



**Global Social Enterprise**

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# **The state of social enterprise in Sudan**

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This research on Sudan is part of a series of 'state of social enterprise' surveys that provide quantitative information on the scale, scope and impact of social enterprise in countries as diverse as Greece, Indonesia and Jamaica. Based on methodology developed for our Global Social Enterprise programme with Social Enterprise UK, these surveys contribute to a growing global body of knowledge around social enterprise and can help to inform policy.

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# British Council in Sudan

**The British Council office in Sudan was established in 1948 and since that time we have engaged with generations of young people through a diverse range of educational and cultural programmes. We work with our Sudanese and British partners to develop and showcase excellence, innovation and creativity. We work for the mutual benefit of the people, institutions and governments of the UK and Sudan.**

The British Council in Sudan embarked on an ambitious Social Enterprise Programme in April 2018 aiming to create opportunities for the young people of Sudan to fulfil their potential as entrepreneurs, and to promote the importance of projects with social impact. This programme was designed to improve youth, and hence expand options for employability.

This research was conducted as part of the programme and comprises the first social enterprise mapping exercise of its kind in Sudan. Drawing on input from a range of stakeholder groups across the ecosystem, this survey maps the size, scale and scope of the social enterprise movement in Sudan and its future potential. While the data was gathered in 2018, prior to instability in 2019 and the Covid pandemic in 2020, It provides valuable insights into the situation within which social enterprises in Sudan operate. It shows that visibility and public understanding of social enterprise is still limited, and reveals the exciting potential of this approach to business in Sudan.

Moreover, this survey presents the main challenges and opportunities for social enterprises, as well as recommendations on how the ecosystem can better support their growth. It sets a baseline for future growth and gives policymakers, social investors and other key actors the information they need to help build an active and dynamic social enterprise sector in Sudan.

Social enterprises are businesses that sustain themselves financially and create social value and as such they have the same needs and goals as any small business. In order to increase their impact at scale they need access to finance, access to networks, information, support and an infrastructure.

We are deeply indebted to our partners, in both the UK and Sudan, and to the research team led by Dr Ishraqa Khattab. We would not have been able to complete this work without their collaboration. Thank you to the British Council's Global Social Enterprise team, Social Enterprise UK, the Social Enterprise Programme team in Sudan and all the stakeholders who took the time to share stories of the amazing work they are doing as social entrepreneurs.

We are motivated to ensure that entrepreneurs and business owners in Sudan are encouraged and enabled to explore the potential of social enterprise and to adopt it as their business model. This will shift our thinking from creating individual wealth through business to recognising the role and potential of business in creating community wealth.

Through social enterprise our aim is to unleash young entrepreneurial spirit and skills into the working environment and to create a collaborative, supportive infrastructure in which the social economy can thrive.



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# List of abbreviations and acronyms

<b>AUW</b>	Ahfad University for Women
<b>CBOS</b>	Central Bank of Sudan
<b>CSO</b>	Civil society organisation
<b>GDP</b>	Gross domestic product
<b>GENF</b>	Graduate Employment National Fund
<b>INGO</b>	International non-governmental organisation
<b>MSME</b>	Micro, small and medium-sized enterprise
<b>NGO</b>	Non-governmental organisation
<b>SDG</b>	Sudanese pound
<b>SME</b>	Small and medium-sized enterprise
<b>SUST</b>	Sudan University of Science and Technology
<b>WHO</b>	World Health Organization

# Executive summary

**This report reveals the state of social enterprise in Sudan. It is based on desk research, surveys with stakeholders and a survey distributed to social enterprises from a diverse range of industries and sectors across the country. Most of the primary data was collected in 2018 but the findings have only increased in importance since the onset of Covid-19 as governments and communities around the world seek to reboot economies on a fairer, more inclusive footing.**

The study estimates there are roughly 55,000 social enterprises operating in Sudan. For the purposes of this research, social enterprises have been defined by three key criteria: their focus on a social mission; their business model of generating at least some income through trading activities; and their reinvestment of profits.

In all, 223 of the 250 enterprises that responded to the survey met these criteria and they have provided rich data on the sector, demonstrating a genuine commitment to their missions, as well as a clear understanding of their individual challenges and need for support.

The study reveals a burgeoning social enterprise landscape with 65 per cent of social enterprises surveyed having been set up since 2013 and 67 per cent of leaders aged under 45 years old. Of the total, 78 per cent reported breaking even or making a surplus in the last year, and 85 per cent expected turnover to increase in the following year.

Furthermore, 42 per cent of social enterprise leaders are women; from the limited data available this gender balance appears more favourable than that of the wider business environment (e.g. 38 per cent of 'nascent

entrepreneurs' or owner-managers of a 'new business' are women). Women make up 36 per cent of the social enterprises' governance boards.

The 223 social enterprises surveyed are also providing 1,578 people with full-time employment, 923 with part-time employment and 3,052 with volunteering opportunities (most commonly among social enterprises initiated by international non-governmental organisations (INGOs)). Social enterprise leaders are found to be highly educated with 84 per cent of leaders having completed higher education or beyond.

The survey reveals that social enterprises in Sudan operate across the social care, healthcare, manufacturing, agriculture, cultural, creative and environmental sectors, among others, and that many work across multiple industries. They have a diverse range of objectives but 54 per cent are focused on improving a particular community, 39 per cent on creating employment and 39 per cent supporting women and girls.

The majority of social enterprises provide services directly to local communities (29 per cent) or operate across one (32 per cent) or multiple (19 per cent) states, with only some working nationally (11 per cent) and others internationally (9 per cent).

Sudanese social enterprises have adopted a broad range of legal structures, including traditional private sector business forms, as well as those of associations, co-operatives, endowments and philanthropic universities.

Although the term 'social enterprise' is relatively new to Sudan, the notion behind the concept is accepted by many. Many organisations (56 per cent) didn't primarily identify as social enterprises, even though they met the study's defining criteria.

Obtaining grants is one of the major barriers that social enterprises face. Moreover, finding guarantors and/or collateral when seeking finance is a constraint faced by a significant proportion of our respondents.

## 1

# Introduction

**In Sudan, the social enterprise sector is growing. Many enterprises are engaged in social entrepreneurial activities and many social enterprises are well established. Yet the notion of social enterprises remains sometimes unknown more widely. To date, there has been little quantitative evidence on the number of social enterprises that are operating in Sudan and their social and environmental impact.**

This study seeks to present initial quantitative information to serve as a baseline for measuring the growth of social enterprise activities in the Sudanese context. Given the instability in the country throughout 2019, and the effects of Covid-19 in 2020, there has been a delay in presenting the data, which was collected in 2018. However, the findings are still of value and provide an important snapshot for future use.

## 1.1 Defining social enterprise

An important element of the study design was the approach taken to defining social enterprises. Broadly, '[s]ocial enterprises are businesses that tackle social and environmental problems. They create jobs and generate income like other businesses, but instead of channelling their profits to owners they reinvest them to support their social mission. In doing so, they are improving people's lives in our communities and societies' (British Council, n.d.).

Yet there is variation in how this broad definition is best applied in different contexts. Given the absence of a universally accepted definition, the research team decided not to impose a strict definition of social enterprise, but instead to identify a clear process for understanding what social enterprise has come to mean within the Sudanese context. To do this, survey respondents were asked

questions that could be used as inclusion or exclusion criteria (see Table 1), without informing them of a specific definition, thus allowing for a definition to be applied later.

For the purposes of this report, the research team, following in-depth consultation with stakeholders, settled on a combination of criteria that had to be met for a respondent to be considered a social enterprise. It is not suggested that these criteria together form a watertight or universal definition of social enterprise, nor that others should adopt it. It is simply the combination of criteria that the research team found to be most appropriate for the purposes of this study, and which is based on lessons from a wide range of contexts, international research and feedback from key national stakeholders.

In Sudan, and for the purposes of this report, the concept of 'social enterprise' can thus be defined according to the following characteristics:

- having a core mission to deliver support to achieve social and/or environmental benefits
- carrying out trading activities
- having an emphasis on reinvesting profits to deliver benefits to society and communities.

Such a definition is useful for several reasons. First, it is clear that mapping and tracking this sector of the economy remains a challenge without a consistent working definition.

Second, a lack of a clear definition makes it harder for social enterprises to promote themselves effectively to customers, investors and regulators, and to differentiate themselves from other businesses.

Third, other stakeholders and funders such as official aid agencies and the government may not be able to distinguish social enterprises from the wider business community. We hope this work helps take us towards a more commonly agreed understanding of social enterprise in Sudan.



**Table 1:** Classification of social enterprises

Primary criteria	Question detail	Approach to social enterprise classification
<b>Impact – core mission of the organisation</b>	Does your organisation place emphasis on profit first, your social/ environmental mission first, or both jointly? (one answer allowed) <ul style="list-style-type: none"> <li>• Profit first</li> <li>• Social/environmental mission first</li> <li>• Both jointly</li> </ul>	Organisations stating that their core mission is 'profit first' were excluded.
<b>Characteristics of your enterprise</b>	Which of the following characteristics does your organisation meet? (multiple answers allowed) <ul style="list-style-type: none"> <li>• Independent of the government</li> <li>• Trading (selling goods and services for money)</li> <li>• Principles or rules about profit distribution</li> <li>• Commitment to defined community/social/environmental benefit</li> <li>• Democratically controlled</li> </ul>	Organisations stating that they do not conduct trading activities were excluded.
<b>Profit distribution</b>	How is the majority of any profit used? (one answer allowed) <ul style="list-style-type: none"> <li>• Directed to staff</li> <li>• Directed to external owners/ shareholders</li> <li>• Directed to/reinvested in social (or environmental) purpose</li> </ul>	Organisations reporting that they direct their profit to shareholders and external owners were excluded.



## 2

# Study methodology

## 2.1 Study aims

The main aim of the study was to better understand the state and profile of social enterprise in Sudan. In addition, this research aims to support the British Council's Global Social Enterprise portfolio, tracking how the sector develops in the coming years.

The study briefly assesses whether there are existing policies to support social enterprise in Sudan, creating a baseline of potentially relevant policies. These can be mapped over time to assess policymakers' engagement with social enterprise in future. Similarly, the study explores the extent to which higher education institutions in the country currently engage with social enterprise, and to observe how this changes over time.

We hope that this study will also help to reveal the sectors in which social enterprises are operating successfully, where the gaps are, and what trends and developments could shape the sector's future.

It is hoped that this study will make an important contribution to the development of the social enterprise sector by equipping stakeholders with the information to develop better targeted support interventions.

The key objectives of the baseline study can be summarised as follows:

1. Estimate the number of social enterprises operating in the 18 states in Sudan, and the types of activities they undertake.
2. Evaluate the growth rates of these enterprises, identifying success factors and barriers.
3. Analyse the employment and leadership opportunities for women in the sector.
4. Identify the social objectives of these enterprises and how surpluses are directed towards achieving those objectives.
5. Determine the types and sources of assistance that social enterprises have received, as well as their future needs in terms of technical, managerial and financial support.

This study seeks to present initial quantitative information to serve as a baseline for measuring the growth of social enterprise activities in the Sudanese context.

## *The Impact of Covid-19*

As the data were gathered before the Covid-19 pandemic in 2020, and instability in Sudan in 2019, the insights presented do not provide the most up-to-date account of the current situation in Sudan. However, we are confident that the case for social enterprise in bettering communities and enhancing the economy has only strengthened as a result of these events.

## 2.2 Research methodology

This study was conducted for the British Council as part of its Global Social Enterprise portfolio. It was undertaken by local researchers with support from international experts and fieldworkers who gathered data in 2018.

The survey of social enterprises (see Appendix 2) sought the following information:

- year of registration and legal registration form
- turnover and profit generation and use
- employees, by gender and disability
- number of beneficiaries reached and type of beneficiary
- gender and age of leadership
- social enterprise sector and focus/core objectives
- location and sphere of operation (regional, national or international)
- profit/impact focus
- growth expectations and barriers faced
- sources of finance and funding, including proportion of income from grants/donations
- top three constraints to financing
- whether respondent would describe their organisation as a social enterprise.

The survey was conducted across Sudan in two languages (Arabic and English). It was administered between May and August 2018, following the pre-testing of the questionnaire, field manual preparation and training of fieldworkers.<sup>1</sup> The fieldwork was conducted by a trained team of data collectors selected by the British Council.

The questionnaire was distributed to participants in person, by telephone, by post and electronically (e.g. by email). It was also hosted on SurveyMonkey, and the link was shared by partner organisations (i.e. the British Council and Sudan Business Hub) and on Facebook, inviting social entrepreneurs to participate in the survey.

1. Before the commencement of the survey, the data collection team was given an induction covering the objectives and methodology of the survey, data collection techniques and recording, survey ethics and reporting.

The survey questionnaire was conducted within the same period in each state and under the close supervision of the core research team to ensure the reliability of data sources and continuity and consistency of focus and analysis.

The research comprised five main phases:

1. Methodology design, validation and development.
2. Social enterprise database and survey sample development.
3. Social enterprise survey data collection and analysis.
4. Desk-based research and interviews.
5. Data collection and analysis to estimate the total number of social enterprises.

## 2.3 Sampling

Data was gathered from a cohort of 250 organisations, collected by enumerators on a one-to-one basis using a structured questionnaire. An online version of the questionnaire was also available for the collection of data from those who had internet access but were unable to meet face-to-face. Of the 250 respondents, 223 were identified as social enterprises, as per the criteria used in this study.

This study has also used a qualitative approach, conducting a series of discussions with relevant government officials, representatives of private and non-governmental organisations, and key stakeholders in the sector.

Secondary data was collected from various published and unpublished literature, government statistics and online sources.

### 2.3.1 Sample selection and size

Data collectors started by compiling a list of those businesses and organisations that may be perceived to be social enterprises. This was followed by engagement with key stakeholders to access their networks and online

searches in order to access further respondents. Other techniques were also used to identify more social enterprise respondents such as:

- outreach events – inviting people to social enterprise-related events and asking them to complete the survey there or subsequently
- emails to organisations likely to be social enterprises – identified through online research for the compilation of the social enterprise database
- telephone calls to potential respondents identified through desk-based research, event attendance and stakeholders.

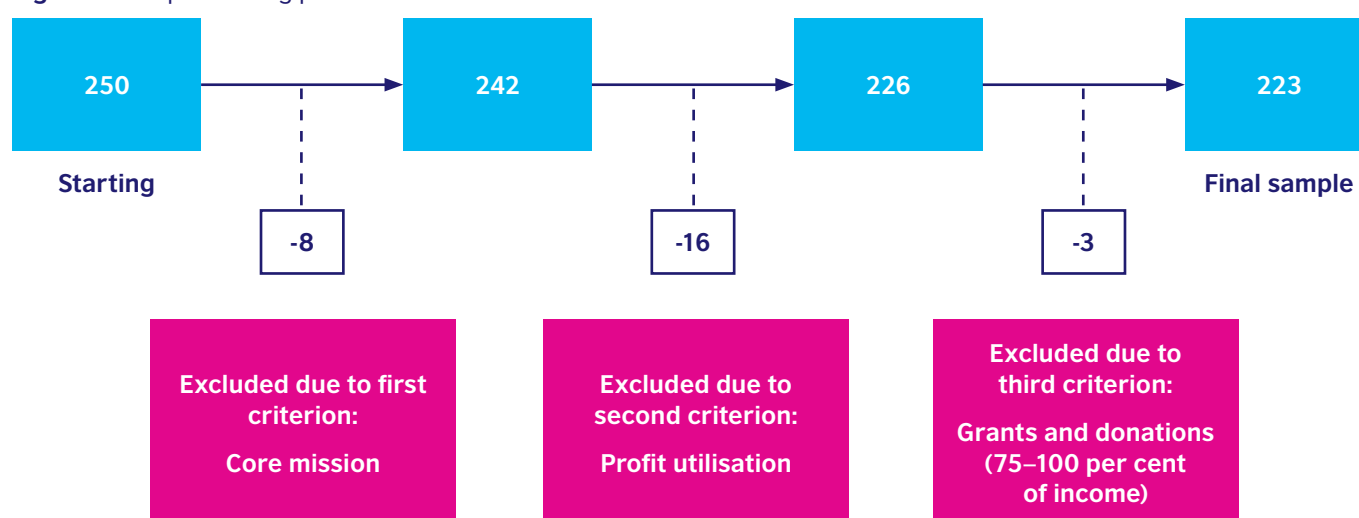
A total of 650 surveys were distributed. Our target number of responses was 300. We ultimately managed to secure 250 complete responses of which a total of 223 responses met our three main exclusion criteria, as explained in Table 1.

The first criterion – core mission – was fulfilled by 242 respondents out of 250. Of these 242 respondents, 163 social enterprises (67 per cent) stated that their primary mission is either social or environmental, while 79 social enterprises (33 per cent) placed equal emphasis on their social or environmental mission and profit.

The second criterion – ‘profit utilisation’ – filtered out a further 16 organisations, and the third criterion relating to ‘the contribution of donations and grant to income’ eliminated three more enterprises. Figure 1 explains this filtering process.

The survey sample was non-randomised. Existing databases were not large enough to be divided into sub-national or other sub-sets for more systematic sampling, and using stakeholder portfolios, memberships and networks for outreach also meant that a formal sampling process was not possible. As such, the survey is an indication of social enterprise activity, and is not intended at this stage to be a fully representative sample of such activity.

**Figure 1: Sample filtering process**





## 2.4 Survey tool and analysis

A paper-based questionnaire was used for data collection, and an online version of the survey was hosted on SurveyMonkey. A full list of the survey questions can be found in Appendix 2.

### 2.4.1 Data analysis

The target number of responses was 300. It proved challenging to achieve this target within the initial six weeks so the period of data collection was extended and another enumerator was added to the team. Ultimately, 250 responses were received, of which 223 met the criteria. The team were not able to secure responses from Darfur state – Table 2 shows the geographical spread of respondents by state and province.

Returned questionnaires were checked for completeness and consistency and were randomly cross-checked for the accuracy of information. Data was then entered into an Excel spreadsheet and analysed using descriptive statistical techniques. Primary data analysis was supplemented by secondary analysis to explore patterns across geographical areas, years of operation, proportion of female leadership, size and sector focus.

### 2.4.2 Confidentiality and subsequent use of data

All survey data has been treated as confidential, except where explicit permission has been given to share information.

### 2.4.3 Methodology to estimate total number of social enterprises

A key component of the study is to provide an estimate of the total number of social enterprises operating in Sudan. This process was not straightforward and leaves room for significant divergence from actual numbers.

**An endowment in Sudan – or *waqf* – is an *unchallengeable trust*. It is an ongoing or endless devout endowment. The property is placed in the custody of a fiduciary – or *waliy* – who administers the trust for the benefit of a third party identified by the *waqif* (the founder of the *waqf*) at the start of *waqf* (Hennigan, 2004). *Waqf* is an important part of Sudan's social, cultural and economic history and present reality. It is based on compassion, communication, social *takaful* and empathy among Muslims.**

We estimated the prevalence rate of organisations that met social enterprise characteristics from among the non-governmental organisation (NGO), co-operative, and micro, small and medium-sized enterprise (MSME) communities as well as also taking into account endowments (see box).

According to fieldwork conducted through International Labour Organization projects, in 2013 the estimated number of registered MSMEs in Sudan was around 600,000 (International Labour Organization, 2014).

A sample survey was carried out by telephone to help establish the proportion of MSMEs that could be considered as social enterprises, based on the survey criteria. It was found that eight per cent meet our social enterprises criteria.

One estimate of the number of co-operatives in Sudan puts the figure at 300, while the number of NGOs is estimated at around 10,000 with 6,000 endowments.

**Table 2:** Survey respondents by state

State	Number of respondents	State	Number of respondents
Khartoum	109	South Kurdufan	2
River Nile	38	West Darfur	2
Red Sea	29	White Nile	2
Al Qadarif	9	Central Darfur	0
Al Jazirah	7	Kassala	0
Blue Nile	6	North Darfur	0
North Kurdufan	6	Sennar	0
Northern	4	South Darfur	0
East Darfur	2	West Kurdufan	0



**Table 3:** Estimated total number of social enterprises in Sudan

Source	Total number	Social enterprise prevalence rate	Expected total number of social enterprises (SEs) (= total × prevalence rate)
NGOs <sup>2</sup>	10,608	30%	Number of SEs = 10,608 × 30% = c. 3,000
Co-operatives <sup>3</sup>	300	30%	Number of SEs 300 × 30% = 90
MSMEs <sup>4</sup>	600,000 registered	8%	Number of SEs = 600,000 × 8% = 48,000
Endowments <sup>5</sup>	6,105	70%	Number of SEs = 6,105 × 70% = c. 4,000
Total	55,090		

A small sampling survey was used again to determine how many co-operative societies, NGOs and endowments could be classified as social enterprises. On this basis, 30 per cent of co-operatives, 30 per cent of NGOs and 70 per cent of endowments have been estimated to be social enterprises (see Table 3).

In addition to collecting data using a face-to-face survey technique, the methodology was validated and the findings verified with key stakeholders and informants and through online research. There is, however, limited data on co-operatives, endowments and NGOs, particularly those that are trading (selling goods or services, as opposed to

relying on donations and grant income). A lack of available information and statistics combined with complicated sampling design make it currently very difficult to accurately estimate the size of the social enterprise sector in Sudan.

Nevertheless, based on the above methodology, it was found that around 55,000 organisations in Sudan could meet what are often understood to be the defining characteristics of social enterprise. We offer this number, fully aware that it is a rough estimate and hope others can build on this methodology and refine it in future to generate more robust estimates.

2. <https://www.altaghyeer.info/ar/2016/02/11/10>, February 2016.

3. <https://aawsat.com/home/article/631281>, 4 May 2016.

4. [https://www.ilo.org/wcmsp5/groups/public/@africa/@ro-addis\\_ababa/@sro-cairo/documents/publication/wcms\\_334878.pdf](https://www.ilo.org/wcmsp5/groups/public/@africa/@ro-addis_ababa/@sro-cairo/documents/publication/wcms_334878.pdf)

5. <http://awgaf.org.sd/wp-content/uploads/2015/08/GENERAL-2014-To-2017-States.xlsx>

## 3

# Sudan country context

This section briefly sets out the current social, political and economic situation in Sudan to provide an overview of the context in which social enterprises are functioning.

Sudan sits at the crossroads of the sub-Saharan and East Africa region. The capital is Khartoum, which lies in the confluence of the White Nile and the Blue Nile. According to the Central Bureau of Statistics in Sudan the total population of the country is 41.999 million (2017), and about 60 per cent of its population is young with annual population growth at 2.4 per cent.<sup>6</sup>

## 3.1 Political situation

The Republic of Sudan declared its independence from the Anglo-Egyptian condominium on 1 January 1956, and became a member of the United Nations in 1957. A national parliament was elected by means of democratic elections, and the first national government assumed its function to govern Sudan under a central administrative system. In 1958, the government was handed over by the then prime minister to the Sudanese Armed Forces.

In October 1964, democracy was restored following a popular revolution and a new parliament was elected. However, the armed forces under the command of Jaffer Nimiri took power again in May 1969. In 1973, the Addis Ababa agreement was reached between the government and the southern rebel groups and the South was given autonomy. In 1983, the regime in Khartoum breached the agreement and a new rebellion emerged.

In April 1985, the regime was overthrown following a popular revolution, followed by a coup d'état under the command of Omer Al-Bashir in June 1989. War continued until a Comprehensive Peace Agreement was signed on 9 January 2005 by the Government of Sudan and the Sudan People's Liberation Movement. Based on this agreement, the Interim National Constitution for 2005 was issued, providing for a decentralised government and giving South Sudan the right to self-determination.

### 3.1.1 Recent events

In December 2018, Sudan witnessed a huge political and social shift as people demonstrated against the government. On 6 April 2019, the protestors marched to the vicinity of the headquarters of the Sudanese army and they conducted a sit-in for nearly two months.

Soon afterwards, the military and the Forces of Freedom and Change – representatives from Sudanese civil society – signed an agreement to move to a transitional government, and seemingly positive changes have begun.

Ever since, people have started to work more collaboratively to create positive change, and entrepreneurs have attempted to scale up their work towards the ambition of a better Sudan. NGOs' activities are increasingly focused on sustaining peace and ending poverty through better incomes and livelihoods.

Politically, the government has started to focus more on fulfilling people's needs and establishing projects, policies and strategies to develop Sudan.

These socio-political changes have influenced the methodologies and direction of a number of human development projects and strategies. This potentially creates the condition for social enterprise to be seen more widely as a valuable tool for the next phase of the development of Sudan.

## 3.2 Socio-economic situation

It is clear that since independence in 1956, Sudan has been challenged by many development dilemmas. The country's socio-economic indicators show negative rates of economic growth, high unemployment rates and annual inflation rising to around 550 per cent in September 2016 (see Table 4). Of the population, 46.5 per cent live on the poverty line and 14.9 per cent earn below US\$1.90 a day (World Bank, 2019).

In addition to poor economic performance, Sudan's geographical location as part of a fragile conflict region has created other political challenges. The country has been beset by conflict for most of its independent history. Sudan consists of 18 states, each with its own cultural and socio-economic characteristics. The southern states have been affected by the war since Sudan's independence and are currently a refuge for people who fled the war in the Republic of Southern Sudan. The western states have a long history of conflict and violence, originating in the Darfur Province in 2003, and the impact has spread to the neighbouring states.

As a result, the Sudanese economy is currently suffering a high rate of inflation as well as decreasing and unstable gross domestic product (GDP).

6. Retrieved from [www.cbs.gov.sd/](http://www.cbs.gov.sd/)



**Table 4:** Sudan's key socio-economic indicators

Years	2013	2014	2015	2016	2017	2018
<b>Population (millions)*</b>	36.164	37.289	38.435	39.599	40.783	41.985
<b>Labour force (millions)**</b>	10.010	10.280	10.559	10.847	11.149	–
<b>Unemployment rate (%)*</b>	15.2	19.8	21.6	20.6	19.6	18.6
<b>Human development ranking</b>	NA	235	234	165	167	NA
<b>Inflation rate, end of period consumer prices (annual per cent change)*</b>	41.9	25.7	12.6	30.5	25.2	42
<b>Literacy rate</b>	NA	NA	NA	NA	NA	NA
<b>Main economic sectors (% GDP) 2016</b>				Agriculture 39.46% Trade 2.61% Services 57.8%		
<b>Gross national income per capita (US\$)**</b>	1.220	1.830	2.000	2.140	2.379	NA
<b>GDP annual growth rate (US\$), %**</b>	4.395	2.679	4.906	4.7	4.283	NA
<b>GDP total (current US\$)**</b>	72.07bn	82.15 bn	97.16 bn	95.58 bn	117.49bn	NA
<b>Major cities</b>	Khartoum, Port Sudan, Kassala, El Obeid, Wad madani, Elfashir, Admazin, Algrneina					

\* Source: International Monetary Fund. \*\* Source: World Bank Group.  
NA = not available.

Following the terms of the peace agreement in 2005, the secession of South Sudan induced multiple economic shocks. The most important and immediate was the loss of the oil revenue that accounted for more than half of Sudan's government revenue and 95 per cent of its exports. This has left huge challenges, including increased fuel prices.

Aside from oil, agriculture and livestock are essential to Sudan's economic diversification and could contribute to medium-term macro-economic stability. These sectors presently contribute approximately 35–40 per cent of GDP, but could contribute significantly more with greater investment and better governance. Sudan now recognises the need for greater attention to agriculture and livestock, as reflected in its Interim Poverty Reduction Strategy Paper (I-PRSP) and the Five-year Program for Economic Reforms approved by its parliament in December 2011 (Index Mundi, 2019), but the benefits have not yet been harvested.

Comprehensive US sanctions on Sudan, levied in 1997 and expanded in 2006, were lifted (partially) in October 2017, allowing hitherto banned financial and trade transactions between US citizens and entities and their Sudanese counterparts. However, Sudan continues to be designated by the US as a state sponsor of terrorism, preventing full normalisation of relations with the US. Talks to remove the designation are expected to begin in the near future.

### 3.3 The small and medium-sized enterprise sector

In the early 1990s, Sudan experienced major shifts from central planning towards more open market. The state pursued a policy of economic liberalisation and the privatisation of some public sector institutions. The banking sector moved towards private investment and this allowed small and medium-sized enterprises (SMEs) to develop significantly.

The Bank of Sudan started directing greater resources to so-called 'productive families', which paved the way for an emerging microfinance sector in Sudan, and support for SMEs within the State Strategy for Combating Poverty by the Central Bank of Sudan. In 2004, the General Secretariat of the Project of Productive Employment and Employment of Graduates issued an integrated strategy to address unemployment in Sudan, aiming to increase finance for small and medium-sized projects, and to develop a culture of entrepreneurship.

In 2007, the government adopted a strategic vision to upgrade and develop the microfinance sector in Sudan to support the SME sector.

The Central Bank of Sudan's policy objectives for 2008 aimed to stimulate economic activity by providing more resources to the private sector through supporting the agricultural sector, and export goods other than petroleum, as well as small and medium-sized projects and rural settlement projects. The Central Bank of Sudan encouraged Islamic and other banks to allocate at least 12 per cent of the finance portfolio at any time to the microfinance sector (SME) (Central Bank of Sudan, 2008).

### 3.3.1 SME registration

In Sudan, the general trade registrar is the body that is responsible for regulating commercial business activities. The laws that govern business activities in Sudan are Business Law 1931 and Companies Law 1925, modified in 2016.

There are a number of different forms of legal registration for businesses, as illustrated in Table 5.

## 3.4 Voluntary and community sector

### 3.4.1 CSOs and NGOs

The history of civil society organisations (CSOs) in Sudan dates to the country's colonial period under Anglo-Egyptian rule, from 1899 until Sudan's independence in 1956. During this time, there were a small number of cultural, literary and artistic societies of limited membership in Khartoum. In the mid-1940s, however, political movements started to become active in Sudan in the struggle for either Sudan's independence or, alternately, a union with Egypt. The most active organisation was the Graduates Congress (in reference to the graduates of Gordon Memorial College), which was founded by political leaders from various sectors of society who established political parties based on their various social, tribal, ethnic and regional affiliations. These new parties eventually played a role in the negotiations for the post-colonial future of Sudan and are considered to be the first CSOs in Sudan's history (Civic Freedom Monitor, 2019).

NGO is a term that refers to any kind of private organisation that is independent from government control, provided it is not-for-profit, non-criminal and not simply an opposition political party according to the definition adopted by the United Nations.

NGOs are part of the wider civil society so are part of the CSO sector. NGOs include a wide range of organisations according to the type of activities the organisation carries on.

There are no up-to-date figures available on the size of the NGO sector but it is expected to have remained about the same size as in 2015, when 15,000 organisations were reported as registered with the Humanitarian Aid Commission. Another 500 to 600 CSOs are likely registered as cultural groups and training institutions although estimates suggest the number of active organisations may be fewer than ten per cent of these (United States Agency for International Development, 2016).

Women have made some vital contributions to NGO activity. For example, prominent women and feminist organisations in Greater Khartoum (and, in some cases, with branches outside of Khartoum) include Salmah Women's Resource Center; Gender Centre; Nuba Women's Education and Development Association (NuWEDA); Strategic Initiative for Women in the Horn of Africa (SIHA); Mutawenat (women's legal rights centre); Asmaa Society for Development; and Sudanese Women Empowerment for Peace (SuWEP), to name but a few.

On one hand, NGOs serve the government by tending to the underserved, taking on some of the burdens that could otherwise fall to the state. On the other hand, before the revolution the government was seen to be suspicious of some NGOs and to seek control over the sector. In practice, registration was not easy and not just a bureaucratic formality; the government could either refuse a registration or drop an NGO from the rolls. Many NGOs reported being constantly harassed (Hale, 2011-2012).

### 3.4.2 The co-operative sector

Sudan has a number of established models of co-operation: from Nafir, where a number of people help a colleague, patient or an elderly person and enable them to complete their work, to Kashif, which involves raising money to share the expenses of a social event such as marriage or a wake.

The modern co-operative movement dates back to the late 1940s and early 1950s when the legal form of co-operative was formulated and a co-operative law was issued in 1945 and amended in 1952. The administrative office for the registration and monitoring of co-operatives was founded in 1949.

**Table 5:** Registering business activities in Sudan

Type of business	Law	No. of shareholders	Registered No.
<b>Sole proprietorship</b>	Business Law 1931	1	5.003.000
<b>Private companies</b>	Companies Law 1925 modified 2016	2–52	600,000
<b>Public companies</b>	Companies Law 1925 modified 2016	53+	NA

Source: General Trade Registrar.

Note: NA = not available.

Attempts were concentrated mainly in the Northern Directorate, especially in the areas of Dongola, Marawi and Halfa, where agricultural co-operatives collected financial contributions for the purchase and operation of irrigation pumps to replace the old irrigation tools. These co-operatives formed the cornerstone of the social economy in Sudan. Later, more co-operatives emerged in Khartoum and other cities.

With these beginnings, the law of 1949 came into force under the supervision of a co-operative administrative body with wide powers. This was influenced by WHK Campbell, who produced a detailed report on the possibilities of establishing a co-operative system in the country. He strongly recommended the formation of a loan and marketing association in Berber, Atbara, Sinja and Sennar, for instance (Abdel and Ahmed, 1997).

The first co-operative was Wad Ramli in 1948, which was followed by the formation of many other co-operatives.

### 3.4.3 Endowments

*Waqfs* – or endowments – have a long history in Sudan. One of the early known *waqfs* was a mosque in Dongala al Aguz dating back to the ninth century.

*Waqf* is an unchallengeable trust. It is an ongoing or endless devout endowment. The founder of the *waqf*, who is also known as *waqif*, renders the principal, or *asl*, of a cash-generating property or *mawquf* perpetually indisputable and allocates the usufruct or *manfa'ah* of that property to specific entities or particular individuals. The property is placed in the custody of a fiduciary or *waliy* who administers the trust for the benefit of a third party, which is identified by the *waqif* at the start of *waqif* (Hennigan, 2004). *Waqf* is one of the achievements of the Muslim *ummah*.

*Waqf* had a significantly positive effect on development and prosperity, which led to the distinction of Islamic civilization (Al-Gebori and Humaish, 2008). There were

many kinds of *wuquf* (plural of *waqf*) that encompassed but were not restricted to establishing houses of worship, centres of learning and hospitals as well as shelters. They also included building roads and caring for the poor, the needy and travellers. They even covered the funding of war efforts and caring for animals.

*Waqf* is an important tributary of social and cultural as well as economic life. It is based on compassion, communication, social *takaful* (a type of insurance system devised to comply with the sharia laws, in which money is pooled and invested) and empathy among Muslims. That non-Muslims were taken care of through *waqf* is also noteworthy (Al-Gebori and Humaish, 2008). A complete *fiqh* encompassing all aspects of *waqf* has taken shape based on its sharia origins and based on the *ijtihad* or personal reasoning of the *fuqaha* from all schools who have studied the rules of *waqf* in terms of variety, conditions and investment avenues as *waqf* in sharia.

The term *waqf* does not actually appear in the Holy Quran but verses within it make clear references to the critical importance of being charitable and helping others selflessly. Both of these two attributes are in fact the basic drivers for doing *waqf* (Abdel Mohsin, 2009).

The number of Sudanese *waqfs* increased over time and extended beyond Sudan to the Sultan of Sinnar, during the al-Zarqa (Funj) period. This included lands bought in Mecca and Medina, endowed for the benefit of Sudanese pilgrims. This particular *waqf*, known as the al-Sinnariah, still exists. There are also *waqfs* in Turkey and Egypt (the Hall of Senars in Al-Azhar Al-Sharif in Egypt for instance).

Within Sudan there are some important *waqfs*, among the most prominent of which are Awqaf Sharouni, which contributed to educational objectives and built three health centres in the state of Khartoum. Meanwhile, Al-Baghdadi *waqf* for medical students at the University of Khartoum serves poor students (Abdel and Ahmed, 1997).

**Table 6:** The development of co-operatives in Sudan

Period	Percentage per sector	Number of co-operatives
1952–53	59% of the co-operatives were agricultural, where only 3% of them were consumer co-operative	NA
1955–56	48% were agricultural, and 34% were consumer co-operative	NA
1975–79	NA	2,135
1997–80	NA	4,868
1993	NA	8,332
1995	NA	9,000
2005	80% were consumer co-operatives	+10,000

Source: National Islamic Endowments Authority - 2015 [http://awqaf.org.sd/?page\\_id=509](http://awqaf.org.sd/?page_id=509)



In Sudan, as in many other Muslim countries, the development of *waqfs* has been hindered by political instability. During the 1980s, the Ministry of Awqaf and Religious Affairs was established and important new legislation was introduced. With the Awqaf and Religious Law of 1980, for instance, the Minister became the general trustee of all the *waqfs* in Sudan (see Table 7).

The total revenue from *waqfs* remained insignificant until 1989. A new Islamic Waqfs Organisation Law was announced in 1989 and the newly formed government promised to improve endowments horizontally and vertically – by increasing the number of endowments and through better management and education to enhance *waqf* revenues.

### 3.5 Philanthropic universities

In Sudan, there are a number of different universities that are considered philanthropic universities, including Ahfad University, Omdurman Ahlia University and Wadmedani Ahlia University.

#### 3.5.1 Ahfad University for Women

Ahfad University for Women (AUW) is a non-governmental, non-profit making, non-sectarian university in Omdurman, established in 1966 and dedicated to promoting improvements in the status and living conditions of Sudanese women and their families. AUW provides several academic undergraduate programmes, all in the English language (AUW, n.d.a).

AUW's mission is to provide quality education for women to strengthen their role in national and rural development, and to seek equity for themselves and other fellow women in all facets of Sudanese society, using a combination of academic courses, on the job training, individual research and community activities (Republic of the Sudan, 2016).

Moreover, AUW provides training services targeting different groups: women, youth, community leaders,

policymakers, health personnel and others. Many of these training programmes have also informed the university curricula, such as the WHO Regional Training on Integrating Gender and Rights in Reproductive Health, which has informed courses in health education and behavioural and social health (AUW, n.d.b).

#### 3.5.2 Omdurman Ahlia University

This philanthropic university was created as a result of an initiative developed by a group of scholars, educationalists and prominent citizens of Omdurman city. They established a non-governmental, civil society, national higher education institute in Omdurman, the city with the longest history and most well recognised heritage in non-government philanthropic education in the Sudan. In November 1986, the college was established and started with the first batch of 250 students in seven distinct programmes.

In 1995, the college was officially recognised as a fully fledged university, as a non-government civil society institute. Now the 120,000m<sup>2</sup> campus holds eight faculties (Ahmed, 2013).

#### 3.5.3 Wadmedani Ahlia University

Wadmedani Ahlia University is a non-governmental, non-profit educational institute run by a voluntary council of trustees. It is one of a few non-government universities with fees that are affordable to most Sudanese students. Income comes mostly from students' tuition and registration fees, which are used to develop the infrastructure and to recruit competent academic staff, and to equip laboratories and workshops with the most recent and efficient equipment. The university was first initiated as a college by a number of philanthropists from Wadmedani town in 1992. Development continued until the college qualified as a university in June 2012 (Republic of the Sudan, 2016).

**Table 7:** The main phases of waqf laws in Sudan

Period	The announced law	Remarks
1989–56	In 1902, the Shari'ah Courts Law was announced	In 1903, article 53 of the law 1902 set forth that the waqf system would henceforth be subjected to the Hanafi code instead of the Maliki one.
1970	Islamic Charity-Waqf Law, 1970	The Ministry of Religious Affairs reserved the right to manage the waqf or to appoint a nazir to do so.
1980	New waqf law is announced	The Minister of Religious Affairs was appointed the General Administrator, nazir 'am, for the waqfs.
1989	The year 1989 witnessed the promulgation of another law: Islamic Awqaf Organisation, 1989.	This demonstrates how the new Islamic regime, the National Islamic Front, has approached the waqf issues.  The new government claimed to approach the waqf issues in Sudan horizontally, by increasing the number of endowments and by improving the management of existing ones.
2008	Establishment of Islamic National Endowments Bureau in 2008	New objectives were set as explained later on the document.

## 4

# Ecosystem for social enterprises in Sudan

## 4.1 The policy and legal framework

Sudan has no explicit law or legislation regarding social enterprise, nor is there a distinct registration or legal form for social enterprise. However, Sudan has a significant history of non-profit-oriented activities which overlap with the idea of social enterprise, including CSOs/NGOs, endowments, philanthropic universities, co-operatives, associations and Zakat. These models take various legal forms.

There is also no specific government policy aimed at social enterprises. Other more generic policies, of course, can support enterprise development more widely. Employment creation has been an important policy focus in Sudan, while increasing agricultural output and equitable regional distribution of wealth generated by enterprises are other priorities, which relate to social enterprise in some way. Recognising the value of MSMEs in job creation and in addressing the issues of income distribution, regional development and social cohesion, the Sudanese government has increasingly made the MSME sector a key component of its economic strategy.

In 2006, the Sudanese government started to develop its microfinance strategy, for instance. Since then, different banks and other organisations have been providing finance to support the development of MSMEs. However, the CBOS annual report suggests that the coverage of MSME funding is no more than one to three per cent of the total market demand. In 2018, CBOS launched a new policy that states that no less than 15 per cent of the financial portfolio of financial institutions should be directed to MSMEs. Yet despite various efforts, poor economic performance, inflation and other political factors have all negatively affected the development of business in Sudan and hence the nourishing of the practice of social entrepreneurship.

The government continues to exert efforts to improve the practice of setting up and sustaining MSMEs in Sudan. Tables 8 and 9 set out key strategies and regulations that may influence the social enterprise sector.

**Table 8:** Strategies related to social enterprise in Sudan

Strategy name	Description
<b>Central Bank of Sudan 2006, strategy of funding MSMEs</b>	Banking laws that aim to provide a diverse range of funding with independent oversight within the Central Bank, aiming to support MSMEs, build management capacities and monitor their activities. The CBOS has established microfinance organisations and developed their capacities, as well as creating a MSME database and undertaken measures to build the capacities of MSMEs. Various microfinancing organisations provide services in different sectors such as agriculture and technology.
<b>National Youth Strategy – 2016</b>	The strategy focuses on creating job opportunities and providing income for young people through MSMEs, by providing easier access to funds, building the capacity, and engaging young people in financial services and training.

**Table 9:** Laws related to social enterprise in Sudan

Law name	Description
<b>Sudanese Companies Law (30 March 1925), 'Charity companies registration', Chapter 4, p. 10</b>	This law is currently suspended even though there are a number of non-profit companies in Sudan. The law stated that non-profit companies are those concerned with supporting trading, arts, science and charity. Such companies are required to reuse the generated profit to fulfil their social purpose and not distribute any profits to the board of directors, while limiting liability.
<b>Voluntary and Human Work Organization Act 2006</b>	This law allows for the registration and the monitoring of non-profit/nongovernmental organisations. The law is focused on the registration process and organising the operations of NGOs.
<b>Investment Promotion Act 1999 – amended 2003</b>	This law provides privileges to investors according to the benefit provided to the country and/or the community, such as taxation relief. Privileges are provided to investments that create endowments and further scientific research innovation and initiatives and the provision of social services to develop communities.

## 4.2 Key social enterprise actors in Sudan

In Sudan, the social entrepreneurial ecosystem is still in its early stages. Most participants are therefore, unsurprisingly, providing primarily early stage support. Organisations are focused mainly on building awareness of and education around social entrepreneurship, such as the Entrepreneurship Centre at the University of Khartoum, as well as incubation or mentorship programmes that provide early stage capacity-building support, such as Infotech and Impact Hub.

There is currently limited access to resources for social entrepreneurs. The support delivered by the British Council and a few other organisations therefore makes a real difference to some social entrepreneurs. Key actors in the ecosystem are mostly located in large, urban areas such as Khartoum, Algazera and the River Nile. Programmes are usually administered in Arabic and sometimes in English. Tables 10, 11, 12 and 13 give examples across different sectors of providers offering support to entrepreneurs.



**Table 10:** Examples of incubators, accelerators and workspaces in Sudan

Name of institution	Organisation type	Location	Description
<b>Abuhalima agricultural incubator Graduate Employment National Fund (GENF)</b>	Incubator	Khartoum	This project is has 50 greenhouses and accommodates 125 graduates. It is funded by the Irada microfinance company.
<b>Engineering Inc. Graduate Employment National Fund (GENF)</b>	Incubator	Khartoum	This project is has 40 mobile units equipped with water network construction machines and tools and accommodates 400 engineers. It is funded by the Family Bank, the Ministry of Finance and Khartoum Water Authority.
<b>Microfinance Inc. Sudan University for science and Technology (SUST)</b>	Incubator	Khartoum	The project aims to train and build the capacity of 4,000 graduates to start up their businesses. The project is a partnership between the Central Bank of Sudan, the Islamic Development Bank and SUST.
<b>Infotech Inc. Khartoum University</b>	Incubator co-working space	Khartoum	Infotech is open to start-ups and freelancers and aims to promote an entrepreneurial spirit among students by involving them in professional activities and events related to entrepreneurship.
<b>Impact Hub</b>	Incubator/accelerator/ co-working space	Khartoum	Impact Hub is a business and social entrepreneurship initiative that aims to train and support young entrepreneurs and start-ups, offering them the opportunity to grow their businesses.
<b>IEC – Innovation and Entrepreneurship Community</b>	Accelerator/ co-working space	Khartoum	IEC seeks to accelerate start-ups at the 'ideation' stage, prototyping or market ready. The programme methodology focuses on the entrepreneur.
<b>249 Startups (IEC+ HaJJar)</b>	Accelerator/ co-working space	Khartoum	249 aims to provide support to entrepreneurs through creating and developing projects in an innovative manner and providing mentorship programmes.
<b>Almogran</b>	Co-working space	Khartoum	This is a co-working space encouraging collaborative work and solving problems through innovation. They deliver training and mentoring programmes through working closely with IEC
<b>Maktabak, Shared Space Sudan Startup Hub</b>	Shared space	Khartoum	This is an office shared space with the goal of encouraging innovation in Sudan.

**Table 11:** Examples of non-profit organisations promoting entrepreneurship in Sudan

Name of institution	Target	Mission	Offers and services				
			Raising awareness	Training	Finance	Workspace	Research
<b>Mubadiroon Organization For Prevention of Disaster and War Impact</b>	Fishermen	Promoting social and business entrepreneurship among fishermen.	x	x		x	
<b>British Council</b>	Large public	Developing the social enterprise sector.	x	x	x		x
<b>Da'am organization</b>	Young entrepreneurs	Promoting an entrepreneurial culture and innovation among young people.	x	x		x	
<b>National Centre for Entrepreneurship</b>	Small enterprises	Offering non-financial services to entrepreneurs.	x	x	x		
<b>Roya Organization for Educating and Developing Women</b>	Women	Providing assistance and support for women to enhance the entrepreneurship culture among women.	x	x	x		
<b>Graduate Employment National Fund (GENF)</b>	Graduates	Encouraging graduates to gain access to free market areas through small projects, enhancing the economic and social role of graduates. Providing support, training and finance for graduates to set up small enterprises. Co-operating with stakeholders to develop microfinance and develop funds and promote investment in small enterprises.	x	x	x		

**Table 12:** Examples of financial institutions providing services to entrepreneurs

Type of finance	Name of institution	Offers and services
<b>Microfinance</b>	Commercial banks (Family Bank, Savings and Social Development Bank and Ebdah Bank)  Microfinance companies (Irada Co., ALmethal, etc.)	<ol style="list-style-type: none"> <li>1. Providing financial services to the economically active poor.</li> <li>2. Attracting domestic and foreign resources to re-employ them for the benefit of the target groups.</li> <li>3. Raising banking and savings awareness among the weak segments of society.</li> <li>4. Contributing to creating jobs for the economically active poor.</li> <li>5. Economic revitalisation of the poor and their integration into the development movement.</li> <li>6. Transforming unorganised sectors into organised sectors that contribute to development.</li> <li>7. Contributing to the fight against poverty.</li> <li>8. Contributing to the growth of small businesses.</li> </ol>
<b>Finance and investment</b>	Commercial banks	Offers financial assistance to finance seekers to start and develop enterprises.

**Table 13:** Some tertiary education and research centres in Sudan

Name of institution	Organisation type	Location	Social enterprise related activities
<b>Sudan University of Science and Technology</b>	Higher education	Khartoum	The institute operates in three main areas: family development, community development and research and training. It promotes social entrepreneurship.
<b>Entrepreneurship Centre (EC)</b>	Research centre	Khartoum	Specialised training in entrepreneurship, business establishment and operations, social entrepreneur training programme development and execution as well as primary research on local entrepreneurship.
<b>AlRyada College</b>	College	Khartoum	Delivers a leading programme on entrepreneurship, raising awareness and educating students about social entrepreneurship.

### 4.3 Existing research on social enterprise in Sudan

As the term 'social enterprise' is relatively new to Sudan, it has not attracted significant research interest.

From one country to another, scholars and practitioners have approached social enterprise from different perspectives. Some have started from the perspective of considering business activities carried out in order to generate revenue in the non-profit sector (Austin,

Stevenson and Wei-Skillern, 2006; Reis, 1999; Thompson, 2002). Others have considered social enterprises as businesses emerging from the for-profit and non-profit sectors or across sectors (Austin et al., 2004; Dees, 1998).

However, there is a growing body of academic research on entrepreneurship in general in Sudan. One study conducted by Khattab and Al-Magli (2017) argued that there is a real need to develop an ecosystem to support the development of entrepreneurship in Sudan.



## 5

# Study findings

## 5.1 Social enterprise age

The social enterprise sector in Sudan is growing. As Figure 2 shows, the oldest organisation we surveyed was founded more than 20 years ago but most of the surveyed organisations have started since 2017.

Business start-up rates in Sudan more widely have also been on the increase, therefore this is part of a trend in the wider business community (Khatab, Ahmed and Mohamed, 2017).

Social enterprises in Sudan are often young businesses. The vast majority of social enterprises have been set up since 2013 (65 per cent). This is a new and emerging business model with social enterprises start-ups growing rapidly.

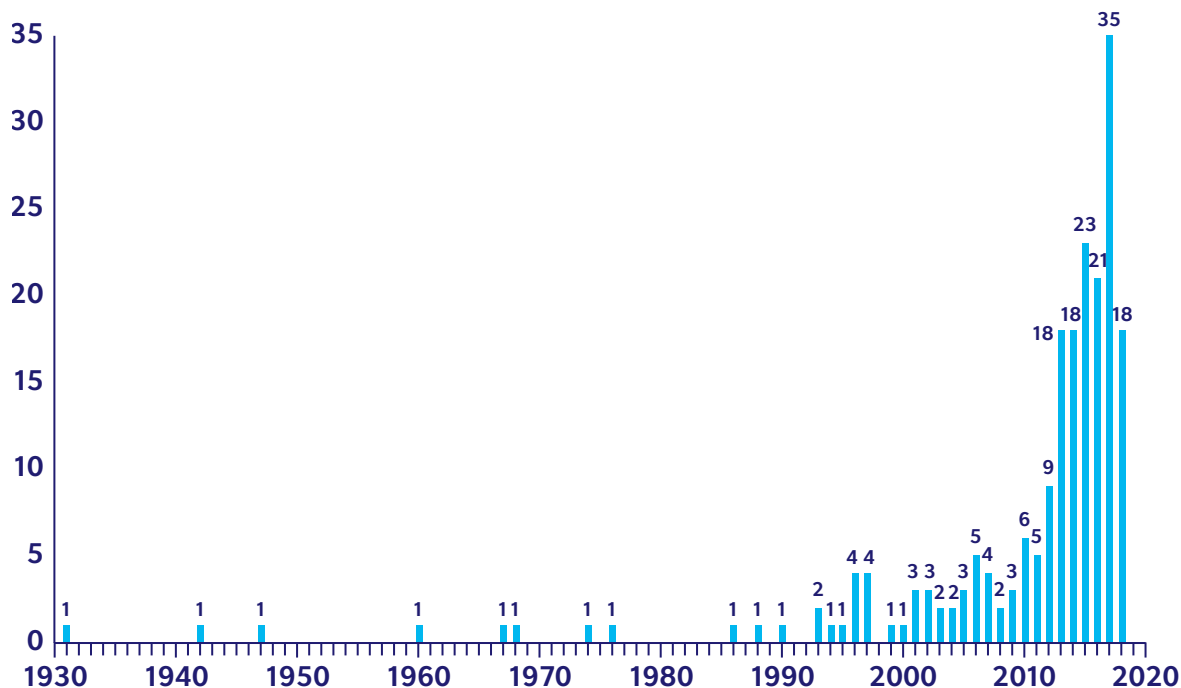
## 5.2 Geographic location and reach

Half of the social enterprises we surveyed are based in Khartoum (50 per cent), while 18 per cent are based in the River Nile state and 13 per cent are based in the Red Sea state. We found fewer social enterprises in Northern Kordofan and Gadarif states. We were not able to obtain data from Southern, Northern and Central Darfur states, nor Kassala, Sinnar and Western Kordofan states (see Figure 3).

As Khartoum is the capital and the main city of Sudan, it is to be expected that many social entrepreneurs choose to register their business in Khartoum but this does not necessarily mean that they conduct their business in the city.

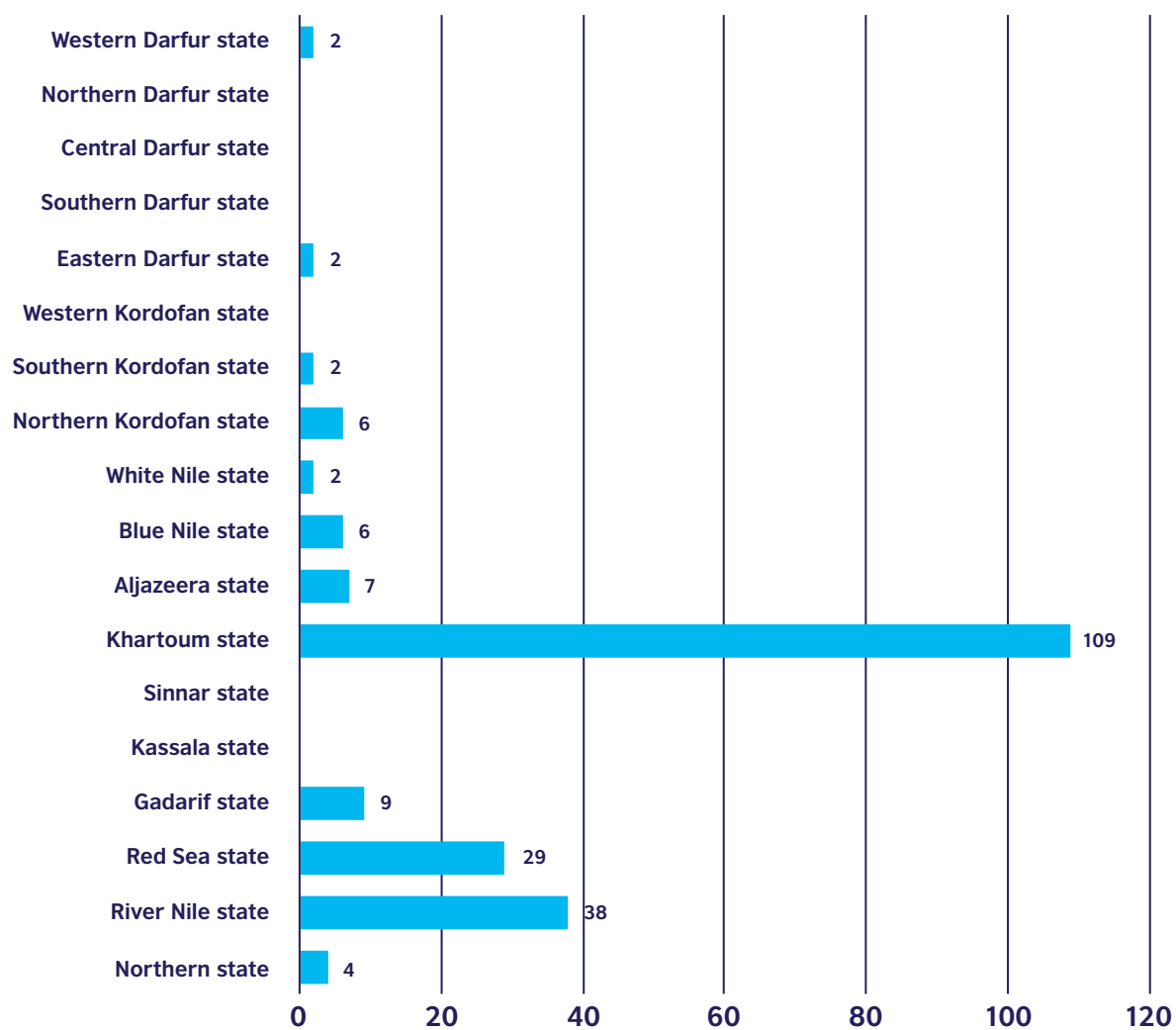
In terms of geographic reach, around a third of social enterprises (32 per cent) operate in single states and more than a quarter (29 per cent) operate in localities. Nineteen per cent operate across several states and around one in ten operate at national (11 per cent) and at international levels (nine per cent) (see Figure 4).

**Figure 2:** Commencement year of social enterprises surveyed<sup>7</sup>

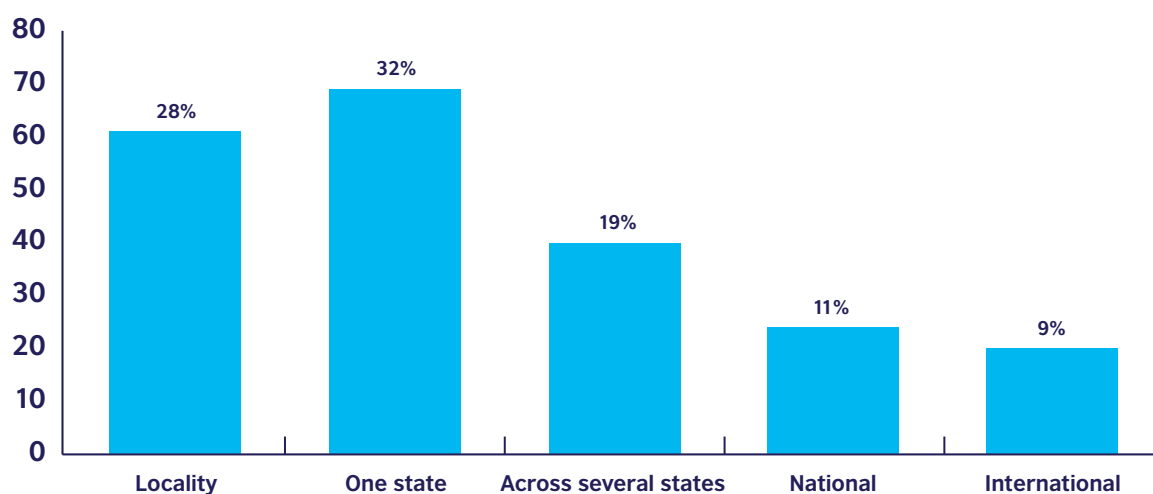


7. Where absolute numbers do not add up to 223 some respondents did not answer the question. For percentages, these are calculated according to all respondents that answered the relevant question.

**Figure 3:** Percentage of social enterprises registered across Sudanese states (single responses)



**Figure 4:** Geographic reach of surveyed social enterprises (single responses)



### 5.3 Social enterprise identity and definition

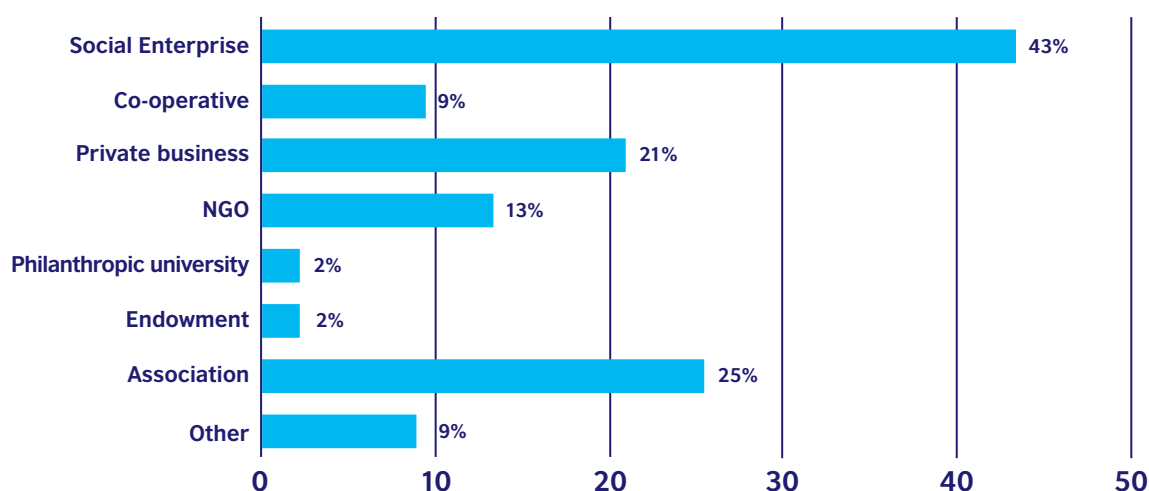
Of the organisations we surveyed, 44 per cent identify themselves as social enterprises, higher than any other category. More than a quarter (26 per cent) see themselves as associations,<sup>8</sup> and 21 per cent perceive their organisations to be a private business, 13 per cent as an NGO and nine per cent as a co-operative (see Figure 5).

Social enterprises in Sudan take diverse legal forms. As in many other countries, there is no distinct legal form or

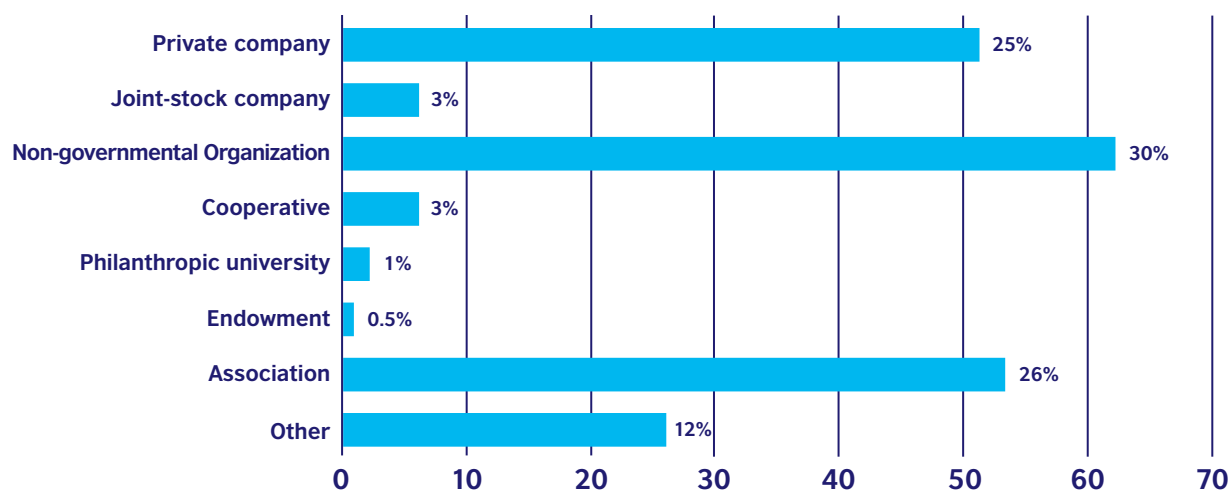
mechanism by which organisations can register as social enterprises in Sudan. According to the data presented in Figure 6, non-governmental organisation is the preferred legal form for 30 per cent of surveyed respondents, while 25 per cent are registered as private companies.

It should be noted that smaller organisations prefer to adopt what are often perceived to be less cumbersome legal forms, such as sole proprietorship and association or society,<sup>9</sup> mainly due to the low registration cost (government registration fees and legal fees) and simpler reporting procedures.

**Figure 5:** Description of organisation by respondents (multiple responses)



**Figure 6:** Legal registration of surveyed social enterprises (single responses)



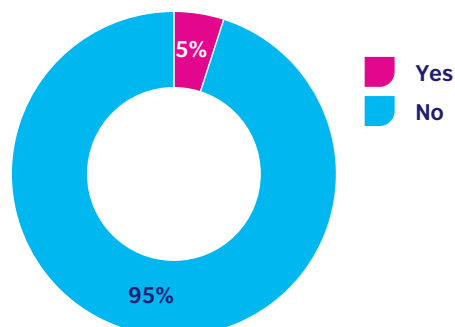
8. An association is a non-governmental, non-profit organisation that serves to represent members with similar backgrounds, functions and/or expertise.

9. Societies are non-governmental, non-profit organisations that, unlike associations, do not mandate to have members with similar backgrounds and/or expertise. Both are also registered as NGOs.



Of social enterprises surveyed five per cent are subsidiaries of another organisation, while 95 per cent are not subsidiaries of another organisation (see Figure 7).

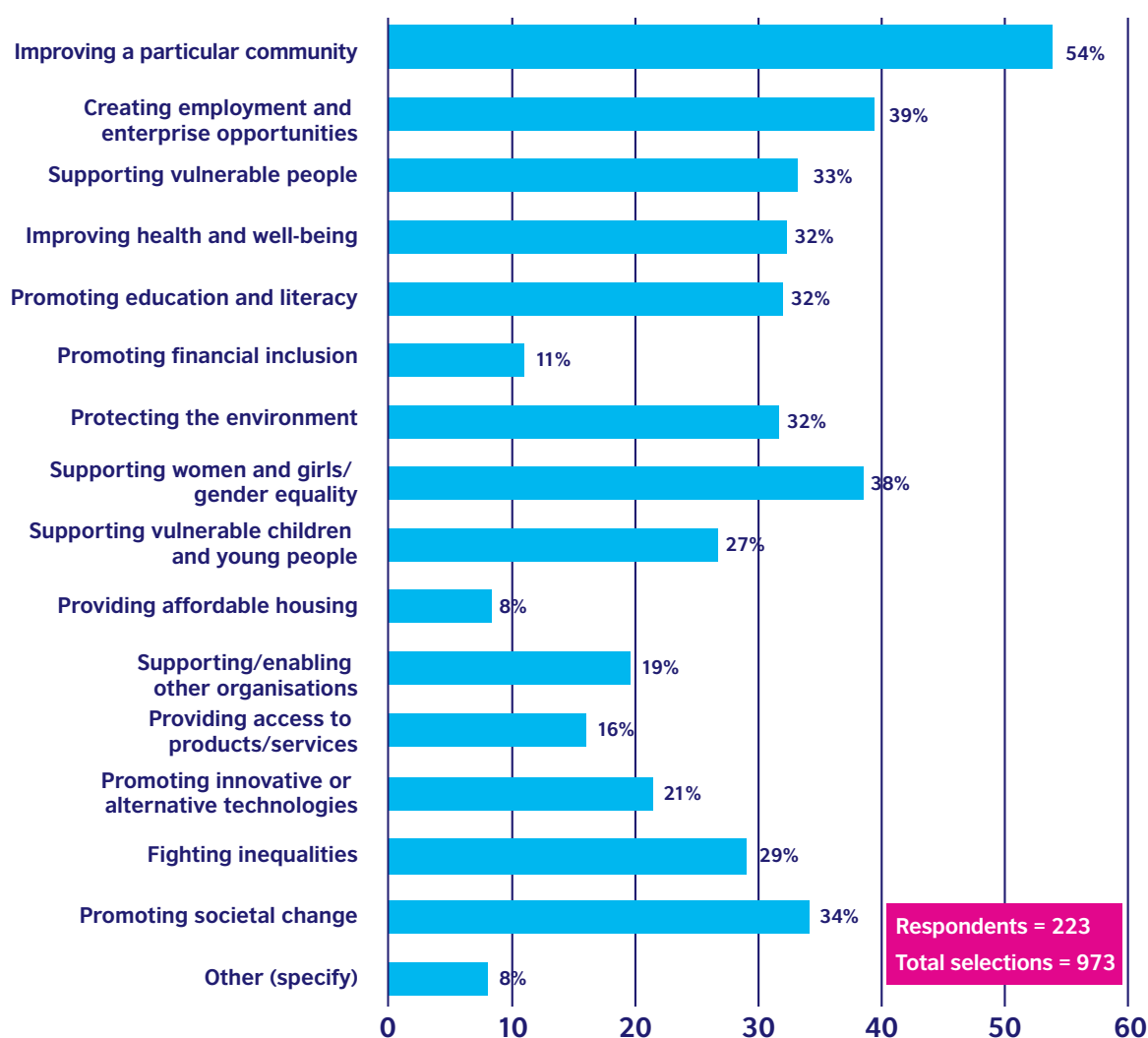
**Figure 7:** Percentage of social enterprises that are subsidiaries of other organisations



As shown in Figure 8, social enterprises in Sudan are pursuing a diverse range of objectives. Participants in the survey were asked about their main objectives and were given the choice of providing multiple answers. The most commonly reported objective was to improve a particular community, chosen by 120 respondents (54 per cent). The second most common objective was creating employment, chosen by 88 participants (39 per cent).

The third most common objective was supporting women and girls towards gender equality with 86 respondents referring to this (39 per cent). Other objectives, such as promoting societal change, improving health and well-being, fighting inequality, protecting the environment and education were also common responses.

**Figure 8:** Main objectives of surveyed social enterprises (multiple answers)



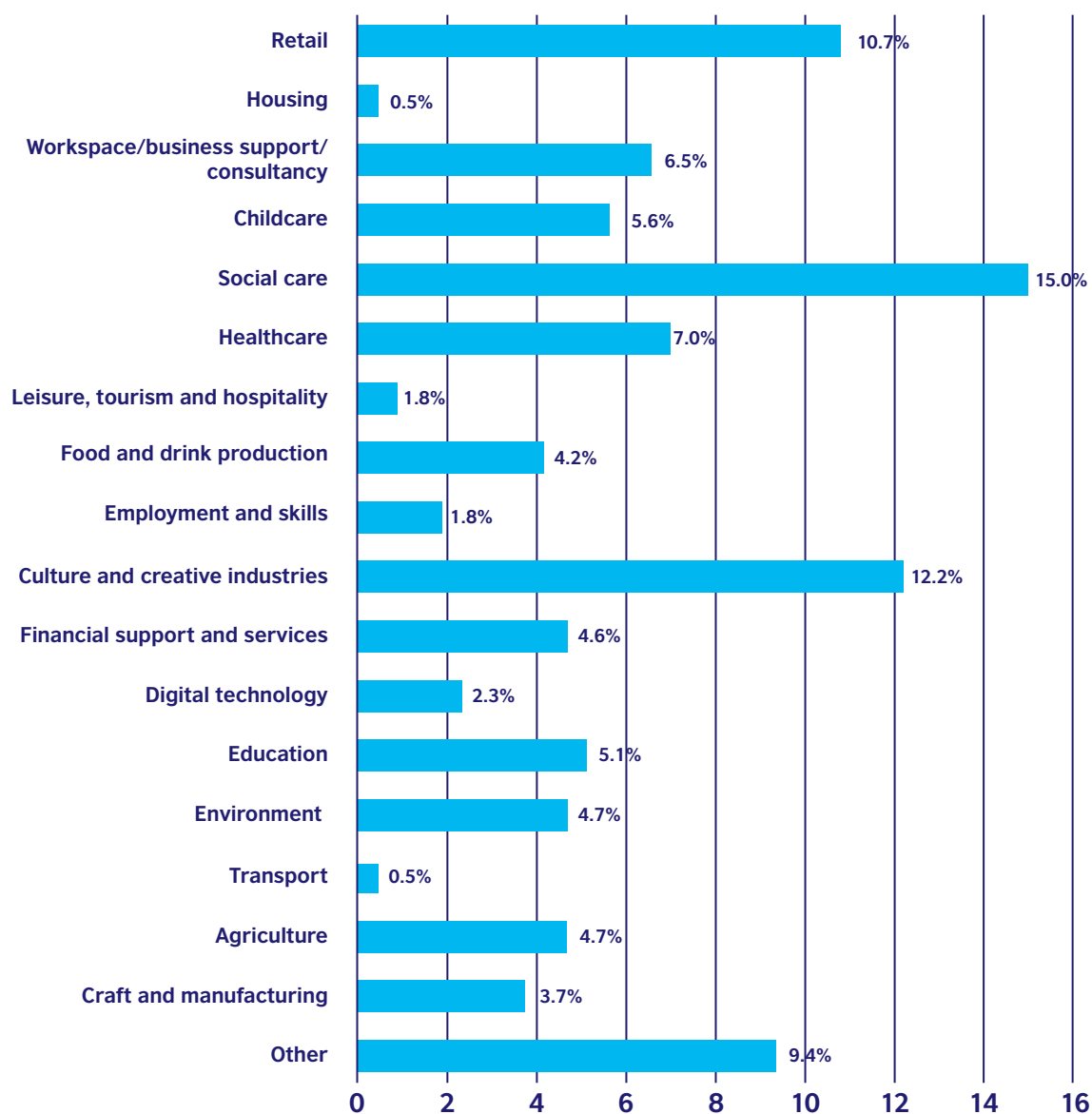
Social enterprises in Sudan operate across a diverse range of sectors in the economy. As shown in Figure 9, 15 per cent are working in the social care sector and seven per cent in healthcare. Twelve per cent are working in the culture and creative sectors and 11 per cent operate in the retail sector.

Social enterprises in Sudan are often small. Of the social enterprises we surveyed, 42 per cent reported an annual turnover ranging from zero to 50,000 Sudanese pounds (SDG) and 32 per cent had a turnover between 50,000 and

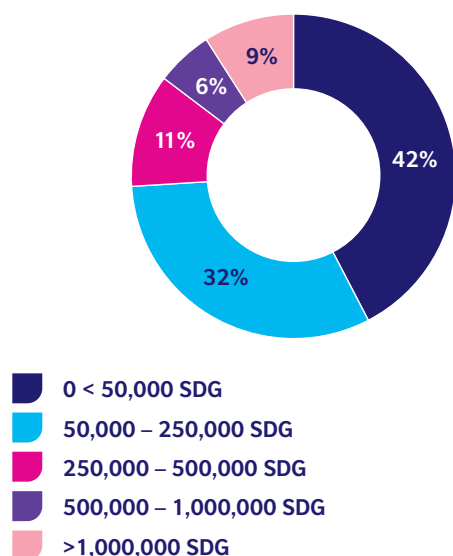
250,000 SDG. Eleven per cent had a turnover between 250,000 and 500,000 and only nine per cent had a turnover above 1,000,000 SDG (see Figure 10).

Social enterprises in Sudan are profitable businesses with only a few making a loss (see Figure 11). When respondents were asked about profit making or surpluses in the last year, 53 per cent reported that they broke even, while 26 per cent reported that they made a profit or surplus. Six per cent answered that they made a loss while 16 per cent suggested that they didn't know.

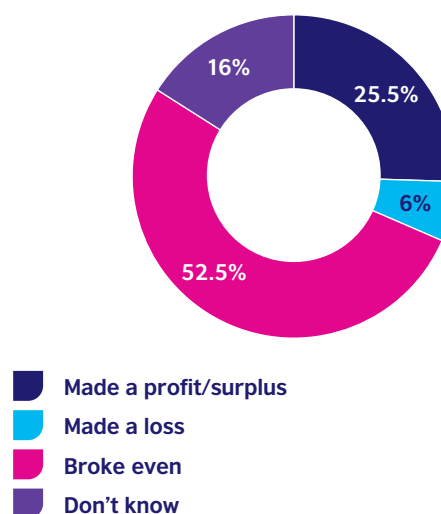
**Figure 9:** Sectors that surveyed social enterprises are working in (single answers)



**Figure 10:** Turnover of surveyed organisations in last financial year



**Figure 11:** Percentage of social enterprises making a profit or loss in last financial year



**Table 14:** Relationship between legal form and profit/loss

	Made a profit/ surplus	Made a loss	Broke even	Don't know
Private company (n=47)	40.4%	17%	27.7%	14.9%
Joint-stock company (n=6)	50.0%	16.7%	33.3%	0.0%
Non-governmental organisation (n=53)	13.2%	5.7%	69.8%	11.3%
Co-operative (n=6)	66.7%	0.0%	33.3%	0.0%
Philanthropic university (n=2)	0.0%	0.0%	100.0%	0.0%
Endowment (n=1)	0.0%	0.0%	0.0%	100.0%
Association (n=50)	22%	0.0%	60%	18%
Other (n=23)	26.1%	0.0%	43.5%	30.4%

Respondents that gave an answer to both their legal status and their financial performance the previous year numbered 188. Further analysis shows us that among organisations with sufficient sample numbers to provide insight (private companies, NGOs and associations), those registered as private companies were more likely to make

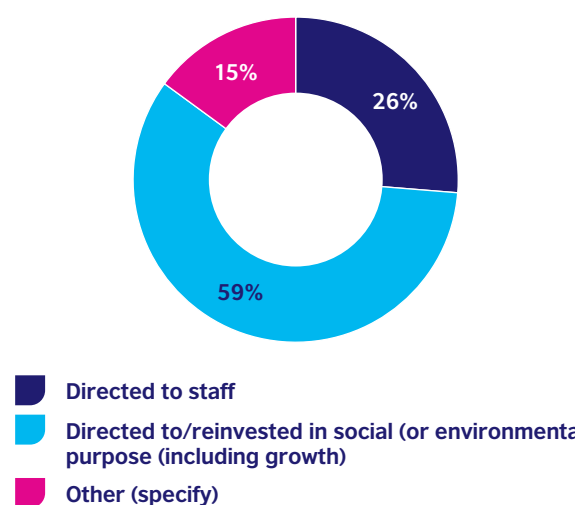
a profit (40 per cent compared to 13 per cent of NGOs and 22 per cent of associations) but also to make a loss (17 per cent compared to six per cent of NGOs and zero per cent of associations). NGOs (70 per cent) and associations (60 per cent) were more likely to report breaking even (see Table 14).

**Table 15:** Relationship between location and profit/loss

	Made a profit/ surplus	Made a loss	Broke even	Don't know
Northern state (n=4)	75.0%	0.0%	25.0%	0.0%
River Nile state (n=32)	53.1%	0.0%	43.8%	3.1%
Red Sea state (n=27)	11.1%	3.7%	77.8%	7.4%
Gadarif state (n=9)	0.0%	0.0%	44.4%	55.6%
Khartoum state (n=100)	19%	11%	50%	20%
Aljazeera state (n=6)	0.0%	0.0%	83.3%	16.7%
Blue Nile state (n=6)	66.7%	0.0%	16.7%	16.7%
White Nile state (n=1)	0.0%	0.0%	0.0%	100.0%
Northern Kordofan state (n=5)	60.0%	0.0%	40%	0.0%
Southern Kordofan state (n=2)	50.0%	0.0%	50.0%	0.0%
Eastern Darfur state (n=2)	0.0%	0.0%	100.0%	0.0%
Western Darfur state (n=2)	0.0%	0.0%	50.0%	50.0%

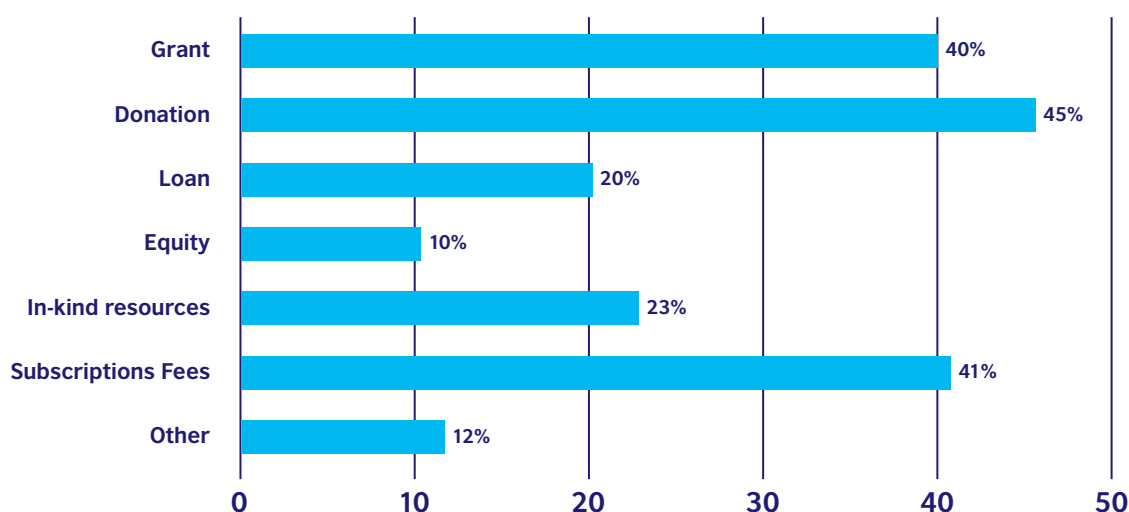
Respondents that gave an answer to both their location and their financial performance the previous year numbered 196. Among locations with higher sample numbers, 53 per cent of respondents in River Nile state reported making a profit (zero per cent reported a loss) compared to 11 per cent in Red Sea state (four per cent reported a loss) and 19 per cent in Khartoum state (11 per cent reported a loss) (see Table 15).

Of the social enterprises we surveyed in Sudan, 59 per cent tend to direct the majority of profits towards investment in social or environmental purposes and growth, while 26 per cent reported that profits are directed to staff (see Figure 12).

**Figure 12:** How the majority of profit is used by social enterprises



**Figure 13:** Percentage of social enterprises reporting different forms of finance since inception (multiple answers)

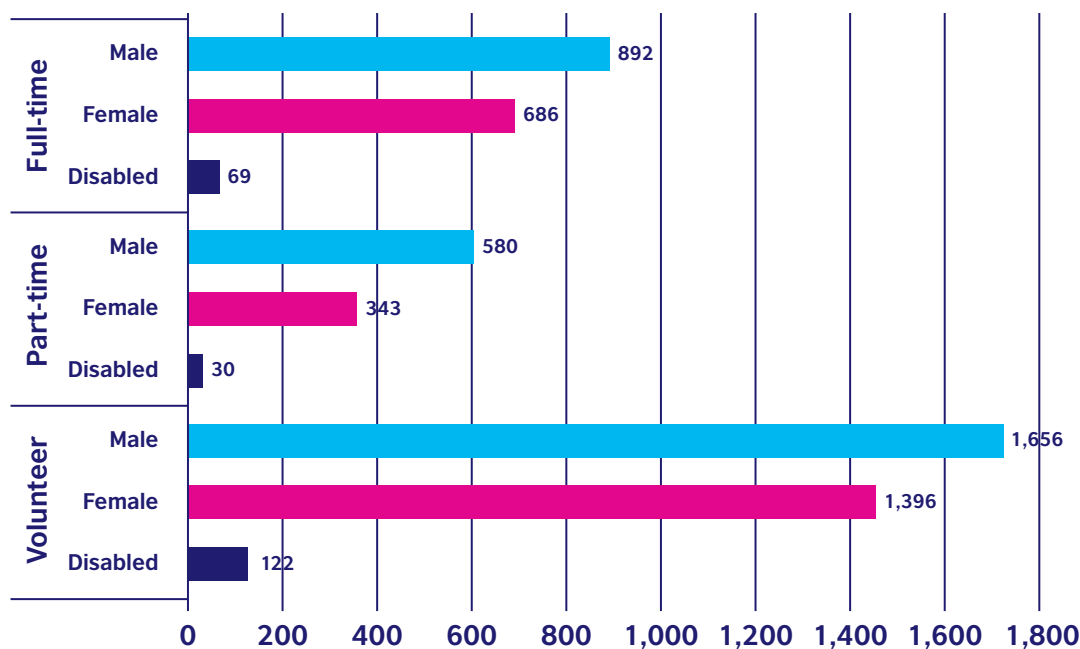


The majority of social enterprises in our survey have drawn upon external funding sources, with 45 per cent receiving donations (see Figure 13). Forty-one per cent receive subscription fees collected from registered active members and 20 per cent have accessed loans; 23 per cent have received in-kind resources while ten per cent have accessed equity investment.

As shown in Figures 14 and 15 and Table 16, social enterprises in Sudan have a greater proportion of men

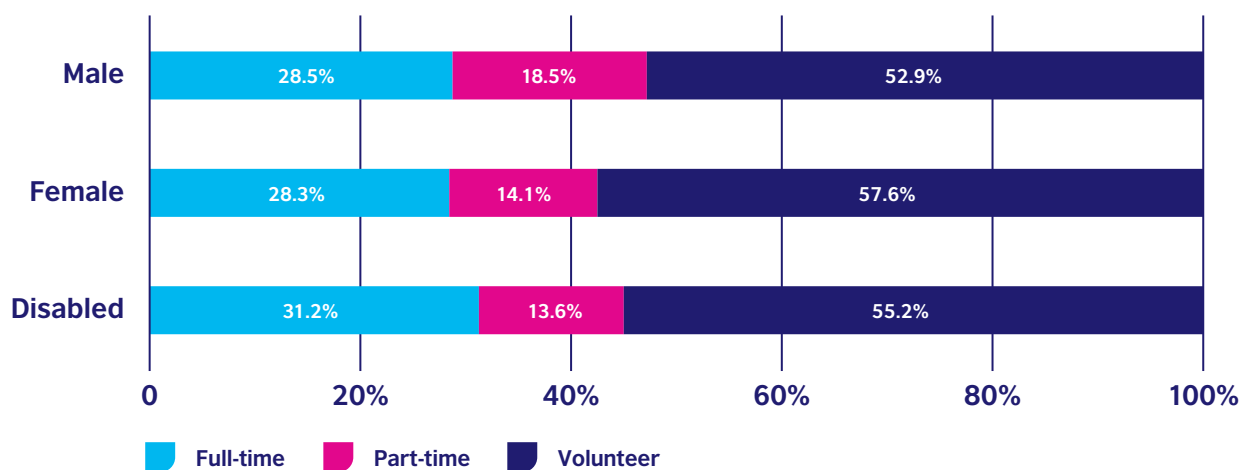
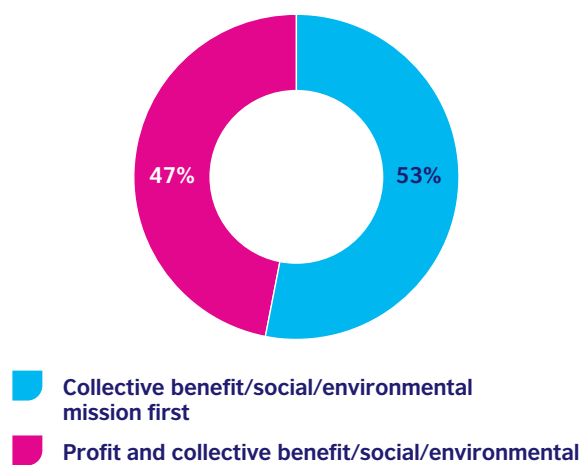
than women in the workforce, both full-time (56 per cent male, 44 per cent female) and part-time (63 per cent male, 37 per cent female), and among volunteers (54 per cent male, 46 per cent female). As Table 16 shows, employees with a disability make up 4.4 per cent of the full-time total and 3.2 per cent of the part-time total. Further work is needed to understand the spread of men, women and people with a disability across different sectors and salary levels.

**Figure 14:** Total numbers of employees and volunteers by gender



**Table 16:** Percentage of social enterprises' workforce by gender and disability

	Full-time employees <sup>10</sup>		Part-time employees		Volunteers	
<b>Total</b>	1,578		923		3,052	
<b>Disabled</b>	4.4% (69)		3.2% (30)		4% (122)	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
	56.5% (892)	43.5% (686)	62.8% (580)	37.1% (343)	54.3% (1,656)	45.7% (1,396)

**Figure 15:** Percentage of disabled people, women and men across different work types**Figure 16:** Percentage of social enterprises by first priority/priorities

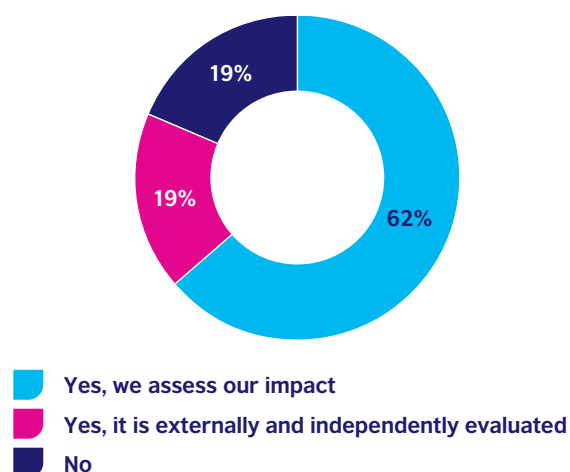
As shown in Figure 16, 53 per cent of social enterprises reported that collective benefit or social or environmental mission was the primary priority for their organisations, while 47 per cent report that both profit and social environmental mission are joint priorities.

10. Survey respondents reported a total of 3,128 of their workforce and volunteers being male, 2,425 being female and 221 having a disability.

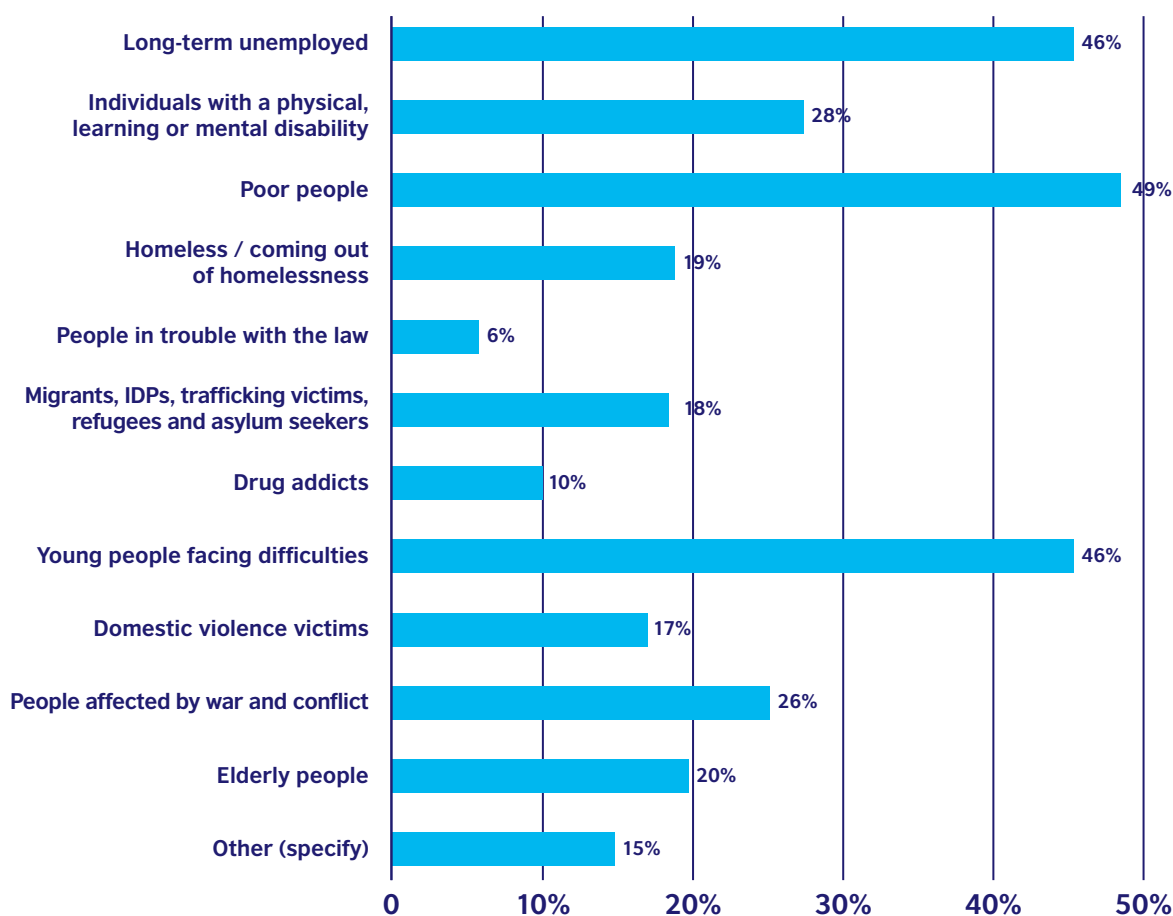
As shown in Figure 17, 64 per cent of social enterprises in Sudan measure their social and environmental impact while 18 per cent report that their impact is measured externally and independently.

Social enterprises in Sudan serve a range of beneficiaries (see Figure 18). Poor people are the most common beneficiary group (48 per cent), followed by young people facing difficulties and the long-term unemployed (both 45 per cent). Other significant beneficiary groups are individuals with physical and learning difficulties (27 per cent) and those affected by war and conflict (25 per cent).

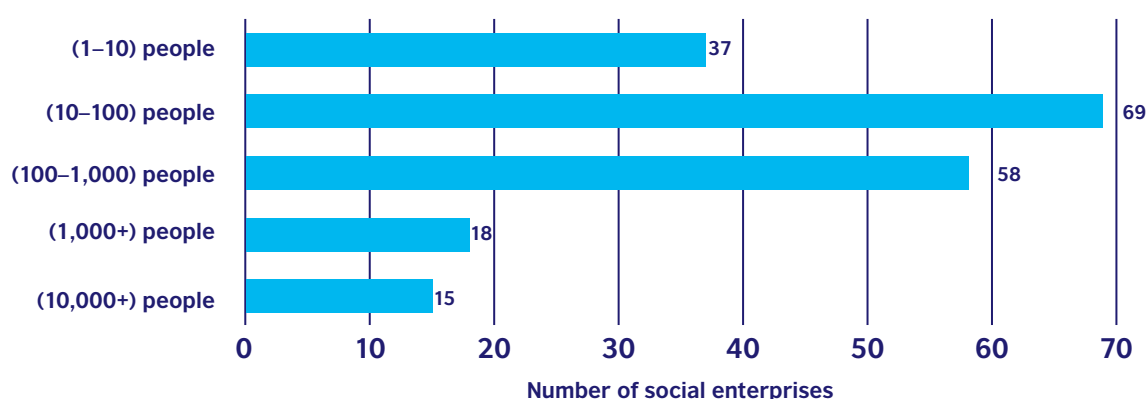
**Figure 17:** Whether or not social enterprises measure their social and environmental impact (single answers)



**Figure 18:** Percentage of social enterprises that work with different beneficiary groups (multiple answers)



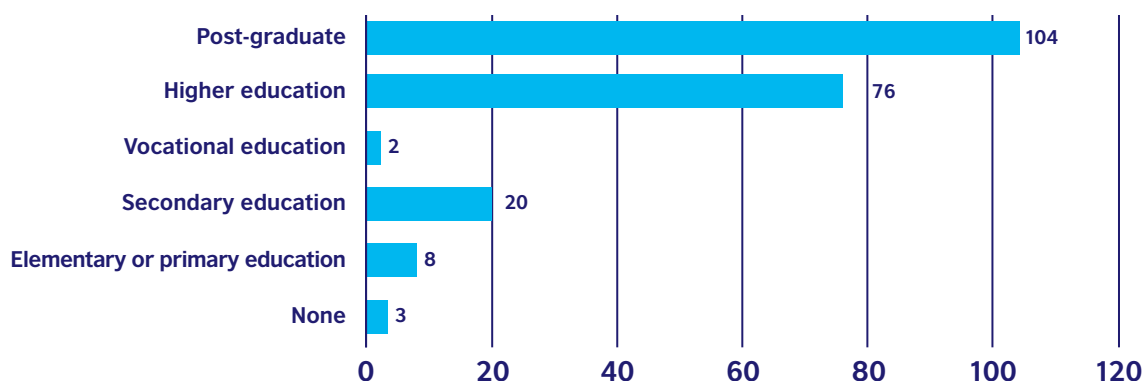
**Figure 19:** Numbers of beneficiaries supported by social enterprises in the past 12 months (by number of SEs)



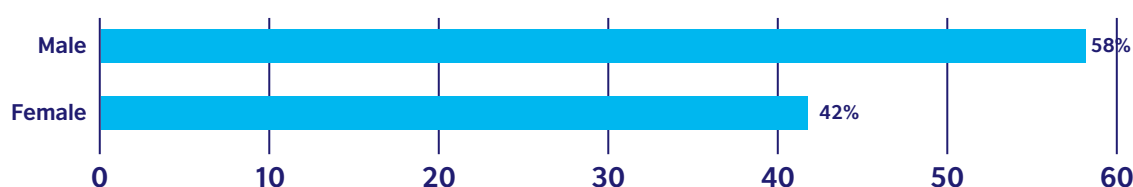
As shown in Figure 19, 69 (35 per cent) of our social enterprise respondents reported that they supported between 10 and 100 people last year, and 58 (29 per cent) supported between 100 and 1,000 beneficiaries. Eighteen respondents (nine per cent) reported supporting between 1,000 and 10,000 and 15 respondents (eight per cent) reported supporting more than 10,000 people in the last 12 months.

Social enterprises in Sudan are led by highly educated leaders. As shown in Figure 20, 49 per cent of social enterprise senior managers have a post-graduate educational level while 36 per cent have higher education qualifications. Less than five per cent have only elementary or primary education, vocational education or no education.

**Figure 20:** Level of education of social enterprise leaders (single answers)



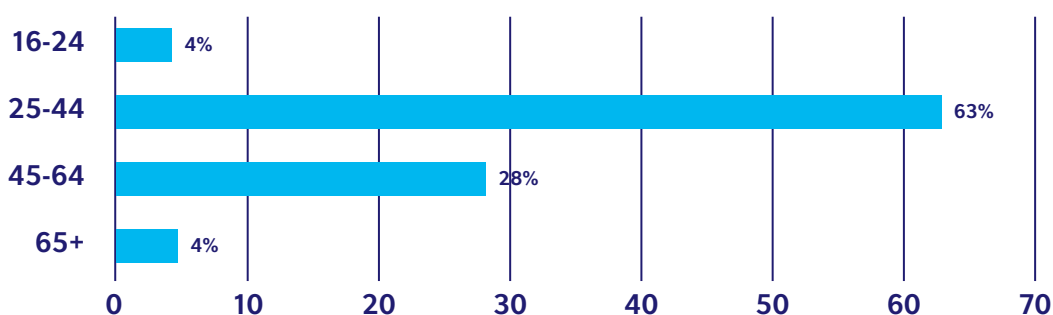
**Figure 21:** Gender of social enterprise leaders



The leadership of social enterprises in Sudan is relatively balanced with a slightly higher proportion led by men. As shown in Figure 21, 58 per cent of the managers of social enterprises in Sudan are male while 42 per cent are female. In terms of gender balance this compares

favourably to data from the Global Entrepreneurship Monitor (2018) about Sudan's wider emerging business environment, which shows that 38 per cent of 'nascent entrepreneurs' or owner-managers of a 'new business' are women.



**Figure 22:** Age of social enterprise leaders

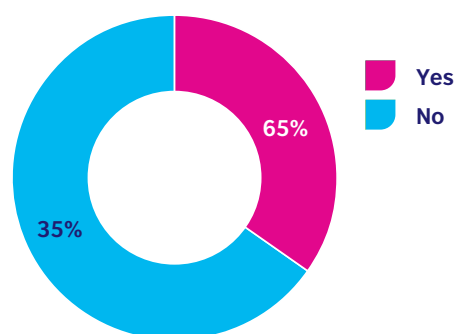
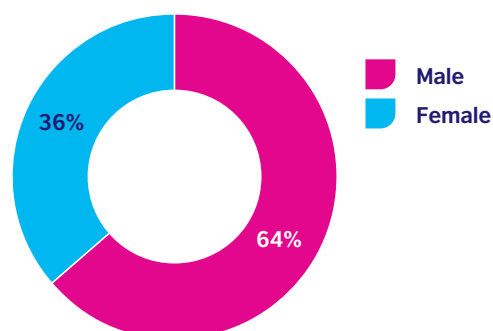
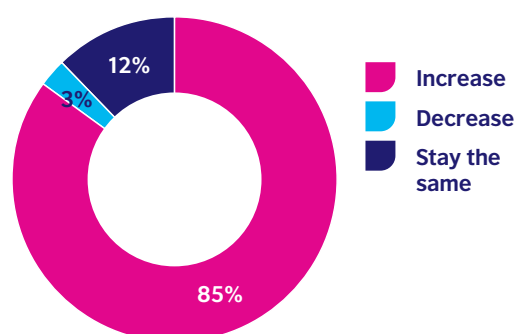
Social enterprises in Sudan have relatively young leadership. As shown in Figure 22, 63 per cent of people running social enterprises in Sudan are between the ages of 25 and 44, 28 per cent are aged 45–64 and only four per cent are over 65.

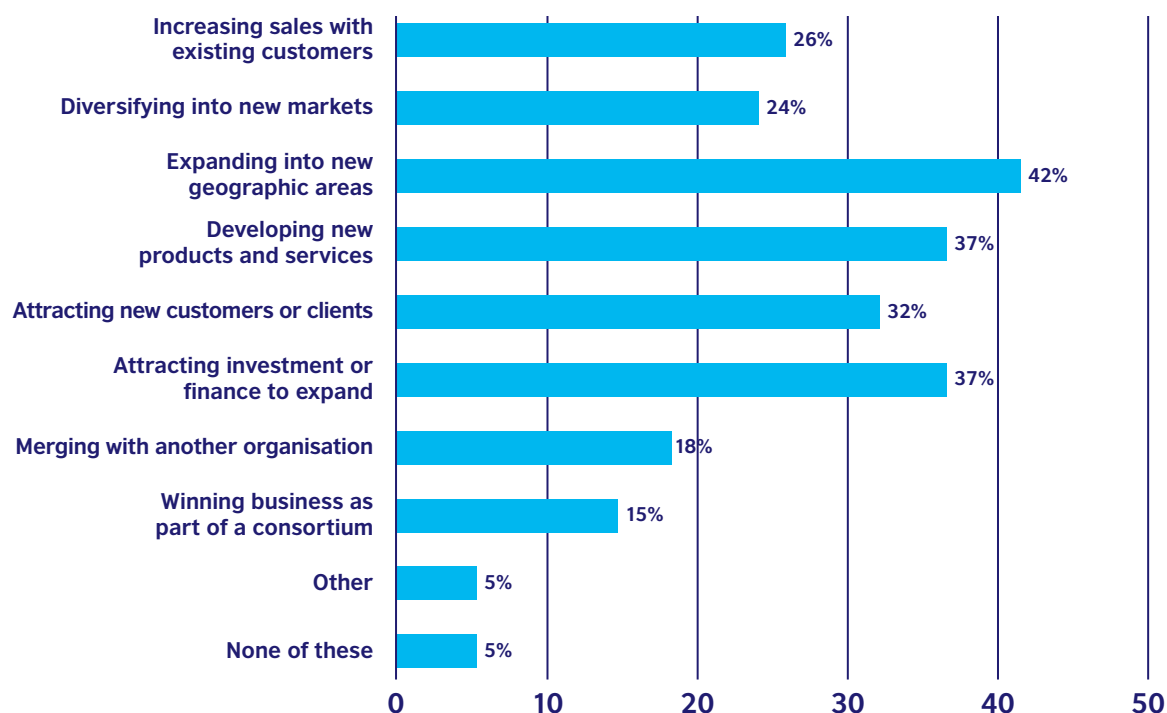
This is similar to the results of another study which found that most female entrepreneurs in Sudan are 20–49 years of age and are married with four to five children (Pitamber, 1999).

As shown in Figure 23, 35 per cent of social enterprises in Sudan are run by people from a vulnerable group.

According to our survey, women make up 36 per cent of the boards or governance structures of social enterprises in Sudan (see Figure 24). However, while few benchmarks are available, we suspect that this is a much higher proportion of women than for businesses in Sudan more widely. Just three per cent of trustees are disabled.

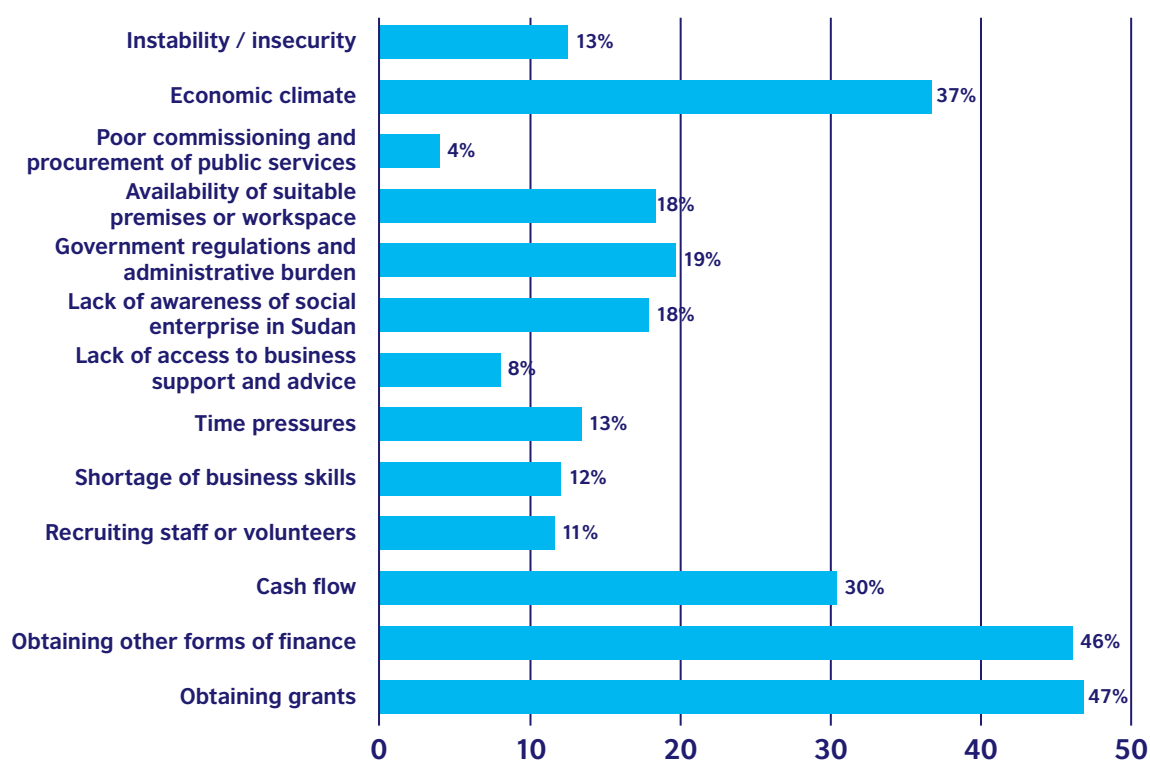
Social enterprises are optimistic about growth. The vast majority (85 per cent) of social enterprises expect turnover to increase in the coming year while 12 per cent expect it to stay the same. Only three per cent expect their turnover to decrease (see Figure 25).

**Figure 23:** Percentage of leaders from a vulnerable group**Figure 24:** Gender balance of social enterprise boards**Figure 25:** Expectations about turnover for next financial year

**Figure 26:** Strategies for achieving growth in next few years (multiple answers)

When respondents were asked about their plans for achieving future development, 42 per cent reported that they were planning to expand into new geographic locations. As shown in Figure 26, 37 per cent were planning to develop new products and services as a means for growth while 37 per cent are looking to attract finance or investment to expand.

Money is a big barrier for social enterprises in Sudan. The single most significant barrier to growth faced by social enterprises is obtaining grants (47 per cent), followed by obtaining other forms of finance (46 per cent). The wider economic climate is also regarded as one of the major barriers to growth (37 per cent) and cashflow is identified as a problem by almost 30 per cent of social enterprises (see Figure 27).

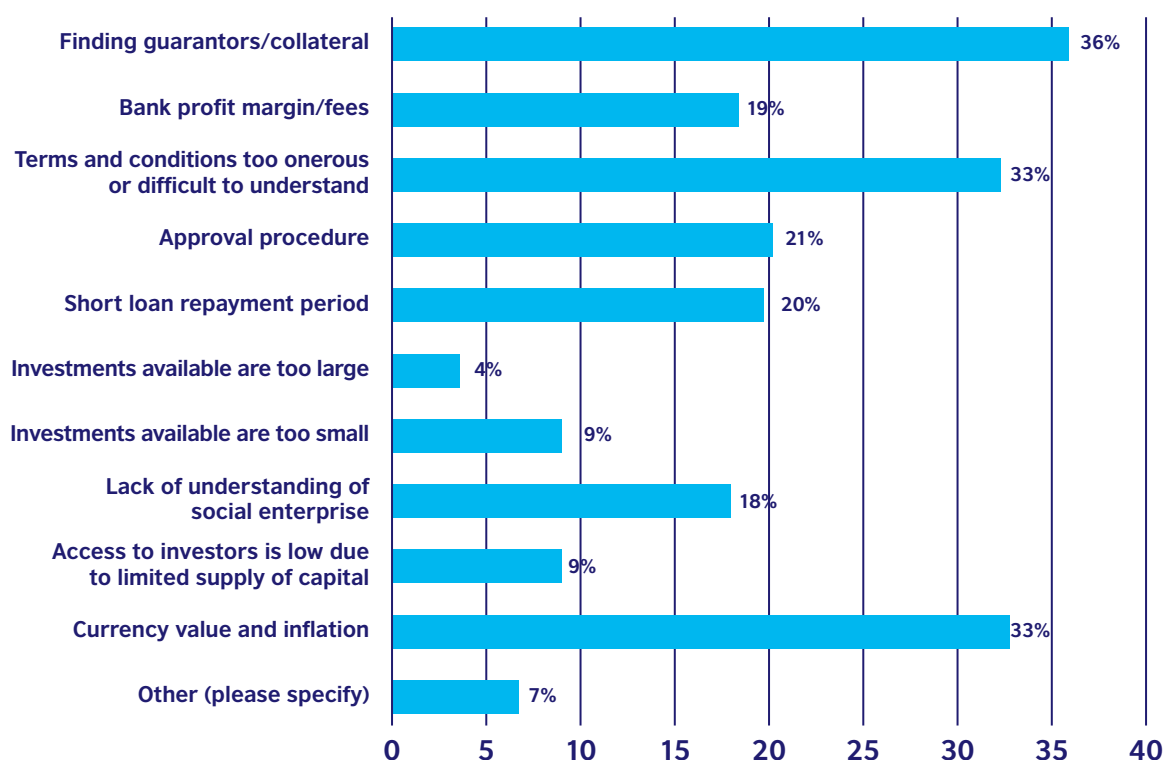
**Figure 27:** Major barriers faced by social enterprises (multiple answers)

**Table 17:** Relationship between barriers and gender of social enterprise leader

	% of total male (n=124)	% of total female (n=89)
Obtaining grants	75.0%	0.0%
Obtaining other forms of finance	53.1%	0.0%
Cashflow	11.1%	3.7%
Recruiting staff or volunteers	0.0%	0.0%
Shortage of business skills	19%	11%
Time pressures	0.0%	0.0%
Lack of access to business support and advice	66.7%	0.0%
Lack of awareness of social enterprise in Sudan	0.0%	0.0%
Government regulations and administrative burden	60.0%	0.0%
Availability of suitable premises or workspace	50.0%	0.0%
Poor commissioning and procurement of public services	0.0%	0.0%
Economic climate	0.0%	0.0%
Instability/insecurity	0.0%	0.0%

Further analysis shows differences in the barriers reported male and female social enterprise leaders (see Table 17). For example, 40 per cent of men mentioned cashflow and only 20 per cent of women. Men also found more of an issue with obtaining grants, a lack of awareness of social enterprise, government regulations and administrative burden, and availability of suitable premises. Women more frequently mentioned recruiting staff or volunteers and the economic climate.

As shown in Figure 28, 36 per cent of respondents reported that finding guarantors and/or collateral is a significant financial constraint, while around 33 per cent referred to currency value and inflation as a major barrier. 33 per cent said that financial terms and conditions are too onerous or difficult to understand.

**Figure 28:** Top constraints to financing (three answers invited)

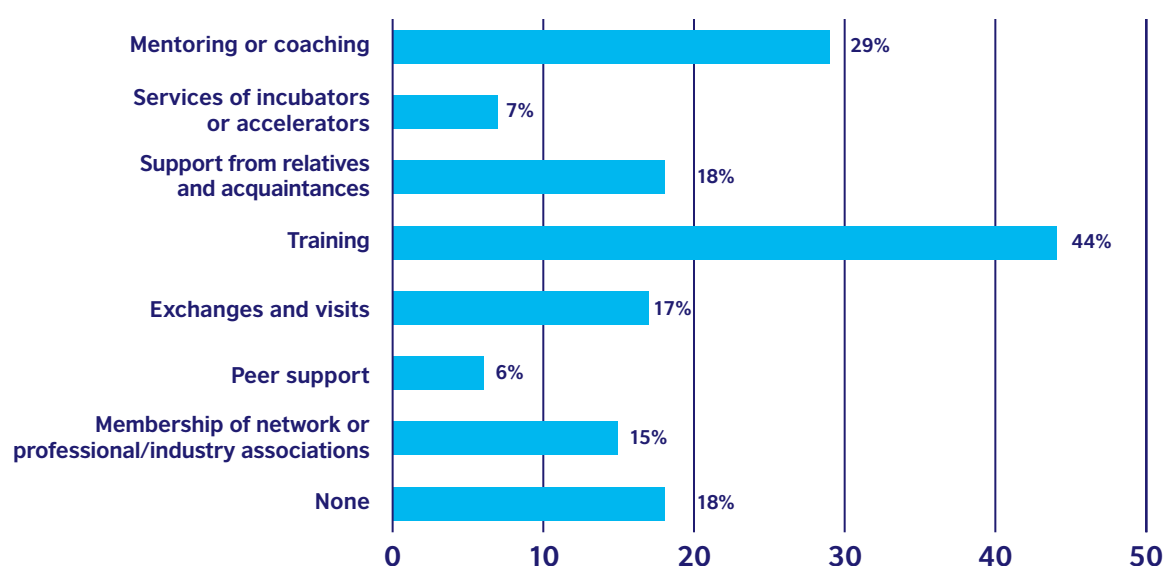
**Table 18:** Relationship between financing constraints and gender of leader

	% of total males (n=124)	% of total females (n=89)
Finding guarantors/collateral	41.9%	31.5%
Bank profit margin/fees	21.0%	14.6%
Terms and conditions too onerous or difficult to understand	41.1%	22.5%
Approval procedure	18.6%	23.6%
Short loan repayment period	15.3%	24.7%
Investments available are too large	4.0%	3.4%
Investments available are too small	10.5%	6.7%
Lack of understanding of social enterprise	22.6%	12.4%
Access to investors is low due to limited supply of capital	11.3%	6.7%
Currency value and inflation	39.5%	24.7%
Other (please specify)	5.7%	9.0%

There were also differences between men and women in the financial constraints identified, with lesser proportions of women highlighting all constraints except approval procedures and short loan repayment period (see Table 18). Around 40 per cent of men identified finding guarantors/collateral (32 per cent of women) with similar proportions identifying the terms and conditions being too onerous

(23 per cent of women) and currency value and inflation (25 per cent of women).

Training was highlighted as a common means of support accessed by 44 per cent of social enterprises, with mentoring or coaching also a common response. 18 per cent of respondents reported that they had not received any support.

**Figure 29:** Percentage of social enterprises that have engaged in different support programmes (multiple answers)



## 6

# Conclusion



This study aims to map out the current practice of social enterprise in Sudan. It attempts to shed light on the main characteristics that define social enterprise in Sudan, the age and gender of entrepreneurs leading social enterprises and the constraints they face.

The study suggests that there are a number of models of social enterprise in Sudan, including endowments and philanthropic universities as well as new, emerging models.

Social enterprise in Sudan is growing. These businesses are breaking even or making a profit and are optimistic about the future. They are serving diverse communities and working across a range of industries.

Activity is clustered in the central states, which may be partly due to the availability of facilities and access to support services and networks. There is a high level of youth involvement and youth leadership in social enterprises in Sudan.

The most significant challenges that hinder the growth of social enterprises in Sudan are related to money – securing finance and obtaining grants.

We hope that these findings can act as a baseline for developing policy, practice and further research.

## 7

# Recommendations

In terms of policy support, the government in Sudan should work with funders, investors, experts and stakeholders to:

- recognise social enterprises as a diverse and growing sector, making a difference to Sudan's society and economy, and include them in the government's economic development agenda
- work closely with social enterprises and other relevant stakeholders to raise awareness about the value of social enterprises in providing benefits to society
- involve social entrepreneurs in developing policy and providing solutions to tackle social and environmental issues, and encourage interaction between various key players within the social enterprise ecosystem
- develop policies and procedures that improve access to public markets for social enterprises such as opening up public procurement
- support the development of a body or association to support and develop social enterprises in Sudan
- develop a robust, supportive and flexible legal framework that helps social enterprises distinguish themselves as businesses which trade but which also maintain a commitment to a social purpose
- develop easier access to markets and capital in order to increase the supply of finance, and develop further Islamic financial models that support the development of social enterprises in Sudan
- facilitate access to grants and concessionary funds
- support and develop endowments and philanthropic investment to support and nourish social enterprises in Sudan
- establish a central web-based hub to provide information about social enterprise in Sudan, networking opportunities for Sudanese social entrepreneurs, and links to learning resources, networks and training
- foster awareness of social enterprise in schools and universities through the curriculum and career guidance with emphasis on starting social enterprises
- encourage and facilitate the private sector to work with social enterprises in supply chains and partnerships and through investments.

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# Appendix 1: Interviewees and consultation workshop participants

**Outreach events and workshops**

Prior to the start of the survey, a stakeholder consultation session was held in May 2018, in Khartoum. Around 20 people attended, representing the public, non-governmental, private, social enterprise and banking sectors, and academic institutions and was moderated by the British Council. The discussion focused on questionnaire design and identifying social enterprise data sources and key actors/stakeholders.

Key organisations consulted
Ministry of Finance and National Economy
Graduate National Employment Fund
Ministry of Awaqaf
Co-operative associations
NGO Secretariat
Zoala
Impact Hub
Omdurman Islamic University
MFU Central Bank of Sudan
Family Bank



# Appendix 2:

## Survey questions

Dear Respondent

This study is conducted to support the British Council's Global Social Enterprise programme, to better understand the state of quo of social enterprise in Sudan and to track how the sector will develop in the coming years. The data from this mapping survey will be referred to at the evaluation phase of the project as it will provide a good base for offering support for capacity building, networking, policy and partnerships for the sector.

We would greatly appreciate it if you could find time to fill in this questionnaire, and please note that all responses will be kept confidential and will be used strictly for scientific purposes.

Thank you for your collaboration.

### **Basic information about the organisation**

1. What is the name of your organisation?

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2. In what year did your organisation begin operating?

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3. Where in Sudan is your organisation based or registered?

- ☐ Northern State
- ☐ River Nile State
- ☐ Red Sea State
- ☐ Gadarif State
- ☐ Kassala State
- ☐ Sinnar State
- ☐ Khartoum State
- ☐ Aljazeera State
- ☐ Blue Nile State
- ☐ White Nile State
- ☐ Northern Kordofan State
- ☐ Southern Kordofan State
- ☐ Western Kordofan State
- ☐ Eastern Darfur State
- ☐ Southern Darfur State
- ☐ Central Darfur State
- ☐ Northern Darfur State
- ☐ Western Darfur state

### **Activities and characteristics**

4. What is the widest geographic area your organisation operates across: [single response]

- ☐ Locality
- ☐ One state
- ☐ Across several states
- ☐ National
- ☐ International

5. How would you describe your organisation? [Multiple responses allowed]

- ☐ Co-operative
- ☐ Private business
- ☐ NGO
- ☐ Philanthropic university
- ☐ Endowment
- ☐ Association
- ☐ Other (specify)

6. What does social enterprise mean to you?

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7. Please tell us which of the following characteristics your organisation meets: [Multiple responses allowed/ tick all that apply]

- ☐ Independent of the government
- ☐ Trading (selling goods and services for money)
- ☐ Principles or rules about profit distribution
- ☐ Commitment to defined community/social/ environmental benefit
- ☐ Democratically controlled

8. In what legal form(s) is your organisation registered?

- ☐ Private company
  - ☐ Joint-stock company
  - ☐ Non-governmental organisation
  - ☐ Co-operative
  - ☐ Philanthropic university
  - ☐ Endowment
  - ☐ Association
  - ☐ Other (specify)
- 

9. Is your organisation a subsidiary of another organisation? ☐ Yes ☐ No

10. What are your main objectives?  
[Multiple response: select all that are applicable]

- ☐ Improving a particular community
  - ☐ Creating employment and enterprise opportunities
  - ☐ Supporting vulnerable people
  - ☐ Improving health and well-being
  - ☐ Promoting education and literacy
  - ☐ Promoting financial inclusion
  - ☐ Protecting the environment
  - ☐ Supporting women and girls/gender equality
  - ☐ Supporting vulnerable children and young people
  - ☐ Providing affordable housing
  - ☐ Supporting/enabling other organisations
  - ☐ Providing access to products/services
  - ☐ Promoting innovative or alternative technologies
  - ☐ Fighting inequalities
  - ☐ Promoting societal change
  - ☐ Other (specify)
- 

11. What is the main field you operate in?/What is the principal trading activity of your organisation?  
[Single response only]

- ☐ Retail
- ☐ Housing
- ☐ Workspace/business support/consultancy
- ☐ Childcare
- ☐ Social care
- ☐ Healthcare
- ☐ Leisure, tourism and hospitality
- ☐ Food and drink production
- ☐ Employment and skills
- ☐ Culture and creative industries

- ☐ Financial support and services
- ☐ Digital technology
- ☐ Education
- ☐ Environment
- ☐ Transport
- ☐ Agriculture
- ☐ Craft and manufacturing
- ☐ Other

### **Economic data**

12. What was your organisation's annual turnover in the last financial year?

- ☐ 0<50 000 SDG
- ☐ 50,000–250,000 SDG
- ☐ 250,000–500,000 SDG
- ☐ 500,000–1,000,000 SDG
- ☐ >1,000,000 SDG

13. In the last year, did you make a profit or surplus?

- ☐ Made a profit/surplus
- ☐ Made a loss
- ☐ Broke even
- ☐ Don't know

14. How is the majority of any profit used?

- ☐ Directed to staff
  - ☐ Directed to external owners/shareholders
  - ☐ Directed to/reinvested in social (or environmental) purpose (including growth)
  - ☐ Other (specify)
- 

### **Sources of funding**

15. What forms of finance and funding have you received since you started operating? [Multiple responses]

- ☐ Grant
- ☐ Donation
- ☐ Loan
- ☐ Equity
- ☐ In-kind resources
- ☐ Other

16. What proportion of your total income came from grants or donations in the last financial year?

- ☐ 0–25%
- ☐ 25–50%
- ☐ 50–75%
- ☐ 75–100%

### Employment

17. How many of the following do you engage?

	Male	Female	Disabled
Permanent, full-time employees			
Informal, seasonal or part-time workers			
Volunteers			

### Community/social and environmental goals

18. Does your organisation have as a priority?

- ☐ Profit first
- ☐ Collective benefit/social/environmental mission first
- ☐ Both jointly?

19. Do you measure your social and environmental impact?

- ☐ Yes, we assess our impact
- ☐ Yes, it is externally and independently evaluated
- ☐ No

20. Do you consider any of the following groups to benefit directly from your organisation's core business activities? [Multiple response/tick all that apply]

- ☐ Long-term unemployed
- ☐ Individuals with a physical, learning or mental disability
- ☐ Poor people
- ☐ Homeless/coming out of homelessness
- ☐ People in trouble with the law
- ☐ Migrants, IDPs, trafficking victims, refugees and asylum seekers
- ☐ Drug addicts
- ☐ Young people facing difficulties
- ☐ Domestic violence victims
- ☐ People affected by war and conflict
- ☐ Elderly people
- ☐ Other (specify)

21. How many people do you estimate you have supported in total in the last 12 months? [number box]

- ☐ 1–10
- ☐ 10–100
- ☐ 100–1,000
- ☐ 1,000+
- ☐ 10,000+

### Leadership

22. What level of education does the person most responsible for managing your organisation have?

- ☐ Post-graduate
- ☐ Higher education
- ☐ Vocational education
- ☐ Secondary education
- ☐ Elementary or primary education
- ☐ None

23. What is the gender of the person currently in charge of your organisation?

- ☐ Male
- ☐ Female

24. In what age range is the person currently in charge of the organisation?

- ☐ 16–24
- ☐ 25–44
- ☐ 45–64
- ☐ 65+

25. Is the person currently in charge of your organisation from a vulnerable group (i.e. woman, disabled)?

- ☐ Yes ☐ No

If yes, please specify

26. What is the make-up of your Board or Trustees?

- ☐ Male [number]
- ☐ Female [number]
- ☐ Disabled [number]

### Future planning/expectations

27. What do you expect to happen to your organisation's turnover next financial year?

- ☐ Increase
- ☐ Decrease
- ☐ Stay the same

28. How does your organisation plan on achieving growth over the next years? [Multiple]

- ☐ Increasing sales with existing customers
- ☐ Diversifying into new markets
- ☐ Expanding into new geographic areas
- ☐ Developing new products and services
- ☐ Attracting new customers or clients
- ☐ Attracting investment or finance to expand
- ☐ Merging with another organisation
- ☐ Winning business as part of a consortium
- ☐ Other
- ☐ None of these

29. What are the major barriers which your organisation faces? [tick three]

- ☐ Obtaining grants
- ☐ Obtaining other forms of finance
- ☐ Cash flow
- ☐ Recruiting staff or volunteers
- ☐ Shortage of business skills
- ☐ Time pressures
- ☐ Lack of access to business support and advice
- ☐ Lack of awareness of social enterprise in Sudan
- ☐ Government regulations and administrative burden
- ☐ Availability of suitable premises or workspace
- ☐ Poor commissioning and procurement of public services
- ☐ Economic climate
- ☐ Instability/insecurity

30. What are your organisation's top three constraints to financing?

- ☐ Finding guarantors/collateral
  - ☐ Bank profit margin/fees
  - ☐ Terms and conditions too onerous or difficult to understand
  - ☐ Approval procedure
  - ☐ Short loan repayment period
  - ☐ Investments available are too large
  - ☐ Investments available are too small
  - ☐ Lack of understanding of social enterprise
  - ☐ Access to investors is low due to limited supply of capital
  - ☐ Currency value and inflation
  - ☐ Other (please specify)
- 

31. Has your organisation benefited from any supporting programme (mentoring, incubation, training)?

- ☐ Yes ☐ No

If yes, which kind of support was it?

Options:

- ☐ Mentoring or coaching
- ☐ Services of incubators or accelerators
- ☐ Support from relatives and acquaintances
- ☐ Training
- ☐ Exchanges and visits
- ☐ Peer support
- ☐ Membership of network or professional/industry associations
- ☐ None

### **Finally**

32. Are you happy for this information to be shared publicly?

- ☐ Yes  
☐ No

33. Contact details – please provide contact details even if you do not want to share them publicly.

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34. If you are happy to be contacted again by any of the partners on this project, please indicate here.

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# Appendix 3: Reporting and caveats

Data was gathered in 2018. In spite of the delay in presenting these results the findings are not expected to have changed significantly in this time. They should still provide valuable evidence as a baseline for future work and for informing new initiatives.

The survey responses are self-declared. Data was not systematically verified with the respondents. However, outlying results and gaps were verified with respondents over the telephone. Data on beneficiaries is self-reported and has not been verified.

It is likely that the survey results contain biases due to the nature of outreach and sampling. It is expected that there is a higher proportion of social enterprises located in cities with access to networks and a stable internet connection than is nationally representative. It is also expected that responses are far higher from areas where events and outreach activities were conducted, so, again, the regional spread is not representative.

The estimates of total social enterprise numbers were challenging to compile. Accessing SMEs, co-operatives and NGO databases did not yield comprehensive results. Moreover, the samples were also very small and neither random nor representative, and the survey relied on self-reporting.

Survey results sometimes have been rounded off to zero decimal places, due to which some figures may not add up to 100 per cent. Some survey questions allow for multiple answers (such as organisations operating in more than one sector or facing multiple barriers), and responses in these cases will add up to more than 100 per cent.

For certain questions, not all 223 respondents provided responses. In such cases percentages are generally calculated as a proportion of those who did respond.

For the purposes of the study, the terms 'finance' and 'funding' are used to mean grants, revenue and income.



Photography: Cover, inside cover, page 3, 10, 14, 40, 49  
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