



The Role of Philanthropy in Entrepreneurship & Innovation in the GCC

Panel & Reception

In partnership with The Legatum Center for Development and
Entrepreneurship at MIT

Thursday, 17th October 2024

4 pm to 7 pm

Dubai, UAE

Event Brief:

The Pearl Initiative collaborated with the Legatum Center for Development and Entrepreneurship at MIT to share the findings of their research on The Role of Philanthropy in Entrepreneurship and Innovation in the GCC to highlight the key role philanthropy can play in driving the economy in the GCC towards sustainable growth. The report by MIT is supported by HRH Princess Moudi bint Khalid bin Abdulaziz Al Saud of the Kingdom of Saudi Arabia.

On Thursday, October 17, at Dubai Future Accelerators Auditorium, Emirates Towers, Dubai, UAE, Dina H. Sherif, Executive Director of the Legatum Center at MIT and Senior Advisor to the Pearl Initiative, introduced key insights garnered from the study. Following this, leading voices from the regional philanthropic and entrepreneurial community who contributed to the research were also featured on a panel entitled “The Role of Philanthropy in Entrepreneurship and Innovation in the GCC”.

The convening included a panel discussion featuring prominent voices from the Gulf’s philanthropic and entrepreneurial ecosystems moderated by Dina Sherif. The panellist included:

- **Fadi Ghandour** – *Founder & CEO, Wamda Capital and Founder, Aramex*
- **Nader AlBastaki** – *Managing Director, Dubai Future District Fund*
- **Dr Natasha Matic** – *Executive Director, Global Commons Alliance’s Accountability Accelerator*
- **Sabrin Rahman** – *Managing Director and Head of Sustainability for EU & MENAT, HSBC*
- **Dr Sonia Ben Jaafar** – *CEO, Abdulla Al Ghurair Foundation*
- **Mona Ataya** – *Founder & CEO, Bayt.com and Mumzworld*

Key Takeaways from Report Findings:

- **The Philanthropic Landscape in the GCC:** According to a study done by the Cambridge Judge Business School (2022) the GCC has a strong tradition of philanthropic giving with an estimated giving of \$210 billion USD. Historically this giving has been towards sectors such as education, healthcare, and skill development. However, as the GCC focuses on diversification



from oil and gas; and observes a shift towards strategic philanthropy, more philanthropic capital needs to be invested towards Innovation and R&D.

- **Gaps in investment models for entrepreneurship:** Blended finance opportunities where organizations with different objectives (Private, VS's, Foundations etc.) to invest alongside each other while achieving their own objectives are uncommon in the region. Added investment from the philanthropic sector will also de-risk investment in deep technologies that need patient capital and R&D.
- **Gaps in the Ecosystem:**
 - A shortage of talent, to promote innovation and entrepreneurship growth in the region.
 - Lack of investments towards female-founded companies.
 - Preference in the region towards technological adaptation, rather than deep tech innovation.
- **Work in Silos:** Within the region there are multiple micro ecosystems (of both entrepreneurship and philanthropy). These ecosystems need to be unified around solving for local and global challenges using local resources.

Key Takeaways from Panel Discussion:

- **Regulatory Support towards Entrepreneurship and Innovation:** As part of efforts to diversify economic growth from oil and gas, regulators in the GCC are working towards building and supporting the entrepreneurship ecosystem and attracting top talent. Regulatory authorities in the region are also working closely with entrepreneurs to ensure open dialogs to stream down the regulatory process.
- **Entrepreneurship Ecosystem in GCC:** The entrepreneurship ecosystem in the GCC is thriving, with several new startups, VC's, and accelerators emerging from the ecosystem. Banks are also establishing core funding pools, while regional tech acquisitions are contributing towards investor and entrepreneur confidence. In addition, the IPO market is also advancing in the region, opening the pathway for further investment opportunities.
- **Challenges of entrepreneurs:** While the entrepreneurship ecosystem is thriving, there is a long way to go for the ecosystem, on ground entrepreneurs are still facing the following gaps:
 1. Access to capital.
 2. Access to regulators.
 3. Access to mentorship, guidance, and ecosystem.
 4. Access to talent.
 5. Access to potential investors, partners, and collaborators.
- **The Role of Philanthropy in Entrepreneurship and Innovation in the GCC:** Philanthropists in the GCC have a soft power where they can act as a bridge between regulators, investors, and entrepreneurs. For example, COP28, hosted the first business and philanthropy forum bringing together players from the micro ecosystems to ensure unified commitments and



contributions towards UAE's climate strategies.

- **Philanthropic Capital:** Strategic philanthropic investments drive sustainable, long-term impact for broader communities. Investing in R&D de-risks venture capital investments and stabilizes markets.
- **Solving Local and Global Problems Locally:** The GCC needs to increase its own knowledge pool, talent, innovations and businesses on a global scale. Philanthropic capital can drive this by supporting research and development and address challenges faced by entrepreneurship.
- **The role of entrepreneurs while applying for Philanthropic Capital:** When philanthropic capital is strategically invested, entrepreneurs should engage philanthropists as investors, providing adequate reporting on ROI.

Acceleration in both entrepreneurship and innovation in the region can lead to long-term impact. Through entrepreneurship and innovation, the GCC can drive financial stability, job creation, advancements in healthcare, address the impact of climate change, and so much more. Through this collaboration, we aim to amplify data-driven strategies and establish robust governance practices in the regional philanthropic sector and promote strategic philanthropy.