vulnerable to climate change impacts—water scarcity, desertification, extreme heat, and agricultural disruption threaten economic stability and livelihoods. Simultaneously, this translates into a new opportunity where global markets are increasingly demanding sustainable products, circular business models, and reduced carbon footprints. New initiatives like The European Union's Carbon Border Adjustment Mechanism and other similar policies will directly impact regional exports. These new challenges could also be opportunities to rethink our business models around services that will be required by businesses across the region while continuing to adhere to our collective mission of promoting prosperity and sustainability.

BSOs networks for sustainable business development: The experience of the EcoSwitch Coalition in Lebanon, *Maya Karkour, Chair of the EcoSwitch Coalition (Lebanon).*

The [EcoSwitch Coalition](#) was founded in Lebanon in 2020 within the framework of the Lebanese Switchers Support National Partnership, as part of the EU-funded SwitchMed Green Entrepreneurship Programme implemented by MedWaves. It aims at strengthening the support to eco-entrepreneurs in the country, by collectively helping to empower them develop innovative ideas, establish, thrive, and grow their positive environmental and social impact.

Today, the EcoSwitch Coalition is a partnership encompassing almost thirty well-established Business Support Organizations, institutions, NGOs, universities, and companies with very different profiles, all experienced in assisting entrepreneurs in various ways. By joining forces, this pool of organizations can help provide green enterprises with a range of support mechanisms based on their needs, including networking and collaboration opportunities, facilitating access to a variety of specialists in different fields –from marketing to finance to eco-design to circular economy support–, and access to labs, co-working spaces, technical assistance, and other valuable resources.

The EcoSwitch Coalition, although not legally registered, has been functioning in a voluntary way on the basis of a shared Declaration of Commitment signed by all its Partners (it can be viewed at this [link](#)). A website was created, on which some locally established green businesses are also featured to give them additional visibility. From its onset, the growing pool of partners forming the coalition has been regularly meeting, on a monthly basis, through an assigned representative for each organization. And since the end of 2022, an Executive Committee has been established, composed of five active and passionate volunteers covering the following roles: Chair, PR, Communication, Treasurer, and Fundraising. The Executive Committee is elected yearly by the Partner organizations for a two-year mandate, while making sure that a minimum of two representatives remain in each new mandate to ensure the continuity of the institutional knowledge and strategic vision.

Since its creation, a strategic workshop is held every year or two to make sure all partners are aligned with the short to medium term objectives of the coalition, and that all have a say in shaping its action plan. Multiple Task Forces are formed afterwards, with members of the partner organizations volunteering to move actions forward and advance the work of the partnership. In general, Task Forces are assigned a lead or co-leads, and continue

meeting separately, usually until the main reasons or activities they were initiated for are completed or delivered. Currently, a few task forces are active.

The Festival Task Force is in charge of organizing the annual EcoSwitch Festival which was launched in 2021, and has been the landmark networking event of the partnership, year after year: It brings together eco-entrepreneurs, the coalition partners, experts, investors, and more, around inspirational talks, a variety of relevant panels, networking activities... and usually ends up with some live music to have a bit of fun too along the way! Other events or activities are also held throughout the year, such as entrepreneurship labs, participation in green markets, and other. For instance, an UNLEASH Hack on sustainable food & beverage packaging solutions is currently organized in collaboration with the EcoSwitch Coalition, to encourage young minds to figure out solutions to this immense challenge, and potentially implement them through initiatives or new start-ups.

The Green Entrepreneurs Task Force, initiated to truly understand the needs of local green entrepreneurs but to also allow them to better engage with the coalition and actively participate in giving practical suggestions for its activities and work. Following an initial focus group with a selected group of eco-entrepreneurs, the consultation process led to the creation of a Community WhatsApp Group in which all partners and over 75 green start-ups or businesses have been invited. The idea is to accelerate the support through an interactive and easy-to-reach platform that allows all relevant opportunities to be quickly spread within the green business community. But more importantly, it gives the voice to entrepreneurs to ask questions, form opinions, join forces, and support each other too through potential collaboration or sharing of resources and knowledge. We have already seen a few very promising threads leading to quick assistance between entrepreneurs and partners alike.

Furthermore, the Advocacy Task Force has recently been created, with the objectives of prioritizing and pushing forward specific environmental policies or actions, or influencing donors' distribution of grants, to more effectively benefit green start-ups or businesses.

Finally, the Communication team, with the support of a freelance communication officer, assists the Executive Committee and Task Forces in conveying the relevant messages and events in a creative way through the coalitions' various social media channels, with an outreach amplified by the support of other partners spreading the word about opportunities and joint events through their own channels and newsletters.

In order to sustain itself financially, a tiered annual membership fee was introduced –varying depending on the size of each organization—however partners which find it difficult to cover this fee can partially or fully compensate for it through in-kind contributions of their resources, expertise, or time. However, it is clear that additional and more structured financial support, through joint grants or sponsorships, will be needed to grow the impact of this alliance.

The EcoSwitch Coalition should be doubly beneficial for Lebanon: On the one hand, in view of the current economic crisis, quality local production and services offered to the population would reduce dependence on imports, while allowing Lebanese people to realize their own ventures. And on the other hand, due to the dire local environmental situation, placing local eco-products on the market can only reduce toxicity, provide healthy alternatives, and help raise public awareness about the importance of ecological practices.

Although not a legal entity, the EcoSwitch Coalition is meant to last and remain self-sustainable in the long term. We invite any entity that strongly feels about transitioning Lebanon to environmental practices, and is qualified to help green businesses, to join us!

Moreover, all green enterprises in Lebanon, whether at start-up or growth phase, are also invited to get in touch to become part of the network, benefit from its outreach, gain visibility and help when in need of additional advice or support.

Contact the EcoSwitch Coalition at ecoswitchcoalition@gmail.com.

Follow its activities on its [website](#) or social media: [FB](#), [Insta](#), or [LinkedIn](#).

Below are the current Partners in the coalition, with more to join in the future!

ACIE, ACTED, Ahla Fawda, AUB, Beirut Digital District, Berytech, Beyond Group, Cewas, Circular Hub, CSTOUCH, Eco Consulting, Eedama, Fair Trade Lebanon, Farah Social Foundation, Fondation Diane, Injaz Lebanon, Jibal, Kantar Advisor, LAU, Make Sense, Michel Daher, MINE, NDU, Nucleus Ventures, SmartEsa, Transformeus, TriRise, Walm.

The EcoSwitch Coalition has officially received the recognition of the Lebanese Ministry of Environment.

Palestinian BSOs: Essential Catalysts for Sustainable Entrepreneurship Development, *Olga Albatran, Head of Business Entrepreneurship, Center for Continuing Education-Birzeit University (Palestine).*

No doubt, that Business Support Organizations (BSOs) are important players in any international or national entrepreneurial ecosystem. Yet, in Palestine, BSOs are not only beneficial - but they are also critically essential for the survival and sustainability of private enterprises.

Let's look at the context. The education system in Palestine relies heavily on memorization. The best students are those who can retain and reproduce large amounts of text. Even the final Tawjihi exams assess primarily memory capacity. As a result, graduates lack creativity, analytical thinking, problem-solving skills, calculated risk-taking, leadership, etc. - the very competencies required for successful entrepreneurship. Generation after generation, the system produces job seekers rather than job creators, leaving a significant gap in the capacity to drive economic development.

This challenge is further compounded by unique political and economic constraints that distinguish Palestine from all other contexts. Restrictions on movement within the country, lack of control over borders, limited access to natural resources, absence of a national currency and financial levers, unstable supply chains, restrictions on exports and imports, and the extremely high cost of business transactions - all have a direct negative impact on business sustainability. In such an environment, even a minor operational inefficiency can become a critical threat. Every cent of expenditure, every logistical arrangement, and every sourcing decision can determine whether a business survives or collapses.

Political and economic constraints, together with outdated technologies, high operational costs, uncompetitive products, and minimal investment in R&D by SMEs, create a vicious circle, within which many enterprises emerge as a last resort for self-employment, competing mercilessly in their small local markets - only to die quickly. The potential of green transformation to improve efficiency and competitiveness often goes unrecognized. Such transformation is still associated with high infrastructure costs. Green products are often narrowly perceived as limited to organic agriculture or waste-made items.

Self-survival and self-development usually do not work with these businesses mainly due to very limited human and financial resources, restricted access to market information and industry trends, a workforce lacking in technological skills, and inability to tap to transnational opportunities.



In the face of these complex realities, BSOs are not merely service providers - they are the backbone of a fragile yet resilient entrepreneurial ecosystem. They build entrepreneurial culture and mindsets, raise awareness about sustainable transformation, and develop the competencies and systems required for it. They provide strategic guidance and market insight while working deeply on optimizing operational sustainability throughout the business cycle. Their role extends far beyond mentoring or training; they function as ecosystem builders - bridging skill gaps, fostering innovation, and ensuring that promising ventures can withstand the pressures of an unpredictable environment.

While each Palestinian BSO plays an important role in its local context, without collaboration their overall impact remains limited. Networking among Palestinian BSOs is essential for three key reasons: collective influence, complementary expertise, and resource consolidation.

First, networking amplifies collective influence. Each Palestinian BSO is relatively small and operates within a constrained environment where policy advocacy and ecosystem building require strong, unified voices. Individually, a single BSO's efforts may go unnoticed by decision-makers or funders. Collectively, however, they form a powerful platform capable of shaping the national agenda for entrepreneurship and private sector development. Together, Palestinian BSOs can articulate the needs of entrepreneurs more effectively, advocate for supportive policies, and engage regional and international stakeholders with greater credibility.

Second, networking allows BSOs to complement each other's areas of specialization. Each local organization brings distinct strengths: for example, Birzeit University's B-Hub focuses on manufacturing startups and SMEs across all regions of Palestine, supporting the green transition through production optimization and product greening. PARC specializes in the agricultural sector, while university-based centres such as those at PPU and ANNU concentrate on fostering entrepreneurial culture among their students. Working together, these organizations bridge gaps in sectoral and geographic coverage, ensuring that Palestinian entrepreneurs receive more comprehensive and tailored support regardless of their location or business type.

Third, networking enables access to larger funding opportunities. Given their size, individual BSOs often lack the capacity to compete for substantial grants or implement large-scale programs. However, through well-structured consortiums, Palestinian BSOs can pool their resources, share administrative efforts, and collectively deliver complex, multi-regional initiatives. Such collaborations not only expand access to funding but also strengthen implementation quality and impact.

Notably, after the outbreak of the Gaza war, the importance of BSOs networking transformed from strategic to existential. The West Bank has effectively become a patchwork of isolated “islands,” with movement between areas severely restricted. In this fragmented landscape, it is often impossible for a single organization to physically reach all its beneficiaries. The only way to maintain the continuity of Business Development Services across these divided regions is through close cooperation among BSOs - by relying on partner organizations located within each “island” to deliver services, monitor activities, and sustain engagement with entrepreneurs.

In this sense, BSOs networking is no longer a matter of institutional advantage - it is a matter of survival for Palestine’s entrepreneurial ecosystem. Only through coordinated action, shared resources, and mutual trust can BSOs ensure that entrepreneurship continues to grow, even amid fragmentation and crisis. Their networking ensures that local innovation - no matter where it emerges - is nurtured, connected, and sustained. By joining forces, BSOs amplify their impact, bridge fragmented territories, and safeguard the continuity of support to entrepreneurs even in the most challenging times. Strengthening BSO networks is, therefore, not just about improving coordination; it is about preserving the very capacity of Palestinian entrepreneurship to survive, adapt, and drive sustainable development for generations to come.

Advancing Gender-Inclusive Green Entrepreneurship Through Strategic Partnerships, the experience of RedStart in Tunisia, *Douja Ben Mahmoud Gharbi, CEO, RedStart Tunisia (Tunisia).*

RedStart Tunisia has emerged as a leading business support organization (BSO) committed to empowering women entrepreneurs in the green, circular, and sustainable economy. In a national context where interest in climate-smart and environmentally responsible enterprises is growing, women remain underrepresented in green entrepreneurship due to persistent structural, cultural, and institutional barriers, including limited access to finance, technical training, networks, and decision-making spaces.

To address these challenges, RedStart has adopted a proactive, gender-responsive approach, positioning itself at the intersection of sustainability and inclusion. Its strategic role within national and regional ecosystems has been significantly strengthened through its membership in the National Support Partnership for Switchers (PNS – Partenariat National de Soutien aux Switchers), an initiative launched by MedWaves, the UNEP/MAP Regional Activity Centre for Sustainable Consumption and Production (SCP/RAC), in close collaboration with the Centre International des Technologies de l'Environnement de Tunis (CITET).

The PNS was established under the SwitchMed II Programme, funded by the European Union and implemented across the Southern Mediterranean region. It brings together public institutions, private sector actors, NGOs, incubators, financial intermediaries, and training providers to create a coordinated national ecosystem that supports Switchers, innovators and entrepreneurs transitioning toward sustainable business models based on eco-innovation, resource efficiency, and circular economy principles.

As a recognized member of PNS, RedStart plays an active and strategic role in this multi-stakeholder alliance. This affiliation not only validates its expertise in green entrepreneurship but also enables it to scale impact through shared tools, knowledge, and networks.

A key benefit of PNS membership is operational access to “[The Switchers Toolbox](#)”, a dedicated digital platform designed to connect, train, and mentor green entrepreneurs across the Mediterranean. As an accredited partner, RedStart Tunisia gained full technical and administrative rights to organize and deliver capacity-building activities directly through the platform.

Using “The Switchers” platform, RedStart successfully delivered more than 10 comprehensive training cycles focused on the Green Business

Model Canvas. These structured programs guided participants through the process of transforming environmental ideas into viable, scalable, and sustainable ventures. Each cycle spanned five days over six weeks and included: Interactive online workshops, Practical assignments and peer feedback, A dedicated module on Tunisia's legal and regulatory framework for environmental protection, co-delivered with experts from CITET, and Final pitch sessions showcasing refined business models

Beyond group learning, RedStart Tunisia used the platform to coordinate personalized coaching (delivered in hybrid format: online and in-person), offering tailored guidance on business model refinement, market entry strategies, funding access, and investor readiness.

While RedStart's engagement with the PNS amplified its reach, its commitment to gender equality predates and extends beyond this partnership. Drawing on years of field experience, RedStart Tunisia has developed targeted programs specifically designed to overcome the barriers faced by women entrepreneurs in green sectors such as sustainable agriculture, eco-tourism, green food processing, natural cosmetics, and waste valorisation.

Key features of this gender-responsive approach include Gender-disaggregated needs assessments to inform program design, Inclusive outreach to identify and onboard women-led startups from interior and marginalized regions (e.g., Kairouan, El Kef, Gafsa), Adapted training materials that consider time constraints, digital literacy levels, mobility limitations, and work-life balance, Safe spaces for networking and peer-to-peer mentorship among women entrepreneurs

To date, RedStart has implemented over ten flagship programs, reaching more than 1,500 entrepreneurs, with a strong emphasis on women-led initiatives. Notable examples include: Green'it & Green'it 2.0, supported by UNDP: Incubation programs fostering youth and women-led green startups, Women Go Green #1, supported by CDC Tunisia and AFD: A nationwide acceleration initiative targeting female eco-entrepreneurs and Women Go Green #2 supported by the EU and Expertise France: Expanding access to markets, finance, and international visibility for women in the circular economy.

These programs were not standalone efforts but part of a broader strategy to embed gender equity into every stage of the entrepreneurial journey, from ideation to investment.

RedStart's gender integration goes beyond serving women entrepreneurs. It actively works to transform the culture and practices of the broader support ecosystem. RedStart Tunisia delivered training for BSO staff and male entrepreneurs on unconscious bias, inclusive leadership, and gender-responsive

business planning fosters a culture of equity, collaborated with civil society organizations, gender advocates, and environmental NGOs ensure that green innovation does not inadvertently reinforce existing inequalities and the use of gender-disaggregated data in monitoring and evaluation allows RedStart Tunisia to track participation, measure impact, and adapt programming in real time.

This evidence-based, systemic approach ensures accountability and sustainability in advancing gender equality.

RedStart's experience offers valuable insights for other green BSOs seeking to integrate gender perspectives effectively. Key recommendations include:

- Conduct Gender Audits: Assess current programs, policies, and organizational culture to identify gaps and opportunities for inclusion.
- Design Inclusive Services: Adapt incubation, advisory, and financing mechanisms to meet the specific needs of women entrepreneurs, including flexible scheduling, digital accessibility, and childcare support.
- Train BSO Staff: Build internal capacity on gender equality and intersectionality to ensure all team members can champion inclusive practices.
- Engage Men and Boys: Promote male allyship and co-leadership in gender equality initiatives to drive systemic change.
- Advocate for Policy Change: Collaborate with policymakers to remove legal, regulatory, and financial barriers that hinder women's participation in green sectors.
- Leverage Digital Tools: Use platforms like "The Switchers" to extend reach, especially to women in remote areas, and enable flexible, continuous learning and networking.

Through its PNS membership and strategic use of digital tools, RedStart Tunisia has become a pivotal bridge between grassroots eco-entrepreneurs and institutional ecosystems. By placing women at the centre of the green transition, RedStart Tunisia not only advances social equity but also strengthens the resilience and innovation capacity of Tunisia's sustainable economy.

As climate challenges intensify, the need for inclusive, locally rooted, and gender-responsive entrepreneurship support has never been greater. RedStart's model demonstrates that when green BSOs intentionally integrate gender perspectives, they do not just support individual businesses, they help build a more just, dynamic, and sustainable future for all.

Advancing Sustainable and Circular Business Support Systems in the Southern Mediterranean: A Policy and Institutional Perspective, Ala' B. Petro, Deputy GM for Financial Affairs, Business Development Center (Jordan).

The Southern Mediterranean region is entering a critical stage in its transition toward more environmentally sustainable and resource-efficient economic systems. Climate pressures, demographic shifts, and structural economic constraints have increased the urgency for new development pathways that strengthen resilience and competitiveness. Within this evolving landscape, Business Support Organizations (BSOs) have emerged as institutional actors capable of bridging knowledge gaps, translating policy ambitions into practical action, and fostering coordinated regional progress. Their role is gaining importance as governments and development partners adopt circular economy strategies and require mechanisms that turn high-level commitments into enterprise-level transformation.

Across the region, entrepreneurial ecosystems are showing rising interest in sustainability-oriented business models. Yet the adoption of circular and green practices remains limited by several systemic challenges. Many enterprises lack access to technical expertise, specialized advisory services, targeted training, or practical tools for integrating sustainability into their business models. Financing instruments for early-stage green or social ventures remain scarce, and innovation ecosystems are often fragmented or under-connected. By offering integrated services such as incubation, training, mentoring, market facilitation, and impact measurement, BSOs help enterprises address these barriers and adopt resource-efficient and environmentally responsible production methods.

In Jordan, the Business Development Center (BDC) provides a strong example of how BSOs can embed sustainability into national enterprise development systems. BDC integrates circular economy concepts, cleaner production methods, and social impact frameworks across its entrepreneurship and SME support programs. Through business modelling support, technical advisory services, and targeted capacity building, BDC enables enterprises to improve efficiency, reduce environmental impact, and meet emerging standards in regional and global markets. Jordan's experience demonstrates how a BSO can strengthen the national green transition and offer lessons relevant to neighbouring Mediterranean economies pursuing similar goals.

Regional cooperation is essential for advancing sustainable and circular business models across Mediterranean countries. Many of the region's

challenges—such as waste management, resource scarcity, rising energy demand, and limited access to green finance—are shared and require coordinated responses. Networks of BSOs offer valuable platforms for exchanging good practices, developing harmonized methodologies, and jointly addressing cross-border bottlenecks. BDC actively contributes to these regional knowledge ecosystems, promoting collective learning and helping align approaches to sustainable business development across the Southern Mediterranean.

Access to finance remains one of the most significant constraints facing green and social ventures in the region. Early-stage enterprises often struggle to demonstrate investment readiness or to access instruments tailored to their needs. BSOs play a strategic role in closing this gap by strengthening financial literacy, supporting impact-oriented business planning, preparing enterprises for investment, and facilitating linkages with investors and specialized financing mechanisms. These efforts not only improve firm-level resilience, but also contribute to broader national strategies aiming to build more diversified, sustainability-driven private sectors.

Policy coherence is another pillar of an effective green transition. Many Mediterranean countries have adopted strategies related to green growth, sustainable consumption and production, and circular economy development. However, translating these strategies into practical tools for SMEs remains challenging. BSOs are well positioned to support this process by providing field-based insights and evidence on the needs and capabilities of entrepreneurs. In Jordan, BDC regularly engages with public institutions and development partners to support the design and implementation of policies related to green growth, circularity, resource efficiency, and labour-market development. This engagement underscores the role of BSOs as intermediaries capable of connecting national priorities with on-the-ground implementation.

Ensuring the inclusiveness of the green transition is equally important. Women entrepreneurs across the Mediterranean face persistent barriers that limit their participation in high-growth or emerging green sectors. Challenges include restricted access to finance, limited mobility, and unequal access to networks and advisory services. BSOs—including BDC—have responded by designing gender-responsive support mechanisms that enhance women's access to training, technical assistance, and market opportunities within sustainable and circular sectors. These approaches help ensure that the benefits of the green transition extend more broadly across society.

Looking ahead, accelerating the adoption of sustainable and circular business models in the Mediterranean will require deeper institutional cooperation, stronger regional networks, and alignment between national

strategies and BSO-led interventions. BSOs are uniquely positioned to act as catalysts for this transformation: they translate policy commitments into market-oriented solutions, strengthen the capabilities of entrepreneurs, and create the enabling conditions for sustainable enterprises to grow. Empowering their institutional role will be essential to ensuring that sustainable entrepreneurship becomes a driver of economic resilience, competitiveness, and inclusive growth across the Southern Mediterranean.

Perspectives for a Southern Mediterranean Network of BSOs for Sustainability: what we can learn from the experience of the European network EBN/eubic, *Krystal Khalil, Programs Director, Berytech (Lebanon).*

The transition toward sustainable and circular economies is no longer a choice but an urgent necessity for the Mediterranean region. Business Support Organizations (BSOs) have a pivotal role to play in this transformation, acting as ecosystem builders, enablers of innovation, and bridges between local enterprises and global networks. While each country in the southern Mediterranean face distinct socio-economic realities, BSOs can drive convergence around shared sustainability goals by fostering collaboration, knowledge transfer, and capacity building.

A powerful example lies in the experience of the European Business and Innovation Centre Network (EBN), a long-standing ecosystem of certified innovation hubs, incubators, and accelerators across Europe. For decades, EBN has demonstrated the value of structured networks in advancing innovation: opening avenues for collaboration, replicating successful initiatives, building cross-border partnerships, and creating fertile ground for co-creation and solution-sharing. Its collective culture of openness and innovation has significantly contributed to advancing sectors and connecting value chains across borders.

This European experience provides rich lessons for the southern Mediterranean, strengthening the priority to establish a dedicated network of BSOs for sustainability. Such a network could strengthen collaboration across the region, accelerate the adoption of circular economy principles, and expose entrepreneurs to new opportunities in green and sustainable business models, while sustaining all the green initiatives and programs' impact achieved.

The Power of Networks in Fostering Circular Innovation

Networks of BSOs are more than just platforms for exchange, they are engines of transformation. By linking innovation actors across borders, they allow knowledge, tools, and practices to collaborate. They build trust among stakeholders, generate economies of scale in program development, and create shared frameworks for quality and benchmarking.

In the context of sustainability, a southern Mediterranean BSO network could:

- Facilitate knowledge transfer around circular economy models and green business opportunities.
- Provide visibility to emerging trends and circular value chain initiatives.
- Enable cross-border business-to-business collaboration and market access for eco-entrepreneurs.
- Develop joint advocacy to influence national and regional policies in favour of sustainability and circularity.
- Build partnerships that integrate corporates, SMEs, startups, and public actors in a shared mission.

This network would also allow BSOs to pool resources and expertise, ensuring that their entrepreneurs and SMEs are exposed to the latest innovations, frameworks, and methodologies for sustainable enterprise development.

Lessons from Berytech's Mediterranean and European Network's Engagement

The leading regional entrepreneurship support organization Berytech offers a practical illustration of how integration into international networks can amplify the role of BSOs. Since its establishment in 2002 by Saint Joseph University (USJ), Berytech has become a central player in Lebanon's and the Mediterranean's entrepreneurial ecosystem. It connects stakeholders, advocates for innovation and entrepreneurship support, and has introduced a culture of ecosystem development in the country.

Berytech's active membership in European and Mediterranean networks has brought substantial added value:

- As a certified EU Business Innovation Centre (BIC) and member of EBN, it has adopted European best practices and international innovation frameworks and collaboration. This opened doors to participation in various EU-funded projects, enabling soft-landing programs, twinning opportunities, joint collaborative projects, and international event participation, all of which exposed Lebanese entrepreneurs to global innovation ecosystems and supported Berytech in building international partnerships and programs.
- Through the Eco-Switch Coalition and partnerships with MedWaves and other Mediterranean sustainability initiatives, it has contributed to sectoral knowledge on circular value chains, supported eco-entrepreneurs, and participated in policy advocacy for green growth.

- The network engagement created a knowledge transfer funnel, blending technical expertise, market know-how, and cultural exchange to benefit ecosystem stakeholders, startups, and SMEs.

By being part of these networks, Berytech has positioned itself as a regional ecosystem enabler: bridging local innovators with international markets, connecting public and private stakeholders, and creating inclusive ecosystems that are rich in tools, know-how, and global exposure.

Toward a Southern Mediterranean Network for Sustainability

Building on the European example and leveraging the experiences of regional pioneers such as Berytech, the establishment of a southern Mediterranean network of BSOs focused on sustainability becomes a strategic imperative. Such a network would:

- Consolidate efforts across countries, avoiding duplication while ensuring synergies.
- Elevate quality standards of BSO services by aligning with international benchmarks.
- Provide a platform for regional collaboration on sector-focused innovation in areas like renewable energy, sustainable agriculture, circular manufacturing, and waste valorisation.
- Create market-driven opportunities for entrepreneurs, ensuring that circularity is not only a principle but also a viable business model.
- Strengthen the region's voice in international dialogues on sustainability, ensuring the Mediterranean contributes actively to global climate and development goals.

Conclusion

Based on this context, we can highlight that when BSOs come together in a structured, collaborative framework, they become far greater than the sum of their parts. For the southern Mediterranean, replicating this model with a clear focus on sustainability and circularity could be transformative. It would provide BSOs with the tools, partnerships, and visibility they need to support entrepreneurs in building sustainable enterprises, while also advancing regional integration and resilience.

Ultimately, a southern Mediterranean network of BSOs for sustainability would not only empower local innovators but also bridge knowledge to markets, create cross-border value chains, and contribute to a greener, more inclusive Mediterranean future.

SPARK's Green Forward: Strengthening BSOs' capacities to promote an inclusive green economy in the MENA, Afef Ajengui, Regional Programme Manager Green Forward, spark (Tunisia).

1. Context of the green and circular economy in the MENA region

The MENA region is progressively adopting green and circular economy (GCE) principles to address environmental challenges, drive sustainable growth, and diversify economies. The green economy emphasises sustainable economic growth while minimising environmental risks, whereas the circular economy complements this by promoting resource efficiency, waste reduction, and recycling. Together, these approaches aim to decouple economic growth from resource consumption.

With abundant solar and wind resources, MENA has significant potential to lead in renewable energy, particularly solar power, which could meet nearly **half of the world's electricity demand** ¹. MENA region countries are heavily investing in green hydrogen and renewable energy projects to establish themselves as global clean energy leaders. A shift towards a circular economy focusing on resource efficiency and waste reduction, can enhance sustainability while creating economic opportunities.

Efforts to decarbonise the region **could generate up to 10 million green jobs by 2050** ² through investments in renewable energy, reforestation, and waste management. However, achieving this potential requires:

- Policy reforms: Redirecting fossil fuel subsidies towards green investments.
- Workforce upskilling: Equipping workers with skills for emerging green industries.
- International collaboration: Partnering with global stakeholders to drive innovation and financing ³.

Despite progress, challenges persist, only 5% of waste in MENA is recycled; most ends up in landfills ⁴, and **barriers** such as insufficient infrastructure, limited funding, low awareness of circular practices, and inadequate legislative frameworks hinder widespread adoption of GCE models ⁵.

The MENA region can clearly unlock immense potential for sustainable development while mitigating climate risks by addressing these obstacles through coordinated efforts among governments, private sectors, and international partners. Tailored solutions such as improving access to finance, enhancing technical capacity, and fostering regional collaboration can help overcome barriers while driving sustainable development across the MENA region ⁶.



2. What is the Green Forward (meso level) methodology and how to intervene in each country

Green Forward is a European Union-funded initiative that aims to foster a green and circular economy in the Southern Neighbourhood region, including countries in the Middle East and North Africa. The initiative operates at three levels: macro, meso, and micro, implemented respectively by a consortium comprising Expertise France (Macro), SPARK (Meso), and UNIDO (Micro).

The purpose of the Green Forward programme implemented at the meso level by SPARK is to strengthen business support organisations' capacity to act as ecosystem enablers by bridging the gap between policy (macro) and SME (micro) levels in the Southern Neighbourhood towards a green and inclusive economy. BSOs are strategically positioned i) to act as intermediaries in addressing policy makers and advocating for green regulations and standards, ii) to raise awareness on a resource-efficient low-carbon economy at institutional level, and iii) to promote greener and more dynamic business models among the entrepreneurs they support.

In the Green Forward (meso level) countries of implementation (**Egypt, Jordan, Lebanon, Libya, Morocco, Palestine, and Tunisia**) although positioned at different stages in the path towards sustainable economic growth, these countries face similar challenges in transitioning to a green economy and have been identified as the ones with strongest local interests and highest potential to boost sustainable economic development in the Southern Neighbourhood.

SPARK has developed a baseline research and needs assessment to identify key gaps across several countries. The following findings (per country) reflected a regional gap and opportunity especially around access to green finance and the ability of BSOs to effectively guide MSMEs through the green transition:

Egypt leads in digital transformation, presenting opportunities to integrate green technologies, but its economic downturn and inflation threaten environmental ambitions; raising awareness among private sector actors and consumers is critical ⁷. The SPARK's study reveals strong potential among Egypt's BSOs to support green MSMEs, but also points to key gaps in strategy, capacity, and resources. Many show clear alignment with green entrepreneurship goals and have implementation experience, yet their impact is limited by inconsistent services, limited staff expertise, restricted access to green finance, and weak policy advocacy.

Jordan, one of the most water-scarce countries globally, relies heavily on

imports, with SMEs making up 98% of businesses but contributing only 40% to GDP; green financing and capacity-building initiatives are vital to empower SMEs ⁸. The SPARK's study shows strong alignment with green entrepreneurship but reveals key gaps in strategy, expertise, and access to finance. Many BSOs lack formal strategies, face challenges in offering specialised support, and rely heavily on international funding. Limited policy support and inconsistent advocacy also hinder progress, highlighting the need for stronger capacity-building, partnerships, and tailored financial tools.

In **Lebanon**, the ongoing economic, political, and social crisis limits environmental efforts, leaving the private sector and civil society organisations to drive sustainability initiatives; stronger ecosystem support is needed to connect entrepreneurs with regional and EU networks ⁹. SPARK's baseline assessment revealed a strong commitment to green entrepreneurship, but gaps persist in strategic planning, trend analysis, and service delivery. Many BSOs lack comprehensive green strategies and face challenges in expertise, funding, and access to green finance. Policy support is limited, and advocacy efforts vary. Strengthening capacity, simplifying funding processes, and expanding ecosystem partnerships are critical for advancing green initiatives.

Libya struggles with political instability, resource shortages, and a focus on oil that overshadows sustainability efforts; adopting resource-efficient models is urgently needed ¹⁰. SPARK's study shows that while Libyan BSOs support green entrepreneurship, many lack clear strategies, green services, and trend analysis capacity. Access to green finance is limited due to complex processes and low awareness of tools like carbon credits. Weak policy support and few active partnerships further hinder progress, highlighting the need for training, simplified regulations, and stronger ecosystem collaboration.

Morocco stands out as a regional leader with successful initiatives in renewable energy and sustainable agriculture, offering valuable models for other MENA countries ¹¹. The SPARK's study reveals key gaps, including limited access to green finance, weak strategies for supporting the green economy, and a lack of specialised services and expertise in green sectors. Challenges such as complex funding processes and unfamiliarity with tools like carbon credits persist. However, strengths include active engagement in sustainable sectors, strong cross-sector partnerships, and a clear focus on inclusivity, particularly for women- and youth-led businesses.

In **Palestine**, green businesses face low consumer awareness, limited technical expertise, and funding challenges, despite potential in sectors like agriculture and renewable energy ¹². SPARK's study shows that while most BSOs in Palestine align with green entrepreneurship goals, many lack

formal strategies, specialised services, and green sector expertise. Funding remains a major barrier, with limited access to green finance and low familiarity with financial instruments. Policy support is weak, and advocacy efforts are uneven. Strengthening partnerships, building capacity, and creating innovation hubs are key to advancing the green ecosystem.

In Tunisia, there is strong interest in green entrepreneurship; however, significant gaps remain in strategy development, access to green finance, and policy support. The SPARK's study shows strong commitment to green entrepreneurship in Tunisia but highlights major gaps in strategy, expertise, and access to green finance. Support services are uneven, and many BSOs lack the tools and training to serve green MSMEs effectively. Weak policy advocacy and limited investor connections further constrain progress, underscoring the need for targeted capacity-building, regulatory reform, and stronger ecosystem coordination.

3. Key takeaways from Green Forward's meso level intervention

SPARK, through its participation in and organisation of panel discussions, conferences, and working groups across the MENA region, has so far identified several important takeaways for advancing the green and circular economy.

At the **regional level**, three cross-cutting lessons stand out. **First**, there is a persistent disconnect between policy and practice: while many countries have sustainability strategies, they are often poorly enforced or not translated into actionable frameworks. BSOs are well placed to bridge this gap by interpreting policies for entrepreneurs and advocating for reforms grounded in MSMEs' realities. **Second**, regional collaboration is essential. Successful initiatives in one country (in renewable energy, sustainable agriculture, or waste management) can be replicated elsewhere if supported by structured exchange platforms. **And third**, BSOs must evolve beyond training and incubation, becoming ecosystem conveners and connectors who build coalitions with public and private actors and, in some cases, act as early adopters of green solutions [13](#), [14](#).

For example, in Morocco, discussions emphasised the potential of green technologies as drivers of growth and job creation. Financial institutions need to design instruments that de-risk innovation for SMEs, while inclusivity and investment in human capital remain critical. Stronger collaboration between government, industry, and BSOs is also required to turn national climate commitments into practice [15](#). **Another example in Egypt** [16](#), exchanges highlighted the importance of diversifying funding models (for example: blended or match-funding approaches), enhancing BSOs' internal

capacities to provide specialised support, and investing in cross-regional learning. These priorities also reaffirmed the value of the Green Forward Innovation Hub as a tool for connecting BSOs and fostering peer-to-peer exchange. **And in Jordan**, stakeholders pointed to a growing recognition of sustainability as a competitiveness factor rather than a cost, especially in export markets. Examples included subsidised energy audits, tax exemptions for green inputs, and resource efficiency networks. Yet mid- to late-stage clean-tech enterprises still lack technical advisory and tailored finance. BSOs therefore need to act as brokers, helping entrepreneurs navigate regulations, access finance, and build partnerships with research institutions and the private sector.

Taken together, these insights clearly show that empowering BSOs as connectors, advocates, and innovators is essential to accelerate the green transition and build more inclusive, sustainable economies across the MENA region.

4. BSOs as architects of change

The green transition in MENA is not only an environmental imperative but also an economic opportunity. With the right support, the region could unlock millions of jobs, diversify its economies, and build resilience against climate risks.

But this will only happen if the **ecosystem itself is strengthened**. Green Forward is laying one of the foundations for a more inclusive and sustainable economy and this by empowering BSOs (the organisations that guide entrepreneurs, translate policies, and connect actors).

The road ahead is clear: invest in BSOs, foster collaboration, and move from discussion to action. Green Forward is committed to turning this vision into reality, ensuring that MENA's entrepreneurs and businesses can not only adapt to the future, but lead it.



03 Sustainable investment and finance



Financing the Circular Transition: Empowering Green SMEs to Solve the Mediterranean Waste Crisis, *Emilio Akl, Program Manager, Fondation Diane (Lebanon).*

The Mediterranean region stands at a critical juncture. As outlined in the *Mediterranean Manifesto for Sustainable and Circular Business Development* (see section 6 of the present publication), time is running out to prevent irreversible damage from the triple planetary crisis: climate change, environmental pollution, and biodiversity loss. Nowhere is this more visible than in the waste management crisis plaguing our municipalities. From overflowing landfills to marine litter, the linear “take-make-waste” model has reached its physical and social limits.

However, amidst these challenges lies a profound opportunity. At the meso and micro levels, a new generation of entrepreneurs is driving the transition towards sustainable and equitable business models. These are the circular innovators turning waste into resources—transforming organic refuse into compost, upcycling textiles, and recovering valuable materials from recyclables and electronic waste. Yet, despite their potential to solve local municipal crises, these Green SMEs face a “valley of death” characterized by a critical lack of access to appropriate finance and operative support.

In Lebanon, as a Business Support Organization (BSO) and impact investor through Fondation Diane and our investment arm, Viridis, we have witnessed firsthand that capital alone is insufficient. To truly catalyze the circular economy, we must couple access to finance with robust **operative support**, creating a holistic ecosystem where sustainable businesses can thrive.

The Financing Gap: Why Traditional Capital Fails Circularity

The transition from a linear to a circular economy is not optional; sustainable businesses must become the new normal. However, traditional financial institutions often view circular business models as high-risk. Waste diversion projects, in particular, frequently face:

1. **Longer Return on Investment (ROI):** Unlike tech startups that scale overnight, waste management often requires heavy infrastructure, logistics, and behavior change.
2. **Regulatory Uncertainty:** Shifting municipal policies can jeopardize revenue streams that rely on tipping fees or government contracts.
3. **Unproven Markets:** Markets for secondary raw materials (recycled plastics, compost) are often volatile or nascent.

Because of these factors, traditional banks are hesitant to lend, and venture capitalists often shy away from the “messy” world of waste. This leaves a gaping hole in the funding landscape. To bridge this gap, we must “engage financial actors and channel financial resources (grants, loans, equity) towards sustainable and circular businesses,” as called for in the Manifesto.

At Fondation Diane, we address this through **Viridis**, where we provide equity and loans specifically tailored to green start-ups. We do not just look for financial returns; we look for “ecological value”. By accepting a different risk profile—one that values environmental impact as much as profit—we can de-risk these innovations for future investors.

Beyond Money: The Necessity of Operative Support

Writing a check is the easy part. The harder challenge is ensuring that a Green SME has the capacity to survive and scale. Many waste diversion startups are founded by passionate environmentalists or engineers who may lack traditional business acumen. They understand the *science* of composting or recycling, but they may struggle with the *business* of logistics, marketing, and human resources.

This is where the role of the BSO becomes critical. We must “continuously build internal capacities and expertise” within these startups. Operative support for waste diversion SMEs must include:

- **Technical Assistance:** Helping startups navigate complex environmental regulations and certification processes.
- **Market Access:** “Collaboratively boosting access to market and increasing demand for sustainable products”. For a waste diversion company, this means connecting them with buyers for their recycled products—brokering deals between a composter and local farmers, or a plastic recycler and packaging manufacturers.
- **Municipal Liaison:** Acting as a bridge between private SMEs and public municipalities. Waste is a public utility, and private innovators cannot succeed without integrating into public frameworks. BSOs can play a diplomatic role, advocating for “supportive policies and regulatory frameworks” that allow private SMEs to manage municipal waste streams effectively.

A Case for Integrated Impact: Solving the Municipal Crisis

Consider the scenario of a typical Mediterranean municipality struggling with organic waste. A local SME proposes a decentralized composting solution.

- **Without Support:** The SME struggles to secure land, cannot get a loan for machinery because they lack collateral, and fails to market the resulting compost. The project dies, and the waste returns to the landfill.
- **With Integrated Support:** An impact investor provides low-interest financing for the machinery (Access to Finance). Simultaneously, a BSO helps the SME negotiate a land-use agreement with the municipality and runs a public awareness campaign to encourage household sorting (Operative Support). The result is a sustainable business that reduces municipal costs, creates local green jobs, and regenerates soil.

This is the “justice-oriented circular economy model” we strive for. It is inclusive, addressing “environmental challenges and reducing environmental impacts, while also being equitable and socially empowering”.

The Way Forward: Collaboration and Commitment

No enterprise exists in isolation, and neither does any BSO. To solve the waste crisis at a regional level, we must “coordinate activities, launch joint initiatives, and promote networks.” We need a “level playing field where sustainable businesses can thrive and unsustainable practices face appropriate consequences”.

We call on fellow investors, donors, and BSOs to:

1. **De-risk Green Investments:** Use blended finance mechanisms to encourage lending to waste management projects.
2. **Embed Mentorship:** Never provide capital without accompanying it with capacity building and mentorship.
3. **Measure What Matters:** “Regularly measure and transparently report” not just on financial ROI, but on tons of waste diverted and CO2 emissions avoided.

The Mediterranean has always been a cradle of innovation. By channeling our collective resources into empowering Green SMEs, we can turn the tide on the waste crisis. We can build an economy that serves both people and planet, proving that in the circular economy, waste is not an end, but a new beginning.

**Venture Philanthropy and the Future of Impact Finance in MENA:
Building the Ecosystem for Circular and Inclusive Enterprises, *Nour
Laswi, Programmes Manager, Alfamar (Jordan)*.**

Across the Mediterranean and the wider MENA region, social and green enterprises are becoming key drivers of circularity, resilience, and inclusive economic growth. Yet many remain constrained by fragmented ecosystems, limited financing pathways, and the absence of enabling policy environments.

Alfamar Venture Philanthropy – the Arab region’s first venture philanthropy organisation – has seen first-hand how patient, impact-driven capital combined with hands-on capacity-building can unlock the potential of these enterprises, strengthen the business support organisations (BSOs) that serve them, and reinforce the region’s growing impact economy.

Today, the MENA region is undergoing significant shifts. Traditional philanthropy is increasingly complemented by venture philanthropy and impact investing approaches that prioritise sustainability, measurable outcomes, and enterprise viability. Our recent ecosystem assessment in Jordan, conducted under the *From Innovation to Creation* and *Green Forward* programmes funded by the European Union and implemented with SPARK and Alfamar Venture Philanthropy, offers insights into how shifts in policy, financing, and support systems can accelerate social and green enterprise development.

1) Venture Philanthropy in MENA: A Shift Toward Sustainability and Systems Change

Venture philanthropy combines patient, long-term capital with hands-on strategic support. Alfamar’s model extends beyond financing to include training, capacity-building, market access, and robust impact management – strengthening both business and impact models.

Across the region, three developments are accelerating the adoption of venture philanthropy:

1.1 A Turn Toward Enterprise Sustainability Instead of Short-Term Grants

Funders increasingly recognise that durable impact requires financially resilient enterprises. Venture philanthropy provides catalytic early-stage support for enterprises addressing youth unemployment, women’s economic inclusion, refugee livelihoods, waste reduction, and climate adaptation. Strengthening financial and impact foundations enables enterprises to withstand volatility, maintain consistent services, and scale solutions.

1.2 Alignment with National Reform Agendas

Regional strategies – from Jordan’s Economic Modernization Vision to Saudi and Egypt Vision 2030 – emphasise innovation, green growth, and entrepreneurship. These agendas create fertile ground for venture philanthropy models that blend market-based solutions with social purposes. They also raise expectations for BSOs to help early-stage enterprises align with national priorities and evolving regulations.

1.3 Growing Appetite for Hybrid, Innovative Financing Tools

Hybrid instruments – recoverable grants, concessional debt, impact-linked financing, pay-for-results models, and blended finance – are increasingly used to de-risk early ventures and attract investors. Venture philanthropy plays a bridging role by mobilising patient capital while strengthening the operational and impact foundations required to progress toward investment.

2) Impact Investing in MENA: An Expanding Landscape with Persistent Gaps

While impact investing remains at an early stage in the region, momentum is undeniable. Growing interest in climate tech, agriculture, water efficiency, digital inclusion, and women – led SMEs has attracted regional and international investors. Banks in Jordan—such as the Jordan Kuwait Bank with its first green bond – signal the integration of sustainable finance into the mainstream capital market.

However, three ecosystem gaps hinder the full realisation of impact investing’s potential:

- **A shortage of investment-ready enterprises**, largely due to capacity constraints.
- **Fragmented legal frameworks**, especially for social and green enterprises.
- **Limited and unevenly distributed BSOs, with rural, refugee and underserved populations left behind.**

These gaps underscore the need for actors able to provide patient capital alongside the technical and operational support required to build enterprise resilience and investment readiness – a role that venture philanthropy is uniquely positioned to play.

3) Lessons From Jordan: Strengthening the Ecosystem Through Policy, BSOs, and Impact Infrastructure

Our ecosystem analysis in Jordan offers clear insights into the structural conditions shaping early-stage enterprise development — lessons relevant across the MENA region.

3.1 The Need for Legal Recognition of Social and Green Enterprises

Jordan's enterprise ecosystem is vibrant but constrained by the absence of a dedicated legal form for social and green enterprises. These organisations must register under NGO, cooperative, or standard company structures — none of which accommodate hybrid models or provide appropriate fiscal incentives. Similar regulatory gaps are found across much of the region.

It is important to note that although there is a lack of a formal recognition of impact, i.e. measurement, management, and reporting, in the ecosystem, there are efforts being integrated to give preferential considerations for businesses that incorporate sustainable measures within their operating modelling. This is a positive step forward to encourage the ecosystem to 'do business', responsibly.

3.2 BSOs Are Essential but Under-Resourced

Jordanian BSOs highlight challenges that are also evident across the broader Mediterranean ecosystem:

- **46.25% face funding shortages**, limiting their ability to provide sustained or specialised capacity-building
- Services remain **urban-biased**, with rural and refugee communities underserved.
- Only **38.60% of BSOs** reach refugee communities, despite Jordan being home to an estimated 1.3 million refugees.
- Impact measurement capabilities are particularly weak, reducing investment-readiness of the enterprises they serve.

These findings reinforce the need to strengthen the support infrastructure that underpins early-stage social and green enterprises. Through our venture philanthropy model, Alfamar works directly with enterprises while training and collaborating with BSOs to deepen technical capabilities and improve the quality of support available across the ecosystem.

3.3 Circular and Green Enterprise Models Are Emerging, But Require Targeted Capital and Policy Reform

Jordan's green enterprise sector—particularly in water conservation, waste management, and renewable energy—shows significant potential for environmental and social impact. However, consultations reveal that these enterprises face structural barriers that limit their ability to scale, including:

- Limited green financing instruments, with most instruments geared toward SMEs rather than hybrid social and green business models.
- Lack of a national green taxonomy, creating uncertainty around eligibility, standards, and incentives for green enterprises.
- A heavy regulatory and compliance burden on early-stage innovators, including high taxation, complex licensing procedures, and fragmented oversight.

Together, these constraints slow innovation and discourage investment in early-stage circular models. Catalytic capital and structured capacity-building are essential to de-risk innovation, validate business models, and enable access to larger financing pools and policy incentives.

4. The Future: Ecosystem Shifts Required for Circular and Inclusive Enterprise Growth

Three ecosystem shifts are essential to close these gaps and accelerate circular and socially inclusive business models.

4.1 Blended Finance Models Must Become the Norm

By providing patient capital that absorbs early-stage risk, venture philanthropy lays out the groundwork for circular and green enterprises to stabilise and strengthen. Scaling these models requires additional forms of impact-aligned investment. Blended finance offers a mechanism to bring philanthropic, public, and commercial capital together, enabling enterprises with longer maturation periods to progress toward sustainability and growth.

4.2 BSOs Must Be Equipped to Support a New Generation of Impact-Focused Enterprises

Capacity-building is not supplementary; it is core infrastructure. For circular business models to thrive, BSOs need technical expertise in:

- impact measurement,
- circular economy principles,
- digital transformation, and
- investment-readiness.

Alfanar's regional strategy views BSO strengthening as a core component of building resilient social enterprises, as enterprise development is closely tied to the quality of support available across the wider ecosystem.

4.3 Policy Reform Must Align with the Realities of Hybrid Enterprises

Across the region, countries like Tunisia and Egypt have already advanced dedicated frameworks for social and green enterprises – introducing legal definitions, voluntary labelling, and early fiscal incentives. Jordan's proposed roadmap builds on this momentum and reflects a wider shift toward clearer, more supportive operating environments – one that can reduce regulatory ambiguity, ease compliance, and signal to investors that the ecosystem is becoming more coherent, transparent, and investable.

Conclusion: A Region on the Cusp of Transformation

Entrepreneurs across the Mediterranean and MENA regions are developing circular and socially inclusive business models that respond to some of the region's most pressing challenges. Their work reflects a shift toward models that integrate social purpose, environmental benefit, and financial viability.

Realising this potential will depend on clearer policy frameworks, stronger support systems, and financing pathways designed for hybrid enterprises. Coordinated action from policymakers, BSOs, and impact-aligned funders will be essential to building ecosystems in which circular and inclusive enterprises can thrive.

Venture philanthropy will remain an important bridge in this process, de-risking early innovation and establishing the foundations required for later-stage investment. Alfanar looks forward to continued collaboration with partners across the ecosystem to strengthen the enabling architecture that allows circular and inclusive enterprises to contribute effectively to the region's sustainable development.

RAMA Impact: The Specific Needs and Strategic Role of Women-Led Green and Social Enterprises in the MENA Region, *Tamara Ghandour, CEO, RAMA Impact (Lebanon)*.

Across the Middle East and North Africa (MENA), the climate, social and employment crises are converging. Rising temperatures, water stress, food insecurity, youth unemployment and widening gender gaps are no longer future risks - they are present realities. In this context, locally led women-owned green and social enterprises are not peripheral actors. They are among the region's most under-recognized yet systemically critical solution-builders.

At RAMA Impact, our work across MENA shows a clear pattern: when women lead climate-smart and socially rooted enterprises, the outcomes extend far beyond firm-level success. These ventures strengthen local supply chains, formalize informal work, improve household resilience, and anchor climate adaptation in real economies. Yet despite their strategic importance, they face structural barriers that traditional finance and policy frameworks continue to overlook.

Why women-led social enterprises matter in MENA's green transition

Women-led green and social enterprises in the region are disproportionately concentrated in sectors that are both climate-exposed and climate-essential: sustainable agriculture, food systems, circular economy manufacturing, waste recovery, renewable-linked livelihoods, water stewardship, community health and care-adjacent services. These sectors are labour-intensive, locally embedded, and resilience-critical.

Unlike extractive or capital-heavy green projects, these enterprises create distributed employment - often for women and youth - while embedding climate adaptation directly into production and consumption patterns. They stabilize incomes in rural and peri-urban areas, reduce exposure to climate shocks and preserve traditional knowledge and ecosystems. In short, they translate climate ambition into jobs, dignity, and resilience at the community level.

Yet their value is rarely reflected in how capital is allocated.

The financing gap is not just about access - it's about fit

The dominant constraint facing women-led green enterprises in MENA is not a lack of viable ideas or market demand. It is a mismatch between how capital is structured and how these enterprises actually grow.

Most founders operate in early-stage or growth-constrained environments where collateral is unavailable, cash flows are volatile and formal financial histories are limited. Conventional bank loans are inaccessible. Venture capital is often inappropriate, pushing for hyper-growth trajectories misaligned with social and environmental missions. Grants, while useful, are often short-term, fragmented, and poorly aligned with long-term enterprise sustainability and many women founders cannot access them in the first place, as they operate in underserved communities with limited visibility, weak networks and little connection to formal funding ecosystems.

What these founders need instead is patient, flexible and non-extractive capital - financing that recognizes impact creation as value, not risk. This includes collateral-free instruments, zero- or low-cost capital, longer repayment horizons and financing that is paired with hands-on technical assistance, strategic guidance, and support for founder wellbeing.

Without this, many women-led social enterprises plateau precisely at the stage where their job-creation and climate impact potential are highest.

Capacity constraints are structural, not individual

Another critical but often misunderstood challenge is capacity. Women-led social enterprises are frequently judged against benchmarks designed for well-resourced startups in mature markets, while operating in contexts marked by regulatory opacity, weak infrastructure, currency volatility, and limited support ecosystems.

Founders are expected to simultaneously manage operations, compliance, supply chains, impact reporting, fundraising and workforce development - often with minimal institutional backing. This is compounded by gendered constraints, including unequal care responsibilities, limited access to networks and lower tolerance from investors for experimentation or failure.

Capacity-building, therefore, cannot be treated as a soft add-on. It must be embedded into financing models, tailored to local realities, and aligned with enterprise life cycles. Strategic mentorship, governance support, financial literacy, market access and founder wellbeing are not luxuries- they are prerequisites for survival and scale.

The ecosystem blind spot

Despite increasing rhetoric around “gender-smart” and “green” finance, ecosystem coordination in MENA remains fragmented. Policymakers, donors, financial institutions, corporates, and investors often operate in silos, resulting in duplicated efforts on one end and critical gaps on the other.

Women-led social enterprises are frequently asked to navigate this complexity alone, adapting to shifting donor priorities, inconsistent reporting requirements and misaligned incentives. What is missing is a coherent, pipeline-driven approach that links early-stage support to longer-term capital pathways, policy alignment and market integration.

When women-led green enterprises fail, it is often framed as **founder risk**. In reality, it is **ecosystem failure**.

A catalytic opportunity, not a niche agenda

Investing in women-led green and social enterprises in MENA is not a matter of inclusion for inclusion’s sake. It is a high-leverage economic and climate strategy.

Evidence consistently shows that women reinvest more of their income into their families and communities, leading to multiplier effects in health, education, and local employment. When these enterprises are climate-aligned, the returns compound: stronger food systems, reduced waste, lower emissions and greater adaptive capacity at the household and community levels.

As climate impacts intensify and public budgets tighten, MENA cannot afford to ignore one of its most effective engines for inclusive, resilient growth.

RAMA Impact’s approach

RAMA Impact was built in direct response to these structural failures. Our model blends interest-free, collateral-free debt with enterprise-defined repayment terms designed to protect cash flows, alongside deep, founder-centric support, and active ecosystem bridging. We work where traditional capital does not - at the intersection of gender, climate, and early-stage enterprise- because this is where marginal capital has the highest systemic return.

We do not view women-led enterprises as beneficiaries. We view them as co-architects of the region's climate-resilient future.

By aligning capital, capacity, and community, we aim to shift not only who receives financing, but how success is defined and sustained. Because in the MENA region, the green transition will not be delivered solely by large infrastructure or top-down policy. It will be built enterprise by enterprise, community by community, rooted in nature-based solutions - by women who are already leading the work and, in the process, reshaping generational patterns and breaking long-standing cycles.



The cluster approach and impact investment to build systemic development in the Mediterranean, *Giacomo Pinaffo, Secretary General, Messina Foundation (Italy)*.

The Mediterranean today stands at a crossroads. Climate change, social fragmentation, economic inequality, and migration pressures converge in ways that make this region both vulnerable and uniquely positioned to pioneer solutions. In this context, the work of Fondazione MeSSInA in Sicily, and the launch of [The Switchers Fund](#), represent complementary forces that can inspire a new paradigm of systemic development across the region.

Sicily as a Laboratory of Transformation

Sicily, at the centre of the Mediterranean, embodies the contradictions of the wider region. More than 70% of its territory is at risk of desertification, unemployment rates remain among the highest in Europe, and social inequality is deeply entrenched. Yet, these “extreme conditions” have made Sicily an invaluable laboratory for testing new approaches to sustainable and inclusive development.

It was in this context that Fondazione MeSSInA was created in 2010 as a community foundation. From the outset, it refused to adopt sectoral or piecemeal interventions. Instead, it built its strategy on complexity theory and Amartya Sen’s capability approach, recognizing that poverty and exclusion cannot be solved without acting simultaneously on multiple dimensions: economic, cultural, social, ecological, and institutional.

The hallmark of the MeSSInA methodology is its ecosystemic vision: by weaving together welfare services, finance, cultural production, technological research, and urban regeneration, the Foundation has shown how to turn fragmented initiatives into coherent territorial development strategies. To implement such approach, the Foundation coordinates a Cluster of Social and Ecological Innovation (CSEI), recognized by the European Commission, which connects foundations, social enterprises, financial actors, research institutions, and civil society.

According to the [European Commission's GECES Working Group](#), CSEIs are emerging as key vehicles for systemic territorial development: unlike traditional industrial clusters, CSEI are not only about economic competitiveness; they create ecosystems where social economy actors, mainstream enterprises, civil society, research, and public authorities collaborate to regenerate territories. They enable diverse forms of innovation – economic,

social, ecological, and governance-related – by serving both as laboratories for new solutions and as platforms for circulating best practices. Anchored in their territories, these clusters strengthen resilience by pooling resources, valorising local assets, and promoting circular and sustainable practices. At the same time, they advance inclusive governance models, ensuring that social and ecological values are embedded in decision-making.

The Messina cluster has indeed demonstrated how the development of territorial ecosystems can become an engine of systemic change, achieving results that combine social justice with ecological transition.

Over the past decade, the cluster has supported more than 250 enterprises and micro-enterprises, creating, or consolidating over 600 jobs – many for disadvantaged groups. It has provided personalized support to over 1,000 vulnerable individuals, regenerated historic or environmental sites and tested technologies ranging from renewable energy micro-grids to bioplastics derived from agricultural waste.

Several areas in Sicily have benefited from the transformative processes led by the Foundation. In Messina city, at Capo Peloro, once an illegal dump and military site, the Foundation created a protected natural reserve that now hosts a research centre, a contemporary art museum, and a long-standing Mediterranean cultural festival, reconnecting the community with the biodiversity and mythological heritage of the Strait of Messina; Forte Petrazza, a decayed 19th-century fortress, has been reborn as the cluster's headquarters and a civic hub with an open-air theatre, an astronomical observatory, and immersive digital facilities. In Fondo Saccà, historically a shantytown with dramatically low life expectancy, the Foundation implemented an award-winning regeneration program: over 200 families gained access to decent housing through participatory processes, while the area was redeveloped with eco-sustainable units, community services, and a research hub on urban resilience. Other rural communities have similarly benefited: in Mirabella Imbaccari, the neglected Palazzo Biscari has become a civic centre with cultural, social, and sports facilities, while also reviving the artisanal tradition of bobbin lace as a source of women's empowerment and sustainable entrepreneurship. In Novara di Sicilia, a strategic development plan co-designed with local stakeholders that has already mobilized over €2 million in public investment for sustainable tourism, agriculture, energy transition, and urban regeneration. In Roccavaldina, an abandoned industrial site was repurposed into a bioplastics factory using agro-food waste, anchoring a local development strategy around circular economy and rural value chains.

The Switchers Fund: Scaling Ecosystemic Change Across the Mediterranean

While Sicily provides compelling examples, the Mediterranean as a whole requires mechanisms that can sustain, and interconnect local ecosystems engaged in the social and environmental transformation of territories. Only through a common effort can the Mediterranean realize its potential as a space of peace, resilience, and shared prosperity. The social and solidarity economy — rooted in values of social justice, environmental responsibility, and community empowerment — has proven to be playing a key role: by prioritizing human and ecological well-being over short-term profit, social economy initiatives offer concrete solutions to some of the region's most pressing issues. However, to unleash the full potential of the social economy, it is essential to develop territorial ecosystems that enable such models to emerge, consolidate, and thrive, as shown by the example of Fondazione MeSSInA. Social and green enterprises are often isolated within their contexts, lacking the networks and support structures needed for lasting impact.

Here lies the significance of The Switchers Fund, a joint initiative by Fondazione MeSSInA, MedWaves and SEFEA MED. SEFEA MED is a cooperative financial institution established in 2002 by members of FEBEA, the European Federation of Ethical and Alternative Banks, with a long track record in developing financial instruments for the social economy across Europe. Its role as fund manager ensures that the Switchers Fund operates with both financial rigor and a strong commitment to social and environmental impact, blending patient capital with ethical investment principles.

Indeed, The Switchers Fund is more than a financial instrument. It merges patient capital, technical assistance, and policy expertise to strengthen enterprises that serve as catalysts within their local ecosystems. Its design emphasizes ecosystemic interconnection, ensuring that social and green enterprises are not isolated but embedded in territorial networks that include businesses, civil society, academia, and public authorities.

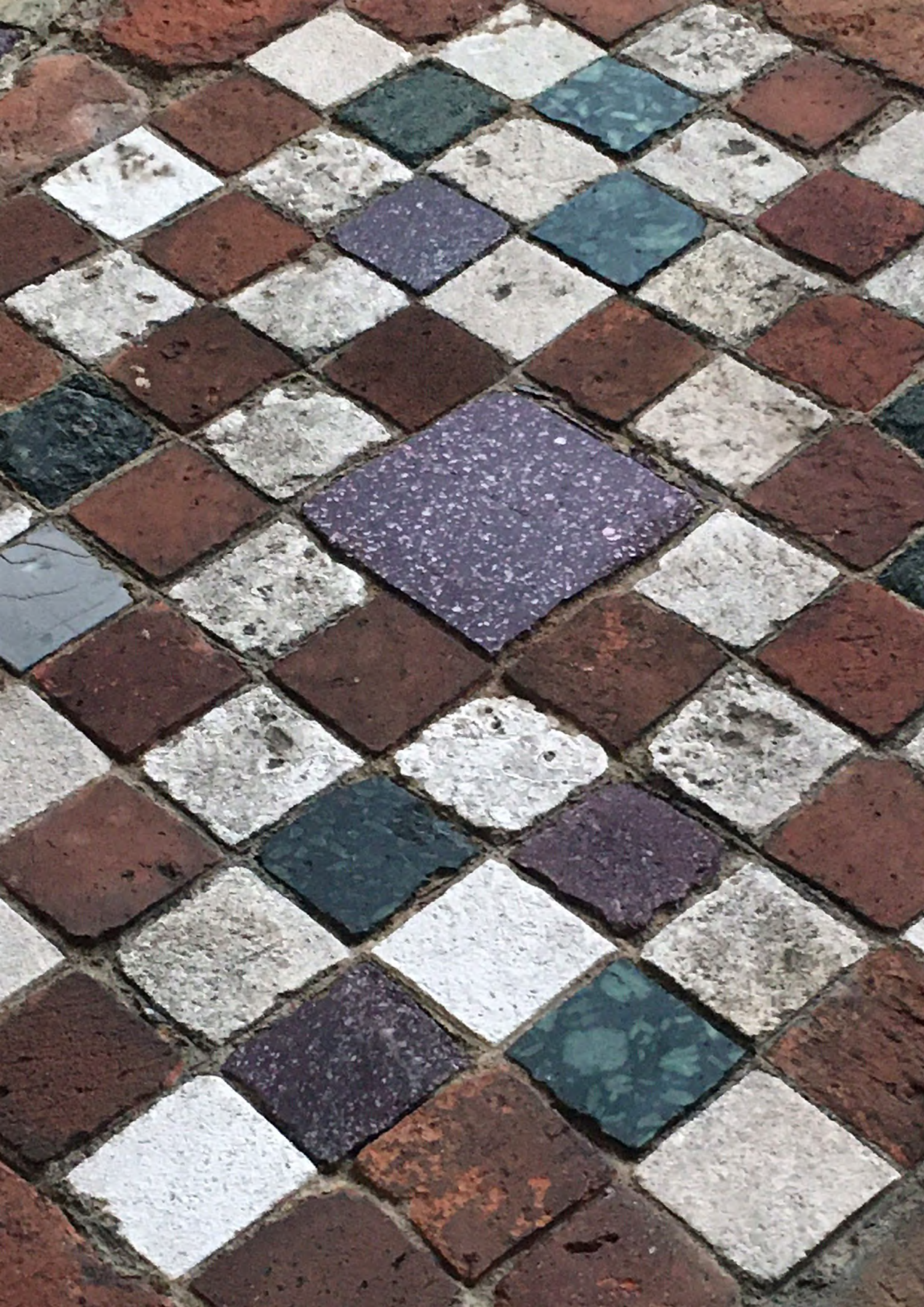
The Fund's core features include:

- Patient, risk-tolerant investment for micro and small social/green businesses to support their growth and integration in wider local ecosystems;
- Capacity building and impact measurement tools to help enterprises consolidate sustainable business models;
- Networking functions that link ecosystems across the Mediterranean, supporting peer learning and replication;
- Policy engagement, leveraging UNEP/MAP's mandate to create enabling environments for circular, low-carbon economies.

By combining finance with systemic development approach, The Switchers Fund creates a bridge between local practices and regional transformation.

In practical terms, this means fostering renewable energy communities to fight energy poverty, supporting ethical and circular value chains, regenerating urban and rural spaces, and empowering marginalized populations with new capabilities. Each initiative will be embedded in its territory yet interconnected across the region through the Switchers network. Ultimately, the vision is of a Mediterranean of interconnected ecosystems: a resilient, inclusive, and sustainable space where local actors are empowered to co-create their futures, and where territorial innovation contributes to global agendas such as the Sustainable Development Goals.

Fondazione MeSSInA has shown that systemic change is possible when finance, culture, technology, and social and environmental justice are woven together. The Switchers Fund now offers the opportunity to promote this approach at scale, turning local resilience into a Mediterranean-wide movement.



04 Supportive public policies and programmes



The Barcelona Convention set of regional measures to support the development of circular businesses in the Mediterranean, *Alessandro Miraglia, Team Leader, Networking, Partnership & Communication, MedWaves (Spain).*

Introduction

A just transition to a Circular Economy requires coordinated action between private sector actors capable of generating environmental and social value through their production processes, and public policy makers who can enable systemic change in the way products and services are designed, produced, accessed, used, and recovered. Moving beyond the linear “take-make-waste” model entails not only technological innovation, but also institutional, financial and governance transformations that reshape market’s infrastructures and redistribute opportunities and risks more equitably¹.

Such coordination must occur across multiple governance levels and through different leverage points, reflecting both the political and technical nature of the circular economy transition. Markets alone are insufficient to overcome structural barriers embedded in linear value chains. Instead, enabling policy frameworks, collective infrastructures, and regional cooperation mechanisms are required to steer innovation towards social and ecological outcomes².

Why a Regional Framework for Circular Economy Businesses?

MedWaves, the UNEP/MAP Regional Activity Centre for Sustainable Consumption and Production, frames the Circular Economy as a systemic transition that simultaneously addresses environmental degradation, economic resilience, and social inclusion. In the Mediterranean context, where economic processes are highly interdependent across borders, this transition must explicitly integrate principles of justice, cooperation, and shared responsibility, in order to avoid unintended social or territorial consequences and to ensure that benefits are equitably distributed.

1 European Commission. (2025). A JUST TRANSITION TO THE CIRCULAR ECONOMY (Project No. 101003491). CORDIS – EU Research Results. <https://cordis.europa.eu/project/id/101003491>

2 Schröder, P. (2020). Promoting a just transition to an inclusive circular economy. Chatham House. <https://www.chathamhouse.org/sites/default/files/2020-04-01-inclusive-circular-economy-schroder.pdf>

This regional perspective is particularly relevant given the productive structure of Mediterranean economies. Small and medium-sized enterprises represent the vast majority of firms and account for most employment, while micro-enterprises and informal actors constitute a significant share of local economic activity³. Although these actors are key drivers of innovation and community-based solutions, they often face limited access to finance, skills, markets, and policy support. Without targeted enabling measures, the shift to circular practices risks reinforcing existing inequalities and economic concentration rather than reducing them⁴.

Recognizing both the urgency of the environmental polycrisis affecting the Mediterranean Sea and the socio-economic opportunities of sustainable business development, the Contracting Parties to the Barcelona Convention mandated UNEP/MAP and MedWaves to develop a Set of Regional Measures to support the development of green and circular businesses and strengthen the demand for more sustainable products. Adopted under Decision IG.25/18⁵, this framework provides coordinated regional actions addressing entrepreneurs, policy makers, business support organisations and financial actors.

What is a Circular Business Model?

Within this framework, MedWaves defined circular business models as economic organisations that generate environmental and social value by applying eco-innovation, life-cycle thinking and eco-design principles, while remaining economically viable. However, such models must navigate structural barriers embedded in linear systems, including distorted price signals, regulatory gaps, limited capacities, and fragmented markets, that cannot be addressed through market mechanisms alone⁶. They require collective governance, coordination, and participation.

3 OECD/The European Commission/ETF (2014), SME Policy Index: The Mediterranean Middle East and North Africa 2014: Implementation of the Small Business Act for Europe, OECD Publishing, <https://doi.org/10.1787/9789264218413-en>.

4 MedWaves-SCP/RAC / Circular Economy Portugal (2021). Regional Summary of Policy Recommendations to Support the Development of Green and Circular Businesses in the Mediterranean. SwitchMed. https://switchmed.eu/wp-content/uploads/2020/12/SwitchMed_Regional-Summary-of-Policy-Recommendations.pdf

5 22nd Meeting of the Contracting Parties to the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean and its Protocols: <https://wedocs.unep.org/items/9188cb5e-b2e7-404f-ba7d-f1bf3a28a76e>

6 Mosangini, G.; Tuncer, B. (2020). CIRCULAR ECONOMY BUSINESS STRATEGIES: Conceptual Framework to Guide the Development of Sustainable Business Models. MedWaves-SCP/RAC. <https://theswitchers.eu/wp-content/uploads/2020/06/Strategies-for-the-Development-of-CEBM-1.pdf>

Regional processes, coupled with multi-scalar governance mechanisms, therefore play a critical role in shaping a transition that is fair, inclusive, and resilient.

Set of Regional Measures to Support the Development of Green and Circular Businesses and to Strengthen the Demand for more Sustainable Products

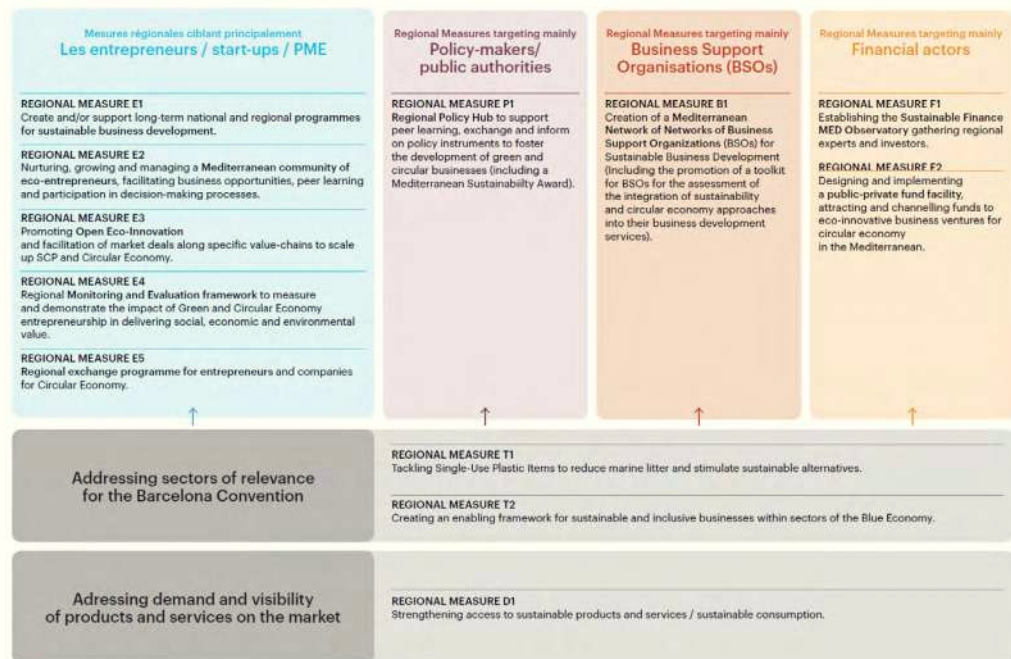
The Set of Regional Measures⁷ constitutes the operational policy response of the Barcelona Convention system to enable a just and inclusive transition towards circular economy models in the Mediterranean. It seeks to create the enabling conditions for circular entrepreneurship, strengthen institutional and support ecosystems, mobilise sustainable finance, and progressively align production and consumption patterns with the long-term health of Mediterranean societies and ecosystems.

Adopting a multi-stakeholder and ecosystem-based approach, the Measures translate the circular transition into concrete, coordinated actions to be undertaken by public authorities and key market actors. Rather than isolated interventions, they are conceived as mutually reinforcing levers that address regulatory, technical, financial, and behavioural barriers simultaneously. Their implementation aims to develop local and regional innovation ecosystems in which circular business models can emerge, scale up and cooperate on fair terms.

Structurally, the framework combines:

- Vertical measures (E1–F2), which assign clear responsibilities to specific stakeholder groups and focus on strengthening the enabling environment for sustainable businesses; and
- Transversal measures (T1, T2, D1), which address priority sectors and demand-side dynamics of particular relevance to the Barcelona Convention mandate, such as plastics, the blue economy and sustainable consumption.

⁷ MedWaves-SCP/RAC (2021). Set of regional measures to support the development of green and circular businesses and strengthen the demand for more sustainable products in the Mediterranean. MedWaves-SCP/RAC. https://switchmed.eu/wp-content/uploads/2022/01/SwitchMed_Set-of-Regional-Measures_SCP/RAC.pdf



Together, these measures embed circular economy objectives into regional governance while supporting mission-oriented impacts across key economic systems.

Regional measures targeting mainly entrepreneurs, start-ups, and SMEs

These measures aim to directly strengthen the capacities and opportunities of green and circular entrepreneurs. They focus on establishing long-term business development and incubation programmes, nurturing regional communities of eco-innovators, promoting open eco-innovation and collaboration along value chains, enabling exchange and peer-learning across countries, and providing monitoring tools to measure environmental, social, and economic impacts. The objective is to reduce structural barriers faced by SMEs and accelerate the creation and scaling of viable circular business models. Several of these measures are implemented through The Switchers Support Programme, the region's flagship business support initiative for green and circular entrepreneurs⁸.

Regional measures targeting mainly Policy Makers

As stated, public authorities play a central enabling and coordinating role. The Regional Policy Hub supports peer learning, exchange of good practices and technical assistance to develop coherent policy frameworks for circular economy, including strategies, regulatory instruments, green public procurement, fiscal incentives, and awareness campaigns. By strengthening governance capacity, this measure ensures that markets reward sustainable practices and that enabling conditions are harmonised across the region.

The functions of the Regional Policy Hub are currently embedded within the Innovative Sustainable Economy Hub⁹ (ISEC Hub), delivered through the Interreg EuroMed-funded project Community for Innovation and led by the Beta Tech Centre.

Regional Measures targeting mainly Business Support Organisations (BSO)

Business Support Organisations (BSOs) are key intermediaries translating policy ambition into practical support for entrepreneurs. The measures promote the creation of a Mediterranean Network of BSOs, facilitating knowledge sharing, methodological harmonisation, and capacity building. Through common tools and standards, BSOs are better equipped to integrate eco-innovation, life-cycle thinking and sustainability principles into the services they provide to SMEs.

Regional Measures targeting mainly Financial Actors

Access to appropriate finance remains one of the main bottlenecks for circular businesses. These measures seek to mobilise sustainable investment through a regional finance observatory and dedicated public-private funding mechanisms, fostering blended finance, impact investing and tailored financial instruments. By improving both the supply of capital and the readiness of businesses, they aim to channel resources towards high-impact green and circular ventures. While impact investment and patient capital are increasingly expanding financing opportunities for early-stage and mission-driven enterprises, their scale remains insufficient to meet regional needs. Further catalytic public interventions, enabling regulation and targeted incentives are required to mainstream green finance and to better recognise environmental and social value creation alongside financial returns. Initiatives such as the Switchers Fund illustrate how blended, mission-oriented finance can help bridge this gap and de-risk investments in sustainable business models¹⁰.

The behind-the-scene: development of the Regional Measures and ways forward

The design of the Measures relied on a participatory and evidence-based process developed under the SwitchMed programme, implemented by UNIDO, UNEP and MedWaves with the support of the European Union and partner governments Italy and Catalonia.

9 Interreg EuroMed Innovative Sustainable Economy Mission: <https://www.isechub.eu/>

10 The Switchers Fund: <https://theswitchersfund.eu/en/>



MedWaves applied a two-step methodology:

1. A comprehensive baseline assessment of policy and market conditions across Mediterranean countries to identify gaps and best practices; and
2. second, a broad stakeholder consultation to validate and refine the proposed actions with policy makers, business support organisations, financial institutions, academia, civil society, and entrepreneurs. This process ensured that the final framework reflects both regional priorities and practical implementation needs.

The effectiveness of the Regional Measures depends on systematic monitoring, evaluation, and continuous learning. A regional Monitoring, Evaluation, Accountability and Learning (MEAL) approach, based on a Theory of Change and developed within the Switchers Support Programme, supports the assessment of progress, impacts and gaps, enabling Contracting Parties and policy-makers to adapt actions over time and ensure that environmental, social and economic benefits are delivered.

Going forward, the Regional Measures should be progressively implemented through their integration into national strategies, regulatory frameworks, and business ecosystems support programmes, with the support of MedWaves and the Barcelona Convention system. At the same time, they should be mainstreamed as cross-cutting solutions to address interconnected regional challenges (including marine litter, climate change, biodiversity loss and unsustainable resource use) positioning circular economy approaches and sustainable entrepreneurship as drivers of ecological resilience and inclusive development in the Mediterranean.

GreenerMed and the SBE Roadmap as Catalysts for Sustainable, Circular Business Development in the Mediterranean, *Alessandra Sensi, Head of Sector Environment, Green and Blue Economy – Water Environment and Blue Economy Division, Mohammed Elrazzaz, Head of Sector for Regional Integration – Economic Development and Employment Division, Adriana Salazar, Sustainable Blue Economy Expert, Anna Dorangricchia, Project Manager Gender Equality, Social and Civil Affairs Division, Giuseppe Provenzano, Project Manager Higher education and Research Division; Union for the Mediterranean (Spain).*

The transition towards sustainable, inclusive, and resilient economic models in the Mediterranean requires public policies that actively enable businesses to innovate, invest, and scale up sustainable solutions.

Through regional policy implementation frameworks such as the 2030 [GreenerMed Agenda](#) and the [Sustainable Blue Economy \(SBE\) Roadmap](#), the Union for the Mediterranean (UfM) provides a coherent, structured level playing field for its 43 UfM Member countries to ensure the convergence of political, policy, technical and financial efforts around circular, green, and blue economic within a Mult stakeholders approach.

The 2030GreenerMed and Sustainable Blue Economy (SBE) Roadmap are the UfM flagship frameworks ensuring a shared vision for accelerating sustainable development through circular/green and blue economy; pollution prevention and reduction; natural resources protection, management, and restoration; and climate action. They explicitly recognize the private sector as a key driver of the transition and highlight the need for supportive public policies and intermediary ecosystems, including BSOs, innovation hubs, accelerators and financial institutions.

Among others, Business Support Organizations (BSOs) do play a central intermediary role in translating policy frameworks into practical support for

entrepreneurs and companies, facilitating access to finance, skills, markets, and networks.

Green and Blue at the UfM

In line with the 2021 [UfM Ministerial Declaration on Environment and Climate Action](#), building on the findings of the UfM regional report Green Circular Economy at the Mediterranean Level, GreenerMed promotes policy coherence across sectors such as energy, industry, waste, water, agriculture, and urban development. For green businesses and entrepreneurship, this coherence is essential to reduce regulatory uncertainty and create predictable conditions for long-term sustainable investments.

GreenerMed encourage:

- Circular business models through eco-design, waste valorisation and resource efficiency measures;
- Green public procurement as a demand-side instrument supporting sustainable SMEs;
- Innovation; research, technology transfer, commercialization, and internationalization
- Skills development and reskilling policies aligned with green jobs, with a focus on youth and women.

BSOs are positioned as key enablers within the GreenerMed framework, supporting enterprises in navigating regulatory requirements, adopting circular practices, accessing certification schemes, and connecting to regional value chains. At the same time, BSOs act as feedback channels, ensuring that policy design reflects the operational realities of green entrepreneurs.

From Research to Business

Across the Euro-Mediterranean region, researchers are developing solutions with the power to transform lives, from climate action and renewable energy to agri-food and maritime systems. Nevertheless, structural gaps often prevent these discoveries from becoming impactful innovations outside their laboratories. While the region is rich in scientific talent, the valorisation of research into tangible economic value remains limited, constraining job creation in a region where youth unemployment often exceeds 30%.

Inspired by the UfM Ministerial Declaration on Research and Innovation (2022), which committed to “promote innovation as a tool for building knowledge, skills, and careers”, the region is striving to translate its scientific potential, coalesced into a UfM R&I agenda, into economic impact. Recognizing that academia must serve not just as an educator but as an engine of regional development, the UfM established the “Innovation-Employability” initiative. Supported by German Development Cooperation, this platform has delivered years of knowledge products and training aimed at connecting business with academia.

Building on this foundation, and following a landmark conference in Malta (October 2025), the UfM has launched the “Research-to-Business” initiative, with the support of the Spanish Development Cooperation (AECID). This new two-year pilot offers a concrete bridge between academia and industry. Through targeted mentoring, it empowers innovators to navigate the path to commercialization. The initiative places a special emphasis on cooperating with Business Support Organizations, such as accelerators and tech transfer offices, to act as the connective tissue between new ideas and the market and funding, whether through launching startups or partnering with established companies through new intellectual property.

Whether addressing water scarcity through frugal innovation or leveraging AI for tourism, its aim is to unlock the power of excellent science to disrupt Mediterranean economies, going beyond national silos to tackle regional challenges through shared ingenuity. By turning the “valley of death” of innovation into a pipeline of viable business solutions, the UfM aims to foster a more competitive, sustainable, and prosperous Mediterranean.

A recurring challenge identified in UfM circular/green economy work is limited access to green finance, particularly for MSMEs and early-stage start-ups. As indicated in the [UfM publication on Green, Circular Economy](#), GreenerMed addresses this gap by emphasizing the role of public policy in mobilizing financial resources and de-risking private investment. The UfM's green circular economy analysis highlights several policy-supported financing mechanisms:

- Blended finance instruments, combining public funds, development finance and private capital;
- Guarantee schemes and concessional lending, reducing risk for commercial banks financing green SMEs;
- Grant schemes and technical assistance, often channelled through BSOs, incubators and accelerators.
- Over the past years, also crowdfunding benefitted of dedicated UfM technical assistances and studies.

Building on SwitchMed II programme and the close partnership with UNIDO, UNEP and MedWaves, which marked the DG MENA-funded support to a decade-long (2013-2023/24) effort to the transition to a circular economy in the Southern Mediterranean countries, UfM further labelled the Interreg Green Growth Programme UfM supports and most recently the [Interreg EuroMed Innovative and Sustainable Economy Mission](#), while the Greenermed agenda is supported by around 350 associated cross-national and regionally relevant projects.

GreenerMed associated projects include the [Interreg NEXT MED Green](#) Transition Projects, which aims to drive scalable, innovative, and collaborative solutions and focus on key environmental sectors such as energy efficiency, circular economy, climate adaptation and disaster resilience, and sustainable water management. It also expands to other critical areas, including SMEs' decarbonization, green innovation, skills for climate resilience, health system adaptation to climate change, and inclusive governance for effective climate policies.

Furthermore, grant schemes supporting green entrepreneurship demonstrate how regional frameworks can strengthen BSO capacities, enhance project bankability, and connect national ecosystems to international financial institutions. In this sense, GreenerMed and the SBE Roadmap act as a bridge between policy ambition and green private sector investment.

UfM Grant Schemes

In the wake of the COVID-19 Pandemic and in the disrupting effect it had on both economic development and social wellbeing, the UfM Secretariat mobilized its ecosystem to co-deliver actions tailored to the ensuing labour-related challenges. One such action was the first UfM Grant Scheme to promote Employment in the Southern Mediterranean with the full financial support of the German Development Cooperation.

Building on the success of that first Grant Scheme, the UfM Secretariat joined hands with the German and the Spanish Development Cooperation to launch a second UfM Grant Scheme to Promote Employment and Entrepreneurship in the Green Economy. Through the Grant Scheme to Promote Employment and Entrepreneurship in the Green Economy, supporting not-for-profit organisations that work to advance the green transition of economies in the Southern Mediterranean in an inclusive and socially just way.

This Grant Scheme, which is approaching its closure, was awarded to 6 regional projects resulting in 1,300 direct beneficiaries while assisting MSMEs, startups, training centres and local organisations in 8 Southern Mediterranean countries. A regional dialogue for the UfM Grant Schemes Stakeholders was created to bring together project promoter, implementing partners, donors and final beneficiaries to exchange success stories and best practices in an effort to build a learning environment through networking and leveraging interlinkages.

As described in the flagship regional report [Towards a Sustainable Blue Economy in the Mediterranean](#), the UfM Sustainable Blue Economy (SBE) Roadmap provides a complementary framework focused on maritime, marine, and coastal sectors. The Roadmap defines priority actions to ensure that economic activities linked to the Med sea and coasts generate growth and employment while preserving ecosystems and supporting social inclusion.

In line with the UfM [2021 Ministerial on Sustainable Blue Economy](#), the SBE Roadmap explicitly identifies private sector development and access to finance as key enablers of a sustainable blue economy. Public policies are encouraged to:

- Establish clear and integrated governance frameworks, including maritime spatial planning and integrated coastal zone management;
- Support innovation and entrepreneurship in blue sectors through BSOs, clusters and research–industry partnerships;
- Promote blue finance mechanisms, aligned with sustainability principles and ESG standards.

[Blue Mediterranean Partnership](#)

A flagship example is the Blue Mediterranean Partnership, supported by the UfM, which combines policy dialogue, technical assistance and financing to mobilize public and private investment in sustainable circular, green, and blue projects. This initiative illustrates how public policy frameworks can reduce investment risk, improve project preparation, and crowd in private capital for underfinanced but high-impact sectors.

The BMP Fund, launched by the UfM, EBRD, EUB, the EC, and other initial donor partners during COP27 in Sharm El Sheikh and building on first ever (and DG MARE-funded) UfM Conference on Blue Finance organized in Barcelona in 2022, serves to assess, prepare, and implement SBE investment projects in Southern Med countries.

The first approved projects include:

- MASEN Offshore Wind farm in Morocco, by EIB
- New East Alexandria Wastewater Treatment project in Egypt, by AfD;
- Ayla Oasis Regeneration in Jordan by EBRD.

More projects are in pipeline.

Both GreenerMed and the SBE Roadmap underscore the importance of multi-stakeholder cooperation. Effective public policies do not operate in isolation, but rely on structured dialogue between governments, BSOs, financial institutions, private companies, academia and civil society.

While not strictly accelerators/BSOs, UfM regional multi-stakeholders platforms on Environment and Climate Action, as well as such as on Sustainable Blue Economy (SBE) and the online hub for actors working on Sustainable Blue Economy topics across the region, [Mediterranean Blue Economy Stakeholder Platform \(MedBESP\)](#), facilitate this exchange, enabling peer learning, dissemination of best practices, and alignment between national and regional strategies.

Furthermore, the UfM SBE Stakeholders Conferences, Med Green Weeks, co-organisazation or participation in international and regional events, from COPs to UNOC to Ecomondo, create multiple occasions of empowering, partnering and collaborating with BSOs, improving access to green and blue finance, and translating sustainability commitments into tangible business opportunities.

Among others, well-established partnerships and coordination mechanisms include institutions such as Medwaves or BusinessMed, as well as sub-regional and national maritime clusters including the Italian, Greek, Mauritanian, Tunisian and Egyptian Maritime Clusters, or national accelerators such as [Leancubator \(Algeria\)](#), and associated projects such CallMeBlue or [MedBan](#) (Mediterranean Blue Acceleration Network), or programmes such as BlueInvest Africa.

These programmes deliver capacity building to entrepreneurs and SMEs across the region, tackling issues such as access to finance, pitching, networking and commercialisation.

Maritime Clusters

So called 'enablers' – organisations and structures such as maritime clusters, green/blue accelerators, or incubators indeed offer support in terms of networking, access to financing and resources, and opportunities for internationalization.

Maritime clusters are indeed crucial facilitators of networking, technology transfer, internationalisation and innovation between SMEs, large companies, research centres, universities etc., and they act as key actors to promote sustainable investments of the blue economy. So far, projects helped to highlight that cluster functions can serve as a “test bench” for innovation, connecting startups and academia with real industry needs through joint and co-innovation projects.

They play a key role as public-private-research hubs for innovation, sustainability, employment, and economic development (linking also to commercialization and technology transfer), in particular for Blue MSMEs, and with high potential to integrate youth and women. The role of maritime clusters is increasingly important in the process of connecting public and private entities working in all transversal sectors related to the sustainable blue economy at both national and Mediterranean level.

Reducing gender inequalities remains a crosscutting priority. In this sense, UfM initiatives aim to provide concrete guidance for policymakers seeking to align private sector development with environmental sustainability and social inclusion across the Mediterranean.

Regional Agenda for Women entrepreneurs in Agro-Food Value chain

Women play a critical role across agro-food value chains—as farmers, entrepreneurs, processors, researchers, and innovators—yet their participation in innovation ecosystems remains limited by structural, financial, and institutional barriers.

Building on the Joint UfM-CIHEAM--FAO commitment and within the framework of the International Year of the Woman Farmer (IYWF), the UfM will develop a Regional Agenda on Innovation for Women in Agro-Food Value Chain which aims at strengthening women's innovation, entrepreneurship, and leadership across agro-food value chains in the Euro-Mediterranean region, with a specific focus on the seven countries covered by Masar Al'an Programme led by AECID.

The Regional Agenda will provide evidence-based recommendations drawn from regional practices and supports policy coherence between regional frameworks and national strategies. It will help in identifying identifies bankable and scalable actions aligned with donor priorities as well as in reducing fragmentation by clustering initiatives under a common policy framework.

The Regional Agenda shall be structured around the following expected outcomes by 2030:

- national and regional stakeholders working on the nexus innovation and female entrepreneurship in the agro/food value chain provided with a policy tool and an action plan focused on gender-responsive approach
- boosted opportunities for women-led businesses and cooperatives provided with access to an inclusive ecosystem able to offer fundings, transfer-knowledge, training and mentoring programmes

Online capacity-building activities will roll out in 2026, and the Agenda will be presented at a Policy Dialogue Conference in Q4 2026, alongside a parallel UfM pilot supporting investment readiness of climate-smart women-led businesses in the agro-food system.

The Regional Agenda will align with UfM initiatives such as the GreenerMed Agenda, From Tech to Business, the Sustainable Blue Economy Agenda, and the Regional Platform on Sustainable Food Systems co-led by FAO, CIHEAM, PRIMA, and UfM.

Circularity in the Arab Region, Omar Omara, Researcher Sustainable Growth Programme, Centre for Environment and Development for the Arab Region and Europe - CEDARE (Egypt).

Sustainable entrepreneurship is increasingly recognized as a cornerstone of economic diversification, job creation, and environmental resilience in the Arab region. However, across the region, enabling sustainable and circular entrepreneurship is constrained by a common set of structural barriers, mainly: fragmented policy and enforcement, weak waste/resource value chains, limited data/standards for secondary materials, and skills gaps in circular design, repair, and business modelling, which raise risk and transaction costs for startups and SMEs (UN ESCWA, 2023). A further, increasingly important constraint is secure access to critical minerals (and the ability to recover them domestically through recycling) that exposes Arab countries to import concentration, price volatility, and geopolitical supply risks, which can undermine circular business models (IEA, 2024).

Yet these challenges play out differently by sub-region: in the Gulf (GCC), governments often have stronger fiscal space and ambitious “green growth” agendas, but circular ventures still face market-creation problems (cheap virgin materials and subsidised utilities), heavy reliance on large infrastructure-led solutions, and procurement/regulatory frameworks that can be innovative but unevenly translated into SME opportunities (Gulf Research Centre, 2023). In North Africa and parts of the Levant, the binding constraints are more frequently access to finance and liquidity, informality in waste collection and recycling, limited municipal capacity and infrastructure, and higher macro/political risk. This causes circular entrepreneurs to struggle to scale beyond pilots even when there is clear demand and strong job potential (GIZ, 2023). Across both contexts, inclusion barriers, especially for women-led and youth enterprises, compound financing and market-entry constraints, reducing the pipeline of investable circular ventures (UNDP, 2024).

As countries confront these growing pressures related to resource scarcity, waste generation, climate change, and unemployment, the transition from linear economic models toward sustainable and circular systems has become both a development priority and a strategic economic opportunity. Enabling this transition requires more than innovative business ideas alone; it depends on coherent public policies and effective support mechanisms that create gender-responsive, inclusive, and enabling environments for green and social enterprises. In this context, the Centre for Environment and Development for the Arab Region and Europe (CEDARE) plays a key role by

supporting policy dialogue, regional coordination, and technical assistance that help translate sustainability objectives into viable and scalable circular business models.

Public Policies as Enablers of Circular Entrepreneurship

Across the Arab region, public policy has emerged as a decisive factor in shaping the success of sustainable and circular enterprises. Regulatory frameworks, incentive structures, and institutional coordination determine whether entrepreneurs are able to operate within formal markets, access resources, and scale innovative solutions. Across the Arab region, circularity strategy development is advancing but uneven, most countries now acknowledge circular economy principles in national visions (e.g. UAE, Egypt, KSA), NDCs and sector plans (e.g. Morocco, Tunisia), yet many are still moving from broad policy intent to fully operational roadmaps with clear targets, incentives, and implementation/monitoring arrangements, resulting in fragmented progress across sectors and countries (UN ESCWA, 2023).

CEDARE has consistently supported governments in strengthening these enabling environments by providing technical expertise, facilitating stakeholder dialogue, and promoting policy coherence across sectors. A clear illustration of the role of policy in enabling circular entrepreneurship can be seen in Egypt's e-waste sector. Through the Sustainable Recycling Industries (SRI) Programme, implemented in collaboration with national authorities and international partners, policy reforms were supported that formally recognized e-waste as a regulated waste stream under Waste Management Law No. 202 of 2020 and its Executive Regulations. These reforms laid the groundwork for a structured e-waste management system based on Extended Producer Responsibility (EPR), shifting responsibility upstream while creating new opportunities for licensed recycling enterprises. CEDARE's engagement in such policy processes reflects its broader mandate to strengthen governance frameworks that support sustainable business development across the region.

Strengthening Support Mechanisms for Sustainable Enterprises

Policy frameworks alone are insufficient without complementary support mechanisms that help enterprises navigate technical, regulatory, and market challenges. Capacity building, standard-setting, and business development services are essential to move circular entrepreneurship from concept to implementation (GIZ, 2023). CEDARE has contributed to the design and delivery of such mechanisms by working closely with public institutions,

research centers, and private sector actors.

Within the SRI Programme, targeted support helped establish technical standards for environmentally sound recycling, develop auditing and certification frameworks, and build institutional capacities within relevant ministries. These interventions contributed to the rapid growth of Egypt's formal e-waste recycling sector, expanding from a single licensed recycler in 2016 to more than 27 formal entities by 2024. Business incubators such as the E-Khorda programme further supported entrepreneurs through training, technical assistance, and administrative guidance, demonstrating how co-ordinated public support can catalyze circular business ecosystems.

Beyond national initiatives, CEDARE's regional work emphasizes knowledge exchange and replication of good practices. Projects such as Waste2Fashion, which promotes circular textile systems in the Mediterranean, highlight the importance of cross-border collaboration, value-chain integration, and policy alignment in enabling sustainable entrepreneurship beyond individual sectors or countries.

Access to Investment and Financial Sustainability

Access to appropriate financing remains one of the most persistent barriers facing green and social ventures in the Arab region (UN ESCWA, 2023). Circular business models often require higher upfront investments, longer payback periods, and specialized infrastructure, making them less attractive to conventional financing mechanisms. Public policies and support mechanisms therefore play a crucial role in de-risking investment and creating sustainable financing pathways.

CEDARE has supported efforts to link policy instruments with financial sustainability, particularly through Extended Producer Responsibility (EPR)-based financing models. In the e-waste sector, the development of EPR fee structures and implementation roadmaps under the SRI Programme has demonstrated how policy-driven financing mechanisms can generate predictable revenue streams to support recycling operations, compliance systems, and environmental safeguards. Such models not only improve

environmental outcomes but also enhance the financial viability of circular enterprises, making them more attractive to investors.

At the regional level, CEDARE continues to advocate for blended finance approaches, public-private partnerships, revolving funds, and policy incentives that encourage investment in green and social ventures, particularly those aligned with national climate and circular economy strategies.

Gender and Inclusion in Sustainable Business Development

Inclusive entrepreneurship is essential for ensuring that the benefits of sustainable development are broadly shared. Women and youth remain underrepresented in many green and circular sectors, often due to structural barriers related to access to finance, skills, and markets. Integrating gender-sensitive, responsive and transformative considerations into public policies and support mechanisms is therefore critical to unlocking the full potential of sustainable entrepreneurship (UNDP, 2024).

Through its projects and policy engagement, CEDARE promotes inclusive approaches that embed gender considerations into capacity-building programmes, entrepreneurship support, and stakeholder engagement. In sectors such as waste management and sustainable textiles, targeted training, education pathways, and community-based models have shown potential to increase women's participation across value chains, particularly in areas related to reuse, repair, and recycling. Strengthening these inclusive dimensions enhances not only social outcomes but also the resilience and innovation capacity of circular business ecosystems.

Conclusion and Outlook

Looking ahead, the enabling environment for sustainable and circular entrepreneurship in the Arab region is expected to continue evolving, supported by growing policy alignment with circular economy principles, climate action commitments, and green growth strategies. As regulatory frameworks mature, new opportunities are likely to emerge for scaling circular business

models, particularly in areas such as waste management, recycling, sustainable manufacturing, and resource-efficient digital solutions. At the same time, several challenges will need to be addressed, including uneven policy implementation across countries, limited access to tailored support mechanisms for early-stage ventures, and the need to better integrate informal actors into formal circular value chains. Overcoming these barriers will be essential to unlocking long-term environmental and socio-economic benefits and ensuring that sustainable entrepreneurship becomes a central pillar of inclusive and resilient development in the region.

By supporting policy dialogue, regional coordination, and technical assistance, CEDARE continues to play a strategic role in enabling these transitions. As countries in the Arab region seek to scale sustainable entrepreneurship, strengthening policy coherence, expanding access to investment, and embedding inclusivity within support mechanisms will remain critical priorities for building resilient, competitive, and future-oriented economies.

Public Policies as Levers for Promoting Sustainable Entrepreneurship: Insights from the ongoing Morocco's Social and Solidarity Economy Institutionalization Process, *Asmae Diani, Moroccan network for social and solidarity economy - Réseau Réseau Marocain de l'Economie Sociale et Solidaire - REMESS (Morocco).*

In a context of pressing socioeconomic and environmental challenges, sustainable entrepreneurship has emerged as a critical way toward inclusive and resilient economic development. The Mediterranean region, with its diverse economies and complex social fabric, presents both unique challenges and opportunities for fostering business models that prioritize social and environmental impacts alongside economic viability.

Morocco, through its new development model and the various initiatives for structuring and institutionalizing the social and solidarity economy-SSE (National Strategy 2022-2032, Framework Law for the SSE), offers a compelling case study of how public policy can serve as a catalyst for sustainable entrepreneurship.

This article examines how Morocco's evolving social and solidarity economy strategic and regulatory frameworks facilitate the creation of enterprises committed to sustainability, solidarity, and social impact.

1) The social and solidarity economy as a development choice

Morocco's commitment to SSE institutionalization emerges from a confluence of factors that position this sector as essential to the country's development. The sector is recognized as a lever for inclusive and sustainable growth, operating at the intersection of market dynamics and state intervention, catalysing territorial development, structuring the informal economy, and enabling economic autonomy.

The current political context reflects increased interest from policymakers, particularly following recent crises such as the COVID-19 pandemic and drought conditions. This momentum is reinforced by the orientations of the New Development Model, which considers the social and solidarity economy (SSE) as a pillar of the country's economic development, and by the experience gained through social and inclusive programs such as the National Initiative for Human Development (INDH).

The sector's potential is substantial. The New Development Model envisions SSE contributing 7.6% of GDP by 2032, up from approximately 2% in 2020,

while employment penetration in the active population should reach 10.6%, compared to 2.7% currently. These ambitious targets translate to creating 50,000 new jobs annually in sectors including health, youth services, education, culture, industry, and circular economy.

II)Restructuring Morocco's Social and Solidarity Economy: Main Policy Orientations and Strategic Priorities

The Morocco's ongoing SSE restructuration process is articulated around five interdependent pillars:

1. Adopting a definition of SSE adapted to Moroccan realities

The proposed approach in the legal framework project, recognizes SSE as a distinct economy, defined substantively as an entrepreneurial mode creating social and economic value rather than statutorily by organizational forms. It positions SSE as facilitating economic inclusion and informal sector formalization, operating transversally across different sectors through collective entrepreneurial forms respecting defined values and principles.

Six core principles anchor this definition: (1) primacy of persons and social purpose over capital; (2) priority of collective over individual interests (solidarity); (3) participatory and/or democratic governance; (4) limited profit distribution; (5) economic viability; and (6) respect for all stakeholders.

This approach requires the implementation of accreditation and labelling mechanisms, granted by dedicated organizations (aggregators, public service providers, social innovators) giving access to increased advantages compared to commercial entrepreneurship.

2. Materializing Public and Private Demand

Demand generation operates on dual tracks. For public procurement, the SSE strategy at horizon 2032 reinforces existing mechanisms while creating new instruments. This includes establishing a clear legal framework for social Public-Private Partnerships (PPPs) with privileged access for special statute holders, expanding and detailing texts guaranteeing reserved markets for SSE organizations with clear objectives by procurement domain, broadening public service delegation through reflection on sectors potentially accorded to SSE (caring, early childhood services, services for the elderly), and introducing preferential purchasing in certain public markets with social clauses integration.

For private demand, the approach emphasizes sensitization through socially responsible purchasing weeks, roundtables, and conferences, alongside structuring ESS supply through referencing platforms, commercialization platforms, trade fairs, and actor networking.

3. Developing SSE-Specific Ecosystem

Four critical challenges shape the development of a favourable business environment for sustainable entrepreneurship:

Administrative Simplification: reforming the cooperative Law 112.12, further alleviating administrative procedures through digitalization of creation procedure, accreditation, activity declarations, information access, and program registration.

ESS-Specific Financing Ecosystem: Creating dedicated financing actors including SSE guarantee funds and SSE financial organizations (solidarity banks or national SSE funds relaying microfinance institutions), incentivizing public actors to develop financing initiatives regionally, sensitizing and incentivizing private actors (private banks, investment funds, private actors through fiscal incentives for donations), and establishing a national subsidy strategy clearly promoting sustainable entrepreneurship .

Appropriate Taxation: Implementing strong fiscal incentives encouraging financing SSE organizations through donation tax exemptions for donors and beneficiaries, studying adoption of a substantive fiscal approach with enlarged advantages for all SSE enterprises and projects, and developing a specific fiscal regime for special statutes with expanded fiscal approach including VAT and corporate tax relief and social charge alleviation for qualified employment.

Development of an appropriate educational Environment: Conducting youth sensitization from high school, encouraging academic curricula integrating SSE (SSE chairs, specialized masters, and SSE modules) to generate profiles adapted to the skills requirements in the sector.

4. Entrepreneurship Support Strategy

The support strategy articulates around three programs, adapted to the entrepreneurial maturity level of the project:

INMAA Program (Incubation): Supporting entrepreneurship through incubation for newcomers, promoting and encouraging social innovation. Encouraging transition from informal to formal entrepreneurship through SSE organizations by explicating the advantages of the formalization, structuring assistance, and procedural support.

TAAZIZ Program (Reinforcement): Upgrading actors through dedicated support on weakness areas via mentorship, incentivizing actor grouping and aggregation, and promoting SSE products through supply referencing, commercialization platforms, and trade fairs.

TARSIKH Program (Propulsion): Developing social public private partnership axes with SSE organizations and accompanying actors in their process of scaling and internationalization.

Cross-cutting all programs, sensitization addresses three principal issues in the SSE field: social protection, precarious and indecent work, and gender issues, capitalizing on national and international fieldwork.

5. Strengthened Governance

The target governance schema captures three key prerogatives from international benchmarking: decision-making, consultative, and representative functions. The objective being the development of a consolidated SSE ecosystem with enlarged prerogatives (oversight, accreditation, information, promotion, support-training, advocacy) and a “One Stop Shop” with reinforced human, financial, and political resources.

The ongoing process of institutionalizing the social and solidarity economy (SSE) includes the creation of a National SSE Agency (by expanding, for example, the ODCO's functions) with regional offices to ensure the implementation of the national SSE strategy while taking local specificities into account. The agency will be equipped with effective monitoring and control tools through a national register of SSE actors and a national observatory (fed by regional observatories), thus providing greater visibility of the SSE by sector and region – an essential condition for effective strategic planning.

III) Ambitions for the development of Sustainable Entrepreneurship

Morocco's SSE institutional ongoing reform demonstrates how comprehensive public policy can transform sustainable entrepreneurship from marginal activity into a central development priority. The approach's strength lies in its systemic nature—simultaneously addressing definition, governance, financing, demand generation, and support—while remaining grounded in diagnostic rigor and international learning. Sustainable entrepreneurship is being transformed into a structurally enabled pathway through three primary mechanisms: structural barrier reduction, positive selection mechanisms rewarding triple-bottom-line performance (economic-social-environmental), and ecosystem transformation. The five pillars operate synergistically: Pillar 1 (Definition) creates entrepreneurial identity and legitimizes the substantive approach; Pillar 2 (Demand Materialization) generates predictable market opportunities through reserved public procurement and social PPPs; Pillar 3 (Business Environment) establishes competitive parity through adapted financing and fiscal advantages; Pillar 4 (Support Programs) professionalizes actors through three targeted programs (INMAA-TAAZIZ-TARSIKH) based on their development stage; and Pillar 5 (Consolidated Governance) coordinates the ecosystem and reduces transaction costs by 60-70% through one-stop-shop services. The influence deploys differentially across entrepreneur types: first-time venturers benefit from INMAA incubation and uncertainty reduction; the informal sector (60-80% of employment) finds a formalization pathway that preserves community-based practices; existing SSE actors access aggregation and public markets; and champions emerge through TARSIKH to become large-scale public service operators. The major transformational impact concerns informal sector structuration: if only 10% of informal activity formalizes through SSE, this represents 6-8% of the workforce and 3% of GDP, achieving approximately 40% of the 7.6% GDP target. At the sectoral level, the framework catalyses diversification from current concentration (83% agriculture) toward high-social-value services (health, education, circular economy), potentially creating 65,000-85,000 jobs by 2032 in these emerging sectors. However, actual influence depends on four critical non-negotiable conditions: substantial budgetary commitment (1-1.5 billion DH annually vs. current 50M, a 20-30x increase), calibrated implementation quality (accreditation accessible yet rigorous, programs professional yet mission-aligned), private sector response (to create a self-sustaining ecosystem beyond public dependence), and effective entrepreneurial uptake. Without these conditions, the framework risks becoming “symbolic policy” as in Tunisia (SSE legal framework was adopted in 2018), where sophisticated legislation had minimal entrepreneurial impact.

As Mediterranean economies navigate the twin imperatives of economic development and sustainability, the SSE model—properly supported through strategic public policy—presents a viable pathway. Morocco's reform journey, while still unfolding, illuminates how political will, stakeholder engagement, and evidence-based policy design can converge to unlock sustainable entrepreneurship's transformative potential.

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05 Testimonials from sustainable entrepreneurs about support ecosystems



Niccolò Cipriani
CEO Rifò (rifo-lab.com)

Italia

Rifò's Journey Towards a Circular Business

Part 1: Experience with Business Support Organisations

Our journey in creating rifò, a sustainable and circular fashion brand, has been closely linked to the support we received from various Business Support Organisations (BSOs) and business ecosystems. From the very beginning, incubators and accelerators—both public and private—have been crucial in helping us shape our vision and turn it into a scalable business model. In particular, Hubble Programme from Nana Bianca and Fondazione CR Firenze helped us starting our gears.

The most valuable services we received were mentorship and access to networks. Mentors like Jacopo Sebastio from Velasca helped us refine our business strategy, connect with potential partners, and better understand the market dynamics of the sustainable fashion sector. Access to professional networks allowed us to reach out to suppliers, research centres, and impact investors such as A Impact interested in supporting innovative circular economy solutions.

We also benefited from training programmes that focused on business planning, fundraising, and impact measurement. These sessions gave us the tools to structure our activities in a way that combined economic viability with positive social and environmental impact.

However, we also encountered weaknesses in the ecosystem. Many BSOs are still very traditional in their approach, focusing primarily on financial and technical growth, while giving limited attention to sustainability-driven innovation. Sometimes the bureaucratic processes were slow, and the support did not always match the needs of a fast-evolving circular business like ours. Moreover, there was a lack of specialised expertise in textile circularity, which meant we often had to rely on our own research and collaborations with universities and technical partners.

Part 2: Missing Services and Areas for Improvement

In our view, the business support ecosystem in Italy—and in many Mediterranean countries—still lacks strong, dedicated services for circular economy businesses. For example, there are very few platforms that connect textile

collectors, recyclers, upcyclers, and fashion brands in a transparent and efficient way. This fragmentation makes it harder for companies like ours to scale up impact.

We believe that BSOs should integrate environmental and social sustainability more systematically into their programmes. While there is growing awareness, sustainability is still often seen as a “nice-to-have” rather than a core driver of competitiveness. What is missing are structured tools to help companies measure, monitor, and communicate their environmental and social impact.

Coordination between programmes and stakeholders also needs to be strengthened. We often see overlapping initiatives that do not communicate with each other, leading to inefficiencies and missed opportunities for collaboration. Stronger partnerships between public institutions, private actors, and non-profits could accelerate the development of a true circular business ecosystem in the region.

Part 3: Final Reflections

Our experience shows that creating a circular business is both challenging and rewarding. On the one hand, we had to navigate fragmented support systems and find our own way in a sector that still lacks specialised expertise. On the other hand, we were able to build a model that demonstrates how fashion can be local, transparent, and regenerative.

Through our circular service, we collect discarded clothes, carefully sort them, and regenerate fibres locally into new high-quality yarns. We also collaborate with social enterprises for the collection and selection of garments, creating jobs for disadvantaged people. In this way, we combine environmental impact with social value.

Looking ahead, we believe that the Mediterranean region has enormous potential to become a leader in circular economy innovation, thanks to its strong tradition of craftsmanship, creativity, and community-based approaches. For this to happen, however, business support ecosystems must evolve, placing sustainability at the core of their strategies, fostering coordination, and offering practical tools to help businesses like ours scale their impact.

At rifò, our vision is to prove that a truly circular and inclusive fashion system is possible—and to inspire others across the Mediterranean to follow the same path.

Mohamed Mekki Maalej
Fondateur & CEO, IrWise

Tunisia

From M2M to IrWise : A Mediterranean journey guided by impact

My name is Mohamed Mekki Maalej. I am an engineer by training, an entrepreneur by vocation, and a Mediterranean citizen deeply connected to my land, its challenges, and its future. My story began in 2018 in Tunis with the creation of M2M, my first startup. At the time, I was developing energy monitoring solutions for industry, with a simple yet ambitious goal: to reduce consumption, lower costs, and cut CO₂ emissions. That is when I first discovered the early circles of a green innovation ecosystem—still just emerging, but already full of promise.

It was at that moment that MedWaves and SwitchMed entered my professional life. I can say it without hesitation: they changed the way I see entrepreneurship, but above all the role that innovation can play in a just and ecological transition. Their support was never limited to a programme or a training course. It became part of a broader journey of transformation, both personal and organizational.

Through them, I learned how to build a Green Business Model that is coherent and aligned with the Sustainable Development Goals. The SwitchMed Green Business Plan Tool was a real turning point: it helped me structure my ideas, measure my impacts, refine my value proposition, and convince my first public and private partners.

But beyond the tools, the human connections were the most valuable. The SwitchMed Connect sessions allowed me to meet other committed entrepreneurs from Algeria, Morocco, Egypt, Lebanon, Spain, Greece, and beyond—women and men who, like me, believe that technology can (and must) serve sustainable agriculture, the circular economy, and social justice. Together we exchanged ideas, collaborated, and learned from one another. It was there that the idea for IrWise began to take shape.

IrWise : Smart irrigation, sustainable entrepreneurship

In 2023, building on all these experiences, I founded IrWise, a Tunisian company that designs smart fertigation systems based on IoT sensors and artificial intelligence. Our mission is simple: to help farmers save water, optimize the use of fertilizers, and produce more with fewer resources. It is both a technological and deeply human project that responds to a vital need in our Mediterranean region: adapting agriculture to climate change.

What makes IrWise unique is also its economic model based on sharing

and inclusion. Our solution is designed to be shared among several farmers within the same area, through a shared intelligent gateway connected to the sensors and actuators of each plot. This approach reduces access costs, improves energy efficiency, and above all encourages the widespread adoption of our technology.

We offer access through leasing, long-term rental, or a monthly subscription, which significantly lowers financial barriers. It represents a shift in paradigm: technology is no longer reserved for large farms. It becomes accessible to small farmers, who are too often overlooked by innovation, yet are the most exposed to the effects of climate change.

This is how we help make precision agriculture accessible to all: an agriculture that is more connected, more resource-efficient, and above all more resilient and supportive.

Lessons and perspectives: An ecosystem to cultivate

Of course, nothing is perfect. In Tunisia, as elsewhere, support organizations for impact startups remain fragmented, sometimes disconnected, with overlaps, gaps, and a certain reluctance to finance projects that are risky but necessary. There is a lack of a coordinated vision and a common language between actors in development, finance, environment, and innovation.

But thanks to MedWaves, I have seen that it is possible—possible to place sustainability at the heart of entrepreneurial support policies, possible to seriously support project leaders in their environmental approach, and possible to build bridges between the local and the international, between the technical and the political, and between dreams and reality.

What I take away, and what I pass on

Today, I continue to grow IrWise with the same ambition: to create a resilient, resource-efficient, and inclusive agricultural model at the crossroads of technology and sustainability. My team, my partners, and I remain committed to a spirit of knowledge sharing—sharing what we have learned, training young people, collaborating with cooperatives, and contributing to evidence-based public policies.

What MedWaves and SwitchMed have passed on to me, I strive in turn to pass on to others. Because change will not come from a single project, nor from a single country, but from a network of awakened minds and shared determination.

Thank you, MedWaves, for believing in me when I was still an unknown entrepreneur. Thank you for supporting the dream of a young engineer who became a circular entrepreneur. And above all, thank you for continuing to plant the seeds of a more sustainable future for the Mediterranean.



Lamia Hamrouni

Founder Lami Mode, (<https://linen-color.com/linen>)

Tunisia

The story of LAMI MODE began with a growing awareness of entrepreneurship, nurtured by listening to radio programs dedicated to business creation. This initial exposure led us to explore business support organizations and take our first steps into the Tunisian entrepreneurial ecosystem, as women artisans committed to a sustainable and circular approach.

Our first structured support came from the National Office of Handicrafts (ONA). Obtaining our artisan cards, along with participating in training sessions on taxation and social security, marked the official beginning of our entrepreneurial journey. ONA also integrated us into a regional institutional network involving multiple public actors (the National Agency for Employment and Independent Work, Monastir Business Center, Regional Commissariat for Women and Family Affairs, among others), enabling us to better understand the administrative, legal, and regulatory foundations essential for creating and formalizing a women-led artisanal business.

A decisive turning point occurred when we joined the STAND Up! program, implemented in partnership with Interreg NEXT MED, MedWaves, CITET, and CETTEX. This program profoundly transformed the way we structured our project and envisioned our business within a Mediterranean circular economy framework. Through the digital platform TheSwitchers, we developed our Green Business Model (GBM). Regular consultation of TheSwitchers' toolbox became a continuous learning tool, allowing us to improve our practices, strengthen our skills, and adjust our strategy. The formalization of the GBM clarified our mission, vision, and environmental and social objectives, confirming LAMI MODE's strong anchoring in circularity and sustainability.

STAND Up! also provided technical support, assistance in exploring new markets, and intellectual property guidance, contributing to the launch of our e-commerce site and the development of our brand LINEN COLOR.

Our journey was further enriched by additional initiatives, including Cluster TISSAGE TRADITIONNEL SAHEL (Creative Tunisia), PEMA II (GIZ), Women Go Green (RedStart Tunisia), CEED Tunisia, Women on the Green Path (CAW-TAR), and the International Trade Centre (ITC). These programs strengthened our skills in digital marketing, content creation, and sustainable

business management, consolidating our entrepreneurial autonomy and facilitating our access to initial markets.

The GTEX/MENATEX II (ITC) program played a key role in deepening our sustainable approach. Trainings on textile sustainability, responsible sourcing, carbon accounting, environmental and social standards and certifications, textile waste management, anti-counterfeiting measures, and industry digitalization enabled us to align our artisanal know-how with international standards while preserving our Mediterranean and local identity.

These combined experiences have enhanced our entrepreneurial maturity, expanded our partner network, and consolidated our confidence. They have also reinforced our commitment to women's empowerment, particularly for those from rural areas, strengthening their role within sustainable and inclusive value chains.

Today, LAMI MODE embodies a Mediterranean vision of sustainable fashion based on local and responsible products: 100% natural healthy dyes, valorization of textile and agricultural waste as raw materials, rainwater harvesting to preserve water resources, upcycling, and the transmission of artisanal know-how.

However, our journey also highlights some persistent limitations in the support ecosystem. Funding programs aimed at green, innovative, women-led projects still predominantly target young graduates. As a woman artisan over 50, without a university degree, we have at times experienced structural discrimination related to age and educational background, despite the relevance and impact of our project.

Moreover, our experience shows that when coordination between programs and stakeholders is effective, it becomes a true success factor. The synergies observed across the initiatives we participated in facilitated continuous support, strengthened content coherence, and significantly contributed to the development of our product and the structuring of our business. This coordinated approach represents a best practice that should be reinforced and expanded within sustainable and circular entrepreneurship ecosystems across the Mediterranean.

Abdelilah Hammada

Founder and CEO ALGUNO, (<https://alguno-maroc.com>)

Morocco

An exhaustive analysis of sustainable and circular business ecosystems in the Mediterranean: the strategic evolution of Morocco and the pioneering journey of ALGUNO

The Mediterranean basin stands at a critical juncture where ecological preservation and economic vitality must converge through the lens of circularity. Within this regional context, the Kingdom of Morocco has emerged as a preeminent model for structural transformation, leveraging strategies such as **Green Generation 2020-2030**, the Blue **Economy Roadmap**, and **Digital Morocco 2030**.¹ This report provides a comprehensive examination of the Moroccan business support ecosystem, evaluating the efficacy of Business Support Organizations (BSOs) through the empirical experience of **ALGUNO**, a Nador-based startup specializing in marine bio-innovation.

Part 1: The architecture of business support and the empirical experience of eco-entrepreneurs

The experience of creating a sustainable enterprise in Morocco is shaped by a multi-layered ecosystem of public, international, and non-profit BSOs. For a startup like ALGUNO, the support of specialized programs has been the connective tissue between laboratory research and market integration.

International catalysts: SEED and SwitchMed

International programs have provided critical validation for Moroccan eco-entrepreneurs. The **SEED Green Entrepreneurship Awards** (sponsored by the Flemish government) recognized ALGUNO as a **2024 Runner-up**, providing a €5,000 grant and technical capacity building. This program is vital for highlighting businesses that integrate circular economy practices into local communities.

Similarly, the **SwitchMed** initiative (funded by the EU and implemented by UNIDO/MedWaves) has been instrumental in fostering the “Switchers” com-

¹ Morocco – COMCE Cooperation Strengthening the resilience of family farmers and small-scale producers in the agricultural and a, consulté le février 12, 2026, <https://www.comcec.org/wp-content/uploads/2025/10/7-1-Morocco-1.pdf>

munity. ALGUNO received the **SwitchMed Prize 2023-2024**, which validated its “Sea to Earth” model and its potential to reduce the inefficient use of resources in the Mediterranean.

Local and Regional Networks: CTPES and ADD

On a regional level, the **Management Association of the Center for Solidarity-Based Very Small Enterprises (CTPES)** acts as a local partner for MedWaves and the Digital Development Agency (ADD). CTPES provides a “Digital Solidarity Incubator” (IDS) and FabLab infrastructure, focusing on inclusive digital entrepreneurship for young project leaders. However, while CTPES effectively targets micro-projects and cooperatives, its resources are primarily geared toward initial creation rather than industrial scaling.

Institutional Recognition: Prince Talal International Prize

A major milestone for ALGUNO was winning the **Prince Talal International Prize for Human Development (2024/2025)**.² This award, focused on **SDG 14 (Life Below Water)**, recognized the startup’s contribution to climate stability and ecosystem resilience. Such high-profile international recognition often serves as a substitute for the lack of deep venture capital within the domestic Moroccan market.

Part 2: The Reality of Failure and Scaling Constraints

Despite the proliferation of BSOs, the Moroccan entrepreneurial ecosystem faces severe structural failures that lead to high bankruptcy rates and stagnant growth.

The Surge in Business Failures

In 2025, Morocco recorded a staggering **52,000 company bankruptcies**, with Very Small Enterprises (VSEs) accounting for **98.8%** of these failures. This wave of closures is driven by:

- **Limited Access to Bank Financing:** Small firms consistently struggle with risk-averse commercial lenders.
- **Rising Burdens:** Increasing tax and social security obligations place immense pressure on fragile cash flows.

² PiTCH DECK ALGUNO2026.pptx, <https://drive.google.com/open?id=1xhdVEYx-R55nJ6CPY6IUazclAJshANMc8>

- **Administrative Delays:** Persistent delays in payments by large companies and state entities create lethal liquidity crises for small suppliers.

Selection Failures: The Case of Orange Corners and R&D 60

A recurring failure in the ecosystem is the exclusionary nature of selection criteria. Programs like **Orange Corners** (a Dutch-backed incubator) and the **Morocco R&D 60 Startups** program have strict eligibility requirements regarding legal forms and revenue histories.

For example, many high-tech innovators registered as **cooperatives** find themselves rejected because they do not fit the traditional “SARL/SA” startup profile.³ This “legal silo” effectively bars social and solidarity economy (SSE) entities from accessing the very grants (like those from **TAMWIL-COM's Innov Invest**) designed to foster innovation.⁴ This mismatch between the legal reality of rural entrepreneurs and the bureaucratic requirements of “startup” labels remains a fundamental ecosystem failure.

The “Scaling Wall”: Policy vs. Practice

Moroccan government policies are criticized for focusing heavily on “incubation” and “idea-stage” support while providing insufficient resources for industrial scaling.

- **The Funding Gap:** While grants of 200,000 to 500,000 MAD are common for prototypes, the **5 million MAD** transition capital required for industrial scaling is almost non-existent for independent firms.
- **Investment Charter Complexity:** The new Investment Charter, intended to boost private investment, is widely seen as too complex for small and medium enterprises (SMEs), with eligibility criteria that favor large-scale industrial projects over agile green startups.
- **Bureaucratic Inefficiency:** Scaling requires rapid regulatory approvals, yet entrepreneurs face inefficient bureaucracy and a slow pace of reform in critical sectors like renewable energy and waste recovery.⁵

3 2024 Investment Climate Statements: Morocco - U.S. Department of State, consulté le février 12, 2026, <https://www.state.gov/reports/2024-investment-climate-statements/morocco>

4 Country Guide 2024 - The Kingdom of Morocco - Digital ..., consulté le février 12, 2026, <https://dco.org/wp-content/uploads/2024/08/Morocco-Guide.pdf>

5 2025 Morocco Investment Climate Statement - U.S. Department of State, consulté le février 12, 2026, https://www.state.gov/wp-content/uploads/2025/08/638719_2025-Morocco-Investment-Climate-Statement.pdf

Part 3: Conclusion and Strategic Imperatives

Morocco's green transition is currently a "top-down" success but a "bottom-up" challenge. While the Kingdom is a regional leader in renewable energy and has ambitious goals for its Blue Economy, the domestic startup ecosystem is "fragmented" with "poor communication" between key players.

To move beyond the current plateau, the following changes are essential:

1. **Inclusive Legal Definitions:** Standardize "startup" status to include cooperatives and SSE entities, ensuring they are not "not selected" simply due to their social mission.
2. **Scale-Up Financing:** Replace small grants with "blended finance" mechanisms that provide the 5M-10M MAD required for industrial transition.
3. **Reducing Regulatory Friction:** Simplify the Investment Charter and environmental licensing to allow sustainable firms to scale at the pace of market demand, rather than the pace of administrative processes.

Without these structural shifts, the ambitious targets of Digital Morocco 2030 including the creation of 3,000 startups and 240,000 jobs will remain out of reach for the majority of Moroccan entrepreneurs.



06 **The Mediterranean Manifesto for sustainable and circular business development**



The Mediterranean Manifesto for sustainable and circular business development

The urgency

Time is running out to prevent irreversible damage from the triple planetary crisis: climate change, environmental pollution, and biodiversity loss.

Social inequalities are widening, and we are far from achieving the Sustainable Development Goals.

The well-being of current and future generations and nature's biodiversity are at stake.

We urgently need a radical transformation of our economic systems and consumption and production patterns towards sustainable, circular, inclusive, and participatory socio-economic models.

The reality

Despite these dramatic challenges, no encouraging transformation is happening at the macro level: countries are failing to make adequate progress towards environmentally and socially sustainable economic systems.

Yet at meso and micro levels, we can drive the transition towards sustainable and equitable business models. These are companies that understand that no enterprise exists in isolation – every economic activity forms part of a broader social reality, and both are embedded within the natural ecosystems that sustain us all. Such emerging businesses acknowledge their interdependence and embed environmental and social objectives into their business strategies.

Our commitment

As organisations supporting business creation and development, we are committed to promoting the transition towards justice-oriented circular economy models: businesses which create ecological value and safeguard the environment by addressing environmental challenges and reducing environmental impacts, while also being equitable and socially empowering.

No company should be allowed to externalise its environmental and social costs. The transition from linear to circular economy is not optional – sustainable businesses must become the new normal.

Business Support Organisations (BSOs) should also enhance their collaboration and networking to increase the coherence, effectiveness, and efficiency of service provision for sustainable entrepreneurs and companies.

OUR CALL TO ACTION

With this vision, we, Mediterranean BSOs, call on all Public, Private, and Non-Profit BSOs to embrace the following decalogue of principles and actions:

01

Apply innovative approaches, methodologies, and tools to foster environmental and social value creation while minimising negative impacts of business models. This includes, among others, applying circular economy strategies, eco-innovation, eco-design, and promoting fair labour relations, participative governance, gender equity, and global environmental justice.

02

Continuously build internal capacities and expertise to support sustainable and circular business development.

03

Ensure that the transition to sustainable business models is inclusive and equitable, providing targeted support to underrepresented entrepreneurs, including women, youth, and marginalised communities, so that no one is left behind in the circular economy transition.

04

Foster and enable territorial ecosystems and conditions in which sustainable businesses can emerge and thrive; promote cooperation among enterprises, communities, institutions, and knowledge actors; and support systemic transformations that make local contexts more resilient, inclusive, and environmentally sustainable.

05

Regularly measure and transparently report on the environmental and social impacts of business support initiatives through robust MEAL (monitoring, evaluation, accountability, and learning) systems.

06

Share and exchange knowledge, resources, and experiences on sustainable business development with like-minded organisations and make learning publicly accessible to accelerate collective progress. Coordinate activities, launch joint initiatives, and promote networks at national and regional level with organisations that share these values to amplify our collective impact.

07

Collaboratively boost access to market and increase demand for sustainable products and services while challenging unsustainable consumption practices.

08

Engage financial actors and channel financial resources (grants, loans, equity) towards sustainable and circular businesses.

09

Raise awareness and knowledge widely concerning sustainable and circular business models.

10

Advocate collaboratively for supportive policies and regulatory frameworks that enable sustainable business development and create a level playing field where sustainable businesses can thrive, and unsustainable practices face appropriate consequences.

Join the movement

The Mediterranean region has been a cradle of innovation and exchange for millennia. Now, we must channel that same spirit to build an economy that serves both people and planet.

The organisations below are the first endorsers of the Manifesto:

Alfanar	EFE Tunisie
Athar	ENT Consulting
Averroes Ventures	Fair Trade Lebanon
Berytech	FEBEA
Business Development Center (BDC)	Federacion Andaluza de Empresas Cooperativas - FAECTA
Center for Continuing Education (CCE) - Birzeit University	Fondation Diane
Centre for Environment and Development for the Arab Region and Europe (CEDARE)	Fondazione Messina
Centre International des Technologies de l'Environnement de Tunis (CITET)	Happy Smala
Centre Marocain des Études et des Recherches sur l'Entreprise Sociale (CMERES)	Intersection
Circular Hub	Leaders International
Confédération des Entreprises Citoyennes de Tunisie (CONNECT)	Make Sense Lebanon
Eco-Consulting	MedWaves, the UNEP/MAP Regional Activity Centre for SCP
EcoSwitch Coalition	RAMA IMPACT
Ecosystem Morocco	RedStart Tunisie
EDAMA	Réseau Marocain de l'Economie Sociale et Solidaire (REMESS)
	SEKETAK Solutions
	Spark (GreenForward - Meso Level)
	Strategia

Is your organisation aligned with the principles of this Manifesto?

Join us. Endorse it today @ www.theswitchers.org/ecosystems
Together, we can make sustainable business the only business.

MedWaves, the UNEP/MAP Regional Activity
Centre for SCP

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MedWaves
the UNEP/MAP Regional
Activity Centre for SCP

UN 
**environment
programme**



**Mediterranean
Action Plan**
Barcelona
Convention