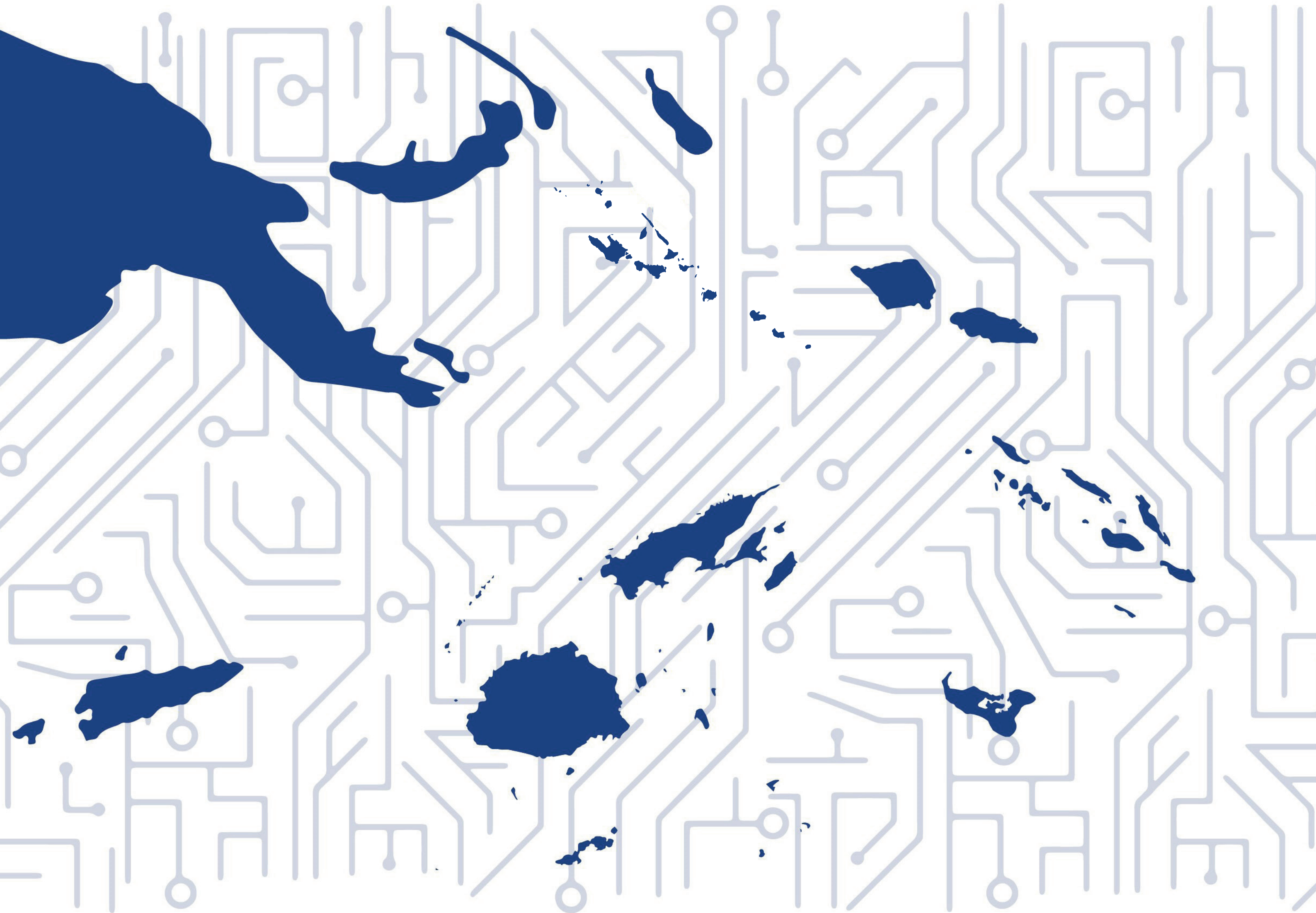

ENTREPRENEURSHIP ECOSYSTEM IN THE PACIFIC

NETWORK ANALYSIS AND MAPPING OF INSTITUTIONS SUPPORTING ENTREPRENEURSHIP

Fiji, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu, and Papua New Guinea

This publication is brought to you by the Pacific Digital Economy Programme (PDEP) which is jointly administered by the United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP) and United Nations Conference on Trade and Development (UNCTAD). The programme receives funding from the Australian Government.

This report was written by Ms. Nuria Rull, Programme Officer and entrepreneurship support expert at the Institutions and Ecosystems section at ITC and Ms. Zainab Kakal, ITC ecosystems, innovation, and entrepreneurship consultant.

FOREWORD

The International Trade Centre (ITC), the joint agency of the World Trade Organization and the United Nations, has partnered with the United Nations Capital Development Fund (UNCDF) to contribute to the development of the Pacific Digital Economy Programme. The collaboration has focused on the mapping and network analysis of the support ecosystem in the Pacific region focusing on Fiji, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu, and Papua New Guinea.

With the present report, ITC aims to contribute to the development of ecosystem-enabling activities to facilitate matchmaking, new opportunities, and partnerships between various stakeholders of the digital economy. In addition, the study aims to facilitate the development of partnerships with existing co-working spaces / innovation hubs and enable the development of new or collaborate with existing incubation/ acceleration programmes to support the business community.

The mapping analysis contributes to the objectives of the overall development plans of the entrepreneurship sector in the region by highlighting existing gaps and overlaps in support services and providing an analysis of the network connections currently present in the ecosystem of entrepreneurship support organizations (ESO) in the Pacific.

The views expressed herein do not reflect the official opinion of ITC. Mention of firms, products and product brands does not imply the endorsement of ITC. This document has not been formally edited by ITC.

While this report has been written under Pacific Digital Economy Programme, ITC hopes that this report is used by all ecosystem actors and others as a reference for future activities and discussions.

ACKNOWLEDGEMENTS

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Executive Summary

New and growing businesses represent the primary sources of job creation and innovative activity in an economy, two factors that generally result in improved standards of living for all. According to the Duke University Centre for International Development, entrepreneurship is one of the most effective drivers of economic growth and development, spurring innovation, creating jobs, driving investment, and lifting the quality of life for entire economies. By leveraging the positive feedback loop between innovation, entrepreneurship, and economic development, countries can build pathways to sustainable growth.

The criticality of entrepreneurship-support ecosystems has been strongly reinforced by global experiences during the COVID-19 pandemic. The outbreak brought a major shock to economies of every scale, geography, and context. COVID-19 hit the Pacific business community particularly hard. According to Pacific Trade Invest (PTI), over 84% of businesses in the Pacific reported negative impact from the pandemic.

The analysis provided in this report reflects the findings of desk research, interviews and focus group discussions. Upon analysis of the findings, this report outlines 12 key characteristics of the existing entrepreneurship ecosystem in the Pacific:

1. Limited access to information creates reliance on peers

   There is a noticeable gap in the market regarding the accessibility of relevant data and information to aspiring entrepreneurs. This leads to an overreliance on peers and informal networks to provide information.

2. Existing services are overlapping and sporadic

   Most Entrepreneurship Support Organizations (ESOs) in the ecosystem are funded fully or partially through donors, without long-term plans for financial sustainability. As such, services are provided when and where funding is available, with almost no long term programmes offering consistent support throughout the entrepreneurial journey.

3. Urban-centric services exclude vulnerable groups

   Most ESOs and their services are focused on urban centres. While in some cases rural entrepreneurs can travel to access services or join events, most of the time those outside urban centres are left without support. This includes other vulnerable groups like women, youth, LGBTQI groups and other minorities.

4. Access to finance is rare, cumbersome, and expensive

   Without collateral, a proven business model, and clean financial records, entrepreneurs cannot access commercial finance. Access to finance is difficult and unclear with lack of clear and updated regulation. This leads many entrepreneurs to turn to friends and family for early-stage financial support.

5. Stakeholders do not communicate, align nor plan strategically

   Most connections in the ecosystem are interpersonal, and are intrinsically linked to the personal, social connections of individuals. These connections rarely extend to formalized, institutional cooperation. This results in the provision of independent and sporadic services with missed opportunities for collaboration.

6. Entrepreneurs struggle to survive downturns due to climate disasters

   The Pacific's perceived instable political environment and exposure to natural disasters makes it uniquely susceptible to high business risk. Currently, there are no services tailored to mitigate the fallout from natural disasters.

7. Digital, IT support is limited, and basic infrastructure is nascent

   COVID-19 led many Pacific businesses and ESOs to migrate online. Little digitization support services exist, and the domestic market for online purchases is limited at best by the lack of infrastructure and regulation.

8. Lack of in-country and long term programming to build local capacity

   Because most ESOs are project-funded, they run for a dedicated period with no plan for long term sustainability. When ESOs are forced to cease services when project funding dries up, it leads to a loss of knowledge and a lack of network transfer in the ecosystem.

9. Policy and regulatory environment not conducive for entrepreneurship and scaling

   Regulations in the Pacific have not kept pace with the growing interest in entrepreneurship and tend to be unclear and open to misinterpretation. This results in information asymmetry, expense in compliance, and difficulty in enforcement.

10. Entrepreneurship not seen in a positive light or as aspirational

    Entrepreneurship is traditionally associated with school leavers and those who cannot get or secure jobs. It is seen as a subset of youth programmes, as micro-entrepreneurship or a side-hustle until one secures a government or corporate job.

11. Entrepreneurship viewed predominantly as micro-entrepreneurship

    Micro-entrepreneurship is common and well known in the Pacific culture. It is common for individuals to have a side hustle or run a small retail business. However, most of these are informal. The lack of contextualization has led to the microentrepreneurs being evaluated as if they were an established small business, and their unique value or circumstances ignored.

12. Donor-driven mindsets not contextualized and localized

    As is with entrepreneurship, investment also needs to be adapted to the local context. There is a need for long term risk capital which can respond to the growing pains of doing business in a nascent ecosystem. Investment readiness metrics that apply in other economies need to adapt to the long growth curve and small scale of Pacific businesses.

Recommendations

In line with the analysis of the ecosystem, the study makes regional-level recommendations for short, medium, and long term sustainable development of the ecosystem.

Short-Term

Entrepreneurship support services

In the short term, there is a need to boost the services available to entrepreneurs. Specifically, there is a need for structured incubation programmes that support entrepreneurs from idea to minimal viable product (MVP). There is also a need to create additional coworking spaces to facilitate such programmes. Existing initiatives have shown promise and highlight the opportunity in the Pacific. These programmes should be invested in and aligned across the ecosystem to maximize their impact and minimize overlap. Existing initiatives should also be updated and adapted to consider social enterprise, technology, and digital as cross-cutting elements across all industries.

Ecosystem building

In the short term, the biggest factor in improving the ecosystem is guiding the entrepreneur through the existing network. A one-stop-shop platform should be created where all stakeholders can access information about what institutions are providing what support to which entrepreneurs. This platform should enable entrepreneurs to plot out a step-by-step pathway of support from idea to growth.

In the short-term, ecosystem improvement should focus on leveraging the existing actors and strengthening the connections between them. ESOs from less mature ecosystems can be connected with those that are progressing faster. This will help not only strengthen lagging ecosystems, but help connect entrepreneurs in those ecosystems to more robust services.

Medium-Term

Entrepreneurship support services

With a longer timeline, it is possible to leverage those entrepreneurs who have been successful on their journey. Alumni from ESO programmes should be engaged to share experiences, best practices, and potentially mentor the next generation. Eventually, a network of start-up executives, venture capitalists, industry specialists, and other local experts should be created to offer financial and mentorship support. With growing numbers of entrepreneurs, it will be feasible to create a platform to channel their collective voices into meaningful advocacy. As ESOs in the ecosystem grow, learn, and mature, peer-to-peer support between ESOs should be promoted to increase knowledge sharing, and help reduce inter-ESO competition.

Ecosystem building

Over time, entrepreneurship as a topic should be integrated in school and university curricula. The role of academia has not yet been clarified in any of the Pacific ecosystems, and this is a significant avenue for skills building and awareness raising. ESOs should further invest in knowledge management for better information tracking, sharing, and collective learning in the ecosystem. Lastly, as the ecosystem matures and formalizes, a platform (formalized or otherwise) should emerge for the interaction and cooperation of institutions. This inter-institutional coordination and exchange is essential for the eventual sustainable success of the ecosystem.

Long-Term

Entrepreneurship support services

The creation of specialized tech support institutions such as tech hubs, robotics, and 3D labs would be a major boon to the ecosystem. The lack of focus on digital or high-tech is a significant gap in the existing ecosystem. These services will promote and facilitate the emergence of virtual ESO services that can reach entrepreneurs outside of the urban centres, and maintain services during negative shocks, such as that experienced during the COVID-19 pandemic. There is also a clear need in the ecosystem for acceleration and later-stage services. As more start-ups mature in the Pacific, a need will emerge for services to take these enterprises to the next level. For Pacific economies to realize the benefits of entrepreneurship, those start-ups must be empowered to become successful companies on the international stage. Lastly, success must be celebrated. The ecosystem must invest in talks and events to highlight and promote successes. These events not only inspire aspiring entrepreneurs but can start to influence the greater culture around entrepreneurship, changing its perception from an informal "side-hustle" to a genuine avenue towards prosperity.

Ecosystem building

In the long run, the most important step will be formalizing the connections, interactions, and coordinated activities between institutions. Establishing clear roles for actors, formalizing clear avenues of communication and knowledge sharing, and connecting institutions across the maturity cycle of enterprises will cement and sustain the informal cooperation already growing. The key to sustainability of these connections is their institutionalization, and formalizing a culture of institutional cooperation, rather than competition.

Introduction

Entrepreneurship Support Organizations (ESOs), including incubators, accelerators, governments, development agencies, and civil society organizations are working to transform the entrepreneurship landscape in the Pacific. Goal 17 of the SDGs emphasizes the power of partnerships between such actors and defines such collaborations as transformational for the economy. However, it is difficult to strategize how to best leverage these partnerships without a complete overview of existing actors and their characteristics. This report aims to provide such overview and guide ecosystem actors towards more effective partnerships. By providing critical information to understand the ecosystem in which institutions operate, this report will help actors to better:

- Design innovative solutions that target system leverage points taking advantage of players' unique value, skills, and experience,
- Identify the right partners and champions to engage with,
- Align partners on an ecosystem understanding and transformation vision.

There is a positive feedback loop among innovation, entrepreneurship, and economic development. New and growing businesses represent the primary sources of job creation and innovative activity in an economy, two factors that generally result in improved standards of living for all. According to the Duke University Centre for International Development, entrepreneurship is one of the most effective drivers of economic growth and development, spurring innovation, creating jobs, driving investment, and lifting the quality of life for entire economies[1].

However, it is important to understand that the potential impact of entrepreneurship and innovation depends on accessibility. For entrepreneurs to bring new ideas to life, they need access to education, resources, guidance, and a level playing field on which to compete. In this regard, the role of support institutions is to create conditions that allow more entrepreneurs to start businesses by building skills, generating access to finance as well as to international markets and networks, so that businesses can grow. Economic growth suffers when entrepreneurial activity is unevenly spread across socio-economic, demographic, and/or geographic dimensions.

The critical importance of this business-support ecosystem has been strongly reinforced by global experiences during the COVID-19 pandemic. The outbreak brought a major shock to economies of every scale, geography, and context[2].

As the world learned how to do business remotely, business support organizations (BSOs) were on the front lines of the crisis, providing critically needed support as their clients navigated the sudden transition. This, at a time when BSOs were facing major challenges of their own and adapting their own services to the new virtual world. As the pandemic dragged on, it became clear that robust, cooperative business-support ecosystems were a significant factor in determining the success of local businesses in pivoting and adapting to the new business environment. A better connected, more openly cooperative ecosystem was shown to be more adaptable to changing conditions, as institutions could leverage the unique talents or capabilities of partner institutions, share best practices, and more flexibly respond to the often-changing lockdown orders and international travel restrictions.

[1]https://dcid.sanford.duke.edu/importance-of-entrepreneurship/
[2]https://unctad.org/news/how-covid-19-triggered-digital-and-e-commerce-turning-point

COVID-19 hit the Pacific business community particularly hard. According to Pacific Trade Invest (PTI), over 84% of businesses in the Pacific reported negative impact from the pandemic. The two most cited challenges were cashflow (86% of survey respondents) and the uncertain length of the crisis (86% of survey respondents). The other most cited challenge was the impact of closed borders (84% of survey respondents). One important finding of the study was the consistency of these numbers throughout the pandemic. PTI has been collecting survey data since the onset of the pandemic, and the data points have stayed remarkably consistent since early 2020. While this could be interpreted positively (that the business conditions have not deteriorated further) the fact that businesses are still citing the same challenges, at the same frequency, suggests difficulties in adapting to the current conditions. In addition, the study showed a discrepancy in the impact on women-owned businesses: 64% of female business owners reported facing barriers to carrying out initiatives that would help support their businesses during these adverse times.

Even prior to the onset of COVID-19, the Pacific was considered a highly challenging geography for doing business. The World Bank's Ease of Doing Business ranking places the Pacific among the hardest places in the world to do business. One of the most significant barriers to business operations that the World Bank (WB) highlighted was the efficiency and efficacy of the legal system. The WB study measured the number of days it took for a contract to be legally enforced by the relevant authorities. The fastest response time was found in Tonga, where it took almost a full year to enforce a contract (350 days). The poorest performer on this metric was Micronesia, where it took an average of 885 days to enforce a contract. While contract-enforcement is a specific example, it speaks more generally to the efficiency of legal and enforcement mechanisms in the Pacific. These significant lag-times allude to a much wider concerns regarding the effectiveness of the legal system in promoting a stable, trustworthy business environment.

A survey study from United Nations Development Programme (UNDP) conducted in partnership with the University of the South Pacific (USP), also found that the unique cultural and societal environment in the Pacific had major impact on entrepreneurship. Cultural norms in the Pacific place heavy value and significant influence on community, family, and cooperative/collective support. These dynamics can be a source of inspiration and innovation for entrepreneurs and can facilitate community/family support in their enterprises. These influences can motivate the creation of a new local business to serve a community need or spur innovative solutions that incorporate and preserve traditional culture.

The inverse relationship is, unfortunately, also a reality. Pressures to support and assist family can present significant burden to a fledgling business. Perceptions of shared assets and communal responsibilities can also blur the lines between business assets and communal goods. The study found that entrepreneurs are often in a position where the interests of their business and their cultural responsibilities to their communities are at odds. Another finding of the study was the unfortunate prevalence of prejudice and discrimination in the business ecosystem. "Discrimination on the basis of issues like age, gender, and disability is prevalent… largely due to traditional/cultural hierarchies and structure"[3]. Study respondents cited this issue as impacting entrepreneurs in both their personal (e.g., their confidence and self-value) as well as professional (e.g., access to support services, finance, community support) lives.

Access to funding is another major challenge of the ecosystem. Relatively young, risk-averse financial institutions typically demand significant collateral for loans. Entrepreneurs, generally young, first-generation business

[3]https://www.ilo.org/suva/areas-of-work/employment-promotion/lang--en/index.htm

owners, lack either collateral, or meaningful credit history with which to guarantee their fidelity. These factors, combined with high perceived risk (environmental and political risk) and often unfavourable policies or regulatory frameworks, coalesce to make innovation and entrepreneurship quite difficult in the Pacific context.

A further challenge is the small size of Pacific markets. Due to the remote geographic location of the ecosystem, many entrepreneurs are trapped doing business only within that geography. The markets within the ecosystem are, however, quite small, and tend to be dominated by a handful of established businesses. Looking beyond the local ecosystem brings to play the challenges and costs of international shipping over significant distances.

The Pacific region is also characterised by an especially high susceptibility to natural disasters and the effects of climate change. This affects innovators, entrepreneurs, and even established companies, in a variety of ways. For example, the risk of natural disasters can deter investors and/or raise the cost of shipping. Physical capital such as storage facilities can be damaged, agricultural crops can be wiped out, or digital services cut-off due to power outages. While the effects of climate change are overwhelmingly negative, it does bring possibility for emerging opportunities. The urgency and scale of the challenge is spurring action across the region and motivating innovators and entrepreneurs to develop ideas for mitigating or combating the effects. Alongside this momentum, there are also growing pools of capital for projects that are making tangible environmental impacts (e.g., through carbon markets)[4].

To support the Pacific's efforts in improving entrepreneurship and creating an environment in which start-ups can thrive, this report provides an analysis of the Pacific entrepreneurship ecosystem with a specific focus on the interaction among ecosystem actors and gaps in services in supporting entrepreneurs.

The analysis presented in this report has been conducted during a period of 3 months (July-September 2021) in which ITC team mapped over 90 organisations, conducted over 60 remote interviews with Entrepreneurship Support Organizations (ESOs) and organized 8 Focus Group Discussions with entrepreneurs in the following countries: Fiji, Samoa, Solomon Islands, Timor-Leste, Tonga, Vanuatu and Papua New Guinea. To provide a comprehensive overview of the ecosystem with the available data, ITC's methodology has cross-checked information across 3 pillars of analysis:

1. Service mapping and gap analysis based on desk research and interviews with relevant local institutions.
2. Network analysis to present how institutions within the entrepreneurship ecosystem in the Pacific interact using network analysis techniques[5] and based on the results of a survey distributed to interviewed ESOs
3. User experience analysis of entrepreneurs navigating the entrepreneurship ecosystem based on insights from focus group discussions.

In addition, this report presents and overview and analysis at two levels:

Regional level: a general analysis of the Pacific region focusing on the similarities and system dynamics in the region and providing recommendations to address the observed gaps and overlaps.

Country level: presenting the detailed analysis of ESOs in each country, the entrepreneur's perspective, and the network analysis. Country analysis also includes the identification of key opportunities for improvement in each ecosystem.

[4]https://www.pacific.undp.org/content/dam/fiji/docs/Entrepreneurship&%20Innovation.pdf
[5]Social Network Analysis - Cambridge Intelligence
https://cambridge-intelligence.com/social-network-analysis/

Note on defining entrepreneurship
Throughout the report it is mentioned that entrepreneurship can be understood differently by ESOs, government and community.

This report has applied the definition of entrepreneur as a risk taker who embraces uncertainty and innovation constructed as a category within economic theory by the economist Cantillon[6].

Recognizing entrepreneurship in such approach acknowledges the fact that innovation and entrepreneurship help drive viable and thriving economies and focuses on those individuals that could be considered as 'opportunity entrepreneurs', as someone who sees a gap in the market/a perceived business opportunity whereas 'necessity entrepreneur' is described as someone who starts a business because other work options are absent or unsatisfactory (Frederick & Foley, 2006).

These categories are related to the 'pull' and 'push' factors of entrepreneurship. The 'pull' factors include a desire to be financially or managerially independent and autonomous. The 'push' factors include high unemployment rates, low pay and employment discrimination, lack of educational qualifications or lack of recognition of qualifications, and job dissatisfaction or inferior job conditions. These push and pull factors are not exclusive – both may be factors in an entrepreneur's decision to go into business. Being a successful entrepreneur depends on the historical, cultural, and social context and much of the literature focuses more on entrepreneurship as a process, rather than trying to determine set traits of an entrepreneur.

Literature recognises that entrepreneurs' experiences differ depending on ethnicity, age, gender, and education levels as well as business stage. Literature also indicates that there are cultural elements – based on values and worldviews – that may influence what motivates an entrepreneur, and how they define success or failure. Recognising this can affect how governments plan to support and encourage entrepreneurial activity.

[6] For an overview of entrepreneur theory see de Vries, 2007: 23–4

Ecosystem Mapping

Defining entrepreneurship support ecosystems

In the context of this report, an entrepreneurship support ecosystem is a collaborative arrangement through which institutions that support entrepreneurs combine their resources, capabilities, and products to offer a coherent, entrepreneur-oriented solution. When they work, ecosystems allow institutions to create value that no single one of them could have created alone. Well-managed ecosystems improve the management of critical interdependencies to increase benefits or reduce costs. In an ideal world, these economic ecosystems, like biological ones, are self-organizing and deeply co-dependent.

Defining entrepreneurship in the Pacific context

Entrepreneurship in the Pacific includes a spectrum of activity from informal micro-entrepreneurship to new-age technology companies (with the majority veering towards the former). For the scope of this report, we have predominantly enterprises. These have the following characteristics:

- Are registered or have a business license or aspire to get one
- Work with existing network of ESOs
- Started their business between 0-3 years
- Often focus on local domestic market consumers with a future aspiration to export

Limitations of the analysis

The analysis provided in this report reflects the findings of desk research and interviews. Some institutions, currently present in the ecosystem, might not be represented in this analysis given their mandate (not specifically including entrepreneurship support) or the sporadic character of their interactions in the network. The interview questions were based on ITC's Network Analysis methodology designed specifically to understand the interactions of support institutions. Therefore, questions were less focused on the assessment of the situation of start-ups or entrepreneurs. Due to the COVID-19 pandemic the mapping analysis was conducted fully remotely, which limited some interactions and influenced the granularity of information gathered and depth of feedback received. In addition, lockdown in some countries at the time of the interviews limited engaging face to face or hybrid focus group discussions to take place. The information gathered on the entrepreneur's perspective represents, via a focus group approach, a small subset of the ecosystem's entrepreneurs and therefore further analysis might be needed to provide a statistically significant assessment of the entrepreneur's journey. This report is a snapshot of the situation in Q3 2021 and therefore might not be representative of past or future interactions.

While this study covers the supply-driven gaps, the demand-driven gaps for micro entrepreneurs have only been studied through the focus groups exercises and therefore there is an opportunity for further studies to delve deeper on the matter.

The study did not take a sector-driven approach and hence has not focused on the various sectors like tourism, agribusiness, real estate which are receiving particular support from Ministries, government departments and entrepreneur support organizations.

Microentrepreneurs (particularly unregistered enterprises operating in rural areas) have not been included in this study. Due to the virtual nature of data collection, the study did not manage to consider the narrative of rural entrepreneurs who may not have access to the internet. We suspect this is a function of the remoteness of their locations which could not be included in this virtual study. It is also an indication of barriers to access for these microentrepreneurs who are unable to access services which are mainly located in capital cities and urban centres.

Finally, the region is currently experiencing assessment fatigue. Multiple development agencies and international organizations have ongoing or recent consultations and request for information with local institutions and entrepreneurs. COVID-19 impact assessments have also requested information and inputs from entrepreneurs. Such fatigue and the lack of perceived results of assessments have led to reluctance to provide additional information. This has particularly affected the data gathering process in Papua New Guinea in this report.

PACIFIC REGION ANALYSIS

1 PACIFIC REGION

1.1 Ecosystem Maturity Spectrum

The study uses the Ecosystem Maturity Levels by Startup Commons[7] as a way to understand and classify the various ecosystems in the Pacific. Most ecosystems are in the awakening stage with nascent potential which is currently being spurred by ESOs and entrepreneurship related activity.

Fiji and to some extent Vanuatu and PNG can be classified as emerging ecosystems which are slowly beginning to adopt entrepreneurship culture, codify it through institutions and invest in building long term networks and capacity for actors.

Awakening

- Entrepreneurship and MSME development often considered as one
- Replication of existing business models within the same sector
- Increasing interest from youth to create new business ideas
- Increasing interest from government and development partners to develop entrepreneurship

Emerging

- Starting to embrace start-up culture, development and understanding. Early awareness of start-up ecosystem mindset
- Emergence of specific entrepreneurship support institutions and policies to grow business creation via entrepreneurship and innovative SMEs
- Developing and embracing entrepreneurial culture, start-up development and start-up ecosystem knowledge among local key stakeholders for common understanding and alignment

A core part of ITC's data gathering process included focus group discussions with entrepreneurs to understand the user experience of those who were being served by the ESOs.

This helped illustrate the multitude of challenges entrepreneurs faced in their growth journey, including the absence of support in some cases. When looking at a regional level, the analysis revealed similarities in the experiences of entrepreneurs that are plotted in the graphic below.

While the information gathered through focus group discussions might not be able to capture the entire experience, it is an initial baseline to bring to light the travails of a young entrepreneur navigating the complexity and uncertainty of entrepreneurship in the Pacific.

Overall, the entrepreneur's journey proves to be a challenging one to start, including overcoming feeling isolated and rebelling against traditional job and employment expectations. However, after surpassing the initial barriers from societal expectations and perception on entrepreneurship, entrepreneurs may find support from friends and family to access funding. This support is yet to be provided by ESOs who are only sporadically offering financial support through special programmes and competitions (in some countries).

This lack of support can be particularly discouraging when other types of support services are missing (such as pre-incubation services). However, entrepreneurs often find additional support with peers through social media and informal WhatsApp groups. In most countries registration of business is still bureaucratic and despite some improvements in recent years, information has not been communicated appropriately to inform entrepreneurs on the step-by-step process and various requirements. After registration, entrepreneurs have access to basic services (see country profiles for further details) however, such support is often short and ad-hoc related to a specific donor initiative or some sporadic trainings.

Entrepreneurs are therefore left alone with little guidance on how to continue their journey. Since the initial support received is not sufficient, entrepreneurs lack key skills to present their business idea and turn it into a minimal viable product (MVP) to be presented to investors and clients. In addition, external constraints such as COVID-19 or natural disasters can destabilize the entrepreneur's journey. Support packages by international donors and governments have in some cases positively impacted entrepreneurs (further studies might be needed to see the magnitude and sustainability). In most cases, COVID-19 has forced business to shift to digital platforms and has in some cases pushed entrepreneurs to re-think their business model. However, to achieve start-up growth entrepreneurs find themselves needing digital and technical skills and market intelligence support. When looking at the overall journey, and given these constraints, it is remarkable to see the strength and resilience shown by Pacific entrepreneurs and the key role of ESO to alleviate and smooth the entrepreneurial journey.

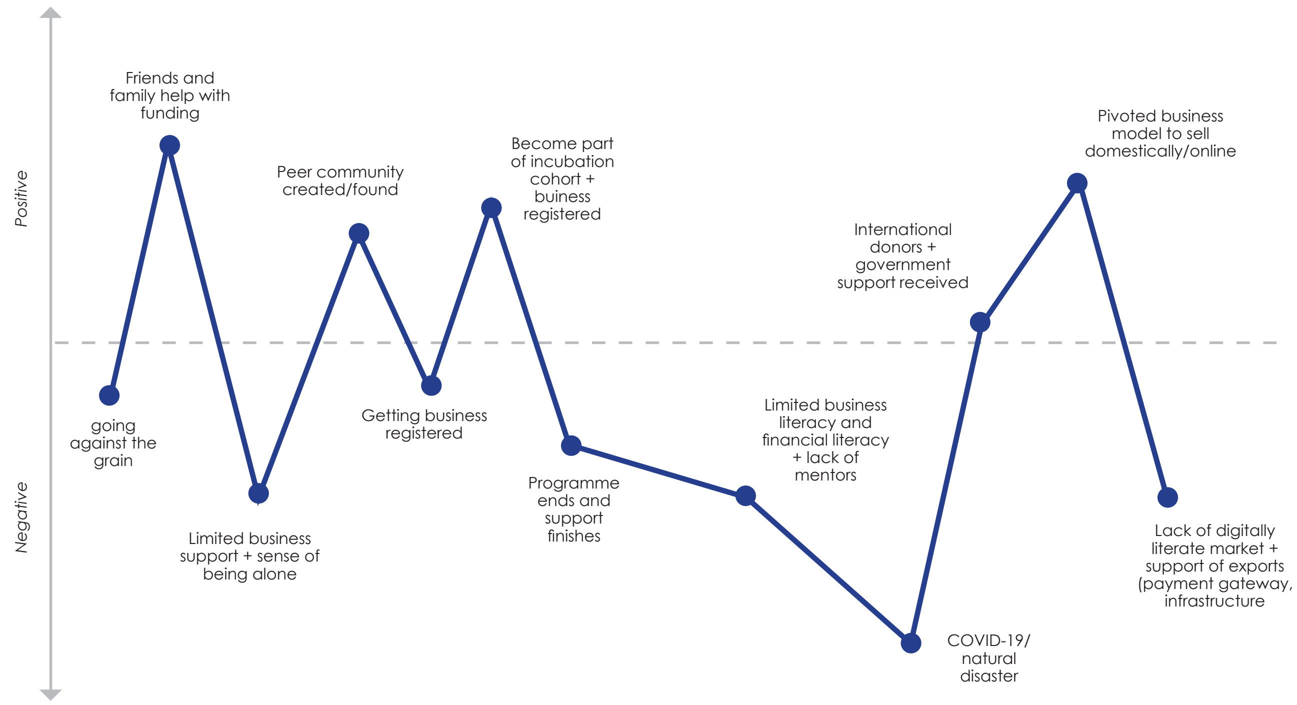
1.2 Ecosystem User Journey – The Pacific Entrepreneur Experience

The study uses the Ecosystem Maturity Levels by Startup Commons[7] as a way to understand and classify the various ecosystems in the Pacific. Most ecosystems are in the awakening stage with nascent potential which is currently being spurred by ESOs and entrepreneurship related activity.

Fiji and to some extent Vanuatu and PNG can be classified as emerging ecosystems which are slowly beginning to adopt entrepreneurship culture, codify it through institutions and invest in building long term networks and capacity for actors.

[7]https://www.startupcommons.org/startup-ecosystem-maturity.html

FIGURE 1:

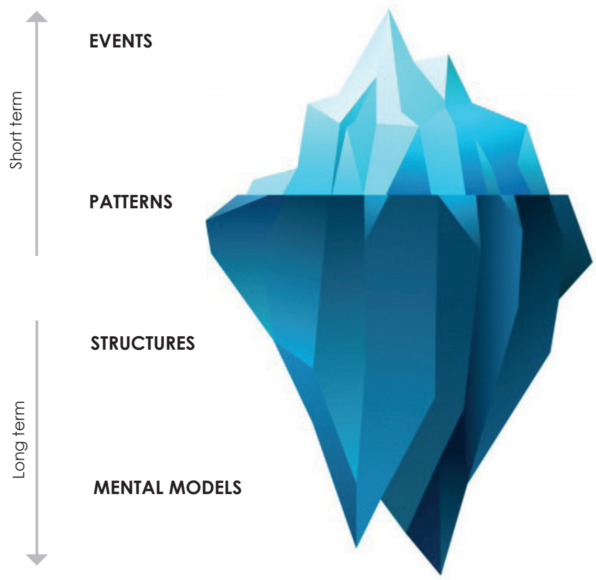


1.3 Systems Approach

Acknowledging the complexity and emergent characteristics of the entrepreneurship ecosystem, the study uses a systems approach to shed light on the multiple challenges and how they are interconnected. It presents summary recommendations which address key points in the system i.e., leverage points which trigger a multiplying impact on the system as a whole.

The study applies an iceberg model which brings to light the patterns of behaviour, supporting structures, and mental models that underlie a particular phenomenon. The diagram below captures the 12 key characteristics of the Pacific Entrepreneurship Ecosystem:

FIGURE 2:



1. Few to no services that help entrepreneurs access key information creating reliance on peers
2. Existing services are sporadic, have overlaps and not clearly defined
3. Urban centric services excluding vulnerable groups

4. Access to finance is rare, cumbersome an expensive
5. Stakeholders do not communicate, align nor plan strategically
6. Enterprenuers struggle to survive downturns due to climate disasters

7. Digital, IT support is limitead, and basic infrastructure is nascent
8. Lack of in-country and long-term programming to build local capacity
9. Policy and regularity enviroment not conducive for entrepreneurship and scaling

10. Entrepreneurship not seen in a positive light or aspirational
11. Entrepreneurship viewed predominantly as micro-entrepreneurship
12. Donor-driven mindsets not contextualized and localized

1. **Few to no services that help entrepreneurs access key information creating reliance on peers**

As nascent and emerging entrepreneurship ecosystems, there is a lack of services that can help entrepreneurs find information critical to their success and growth.

Responsibility for entrepreneurship is split across Government ministries with no focal points who can provide reliable information. Donor-funded entrepreneurship programmes are in their early years and avoid risk by preferring to fund registered entities. They also tend to have a defined focus (e.g., social entrepreneurship, agri-tech, digital) which alienates the existing pool of entrepreneurs. Many of programmes are in pilot stage themselves and are still learning about the needs of the ecosystem and understanding their own value proposition. As early movers, they are yet to codify their lessons and find ways to integrate and complement the other ecosystem actors. This adds to the lack of clarity and misinformation about existing resources available for entrepreneurs. While this is a common experience for entrepreneurs, it also stands true for ESOs.

In such an environment, entrepreneurs reach out to other entrepreneurs for direction and guidance. This has created pockets of connections or mini networks where entrepreneurs guide and support each other. This peer-peer support has sustained over time attracting other entrepreneurs and, in the process, built informal communities through social platforms like Facebook, Viber and WhatsApp. In Fiji, two informal communities which came together on Viber and Facebook have matured over time and are now liaising with the government on issues pertaining to entrepreneurship. This sense of community is particularly critical for entrepreneurs who are unable to access existing services due to issues like geography and physical or digital infrastructure, lack of a proven business model, or limited business skills.

Existing ESOs work independently to bridge this information gap by actively liaising with government stakeholders, donors, and entrepreneurs. There is a need to streamline a process that could reduce the cumulative time spent pursuing these actions separately and build more strategic collaboration among the ecosystem stakeholders.

2. **Existing services are sporadic, have overlaps and are not clearly defined**

As most ESOs are funded fully or partially through donors, there are no long term programmes offering consistent support and handholding.

In nascent ecosystems, informal mentoring is common and bespoke. In emerging ecosystems, there are paid and unpaid mentoring programmes. However, there is no shared definition of mentorship across the ecosystem. Mentoring, coaching and business support are all used interchangeably. While some ESOs prefer to use mentoring to describe their support, others choose coaching.

There are no structured pre-incubation programmes for untested ideas. The terms incubator and accelerator are also used interchangeably in some cases increasing overlap.

There is also a significant overlap between training and incubation support. Incubator offers are poorly described or understood but there is a recognition that more needs to be done to organize and refine this. ESOs have resisted narrowing their programmes and continue offering bespoke support to help the existing entrepreneur pool. However, there has been a significant spike in the number of entrepreneurs across the region with an increase in adoption of digitalization and new technologies, further spurred on by COVID-19. In this light, there is an opportunity to create contextualized and well-defined pre-incubation, incubation, and acceleration support.

This is particularly relevant to differentiate it from Technical and Vocational Education and Training (TVET) services or ad hoc training opportunities. Mature ESOs recognize that an incubation approach considers entrepreneurs as partners and not as beneficiaries. An interactive and handholding approach has shown great results rather than delivering pre-designed programmes in a classroom setting with a teacher-student dynamic. While trainings are a key component for every ESO, delivering one on one trainings have been generally more useful than generic group trainings. Some incubators use curated peer to peer learning which has been successful. Trust is a key component between entrepreneurs and support organizations and building rapport with entrepreneurs is crucial for success.

Trainings need to be interactive, engage listeners through storytelling and dissolve the power dynamic between entrepreneur and trainer, focus on building local capacity and be rooted in or relatable to the Pacific context.

Across all ecosystems, youth-focused organizations (e.g., chambers, associations) are providing one on one targeted support to entrepreneurs consistently over a sustained period. This support is currently ad hoc and not structured but could be further strengthened and systemized as incubation.

Entrepreneurs see considerable duplication of service offered by ESOs. It was noted that in some industries like food and agriculture, there are informal and formal networks that aid entrepreneurs resulting in greater cross pollination of opportunities and resources.

The small size of the ecosystem and the early stage of entrepreneurship development has led institutions to consider all entrepreneurs' needs as similar and therefore might in some cases ignore specific needs from minority groups. This finding should be further studied when revising or starting entrepreneurship support programmes in individual countries.

3. Urban-centric services excluding vulnerable groups

Most ESOs and their services are focused on urban centres. In some cases, entrepreneurs travel from rural areas or outer islands to join events or access services. However, in most cases, entrepreneurs from outside urban areas cannot access services.

Some donor–funded programmes are focused on a particular region offering services only to entrepreneurs located in a certain geography. This adds to the disconnect between programmes designed in urban centres and delivered outside urban centres.

While ESOs hope to scale to neighbouring communities, there is no plan underway to bridge the urban-rural divide.

As entrepreneurship is either understood as innovation / technology or as micro entrepreneurship, contextualizing entrepreneurship to the Pacific beyond the definitions of Silicon Valley can help ensure more rural enterprises are brought to the fore. This will also create pathways for development with support for all kinds of entrepreneurs at various stages across their growth.

Vulnerable groups are largely ignored. There are no services targeted at differently abled and LGBTQI groups. Women micro-entrepreneurs (e.g., working in vanilla or cocoa) can access limited support but that thins out as they formalize and seek to scale.

Despite limited support to women, associations across the Pacific play a very active role in providing services to the entire ecosystem. Several women associations appear as ecosystem leaders in their respective countries (see network mapping analysis in each country profiles).

4. Access to finance is rare, cumbersome, and expensive

Without collateral, a proven business model, and clean financial records, entrepreneurs cannot access commercial finance. As business licenses are expensive, many operate informally. Most young businesses raise seed capital through friends and family.

Existing socio-cultural attitudes do not promote documentation and record keeping. Additionally, business, and financial skills are not integrated in education and most young graduates are not financially literate. Across the region, entrepreneurs need support to build financial skills particularly accounting and bookkeeping.

While several organizations offer this support, entrepreneurs perceive this as an expensive exercise which involves expenditure on acquiring documents, spending their time streamlining their books and, in some cases, paying agencies or specialists to help. In many cases, entrepreneurs are also hesitant to start this process as they fear being regulated or penalized for their lack of knowledge. This is an unresolvable problem for entrepreneurs who are busy trying to survive and do not have the time to self-educate and upskill and still need to be financially literate to manage their business well.

In this environment, entrepreneurs are desperately seeking grants which can help them innovate, test and grow. Some grant funding is available, but it is sporadic and usually attached to a donor-driven program. Beyond this grant funding, access to funding is rare for all entrepreneurs despite their growth stage.

As lack of documentation and record keeping is common among entrepreneurs and is a requirement for donor-funded programmes, only certain entrepreneurs – "the usual suspects" – get access to funding.

The absence of financial support institutions (venture capital firms, private equity firms, angel network, etc.) and the fact that most funding is provided ad-hoc, makes it difficult for entrepreneurs to get support they need to understand and comply with requirements and to conduct the financial analysis needed to present to potential investors or funding institutions. In addition, even when funds have been provided, there is no additional guidance (except ad-hoc interventions) to support entrepreneurs to find the best business strategies to use and allocate funds.

5. Stakeholders do not communicate, align nor plan strategically

As is often the case in small island economies and seen through evidence of the "coconut wireless[8]", individuals are deeply connected to each other. These connections can be leveraged to strategically align stakeholders to offer more tailored and more substantial support. In some cases, these platforms are informal and driven by a few passionate individuals but haven't been bolstered enough to reach a sustainable position. This individually led change is nevertheless powering synergies in the ecosystem and allowing for collaboration and information exchange which is tactical and benefits the entire ecosystem. As the ecosystem is small, it remains exposed to "key person risk", if these individuals were to leave before their efforts are fully embedded and institutionalised.

Other than Fiji, where the newly established MSME Fiji is designed to function as a platform that brings stakeholders to engage and collaborate, there is a notable lack of suitable platforms.

Such platforms will flatten the learning curve for entrepreneurs who are currently burdened by the need to approach multiple different actors creating themselves the connections between them.

These platforms can also help ESOs build a pipeline of support for entrepreneurs so that tailored support is available as entrepreneurs progress and graduate from idea stage to growth stage.

[8] Information spread via word of mouth concerning anything – or anyone – of interest to people.

6. Entrepreneurs struggle to survive downturns due to climate disasters

The Pacific's perceived political instability and exposure to natural disasters makes it uniquely susceptible to increasing business risk[9]. There are no current services tailored for this problem. Problems faced by entrepreneurs are exacerbated in case of crises. There is a need to provide contingency funding and support tailored to this purpose which can help businesses absorb the shock. New financial instruments could be explored to address this challenge.

7. Digital, IT support is limited, and basic infrastructure is nascent

COVID-19 has led to several businesses migrating online and exploring digital markets. However, this move has not been easy. In cases where entrepreneurs have started digital businesses, they have struggled to meet the regulatory criteria (e.g., need for a physical office address, protection of intellectual property) to establish themselves formally. Additionally, only a small portion of the existing consumer market is making purchases online. Most purchases are trust-based and done through Facebook or Instagram. Payments are facilitated through MoneyGram, Western Union, bank transfers and cash. In Fiji, M-PAiSA saw a significant rise after the onset of COVID-19. Internet connectivity is low and data packages are expensive. Additionally, with poor supply chains and logistics, online shopping remains prohibitive.

In Fiji, despite these challenges, online platforms like Vitikart and ShopFiji are being explored where entrepreneurs are selling their products locally and possibly internationally. However, entrepreneurs are seeking more autonomy and are keen to develop and run their own platforms if provided with a payment gateway.

Digital inclusion can aid several informal microentrepreneurs in formalizing their businesses. With additional traceability services, there is little need for middlemen to play the role of quality assurance and can ensure better margins successful business outcomes for entrepreneurs.

Several ESOs have begun to take their offerings online in addition to training entrepreneurs on moving their businesses online. While ESOs are keen on using the digital medium to reach those entrepreneurs outside urban centers and increase efficiencies, entrepreneurs have been hesitant to transition and prefer in-person contact. This needs to be studied further.

8. Lack of in-country and long term programming to build local capacity

As most initiatives run by ESOs are project-funded, they run for a dedicated time (between a few months to 5 years), putting the organization as a whole at funding risk. While some ESOs are conscious of this dynamic and seek to integrate into existing organizations, many are forced to close resulting in a loss of knowledge and a lack of network transfer. While some initiatives continue to fundraise for survival, there is little focus on sustainability and services are not consistently available for entrepreneurs who require them. Hence, support is delivered in spurts and entrepreneurs can only benefit if they apply and qualify within a small window of application period. Most of these projects are run from regional hubs e.g., Fiji, Indonesia, Thailand.

In addition to being time bound, these initiatives are usually designed with pre-defined deliverables which have little flexibility to be responsive to the needs of the ecosystem. To make headway, it is important to invest in in-country managers who can help in tailoring their services to the market and delivering them effectively. Also, presence in-country helps projects learn responsively and helps build rapport with entrepreneurs.

[9]Entrepreneurship and Innovation in the Pacific - https://www.pacific.undp.org/content/dam/fiji/docs/Entrepreneurship&%20Innovation.pdf

Existing ESOs are driven by their own financial sustainability and entrepreneurs find themselves in competition with ESOs for accessing grants and support. This makes ESOs short-sighted and self-serving and unable to be responsive to the needs of the entrepreneurs. Competing for common funding pools has resulted in a mindset of scarcity where all entrepreneurs are chasing funding. This has in turn created unnecessary competition between entrepreneurs. This environment makes access to funding more difficult for smaller and idea stage entrepreneurs. This has also led to the focus on accessing funding in the short term with limited focus on building an ecosystem for entrepreneurship in the long term.

Ecosystems in the Pacific have relatively few local institutions fully led by Pacific Islanders. As mentioned, many institutions are promoted by development agencies and lack the local flavour and leadership. Further support to already existing locally led institutions could benefit the growth and sustainability of the ecosystem.

9. Policy and regulatory environment not conducive for entrepreneurship and scaling

While entrepreneurship has received a big push in the Pacific to generate employment for its predominantly youth population, it has not yet developed structures and processes which can further facilitate the growth of entrepreneurship and entrepreneurs themselves. More than 50% of the organizations we interviewed began their support to entrepreneurs in the last 5 years and are in the early stage of their development.

Regulations have not kept pace with the growing interest and update in entrepreneurship and tend to be unclear and open to misinterpretation resulting in confusion for entrepreneurs. There needs to be greater engagement with entrepreneurs to create policy mechanisms which are favourable for entrepreneurship.

Many entrepreneurs are working towards sustainability and growth limited to the domestic market. As a small island market with issues of distribution, high cost of transport, and lack of cool chain infrastructure, entrepreneurs are working on expanding locally before venturing into international markets. There is little dedicated support for exports. This is seen as a niche area where bespoke connections can be facilitated as and when suitable and needed. For those looking to explore export markets, there exists an opportunity for ESOs to provide product testing which can de-risk such scaling.

In the light of COVID-19, stimulus packages have been provided to some entrepreneurs however it appears that entrepreneurs have not been consulted at any point in the formulation of future policies. There is a need to exchange information with the government and create business licenses which are tailored for new kinds of entrepreneurship. Additionally, regulations are implemented inconsistently, and the legal requirement are unwieldy and unrealistic. This gap between legal frameworks and reality on the ground needs to be bridged. Current laws which should enable entrepreneurship have become barriers and the individuals who are supposed to aid entrepreneurs have become gatekeepers. The legal frameworks need to be modernised for innovative and new businesses working in digital and technology. The access to government services needs to be improved so that individuals do not need to rely on personal connections.

10. Entrepreneurship not seen in a positive light or aspirational

In addition to the lack of an enabling environment for entrepreneurship, cultural perceptions around entrepreneurship are not positive. In nascent ecosystems, entrepreneurship is associated with school leavers and those who cannot get or hold jobs. It is seen as a subset of youth programmes or as micro-entrepreneurship or a side hustle till one secures a government or secure job. Because entrepreneurship is not encouraged or seen as an aspirational career path, most early entrepreneurs mimic and compete with existing businesses and there is a dearth of innovation and new ideas.

In emerging ecosystems, entrepreneurship is starting to be highlighted and showcased through government support and programmes. This legitimizes entrepreneurship and normalizes the challenges and is creating a new generation of entrepreneurs working on innovative high-risk businesses.

11. Entrepreneurship viewed predominantly as micro-entrepreneurship

Micro-entrepreneurship is common and well known in the Pacific culture. It is common for individuals to have a side hustle or run a small retail business. However, most of these are informal. Due to deep existing relationships entrepreneurs have with community and natural resources, a lot of these businesses are being seen as innovative social enterprises. Further, with the onset of COVID-19, several individuals who lost their jobs started businesses to make a living.

Due to the dominant role of tourism in Small Island economies, entrepreneurship is seen as a driver and contributor to tourism. Alternatively, it is seen as a means for job creation and in some sectors like agriculture, it is perceived as a driver for import substitution. This is particularly true for nascent ecosystems. This restrictive framing of entrepreneurship keeps training efforts focused on vocational and educational training.

In emerging ecosystems, there is some but sparse support for entrepreneurs working on innovative businesses. Other than a few exceptions (run by international firms), most ESOs see entrepreneurs as fledgling SMEs rather than innovative businesses requiring incubation and provide business support services which are tailored to SMEs.

ESOs with a specific focus on social entrepreneurship can be seen as positive as most entrepreneurship in the Pacific is rooted in a deeply cultural context and can be seen as social. However, it can also skew the market with such a narrow yet ambiguous focus. Arguably, any successful business, can create positive social outcomes through innovation, employment creation and local productive linkages.

There is a need for creating multiple definitions of entrepreneurship beyond adopting the Silicon Valley version to truly land entrepreneurship in the Pacific. This will attract new talent and possibilities and help Pacific businesses build pride in their own culture rather than just replicating what is successful elsewhere.

The lack of contextualization of entrepreneurship has led to the microentrepreneurs being evaluated as if they were an established small business, and their unique value or circumstances ignored. This is even more critical as the majority of the microentrepreneurs are women and are disadvantaged due to their gender. In the Pacific context, which struggles with distribution networks and logistics, women microentrepreneurs play a key role of filling the last mile gap and can be an important resource for new business models.

12. Donor-driven mindsets not contextualized and localized

Both needs - to strengthen the in-country ecosystems and contextualize the offer to the local context – exist at the same time and the tensions between them need to be managed. Donors who fund initiatives and ESOs can play a key role in inviting local stakeholders to design and run programmes and connect them to other ESOs from other regions.

[10]Culture and Entrepreneurship: An Exploratory Essay Doraswamy Rao, http://fijianstudies.openmediafiji.com/wp-content/uploads/FS/3(1)/3-1-Rao.pdf

As is with entrepreneurship, investment also needs to be adapted to the local context. There is a need for long term risk capital which can respond to the growing pains of doing business in a nascent ecosystem. Investment readiness metrics that apply in other economies need to adapt to the long growth curve and small scale of Pacific businesses.

The role of culture in entrepreneurship is widely recognized. The Fijian custom of *kerekere*, similar to Tongan and Samoan *fakamolemole*, *fua kavenga* and other obligatory contributions severely affect the cash flow situation of Samoan and Tongan entrepreneurs. Noncompliance with *fua kavenga* can lead to anger, disrespect and ostracism. In the Solomon Islands, the interest of one's *wantok* 'takes precedence over an individual's interest'. The *wantok* custom allows an individual to obtain assistance in cash and kind from friends, relatives, etc. without paying back. The situation is similar in Kiribati where the custom of *bubuti*, which has similar connotations as *wantok*, or *kaivata*, is a great hindrance to business[10]. In this context, it is important to engage on entrepreneurship in line with cultural challenges and create opportunities where this can be discussed.

In the table below, we have further illustrated how each characteristic shows up in the ecosystem and has been observed across the 7 countries:

FIGURE 3: System Iceberg Characteristics

System Iceberg	Characteristics	Timor-Leste	Tonga	Samoa	Solomon Islands	Vanuatu	Fiji	Papua New Guinea
Events	Entrepreneurship focused talks and training is ad hoc	✓	✓	✓	✓	✓	✓	
	Grant funding is sporadic	✓	✓	✓	✓	✓	✓	
	No clear metrics of success for ESOs	✓	✓	✓	✓	✓	✓	
	Programmes designed for certain target groups and sectors (i.e.: digital, social entrepreneurship)	✓	✓	✓	✓	✓	✓	
	Services limited to urban centres	✓	✓	✓	✓	✓	✓	
	Co-working services missing / sporadic	✓	✓	✓	✓			
	Incubation services missing / sporadic	✓	✓	✓	✓			
	Lack of ongoing and continued handholding support	✓	✓	✓	✓			

System Iceberg	Characteristics	Timor-Leste	Tonga	Samoa	Solomon Islands	Vanuatu	Fiji	Papua New Guinea
	Knowledge of entrepreneurship among ESOs is not well spread (what is it, what it takes to support an entrepreneur, what are the possibilities for growth, how it relates to risk taking and innovation)	✓	✓	✓	✓			
	Entrepreneurs do not know each other and not connected to ESOs	✓	✓					
	ESOs are not connected to each other	✓	✓					
Patterns	Projectized delivery with little focus on sustainability of service	✓	✓	✓	✓			
	Consistent and ongoing support for entrepreneurs missing	✓	✓	✓	✓			
	International consultants critical to offer business training	✓	✓		✓			
	Entrepreneur feels alone and battling with system (missing critical support	✓	✓		✓			
	Sense of competition between stakeholders to access resources (focus on donor needs / project objectives)	✓	✓	✓	✓			
	Entrepreneurship activity focused in urban centres	✓	✓	✓	✓	✓	✓	
	Informality in entrepreneurship high	✓	✓	✓	✓			
	Business ideas generic and commonplace	✓	✓	✓	✓			

System Iceberg	Characteristics	Timor-Leste	Tonga	Samoa	Solomon Islands	Vanuatu	Fiji	Papua New Guinea
	Gender and social inclusion uncommon for outreach and deployment	✓	✓	✓	✓	✓	✓	
	Growth ceiling for entrepreneurs who are not able to evolve					✓	✓	
	Informal networks key to entrepreneur growth	✓	✓	✓	✓	✓	✓	
	Overlapping and competition between ESOs	✓	✓	✓	✓	✓	✓	
Structures	Limited financial record keeping and business skills	✓	✓	✓	✓	✓	✓	
	Entrepreneurship not taught in schools and universities	✓	✓	✓	✓	✓	✓	
	Business processes and information are inaccessible, expensive and unclear	✓	✓	✓				
	Digital literacy limited	✓	✓	✓	✓	✓	✓	
	ESOs lacking full-time experts (to offer full-time, long term programmes)	✓	✓	✓	✓	✓	✓	
	No database / data management to know more about entrepreneurs and their needs and to coordinate invitations to events and programmes to ensure new entrepreneurs or less connected entrepreneurs are also included in events and other opportunities	✓	✓	✓	✓	✓	✓	
	Collaboration and integration difficult between ESOs	✓	✓	✓	✓	✓	✓	

System Iceberg	Characteristics	Timor-Leste	Tonga	Samoa	Solomon Islands	Vanuatu	Fiji	Papua New Guinea
	Growth support limited (including exports and access to international markets & investment)	✓	✓	✓	✓	✓	✓	
Mental model	Entrepreneurship nested in micro entrepreneurship	✓	✓	✓	✓			
	Entrepreneurship is not encouraged culturally	✓	✓	✓	✓	✓	✓	
	Role of entrepreneurship in economic development not fully recognized	✓	✓	✓	✓			
	Innovation and technology not fully aligned with entrepreneurship	✓	✓	✓	✓	✓	✓	
	Entrepreneurship as a means for sustenance	✓	✓	✓	✓	✓	✓	
	Entrepreneurship still not promoted as innovation	✓	✓	✓	✓	✓	✓	
	ESOs and entrepreneurship seen as a government or donor initiative, very few local initiatives led by former entrepreneurs	✓	✓	✓	✓	✓	✓	

1.4 Recommendations

In line with the analysis of the ecosystem, the study makes regional level recommendations. Given the early stage of development of the ecosystems analysed the report presents recommendations in three horizons:

- **Short term:** Recommendations that can be actioned immediately after reading the report. There is no previously required intervention and the need from entrepreneurs and the ecosystem is urgent.
- **Medium-term:** Recommendations that should be considered after addressing immediate needs. Acting on the recommended points might require further maturity from entrepreneurs and the ecosystem as well as some time for short term actions to yield results.
- **Long-term:** Recommendations that will take the ecosystem to the next level of growth. Such interventions are related to learning from short term and medium-term actions and focus on formalizing connections, refining services and expanding networks and support.

Recommendations also distinguish between interventions to create new services and those to further develop the ecosystem. What emerges are potential services that individually each ESO can create or improve alongside actions that ESOs as a network can work on to enhance the entrepreneur's journey so that it is seamless and effective. This report has not focused on identifying one ESO as a leader of the network since it should be a result of further ecosystem work and connections. However, it is important to note that mature ecosystems do have one or two institutions that have credibility and convening power, and that actively work on creating an environment for ESOs to share, connect and work together.

Finally, recommendations also distinguish three main segments of entrepreneurs that can benefit from action by ESOs. These segments reflect the importance of ecosystem actors defining their target entrepreneurs to provide a comprehensive and well-structured set of services. One institution alone cannot cover all entrepreneurial stages and therefore the success of the ecosystem will depend on ESOs being clear on the group of entrepreneurs they wish to support and focusing on what they do best. The three segments identified in this report (see table N) are as follow:

- **Potential entrepreneurs:** Students, youth, and other individuals with potential business ideas willing to embrace risk and innovation.
- **Existing entrepreneurs:** Entrepreneurs already operating as a business but who require further support in sustaining their business, formalizing it, and defining a good product(s) to go to markets.
- **Growing start-ups:** Entrepreneurs who despite having a formalized business, need further assistance to grow in terms of accessing new markets, attracting growth capital, developing new products, or refining new business models.

ESOs and other organizations wanting to implement the recommendations can therefore adjust their interventions based on the desired timeframe, objectives, and target entrepreneurs.

Recommendations are relevant to all 7 countries. However, ecosystems with a slight advantage in terms of maturity (such as Fiji and Vanuatu) might be able to address short term recommendations faster and therefore start implementing medium- and long term ones before others. For country-specific opportunities, please refer to the country-focused deep analysis in the next section.

1.5 Short Term interventions

Entrepreneurship support services

Set up structured incubation programmes with support from idea to MVP. Such programmes should include business design support, marketing plan training, financial management, tech and innovation support with tailored mentorship and funding, prototyping and market testing support.

Facilitate coworking spaces where such incubation programmes can take place. It is important to note that coworking spaces alone do not offer sufficient support but when offered together with incubation services, such spaces can create the right environment for peer learning, exchange of ideas, networking and boosting entrepreneur's motivation during initial stages. This can be critical to avoid feelings of isolation and frustration and can support community building.

Adapt existing initiatives to consider social enterprise, technology, and digital as cross cutting elements across industries. Given the ad-hoc nature of most of the interventions in the region (short term programmes funded by donors with very specific objectives) some entrepreneurs are left out when their business ideas do not exactly match with programme specifications. Given the small pipeline of entrepreneurs in all countries, it is recommended that when this occurs, care should be taken to broaden the scope by embedding the more niche entrepreneurship sectors such as social, tech and digital entrepreneurship as part of overall support offered. For example, when supporting entrepreneurs to design their business plan, training programmes should be adapted to support all types of entrepreneurs even if some, such as social entrepreneurs, might require additional support to shape their business model.

Build capacity for integrating digital component in businesses. For those entrepreneurs that already have an ongoing business, the findings of this report reflect that, especially after COVID-19, they need additional support to transform their start-ups and incorporate digital to their current business model. An option would be to create digital clinics where entrepreneurs could identify opportunities to digitalise their current business (i.e.: social media presence, web presence, ecommerce, provision of online services).

Invest in existing institutions to align and further strengthen existing initiatives. Newcomers to the ecosystem should work in partnership with ESOs currently present in the network and leverage their current services. For example, by connecting with current network leaders (see country profiles and network analysis in this report) newcomers could suggest complementary services to be put in place as a partnership. Knowledge transfer in this way that helps to build the capacity of existing hubs will be critical to ensure the sustainability of interventions and the ecosystem over time.

Enhance mentorship and coaching programmes to enable growth, clearly define and differentiate the roles of mentor and coach. (see annex on services definition at the end of this report). Mentorship programmes at the moment lack clear objectives and milestones. In addition, mentorship initiatives do not benefit from experienced mentors in different sectors. This is a great opportunity to engage with the existing private sector stakeholders and engage them in supporting entrepreneurship as mentors and business coaches. Available mentors are usually business experts who offer more generic (ad-hoc) advice. Further, mentorship is often provided as part of short term interventions such as after winning an award. Therefore, such mentors are not able to fully accompany entrepreneurs during their journey. Improving and adding such services as part of incubator services will be critical for ensuring that entrepreneurs feel confident during the early stage of their growth and receive advice that is adapted the nature of their business (agri, tech, social entrepreneurship, etc.)

In addition to the recommendations above, there are two particular training topics that could be enhanced to support the growth of entrepreneurs:

1. **Social media and marketing training:** support on how to position and sell their products online and in particular using social media platforms to generate sales and increase the visibility of their business.

2. **Market testing support:** Support entrepreneurs on how to test the viability of their ideas and products. Support should focus on developing a prototype, supporting entrepreneurs in determining the price for their product in the current marketplace, go to potential customers to test willingness to buy their products, comparing the product with others on the market and in some cases visiting trade shows, exhibitions or participating in demo days to get immediate feedback on a new product.

Ecosystem building

Create a one-stop-shop where all stakeholders can access information about what institutions are providing support to entrepreneurs in the country. Such a one-stop-shop should be created both offline (i.e.: kiosk, stand) and online (website and social media) to ensure all entrepreneurs have equal access.

Define a clear step-by-step pathway of support for entrepreneurs from idea to growth in addition to providing information on the institutions that provide support to entrepreneurs. Therefore, entrepreneurs with an idea should understand where to get support from for every step of their entrepreneurial journey. Equally, already active entrepreneurs should be able to identify their current stage of development and have access to targeted support based on their needs.

Increase visibility and awareness of entrepreneurship. Pacific entrepreneurs are relatively rare. Self-employment, risk-taking and innovation could be normalised by increasing the awareness of opportunities for entrepreneurship and increasing the visibility of successful start-ups. Awareness raising activities could include social media campaigns, radio and tv shows discussions and interviews with successful entrepreneurs and ESOs. Further, raising visibility of entrepreneurs in vulnerable groups (for example ensuring the visibility of female entrepreneurs) can contribute to build more inclusive ecosystems.

Hire trainers and ESO managers, locally, thus building the limited pool of potential experts. It would also be worth investing in training of ESOs trainers in business plan design, marketing, financial literacy, investment readiness, marketing, sales, product testing and market research, results measurement as well as improving their understanding and key entrepreneurship support context such as what do entrepreneurs need, what is a common entrepreneurial journey, what are the key support milestones.

Connect ESOs from less mature ecosystems with those that are progressing faster. Strong ESOs are not just those that have well-trained and experienced staff but also those that are able to learn from others and continuously improve through identifying and adopting best practice learning and embracing peer support. For example, there is an opportunity to connect ESOs from Fiji and Vanuatu with those in Timor-Leste or Tonga (see respective country profiles to know more about leading institutions in each ecosystem). Connecting such institutions could be done through special events for ESOs, ESOs buddy programmes or sharing case studies and best ESO practices though awards or publications. Finally, facilitating such connections could support ESO managers to feel less isolated, foster innovation to create new services and improved shared knowledge on entrepreneurs' needs.

Support ESO managers. In addition to investing in training the trainers, it is equally important to empower managers and cover areas such as strategy design (setting up ESO value proposition, vision, mission and key objectives), service portfolio design (on entrepreneurship support), communication and outreach strategy (on how to build/increase the pipeline of entrepreneurs to be supported), leadership and HR management and results and impact measurement.

Facilitate the connection of ESOs though co-creation and shared delivery of a service offering. Shared service delivery has proven to be one of the strongest collaboration links in entrepreneurship support ecosystems. For example, forming regional partnerships to co-design virtual incubation services or facilitating in-country ESO collaboration to deliver training and events. One way to foster such collaboration is for development agencies to design interventions that require input from different ESOs in the ecosystem. For example, supporting collaborations such as V-Lab incubator and YumiWork coworking space in Vanuatu (see more in Vanuatu's country profile).

Whilst it is critical for entrepreneurs to know how to use social media, for such campaigns to be effective, the customer base needs to be trained and supported to respond with on-line purchases. In this way, broad-based, campaigns on how to safely buy products on social media platforms could help entrepreneurs to increase sales and accelerate their transition to digital.

Currently, funding support provided to entrepreneurs is based on grants. Experimenting with other financial instruments would help to ensure entrepreneurs get the support they need to survive. For example, alternatives could include the creation of Angel Investor Networks. This will also require creating awareness around angel investment, partnering with other international hubs or networks to learn best practices and training angel investors to increase their appetite for and understanding of key roles and responsibilities of angel investors. Another unexplored source of funding for entrepreneurs, and with which hubs can offer support, is the creation of linkages between start-ups and established private sector companies. The allocation of budgets by big corporations for activities related to corporate social and environmental responsibility is an untapped opportunity. More linkages and connections could be created to pitch opportunities to corporates and to identify synergies between corporate needs and Pacific start-up ideas. Other alternatives to be considered are crowdfunding platforms (potentially connecting Pacific entrepreneurs and diaspora), results-based financing, seed capital, venture debt, convertible notes, and equity investment. Funding opportunities need to be accompanied by additional training to entrepreneurs to build their case in front of investors and funding institutions.

1.6 Medium-Term interventions

Entrepreneurship support services

Engage with alumni (entrepreneurs that have graduated from their previous programmes) to share their experiences as a Pacific entrepreneur and encourage youth to follow the same path. Once ESO programmes have been strengthened, with several cohorts of strong entrepreneurs, ESOs could include networking events, engaging alumni as mentors, or organizing alumni talks in universities and schools.

Create a platform to channel the common voice of entrepreneurs into advocacy. Despite entrepreneurs being connected informally through WhatsApp or Viber groups and social media platforms, entrepreneurs need to formalize in councils or associations to create a platform to channel their voice to government. Creating such groups could contribute to position entrepreneurship in policymaking and to create an enabling environment for start-ups.

Peer-to-peer support for ESOs on how to develop services to support growth. Whilst in the short-term it was recommended to create peer-to-peer support for ESOs, in the medium-term such collaborations should focus their effort on developing services to support growth (taking start-ups from MVP to international markets). These collaborations could include strategies to attract investors, encourage entrepreneurs to collaborate to sell their products abroad, support digitalization and ecommerce and supporting access to legal services, IP protection, HR management support and logistics.

Establish new funding sources. Whilst funding and investment climate cannot alone be addressed by ESOs, it is recommended that in the medium-term ESOs work to identify which financial support solutions work best in the Pacific context (after previous experimentation). Replicating successful financial support models and sharing with peer ESOs will be critical for the success of the start-ups that the ESOs serve.

Build a network of start-up executives (successful Pacific entrepreneurs), venture capitalists, industry experts, and international investors to offer financial and mentorship support. Whilst some ecosystems are still nascent, as these mature it will be important to create a database of such ecosystem influencers and supporters to ensure entrepreneurs get expert advice (including from outside the ESOs network) and financial support.

Ecosystem building

Integrate entrepreneurship in school and university curricula. The role of academia (universities and schools) has not yet been clarified in any of the ecosystems. While the University of the South Pacific has been leading the way with the USP innovation hub, there is a need to integrate entrepreneurship in school and university curricula to raise awareness of entrepreneurship and support young men and women to take this step.

Investment in knowledge management for better information tracking. Once ecosystems start maturing, it will be critical to ensure growth is monitored and existing knowledge gets captured for continuous learning and growth. ESOs should be trained how to capture and use relevant data to improve their services (entrepreneurs needs, profiles, results, services satisfaction) and should continue building networks (alumni, investors, industry experts).

Build an informal network of ESOs across and within countries in the Pacific. After peer-to-peer support and service delivery collaborations in the short term, such networks may emerge naturally as a result, but ecosystem actors should be proactive in helping ESOs to communicate through a specific platform (even if informal) and in discussing further areas for collaboration. An ecosystem reaches maturity when external incentives or support are not required, and ecosystems actors self-organize for mutual benefit. The secret to this maturity is a clearly recognised and shared ecosystem objective (e.g., economic growth and diversification) delivered by ecosystem actors with complementary strengths.

Support ESOs to define their offer and value proposition to the ecosystem. As part of their support to entrepreneurs, institutions should therefore clearly define their offer and value proposition to the ecosystem to identify support gaps and redefine their positioning if needed. This point will be critical to defining the entrepreneurship pathway in each country and to avoid duplications in the future.

1.7 Long Term interventions

Entrepreneurship support services

Create specialized tech support such as tech hubs, robotics and 3D labs and sandbox spaces to support tech experimentation, product testing and tech optimization once the pipeline of entrepreneurs grows in number and technology skills and confidence.

Create virtual incubation/acceleration programmes to increase reach. The findings of this study point to the importance of community and relationship building in the Pacific. Whilst offline interaction is often preferred, once offline incubation and acceleration programmes have been tested and refined, the ecosystem should explore creating virtual incubation programmes to increase geographical reach and support entrepreneurs in challenging situations unable to attend in-person programmes.

Invest in talks and events to celebrate success. Celebrating success encourages and inspires potential and active entrepreneurs. In addition, it helps to build a positive image of entrepreneurship that offers hope to entrepreneurs in the region. However, it is to note that talks and events are not sufficient on their own and cannot substitute high quality programmes and tailored advice. They should be presented as complementary to a full set of incubation and acceleration services from ESOs. It is common in growing ecosystems to populate the entrepreneurship landscape with events to show activity, however entrepreneurs can get event fatigue, and feel frustration if meaningful support services are not in place. As an example, many ecosystems in other regions organize the entrepreneurship week to inspire entrepreneurs through activities such as competitions and gatherings designed to help them explore their potential as self-starters and innovators. These activities, connect participants to potential collaborators, mentors and investors.

Strengthen entrepreneur advocacy by providing support to entrepreneurs or start-up associations. In the long term, entrepreneurs or start-up associations will emerge organically. However, such associations might need additional support to improve their organization in areas such as governance, structure, and financial management. Strengthening such organizations would support advocacy and enhance the connection between entrepreneurs and policymakers through targeted public private dialogue.

Build accelerator programmes with tailored support for later and growth stage entrepreneurs, including legal advice, intellectual property, human resources, accounting and financial services and logistics. Accelerator programmes should offer entrepreneurs with a demonstrated potential for growth the expert advice, training, mentoring, networking, and financial support they need. Accelerators should support incubated start-ups for a set timeframe (three to six months) to speed up their growth and help build a business to the point where it is investment-ready and scalable. Providing small seed investment could support entrepreneurs to fund research, marketing, fine-tune a product, or hire new team members. In return, accelerators usually receive a small share in the business. By becoming part of an accelerator program, start-ups can gain access to investors, networking opportunities, skills development, and advice from industry experts.

Ecosystem building

Increase visibility and awareness of Pacific entrepreneurs' success and support entrepreneurs to embrace failure. While it is important to continuously celebrate success, failure should also be showcased explained and embraced as lessons to be learned. Ecosystems can build a more inclusive, and resilient entrepreneur community when acknowledging and discussing failures within their community. According to the Startup Genome Project[11], 90% of all venture-backed start-ups fail. Hence, celebrating failures, as well as successes, in a constructive and humble way can improve entrepreneurship community.

Formalize ESO interactions. After ESOs have the time and support to clarify their own positioning in the ecosystem, formalizing network collaborations can be beneficial for the ecosystem. A best practice example in this case would be the start-up ecosystem in Estonia[12] with fully defined collaboration between support providers, entrepreneurs, and ecosystem goals. Agreeing on key measurable milestones can help create a vision for entrepreneurship in each country and foster collaboration.

Formalizing such collaborations will require establishing clear communication and knowledge sharing platforms for ESOs including information on support services provided, upcoming projects and the start-ups that are benefiting.

Create linkages with support providers at the next maturity level to take the ecosystem to the next level. For example, ESOs can create and promote linkages with Trade Promotion Organizations, Investment Promotion Agencies and other Export and business growth promotion organisations. These organizations could further support start-ups to scale and grow by exploring international markets.

1.8 Summary of Recommendation

FIGURE 4: Summary of Recommendations

		POTENTIAL ENTREPRENEURS **Build a pipeline of entrepreneurs and new start-ups**	**EXISTING ENTREPRENEURS** **Strengthen the base supporting existing entrepreneurs**	**GROWING STARTUPS** **Support Growth extending the support journey**
Short Term	**Entrepreneurship support services**	• Setting up structured incubation programmes with support from idea to MVP (including business design, marketing, financial management, tech and innovation support with tailored mentorship and funding, prototyping and market testing support)	• Adapt existing initiatives to consider social enterprise, technology, and digital as cross cutting elements across industries • Build capacity for integrating digital component in businesses • Invest in existing institutions to align and further strengthen existing initiatives.	• Enhance mentorship and coaching programmes to enable growth, clearly define and differentiate the roles of mentor and coach • Enhance support: Social Media, marketing training and Market testing support

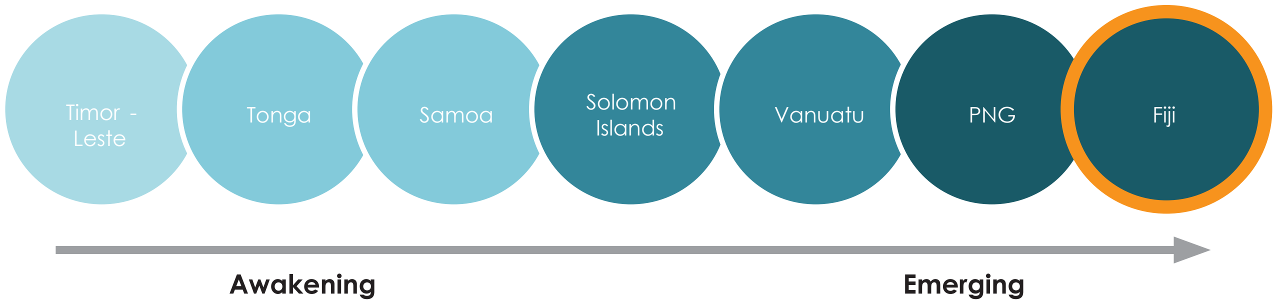
[11]https://techli.com/startup-genome-project/32391/
[12]https://startupestonia.ee/startup-ecosystem)

		POTENTIAL ENTREPRENEURS Build a pipeline of entrepreneurs and new start-ups	EXISTING ENTREPRENEURS Strengthen the base supporting existing entrepreneurs	GROWING STARTUPS Support Growth extending the support journey
Short Term	**Ecosystem building**	• Create a one-stop-shop where all stakeholders can access information about what institutions are providing support to entrepreneurs in the country • Define a clear step-by-step pathway of support for entrepreneurs from idea to growth Increase visibility and awareness of entrepreneurship, discussing it in the main fore	• Hire local trainers and ESO managers, invest in their training to ensure sustainability • Connecting ESOs to other ecosystems which are mature and assist in their growth and adoption • Capacity building for ESO managers • Facilitate the connection of ESOs though co-creation and shared delivery of a service offering • Connect ESOs though service delivery collaboration	• Campaigns on how to safely buy products on social media platforms • Experiment with other financial instruments
Medium Term	**Entrepreneurship support services**	• Engage with alumni (from incubation and acceleration programmes) to share Pacific experiences and encourage youth	• Create a platform to channel the common voice of entrepreneurs into advocacy	• Peer to peer support for ESOs on how to develop services to support growth • Establish new funding sources • Build a network of start-up executives (successful Pacific entrepreneurs), venture capitalists, industry experts, and international investors to offer financial and mentorship support
	Ecosystem building	• Integrate entrepreneurship in school and university curricula	• Investment in knowledge management for better information tracking • Build an informal network of ESOs across and within countries in the Pacific	• Support ESOs to define their offer and value proposition to the ecosystem

		POTENTIAL ENTREPRENEURS **Build a pipeline of entrepreneurs and new start-ups**	EXISTING ENTREPRENEURS **Strengthen the base supporting existing entrepreneurs**	GROWING STARTUPS **Support Growth extending the support journey**
Long Term	**Entrepreneurship support**	• Create specialized tech support such as tech hubs, robotics and 3D labs and sandbox spaces to support tech experimentation, product testing and tech optimization • Create virtual incubation/ acceleration programmes to increase reach • Invest in talks and events to celebrate success	• Strengthen entrepreneur advocacy by providing support to entrepreneurs or start-up associations	• Build accelerator programmes with tailored support for later and growth stage entrepreneurs
	Ecosystem building	• Increase visibility and awareness of Pacific entrepreneurs' success and support entrepreneurs to embrace failure	• Formalize ESO interactions setting up ecosystem level objectives and measurement to ensure the development of entrepreneurship • Establish clear communication and knowledge sharing platforms for ESOs	• Create linkages with support providers at the next maturity level (Trade Promotion Organizations, Investment Promotion Agencies and other Export and business growth promotion organisations)

2 FIJI'S ENTREPRENEURSHIP SUPPORT ECOSYSTEM

From the seven countries that form this report, Fiji has one of the more developed ecosystems that supports entrepreneurs at various stages.



2.1 Key Ecosystem Characteristics

Fiji has several key institutions that offer services to entrepreneurs. This includes an incubator (Fiji Enterprise Engine), co-working space (USP Innovation Hub) and business advisory (Business Link Pacific). Additionally, it has several informal and semi-structured communities (Fiji SME Business owners Network and Youth Entrepreneurs Council) which connect the dots between the new and old, and specialised and generic initiatives. These groups have a shared history and a common objective which is guiding and nurturing entrepreneurs. While there are significant mentoring opportunities, most of them are informal and hence tend to be ad hoc.

Like all countries in the Pacific, entrepreneurship is predominantly seen through the lens of SMEs /business and not innovation. However, that trend is shifting with the growing focus on social enterprises by international organisations. USP Innovation Hub is attempting to connect student entrepreneurs to research innovations in the University. This may lay the foundation for prototyping support and technical training like STEM which is currently missing in the ecosystem.

The Fiji Government has been active in recognising the role of entrepreneurship in job creation and economic development. It has been running the Youth Entrepreneurship Scheme[13] which provides funding of up to US$30,000, as well as training and mentorship, for young people to turn their innovative ideas into viable businesses. In June 2020, the Ministry of Commerce, Trade, Tourism and Transport in Fiji has set up MSME Fiji[14] as a one stop shop for all Fijian MSME with the aim of enhancing service delivery by bridging the gap between government and entrepreneurs and enabling access to entrepreneurship services. This has been seen as a very welcome and strategic move from the government and has further recognised the focus and value of entrepreneurship in Fiji.

Most programmes focused on idea stage and early-stage entrepreneurs with a preference for the latter. Early-stage entrepreneurs are perceived to be serious about doing business as they have a business license which makes due-diligence easy, and which is usually a compliance requirement for international organisations. Idea stage entrepreneurs struggle to access support for market and product testing. This slows down their progress. Existing support is usually accompanied by a funding component which is usually in the form of small grants. While these are sporadic and attached to initiatives, they legitimise entrepreneurs and provide much-needed validation. However, these programmes are not offered consistently so entrepreneurs must serendipitously align themselves with such opportunities. Disbursement of these grants is often delayed, hindering progress for entrepreneurs. Outside of these grants, there is almost no funding for idea stage business.

Despite its evolving ecosystem for new entrepreneurs, at the other end of the spectrum, there is little support for growth stage businesses. Other than Fiji Bloom which is an accelerator pilot run by South Pacific Business Development for women microentrepreneurs, there are no other accelerators.

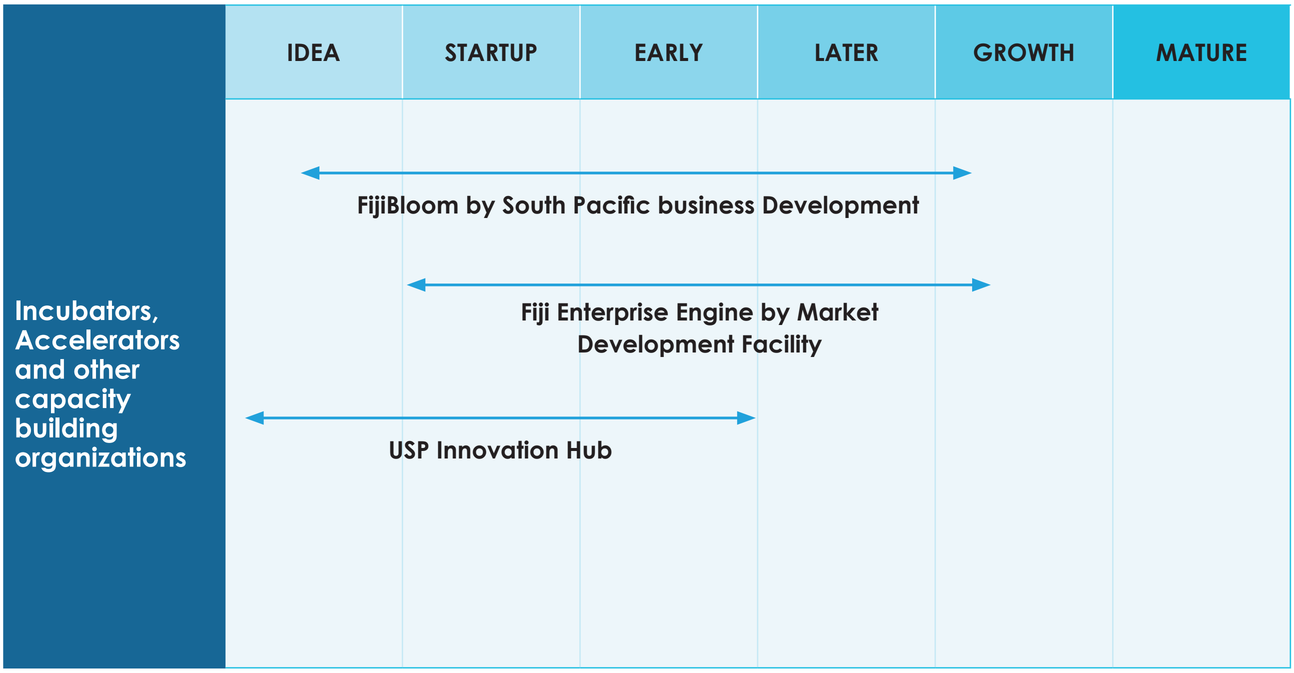
Training programmes for early stage to growth entrepreneurs are offered by multiple partners and there are several overlaps. Many training sessions are free but attached to programmatic initiatives. For several of these sessions, international consultants are brought in with little or no access for follow up. More positively, key institutions like Business Link Pacific and Fiji Enterprise Engine are working together to build a cadre of local business advisors who can assist and train entrepreneurs. This includes coaching support for entrepreneurs.

Programmes like Yher from Ygap provide much-needed support for women entrepreneurs. Other vulnerable groups have no dedicated services. Most ESOs are only serving the urban centres but in response to COVID-19, and through virtual support, they are expanding to entrepreneurs from rural areas and outer islands.

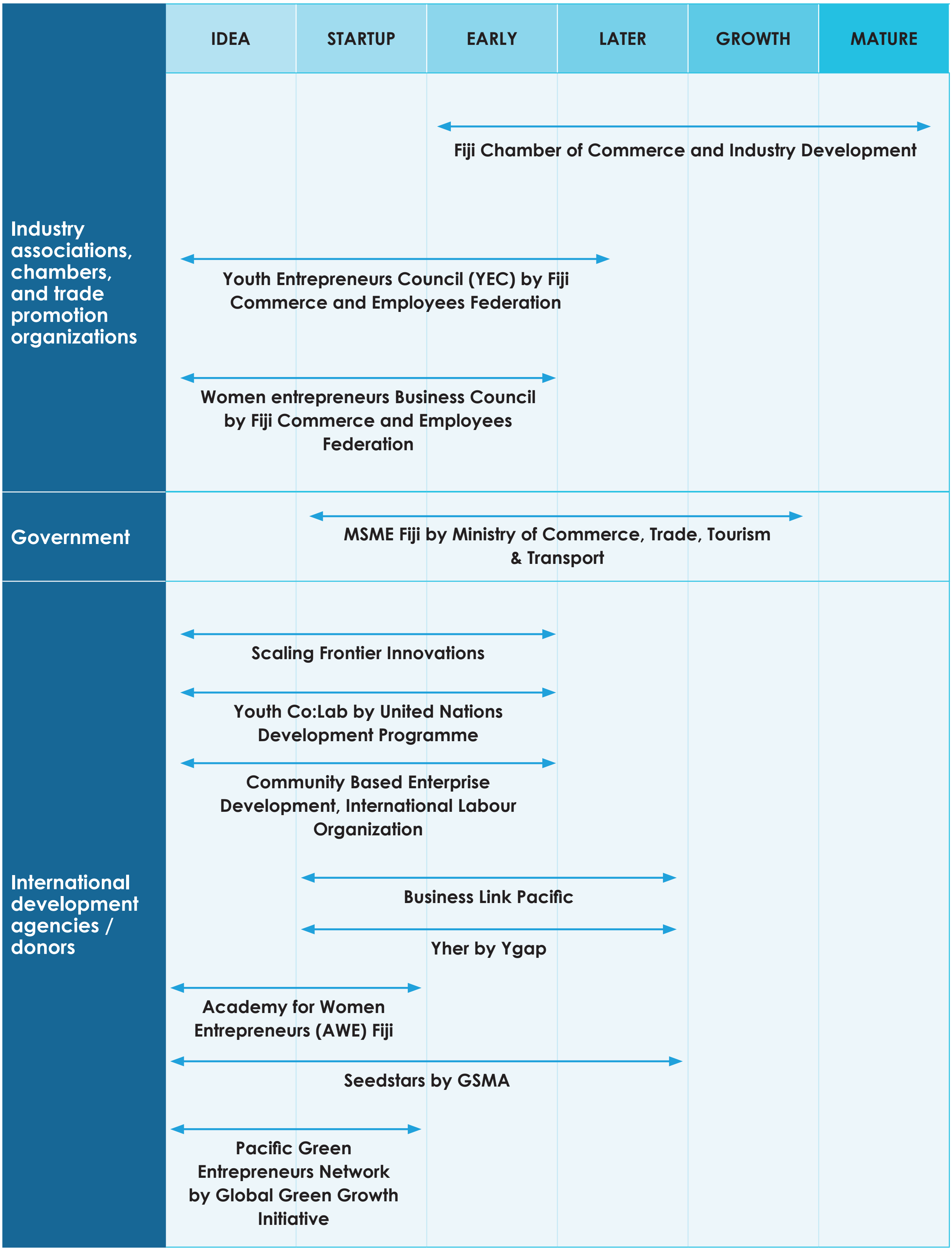
The table below provides an overview of the range of institutions in Fiji's entrepreneurship support ecosystem at various stage of the lifecycle of the business. See Annex 1 for a list of definitions of entrepreneurship support institutions.

2.2 Overview of Institutions by entrepreneurship stage

FIGURE 5: Ecosystem actors by category and business stage in Fiji



[13]https://yes.gov.fj/
[14]https://www.mcttt.gov.fj/wp-content/uploads/2020/07/MSME-Fiji-Policy-Framework-26-June-2020-amendments.pdf


IDEA
STARTUP
EARLY
LATER
GROWTH
MATURE
Industry associations, chambers, and trade promotion organizations
Fiji Chamber of Commerce and Industry Development
Youth Entrepreneurs Council (YEC) by Fiji Commerce and Employees Federation
Women entrepreneurs Business Council by Fiji Commerce and Employees Federation
Government
MSME Fiji by Ministry of Commerce, Trade, Tourism & Transport
International development agencies / donors
Scaling Frontier Innovations
Youth Co:Lab by United Nations Development Programme
Community Based Enterprise Development, International Labour Organization
Business Link Pacific
Yher by Ygap
Academy for Women Entrepreneurs (AWE) Fiji
Seedstars by GSMA
Pacific Green Entrepreneurs Network by Global Green Growth Initiative

International development agencies and donors might only have a temporary position in the ecosystem. In the long term, such initiatives might merge with existing ones or permanently stay as a local actor (e.g. Fiji Enterprise Engine at the Fiji Commerce & Employers Federation).

COVID-19 as a disruptor in Fiji – early signals

Entrepreneurs are pivoting their business models with some businesses exploring online models including grocery, food and errands and considering going fully online to be rent free (which is a big recurring expense). Many creative arts and industry businesses previously targeting tourism have diversified to produce masks and supply them locally. Landscape businesses are serving community and backyard gardens which have peaked since the pandemic and have been encouraged by the government with free training and seedlings. Some real estate businesses have started running virtual tours for investors.

With increased job losses due to decline in tourism and associated industries like retail and real estate, many employed individuals have started businesses in agriculture, food / restaurants, online catering, thrift shopping. While some of these are informal, many have registered and obtained their business license. As acquiring a business license can be expensive, some entrepreneurs have shared costs and liability by coming together and registering a business at one location.

Entrepreneurial support organizations are offering training to migrate businesses online. With M-PAiSA growing faster than banking services, many transactions which would have been done in cash previously are being done online or through M-PAiSA. However, this trend seems limited to urban centres.

Barter which was always part of Fijian culture is becoming more organized and codified as a business opportunity.

As can be seen from the service mapping, provision of linkages to market was primarily available for women microentrepreneurs or women-led organizations. This may be interlinked with understanding of scale and growth for entrepreneurs in the Pacific.

Despite several ESOs offering linkages to investors and funding, access to finance remains a key challenge. This can be attributed to lack of business skills and financial literacy. Additionally, as a small island economy, funding instruments need to be adapted to spur entrepreneurship. Despite not having an active angels' network or recognisable venture capital activity, the diaspora network remains very active and well connected with Fijian entrepreneurs and could be leveraged and systemised beyond informal networks on social media.

While ecommerce and online migration has been studied from a supply side[15], it needs to be further investigated from the demand side. While online platforms like Vitikart and ShopFiji are being explored where entrepreneurs are selling their products locally and possibly internationally, entrepreneurs are looking to develop and run their own platforms if provided with payment gateway. Many entrepreneurs currently use a combination of Facebook and Western Union to sell internationally.

[15]Pacific E-commerce Initiative - National E-commerce Assessment December 2020 https://www.forumsec.org/wp-content/uploads/2021/02/FIJI-ECommerce-Assessment.pdf

2.3 Service Gaps and Overlaps

FIGURE 6: List of services by institutions in Fiji

	INCUBATION					
Institutions	**Business Training**	**Mentoring**	**Coaching**	**Technical Training (STEM and related tech)**	**Soft Skills (i.e.: communication, leadership)**	**Co-working**
FijiBloom by South Pacific business Development	✓	✓			✓	
Fiji Enterprise Engine by Market Development Facility	✓					
Fiji Chamber of Commerce and Industry						
Youth Entrepreneurs Council by Fiji Commerce and Employees Federation	✓				✓	
Women entrepreneurs Business Council (WEBC) by Fiji Commerce and Employees	✓	✓	✓	✓	✓	✓
USP Innovation Hub						✓
MSME Fiji by Ministry of Commerce, Trade, Tourism & Transport						
Scaling Frontier Innovations	✓	✓			✓	
Youth Co:Lab by UNDP						
Business Link Pacific	✓					
Yher by Ygap	✓	✓	✓		✓	
Academy for Women Entrepreneurs (AWE) Fiji	✓	✓			✓	
Seedstars by GSMA	✓	✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓	✓				

	ACCELERATION						
Institutions	**Funding**	**Prototyping**	**Entrepreneurship Event/Talks**	**Market Information**	**Linkages to Investors**	**Business Support (i.e.: Recruiting, Legal advice)**	**Trade Fairs / B2B**
FijiBloom by South Pacific business Development	✓			✓	✓	✓	✓
Fiji Enterprise Engine by Market Development Facility				✓			
Fiji Chamber of Commerce and Industry						✓	
Youth Entrepreneurs Council by Fiji Commerce and Employees Federation			✓		✓	✓	
Women entrepreneurs Business Council (WEBC) by Fiji Commerce and Employees	✓		✓	✓	✓	✓	✓
USP Innovation Hub							
MSME Fiji by Ministry of Commerce, Trade, Tourism & Transport							
Scaling Frontier Innovations	✓				✓	✓	
Youth Co:Lab by UNDP			✓				
Business Link Pacific					✓	✓	
Yher by Ygap						✓	
Academy for Women Entrepreneurs (AWE) Fiji						✓	
Seedstars by GSMA	✓		✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓		✓		✓		

Ecosystem Best Practice

Institutions dedicated to organizing inspiration talks, share success and failure experiences, provide networking opportunities, and gather all ecosystem actors to celebrate entrepreneurship are missing. This also includes events to spark innovation and competitions such as the start-up week or weekend, the presence of event organizers such as TechStars or the organization of coding and app development challenges. In addition, informal platforms like Viber and Facebook groups play a key role in assisting entrepreneurs evident from Fiji's experience. This peer-to-peer learning support is critical for seed and early-stage businesses.

2.4 Opportunities

Entrepreneurship services

- YEC is a crucial body, but it does not have adequate resources. Though it offers bespoke support and connections, its work could be further strengthened by receiving more financial support for its activities.
- Other than the USP Innovation Hub, there is a lack of coworking spaces where entrepreneurs can come together, forge partnerships and jointly advocate for change. This needs careful design along with resourcing with a long term perspective.
- While lack of finance is an issue, it is the appropriateness of finance provided which is a key problem. While donor funding is available from the government and the international agencies operating in the region, it doesn't catalyse enterprise as it should. There is a need to bridge the gap between investors and businesses. Investment readiness programmes or underwriting services can play a role in fulling this gap. Particularly diaspora groups in Australia, New Zealand and the United States could be used to attract more catalytic capital for businesses. Impact investing, angel networks and pitching events are being explored as well.

Ecosystem services

- Collaborative approaches amongst startups and with other stakeholders are new and need to be recognized and incentivized. This will create a precedent for greater information sharing and a common platform for bringing key stakeholders together for more cohesive delivery of services. In a small market, this can be achieved as a quick win, considering most people know each other and are operating in a niche market.
- There is a need for platforms where entrepreneurs can pitch for support and resources including funding. The entrepreneurs recommended several models including an ideas marketplace, SME stock exchange and an angel investors pool.
- Online communities need to be complemented by a physical platform where entrepreneurs can meet, network informally and share information. Additionally, there is a need to fund mechanisms that support, highlight, and stimulate a community of practice for entrepreneurs in Fiji.

2.5 Network Analysis

Ecosystem maturity	Emerging
Number of actors in the network	22
Number of connections	74
Density of the network (being 1 the ecosystem at its maximum potential)	0.32

The network density of 0.32, indicates some potential for new connections to be created. Women Enterprise Business Council (WEBC) has the potential to be a key connector in the network, having the highest number of connections in Fiji and being able to connect new actors in the ecosystem. Platforms like Youth Co:Lab that offer training and events plays a key role in networking and getting actors to know each other. As mentioned, such initiatives are key to a thriving network.

WEBC's success in the network mapping shows the potential of a well-resourced and locally anchored institution. There is a low disparity between number of connections for active institutions. Nurturing them can build a more integrated ecosystem. WEBC and Fiji Chamber could play a role in connecting them further and thus improving the efficiency and effectiveness of the entire network.

In reality, locally anchored organisations are not well connected with other local organisations and are better connected with international organisations and programmes. Nevertheless almost 50% of the organisations are locally anchored. What is optimistic is to see is that the top connectors are local organisations. Fiji Enterprise Engine is well positioned to be a core connecter.

Most actors are sharing information but very few are working together to jointly provide services. And even in those cases, these collaborations are temporary.

Scaling Frontier Innovations and Youth Co:Lab are very well connected in the ecosystem. As they are international programmes, there is a risk to the ecosystem as a whole if these connections were to be lost, as the programmes come close to completion. Youth Co:Lab is one of the key actors that brings other actors into the ecosystem.

Fiji has a varied set of institutions validating the maturity of the ecosystem. It has a strong academic partner playing an active role. While there is an overlap in terms of how the actors can be classified, there is also an opportunity to find their niche and unique value proposition in complementarity with other actors.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 7: Fiji's Entrepreneurship Support Network

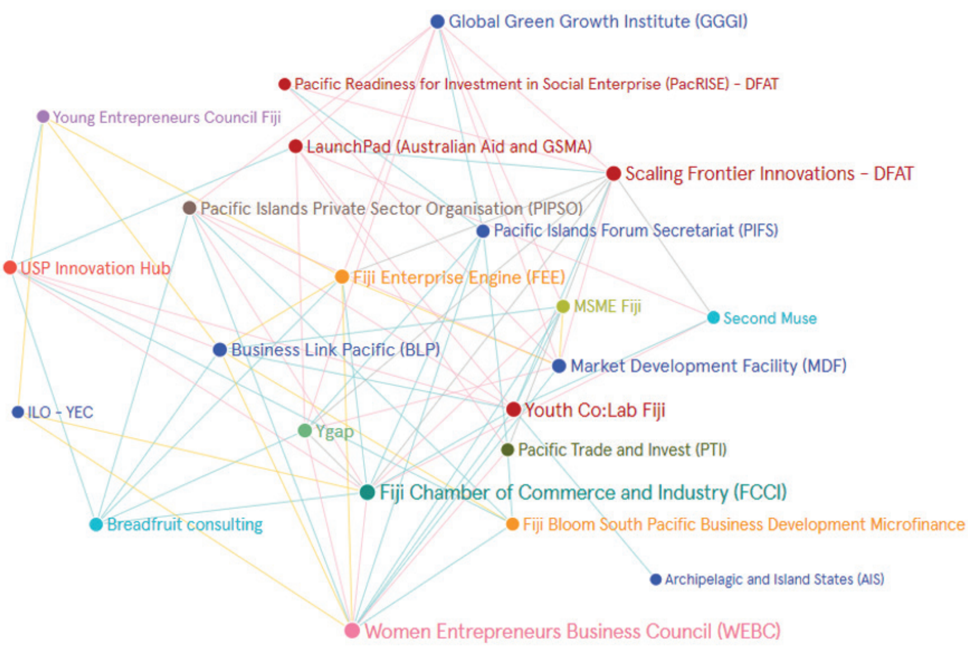
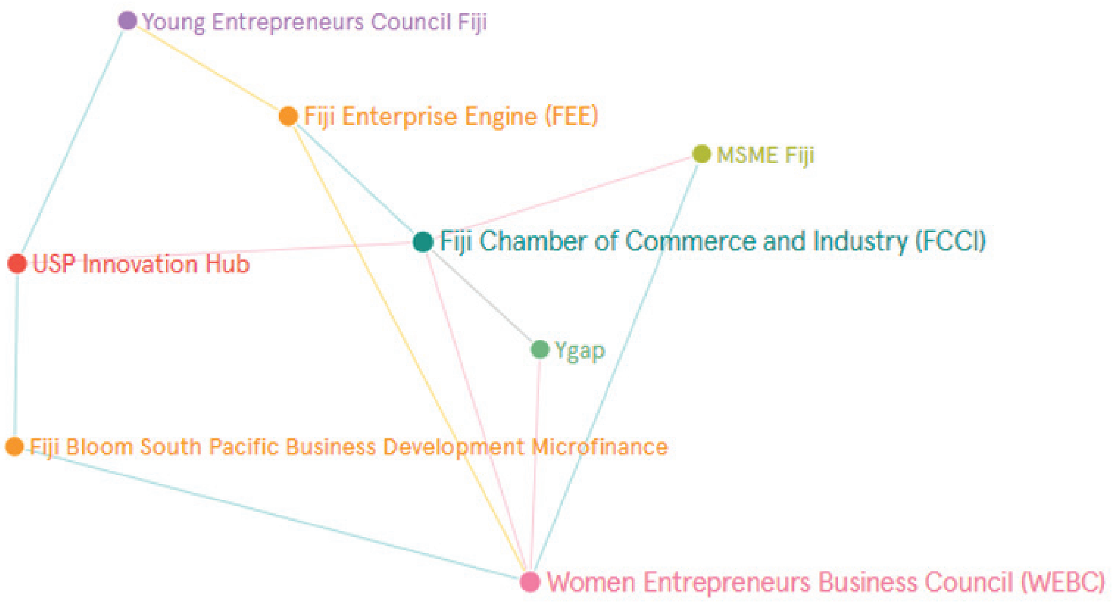


FIGURE 8: Fiji's Entrepreneurship Support Network – Locally anchored institutions network



Nodes

6 International/Regional Organisation Size by Degree Centrality	1 Trade Promotion Organisation Size by Degree Centrality	1 Ministry/Government Size by Degree Centrality
4 International/Regional Programme Size by Degree Centrality	1 Youth Association Size by Degree Centrality	1 Chamber of Commerce Size by Degree Centrality
2 Management Consulting Size by Degree Centrality	1 Industry Association Size by Degree Centrality	1 Academia Size by Degree Centrality
2 Accelerator Size by Degree Centrality	1 Incubator Size by Degree Centrality	1 Business Women's Association Size by Degree Centrality

FIGURE 9: Fiji's Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
B Women Entrepreneurs Busine...	12
C Fiji Chamber of Commerce an...	12
I Scaling Frontier Innovations - ...	10
I Youth Co:Lab Fiji	10
A Fiji Enterprise Engine (FEE)	8

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
I Youth Co:Lab Fiji	29.46
B Women Entrepreneurs Busine...	26.33
C Fiji Chamber of Commerce an...	25.69
I Scaling Frontier Innovations - ...	18.51
A Fiji Enterprise Engine (FEE)	11.29

3 SAMOA'S ENTREPRENEURSHIP SUPPORT ECOSYSTEM

Samoa's entrepreneurship ecosystem is in nascent stages of development. It has a few important and very active organisations which have been crucial to its growth and evolution.

3.1 Key Ecosystem Characteristics

In Samoa, key organizations are leading from the front. There is support for idea-stage and startup stage entrepreneurs, but provision is via special programmes or sporadically. Pre-incubation support exists for young entrepreneurs through Youth Co:Lab which is being implemented with Samoa Chamber of Commerce and Industry. There is no idea-stage or early-stage support for entrepreneurs beyond youth.

It is to note that all existing support in Samoa is currently funded by international agencies. This creates a precarious environment for entrepreneurship which is dependent and to some extent led by international organisations without long term consistency or sustainability. This trend also creates a myopic view of entrepreneurship driven by projects with a short time horizon for results, discouraging entrepreneurs and creating tension and competition between existing stakeholders.

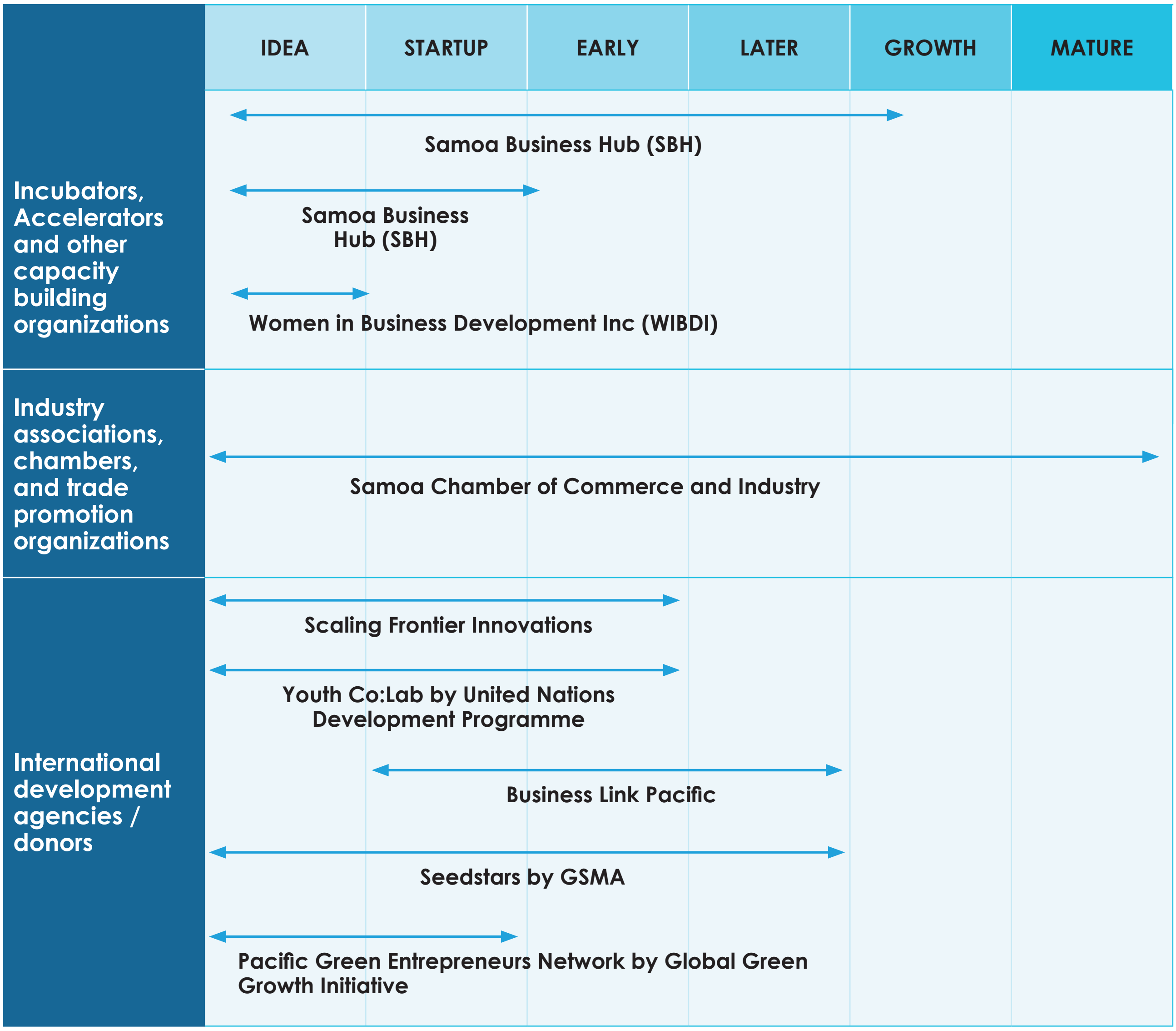
Existing and new businesses in Apia are primarily in sectors like manufacturing, agriculture, and consulting. Key services required by entrepreneurs include accounting, bookkeeping, strategic planning, and digital literacy.

Business Link Pacific is a key support organisation for business planning and helping with management of financial records. There is little focus on the export markets. Business Link Pacific, in partnership with Pacific Trade Invest, is working towards developing an export strategy to be integrated into the entrepreneur's business plans.

The table below provides an overview of the range of institutions in Samoa's entrepreneurship support ecosystem at various stage of the lifecycle of the business. See Annex 1for a list of definitions of entrepreneurship support institutions.

3.2 Overview of Institutions by entrepreneurship stage

FIGURE 10: Ecosystem actors by category and business stage in Samoa



COVID-19 as a disruptor in Samoa – early signals

COVID-19 has led to stagnancy in the markets with limited trade and consumption driven by a decline in tourism and loss of jobs.

Like other Pacific countries, the focus on digital services has increased in traditional businesses and giving rise to new digital businesses.

Many previously employed individuals have gone back to agriculture as a means for survival giving rise to a new breed of agri-entrepreneurs that could be key in Samoa's development trajectory.

As can be seen from the table below, there are opportunities to access business training and mentoring but many are attached to programmes and hence only offered during program cycles. There is no support currently on idea–stage entrepreneurs for prototyping, testing, and creating new innovations. In such an environment, the entrepreneurs must rely on their own resources, creating a further barrier to entrepreneurship. The lack of a co-working space further compounds this as there are no common safe spaces for entrepreneurs to engage with the ecosystem.

3.3 Service Gaps and Overlaps

FIGURE 11: Ecosystem actors by category and business stage in Samoa

	INCUBATION					
Institutions	**Business Training**	**Mentoring**	**Coaching**	**Technical Training (STEM and related tech)**	**Soft Skills (i.e.: communication, leadership)**	**Co-working**
Samoa Business Hub	✓	✓			✓	
The Hub Pacific	✓	✓			✓	
Women in Business Development Inc (WIBDI)	✓	✓		✓	✓	
Samoa Chamber of Commerce and Industry	✓	✓			✓	
Scaling Frontier Innovations	✓	✓			✓	
Youth Co:Lab by United Nations Development Programme						
Business Link Pacific	✓					
Seedstars by GSMA	✓	✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth	✓	✓				

	ACCELERATION						
Institutions	**Funding**	**Prototyping**	**Entrepreneurship Event/Talks**	**Market Information**	**Linkages to Investors**	**Business Support (i.e.: Recruiting, Legal advice)**	**Trade Fairs / B2B**
Samoa Business Hub	✓		✓		✓	✓	✓
The Hub Pacific			✓				
Women in Business Development Inc (WIBDI)			✓	✓	✓	✓	
Samoa Chamber of Commerce and Industry				✓			
Scaling Frontier Innovations	✓				✓	✓	
Youth Co:Lab by United Nations Development Programme			✓				
Business Link Pacific					✓	✓	
Seedstars by GSMA	✓		✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth	✓		✓		✓		

Ecosystem Best Practice

As entrepreneurship is seen as a sub-set of micro-entrepreneurship, support exists for micro-entrepreneurs through organisations like Women in Business and Samoa Women's Association of Growers. These networks though limited to food, agriculture and tourism offer a mix of informal and formal networks and aid entrepreneurs resulting in greater cross pollination of opportunities and resources. These networks are also strengthened by the support of specific ministries e.g., women, agriculture etc. The focus on micro-entrepreneurship has allowed for services to be accessed beyond urban centres.

3.4 Opportunities

Entrepreneurship support services

- Sector agnostic support focusing on core competences like financial literacy and business training is needed. Samoa Business Hub could be further resourced for the provision of training on areas like digital payments and mentorship.

- There is the need for the institutionalisation of an incubation programme which could provide a range of varied support to entrepreneurs. Through Youth Co:Lab, capacities have been built and could further be strengthened with ongoing resources and support.

Ecosystem services

- Women entrepreneurs' groups rely on peer support and have a slightly mature ecosystem to access but need to be further bolstered to survive. As the environment is patriarchal, more support is merited for women-run businesses and women's groups as they have proven higher rates of success.

- There is a need for formal and informal platforms that bring entrepreneurs and related stakeholders together and build a community of peers that can support each other. Currently, WhatsApp and similar informal channels are playing a critical role in helping entrepreneurs connect. There is potential to match make between existing entrepreneurs and new entrepreneurs and build long term mentoring relationships. The Samoa Chamber of Commerce and Industry is well positioned to take the lead in bridging the gap between youth entrepreneurs and other businesses. Through their work on Youth Co:Lab, they have expanded their scope beyond Apia and are now reaching entrepreneurs outside urban centres.

3.5 Network Analysis

Ecosystem maturity	Awakening
Number of actors in the network	15
Number of connections	26
Density of the network (being 1 the ecosystem at its maximum potential)	0.24

The network density of 0.24, indicates the potential for new connections to be created. The Samoa Chamber of Commerce and Industry has the highest number of connections however, other institutions such as the Samoa Business Hub are able to bring new members to the network (higher betweenness centrality). As an older and powerful institution, the Chamber is central to the network of local institutions. The Samoa Business Hub is the foremost organization providing access to finance and helping businesses through mentoring, advisory and training.

Existing initiatives work collaboratively together - e.g., Samoa Business Hub, Samoa Chamber of Commerce and Industry and Business Link Pacific work closely together to support entrepreneurs through a cohesive offer. Their physical proximity allows for greater and easier communication exchange.

Samoa Chamber of Commerce and Industry and Samoa Business Hub are seen as platforms for networking and hence unsurprisingly are the leading institutions of the network.

Overall, 50% of organisations are international programmes and organisations. The Hub Pacific is a new actor in the ecosystem and has managed to connect well with the ecosystem, bringing more connections.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 12: Samoa's Entrepreneurship Support Network

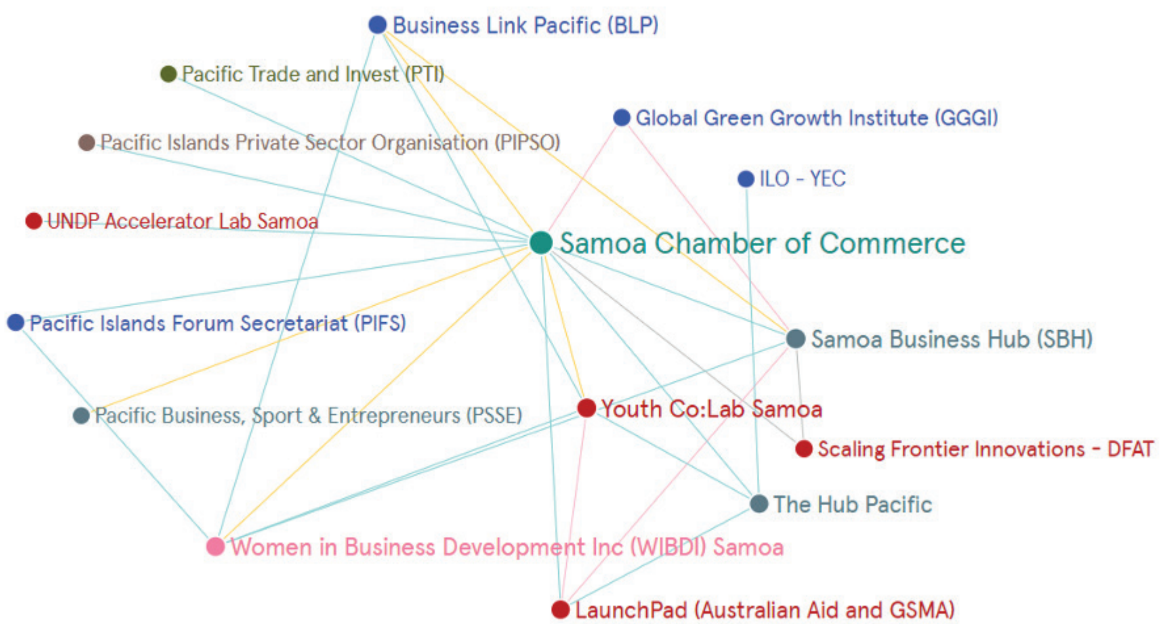
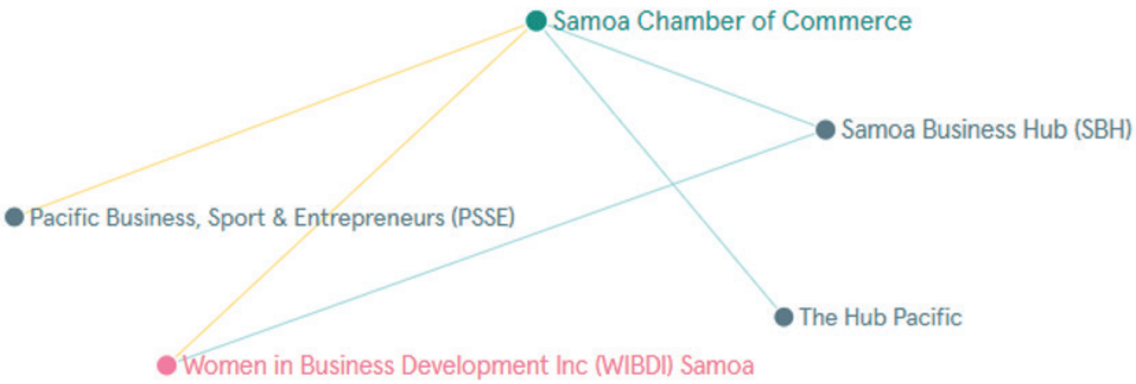


FIGURE 13: Samoa's Entrepreneurship Support Network – Locally anchored institutions network



Nodes

- 4 International/Regional Organisation — Size by Degree Centrality
- 4 International/Regional Programme — Size by Degree Centrality
- 3 Business Support Organisation — Size by Degree Centrality
- 1 Trade Promotion Organisation — Size by Degree Centrality
- 1 Industry Association — Size by Degree Centrality
- 1 Chamber of Commerce — Size by Degree Centrality
- 1 Business Women's Association — Size by Degree Centrality

FIGURE 14: Samoa's Network Centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
C Samoa Chamber of Commerce	13
B Samoa Business Hub (SBH)	6
B Women in Business Developm...	5
I Youth Co:Lab Samoa	5
B The Hub Pacific	4

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
C Samoa Chamber of Commerce	65.92
B The Hub Pacific	13.00
B Samoa Business Hub (SBH)	4.17
I Youth Co:Lab Samoa	2.67
B Women in Business Developm...	1.75

4 PNG'S ENTREPRENEURSHIP SUPPORT ECOSYSTEM

PNG is at the early stages of an emerging ecosystem.

4.1 Key Ecosystem Characteristics

Entrepreneurs in PNG predominantly operate in the sectors of coffee, transport, tourism, building and construction. Existing entrepreneurship support services are dedicated to certain sectors like agriculture, tourism, and transport. Entrepreneurship is nascent in other sectors and hence does not attract equal participation from youth, women, and other minority groups. Like other countries in the Pacific, most entrepreneurship support is donor-driven through international agencies from idea to growth stage. In addition, existing support programs focus on MSME support rather on fostering innovation. Nevertheless, there is evidence of entrepreneurial innovation in downstream processing (roasting, coffee, new crops, essential oils etc).

Overall, the lack of physical roadway connections and the high cost of internet services contribute to the existing ecosystem silos. Institutions are not connected to each other and are seen as competitors or not related. As there are not a lot of collaborations in the PNG ecosystem, there is an issue of continuity for entrepreneurs. Despite this trend, there are some associations (like PNG ICT cluster) that act as ecosystem developers, building ICT as a cross cutting role and working alongside government, academia, private sector, and tech start-ups. Bringing, aligning, and encouraging key actors to exchange information is therefore important.

There is also a need to bring together all partners with a collective mission to accelerate shared goals. This will enable joint advocacy for political and regulatory support and cement the connection between entrepreneurship and GDP growth. When compared to other ecosystems, PNG has one of the strongest advocacy support systems. There are several business-focused organizations, which promote the views and interests of the private sector in public policy. National bodies include the PNG Chamber of Commerce and Industry (PNGCCI) promote the interest of private businesses, and acts as an umbrella for 17 Provincial Chambers of Commerce and Industry throughout the country. Other advocacy-focused groups that seek to engage with the government are the PNG Institute of National Affairs (INA), a not-for profit industry-supported think tank; the PNG Business Council; the PNG-Australia Business Council; the Business Coalition for Women and the Consultative Implementation and

[16]From Papua New Guinea Development Strategic Plan 2010-2030: Objective 1: "Integral human development: Integral human development is essential to provide all citizens with the opportunity to achieve their potential. Quality education for all and a world class health system are key elements of the PNGDSP for human development, helping to develop a highly skilled workforce and equipping PNG's entrepreneurs with the skills they need to grow their businesses."

Monitoring Council (CIMC). The influence of this advocacy network in PNG is also reflected in the fact that PNG has a SME policy, green revolution policy and a country strategy that includes entrepreneur's support[16]. While the SME policy has targets for 2030, these are hard to achieve without investing in structures and policies that enable entrepreneurship.

Due to the difficult policy and cultural environments, entrepreneurs' failure rate is high. There is a need for business and financial literacy skills as well as coaching and mentorship with guidance from experienced entrepreneurs that understand local structures and processes.

PNG has had a rapid acceleration in digitization and is increasingly consuming technology and digital products. Unfortunately, it is at the lower end of the innovation supply chain[17]. PNG has been unable to leverage on its existing financial systems to create value added services. The Government has initiated several programs and regulations to promote entrepreneurship in PNG including the SME policy[18] and ICT development. However, corruption and other security concerns can render many of these reforms ineffective[19].

Most entrepreneurs lack financial, business, and digital literacy. This gap has led to the creation of a variety of training offers to aid entrepreneurs. However, not all of these are affordable for early-stage entrepreneurs. In fact, much of the specialized entrepreneurship support on offer in the ecosystem is delivered by independent consultants who charge significant fees for their services. Additionally, there is a growing overlap between these trainings.

The lack of effective and affordable training opportunities means that the skills gap persists. Poor business skills result in poor record keeping. The lack of financial literacy predominantly impacts micro-entrepreneurs (especially women). Most micro-entrepreneurs are informal and are hesitant to formalize as they fear being penalized for their lack of documentation.

Like its Pacific counterparts, PNG is predominantly rural. It is also a country of cultural diversity with around 7.4 million people speaking over 800 languages[20]. There is a need to further localize services and build capacity of local populations to offer their own entrepreneurship services. There is a lack of local human resources to work in tech enterprises and much skills-building needs to be done at the local level. While there is some movement to train local communities on digital and technology skills, a concerted effort is required. This is particularly critical due to the prevalence of international programmes which are often run and supported remotely, by international staff. As a result, external human resources are often brought in to fill the technology gap. To ensure that donor funds can serve the local markets in the long run, transfer of knowledge is critical in addition to local capacity development.

Promotion of women's entrepreneurship in PNG is a key focus area for many development and donor institutions. Associations such as Business Coalition for Women, PNG Women in Business, Business Women Forum are promoting economic, social and holistic transformation for women entrepreneurs through business knowledge and skills training programs[21]. However, much more needs to be done considering that the bulk of women are micro-

[17] Workshop Report on Domestic Innovation Systems and Networks (apec.org) - https://www.apec.org/Publications/2019/11/Workshop-Report-on-Domestic-Innovation-Systems-and-Networks
[18] http://www.smecorp.gov.pg/images/SME_Policy/png-sme-policy_2016.pdf
[19] https://papuanewguinea.un.org/sites/default/files/2019-10/SEEDING%20SOCIAL%20ENTERPRISE%20IN%20PNG%20FINAL10072015_web%20version.pdf
[20] Seeding Social Enterprise in Papua New Guinea - https://papuanewguinea.un.org/sites/default/files/2019-10/SEEDING%20SOCIAL%20ENTERPRISE%20IN%20PNG%20FINAL10072015_web%20version.pdf
[21] Seeding Social Enterprise in Papua New Guinea - https://papuanewguinea.un.org/sites/default/files/2019-10/SEEDING%20SOCIAL%20ENTERPRISE%20IN%20PNG%20FINAL10072015_web%20version.pdf

entrepreneurs and the role of cultural obstacles to access services is high.

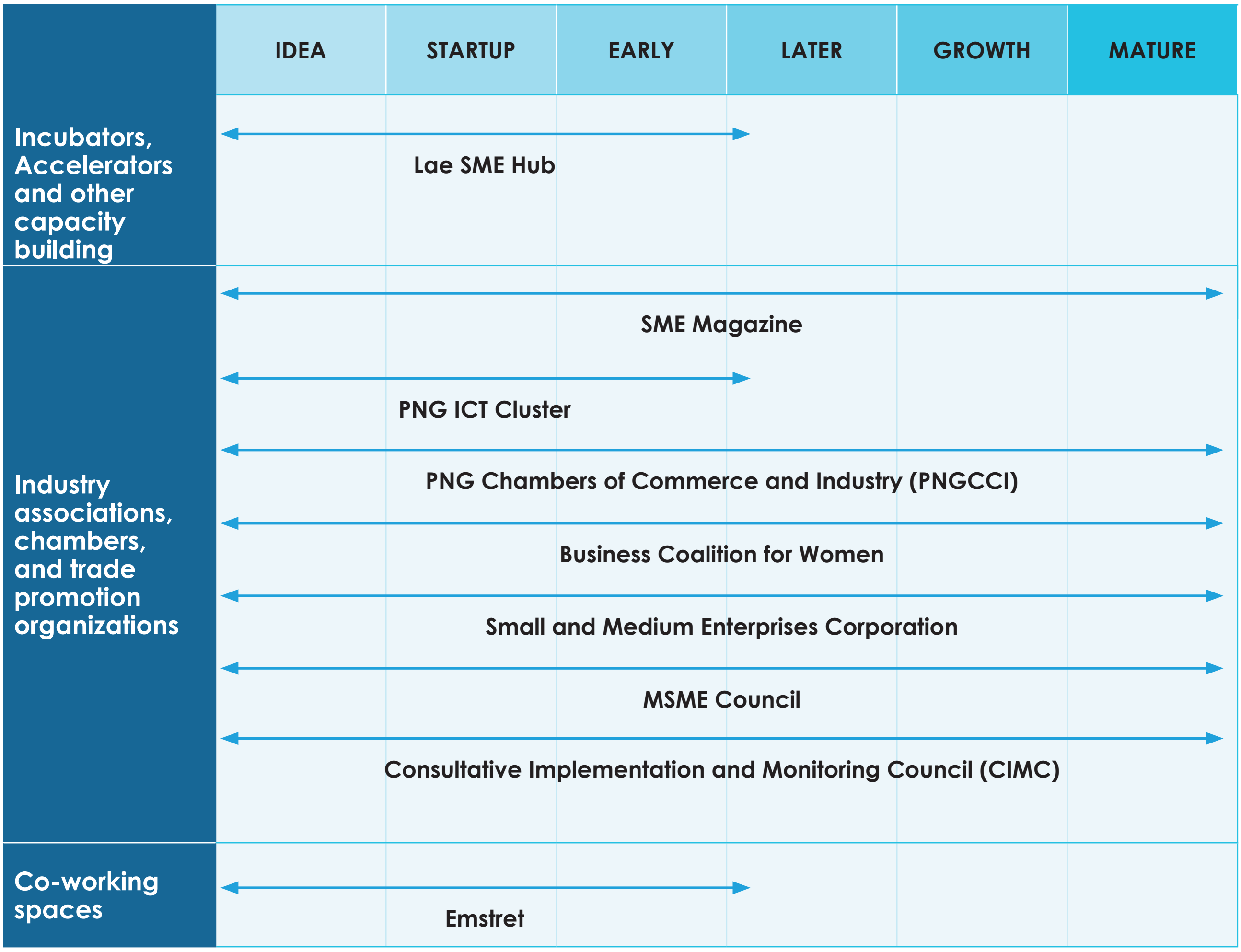
In the last 5 years, there have been attempts to bridge the gap between entrepreneurship and education with organizations like CIPE (operating through the WBRC) working with PNG universities to integrate entrepreneurship into the formal curriculum and providing technical assistance and advocacy trainings to women's business organizations[22].

Currently, development of services for entrepreneurs is very supply driven and not aligned to the needs of the SMEs. Most early and idea stage entrepreneurs use their own funding to start their business due to the lack of access to capital. There is a need for an investment pool or investment / innovation fund for entrepreneurs from idea to growth stage. This can be tested in more established sectors like agribusiness and technology.

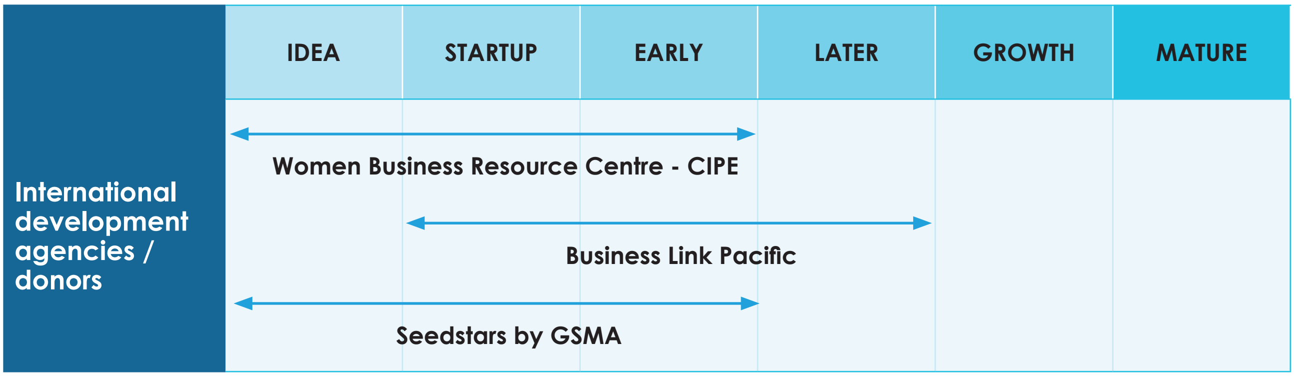
The table below provides an overview of the range of institutions in PNG's entrepreneurship support ecosystem at various stages of the lifecycle of the business. See the Annex 1 for a list of definitions of entrepreneurship support institutions.

4.2 Overview of Institutions by entrepreneurship stage

FIGURE 15: Ecosystem actors by category and business stage in PNG



[22]https://gbsn.org/events/papua-new-guinea-entrepreneurship-education-development-workshop/



Covid-19 as a disruptor in PNG – early signals

The impact of COVID-19 was felt by almost everyone in PNG, albeit it has heavily impacted the most vulnerable. At the national level, the economic impact is evident in the decline in growth, trade and employment. At provincial and district levels, business closures, job lay-offs and supply chain disruption have been prominent. At the ward, village and household levels, the impacts are more pronounced with the decline in income and rise in expenditure. The adverse impacts on PNG are significant and recovery and adjustment to the 'new normal' will take time. Disruption to food distribution networks, loss of livelihoods and safety nets, panic hoarding of essential goods, limited access to healthcare and schools, and incidences of gender-based violence (GBV) have further increased uncertainties and anxiety.[23]

[23]UN_PNG_SEIA Report - Advance Edition_2020-08-26.pdf (greengrowthknowledge.org)

4.3 Service Gaps and Overlaps

FIGURE 16: List of services by institutions in PNG

Institutions	INCUBATION					
	Business Training	Mentoring	Coaching	Technical Training (STEM and related tech)	Soft Skills (i.e.: communication, leadership)	Co-working
Lae SME Hub	✓					
SME Magazine	✓	✓			✓	
PNG ICT Cluster				✓		
PNG Chambers of Commerce and Industry (PNGCCI)	✓					
Business Coalition for Women						
Small and Medium Enterprises Corporation	✓					
MSME Council	✓					
Consultative Implementation and Monitoring Council (CIMC)	✓					
Emstret	✓	✓	✓		✓	✓
Women Business Resource Centre - CIPE	✓					
Business Link Pacific	✓					
Seedstars by GSMA	✓	✓		✓		

	ACCELERATION						
Institutions	Funding	Prototyping	Entrepreneurship Event/Talks	Market Information	Linkages to Investors	Business Support (i.e.: Recruiting, Legal advice)	Trade Fairs / B2B
Lae SME Hub			✓				✓
SME Magazine				✓			
PNG ICT Cluster		✓	✓				
PNG Chambers of Commerce and Industry (PNGCCI)							
Business Coalition for Women						✓	
Small and Medium Enterprises Corporation						✓	✓
MSME Council							
Consultative Implementation and Monitoring Council (CIMC)							
Emstret	✓		✓	✓	✓	✓	✓
Women Business Resource Centre - CIPE						✓	
Business Link Pacific					✓	✓	
Seedstars by GSMA	✓		✓		✓		

Ecosystem Best Practice

Universities are key to building the pipeline of entrepreneurs in the country and to avoid brain drain of skilled graduates. PNG has some active coalitions (informal and formal) working on integration of entrepreneurship in education. For example, CIPE and WBRC have worked to include the development of entrepreneurship courses at PNG universities and supported the creation of a PNG University Entrepreneurship Consortium in 2017 to provide a platform to share ideas and lessons learned. The consortium included The University of Papua New Guinea, Pacific Adventist University (PAU), Divine Word University (DWU), and IBS University. Further, other ESOs have active partnerships with universities and invite students to hackathons and coworking opportunities. In this regard, the emergence of new universities such as the Western Pacific University (Starting enrollments in 2021) could be an opportunity to create on-campus innovation or incubation spaces. The Western Pacific University is Papua New Guinea's first fully digitized University and aims to provide access to a broad set of students through digital education.

4.4 Opportunities

Entrepreneurship support services

- Emstret as a co-working space fills a critical gap in terms of reducing entrepreneurs' cost of rent and building a peer-peer community for support and partnerships. In addition to coworking, it provides soft incubation and peer to peer support. Though Emstret coworking space is only available to entrepreneurs in Port Moresby, the organization is experimenting with different business models to achieve financial sustainability. These include training, vocational education, consulting services and a digital marketplace. Continued investment in such coworking and related services would be crucial for entrepreneurship in PNG.

- Due to the existence of multiple programmes across Government and international donor agencies, there is an opportunity to create a joint package for entrepreneurs which enables them to use all services across their growth and evolution. These services should be contextualised locally and future proof entrepreneurs with a focus on digital, tech, and data management.

Ecosystem building

- Given the overload of assessments and information gathering in PNG from international stakeholders, sharing relevant data on entrepreneurship support, including needs and business environment assessment, will be critical to continue developing the ecosystem and ensure targeted actions. Open publications and communication on results could avoid duplications and fatigue from ESOs and entrepreneurs alike. These findings also coincide with recent World Bank Ecosystem building workshop[24].

- At the growth stage, when compared to other Pacific countries, PNG has both an investment promotion agency and a trade promotion agency which could potentially support entrepreneurs at a later stage. However, both institutions need to be supported, especially in building expertise on exports and international market development.

- Some private sector and internatiosupport focuses on network building such as the GMSA support with programmes such as women micro finance inclusion, e-agriculture, market information and access to technology. The World Economic Forum is also active in PNG, with programmes such as the ICT business forum, various events to highlight innovation opportunities and several hackathons and Sandbox support from banks such as Kina Bank. Despite these activities not being a solution for entrepreneurs seeking for support., existing and new ESOs might benefit from participating and engaging with such networks to increase their visibility and impact.

[24]"Analysis suggests administrative data can be a useful resource to guide government in structuring support for entrepreneurship" World Bank Workshop on Supporting Entrepreneurship and SMEs in Papua New Guinea - June 17, 2021

4.5 Network Analysis

Ecosystem maturity	Emerging
Number of actors in the network	11
Number of connections	17
Density of the network (being 1 the ecosystem at its maximum potential)	0.31

Supporting the interviews analysis, the network analysis shows ICT Cluster is leading the way in the PNG ecosystem followed by Emstret Space and the Women's Business Resource Center.

When compared to the size of the country, the PNG entrepreneurship support ecosystem is still emerging, with only a few institutions providing targeted entrepreneur support and a set of satellite institutions providing advocacy support.

It is important to note that some institutions are not represented in the map below but have been interviewed as part of this report. Given the scope of this analysis, the network has only included those organizations that are connected to ESOs and that are providing targeted entrepreneurship support (as per its definition at the introduction of this report).

For example, some organizations and projects reported to be working in PNG (SME Service Center, Market Development Facility or the Green Growth Institute) but do not show any direct connections to the core network of support providers represented below.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 17: PNG's Entrepreneurship Support Network

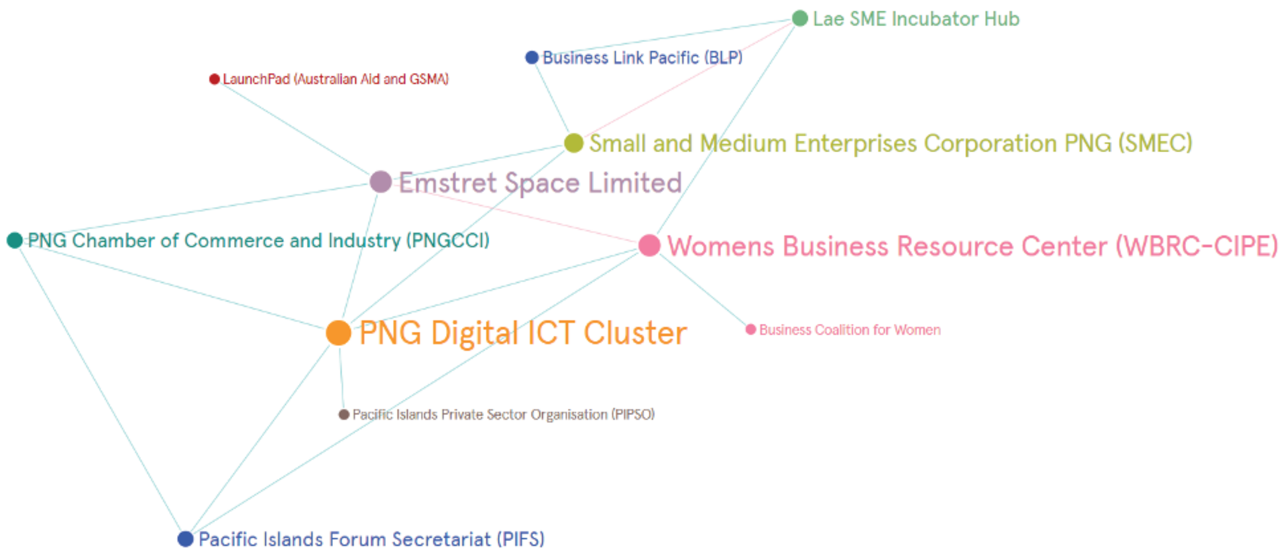
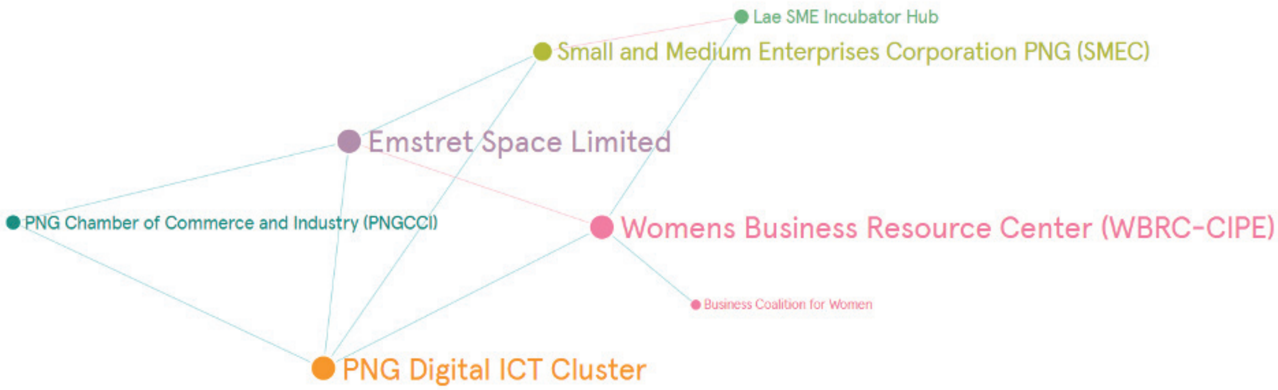


FIGURE 18: PNG's Entrepreneurship Support Network – Locally anchored institutions network



Nodes

2 International/Regional Organisation Size by Degree Centrality	1 Industry Association Size by Degree Centrality	1 Co-working Size by Degree Centrality
2 Business Women's Association Size by Degree Centrality	1 Accelerator Size by Degree Centrality	1 International/Regional Programme Size by Degree Centrality
1 Chamber of Commerce Size by Degree Centrality	1 Incubator Size by Degree Centrality	1 Ministry/Government Size by Degree Centrality

FIGURE 19: PNG's Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
A PNG Digital ICT Cluster	6
C Emstret Space Limited	5
B Womens Business Resource C...	5
M Small and Medium Enterprises...	4
C PNG Chamber of Commerce a...	3

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
A PNG Digital ICT Cluster	13.90
B Womens Business Resource C...	13.77
C Emstret Space Limited	11.73
M Small and Medium Enterprises...	7.90
I Lae SME Incubator Hub	3.17

5 SOLOMON ISLANDS' ENTREPRENEURSHIP SUPPORT ECOSYSTEM

Solomon Islands is in the early stages of an emerging entrepreneurship support ecosystem. It has a few key active organisations which have been crucial to its growth and evolution.

5.1 Key Ecosystem Characteristics

Associations form a key part of the entrepreneurship support in Solomon Islands. They are working towards rallying more support for entrepreneurship through fundraising with international donors. This is critical as there are no permanent incubators, accelerators, or pre-incubation services in the ecosystem. Incubation and pre-incubation services that are available are attached to programmes and hence not consistent or long-lasting. There is therefore no continuity for incubation after entrepreneurs have been part of a program. Also, existing incubation services are in early stages of development and need further support and capacity building (e.g. YECSI).

Taxation, banking, business advisory and access to finance are key requirements for entrepreneurs. Entrepreneurs recognise the need to be proactive (to "hustle") in order to access support. Liaising with international agencies directly is difficult as entrepreneurs often do not meet the criteria defined. Support is available for social enterprises but comes with a caveat of measuring social impact. Entrepreneurs struggle with this and would benefit from additional direction on monitoring and evaluating their social impact.

Due to the dominant role of the ESOs and international organisations which are located in the urban centres, programmes are often designed in urban areas and delivered in rural and outer islands with little consultation or adaptation. This leaves less resources for urban focused entrepreneurs who must compete for funding with established SMEs based in urban areas.

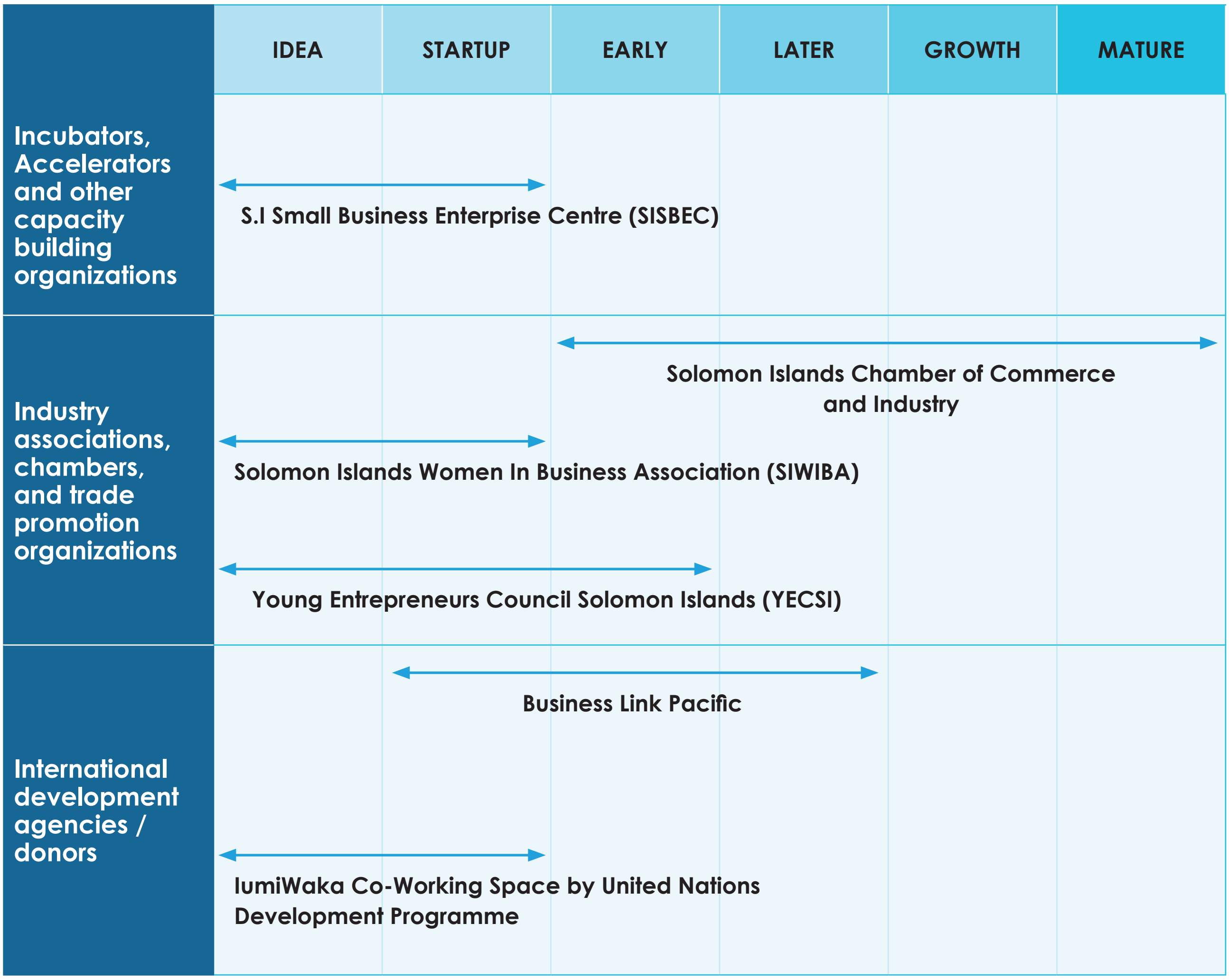
There is a gap between policy and regulatory requirements and entrepreneurs. The banking system and digital infrastructure needs to be ramped up in line with emerging entrepreneurs. There is no existing policy support, so an entrepreneur has to rely on personal connections to access government and government resources.

No organization provides tailored support for digital or tech businesses. The need for up skilling and digital literacy for entrepreneurs is widespread.

The table below provides an overview of the range of institutions in the Solomon Islands entrepreneurship support ecosystem at various stage of the lifecycle of the business. See Annex 1 for a list of definitions of entrepreneurship support institutions.

5.2 Overview of Institutions by entrepreneurship stage

FIGURE 20: Ecosystem actors by category and business stage in Solomon Islands



Covid-19 as a disruptor in Solomon Island – early signals

COVD-19 has acted as a catalyst for entrepreneurship with several new entrepreneurs emerging. New businesses include online thrift shops and food businesses. Most of these are informal and could be potentially formalised but there is no incentive currently for them to undergo an expensive business licensing process. In the light of this new wave of entrepreneurship, the government and the international community could potentially support new entrepreneurs with tailored support.

Aligning youth to digital businesses can be an opportunity to engage them in employment.

Due to COVID-19, many entrepreneurs are unable to meet operational costs and overheads. Without support, this makes sustainability in the long run difficult and does not permit entrepreneurs the time to think creatively and innovatively.

5.3 Service Gaps and Overlaps

FIGURE 21: List of services by institutions in Solomon Islands

	INCUBATION					
Institutions	**Business Training**	**Mentoring**	**Coaching**	**Technical Training (STEM and related tech)**	**Soft Skills (i.e.: communication, leadership)**	**Co-working**
S.I Small Business Enterprise Centre (SISBEC)	✓	✓			✓	
Solomon Islands Chamber of Commerce and Industry	✓					✓
Solomon Islands Women In Business Association (SIWIBA)						
Young Entrepreneurs Council Solomon Islands (YECSI)	✓	✓			✓	
Business Link Pacific	✓					
IumiWaka Co-Working Space by United Nations Development Programme						✓

	ACCELERATION						
Institutions	**Funding**	**Prototyping**	**Entrepreneurship Event/Talks**	**Market Information**	**Linkages to Investors**	**Business Support (i.e.: Recruiting, Legal advice)**	**Trade Fairs / B2B**
S.I Small Business Enterprise Centre (SISBEC)			✓	✓		✓	
Solomon Islands Chamber of Commerce and Industry						✓	
Solomon Islands Women In Business Association (SIWIBA)							
Young Entrepreneurs Council Solomon Islands (YECSI)			✓	✓		✓	
Business Link Pacific					✓	✓	
IumiWaka Co-Working Space by United Nations Development Programme							

Ecosystem Best Practice

The Solomon Islands Chamber for Commerce and Industry is placed in a crucial role for connecting and strengthening the relationship between private sector and government through long term action aligned with the country's development goals and focus.

This includes working on youth unemployment, entrepreneurship and a focus on sectors in construction and manufacturing.

In the last few years, the Solomon Islands Chamber of Commerce and Industry has been active in bridging the gaps between government, diplomatic community, and business. They offer key training opportunities for businesses and are actively reaching out to emerging entrepreneurs. The Young Entrepreneurs Chamber Solomon Islands (YECSI) works independently but under the aegis of the Solomon Islands Chamber of Commerce and industry.

5.4 Opportunities

Entrepreneurship support services

- In the light of COVID-19, there is an opportunity to provide prototyping support for digital and tech businesses. This could be in the form of a tech hub, with pre incubation support and an environment where it is safe to fail. Government engagement is key to improving and adapting the policy and regulatory environment to boost entrepreneurship.

- YECSI is the only organization providing networking and some business support for young entrepreneurs. YECSI and SICCI are seen to be the most reliable and effective organizations in the ecosystem. They are well-governed with transparent policies take accountability for their actions. However, available training options are expensive and not affordable for early-stage and start-up entrepreneurs. Through its programmatic initiatives, YECSI offers some funding as well as connections to consultants with subject matter expertise. They also provide a free mentorship program which focuses on soft skills as well as improving business capacity.

Ecosystem services

- Access to finance remains an issue but there is also acknowledgement that grant based funding alone will not solve the problem and should be supplemented by private sector solutions and more systematic and systemic support.

- There is a need to build local capacity for training. International programmes bring overseas consultants and do not plan for knowledge transfer locally. Local universities offer generic courses, but they are not practical or in line with entrepreneurs' needs.

- Solomon Islands have a coworking space but have not been able to fully leverage it due to a lack of long term integration with the existing ecosystem of ESOs. Equipping and aligning coworking spaces with other ESOs will make it more accessible and position it as a one-stop shop for all entrepreneurs.

5.5 Network Analysis

Ecosystem maturity	Awakening
Number of actors in the network	11
Number of connections	24
Density of the network (being 1 the ecosystem at its maximum potential)	0.43

Four actors are local institutions playing a critical role in the ecosystem. IumiWaka needs to be further resourced to become a hub for connections and amplified impact across the ecosystem. SISBEC and YECSI have an opportunity to work together to provide early-stage services.

There are no incubators or accelerators in the ecosystem. Current services are aligned to training and meeting traditional SME needs. SIWIBA is the most connected in the ecosystem bringing new actors and connecting with existing ones. The Solomon Islands Chamber is well positioned as an entry point for new actors to join the ecosystem.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 22: Solomon Islands' Entrepreneurship Support Network

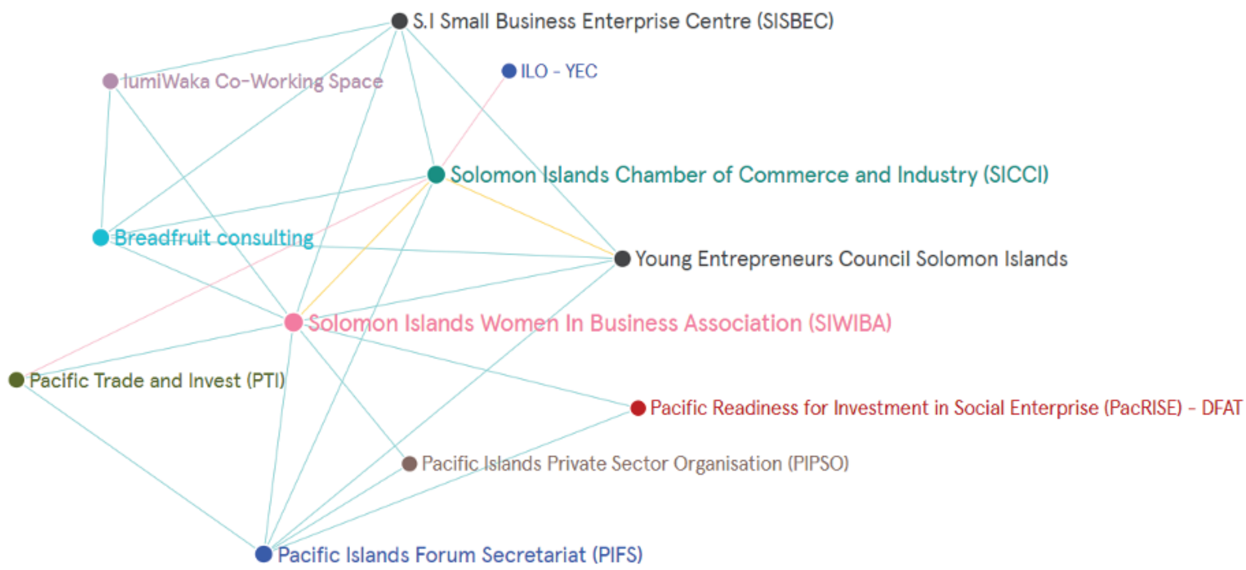
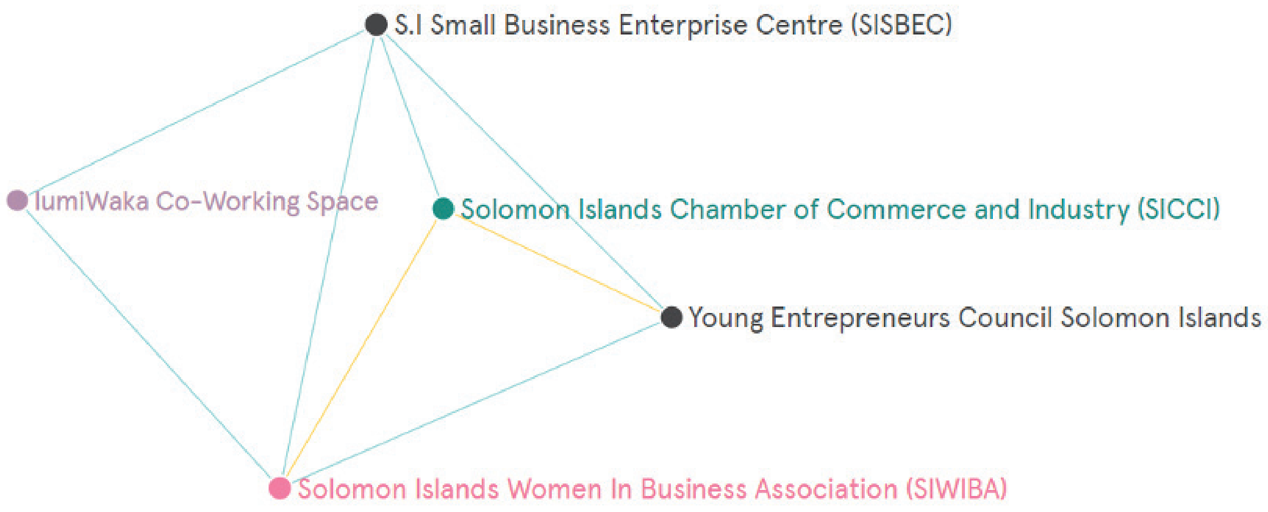


FIGURE 23: Solomon Islands' Entrepreneurship Support Network – Locally anchored institutions network



Nodes

- 2 International/Regional Organisation – Size by Degree Centrality
- 2 Business Support Organisation – Size by Degree Centrality
- 1 International/Regional Programme – Size by Degree Centrality
- 1 Co-Working – Size by Degree Centrality
- 1 Trade Promotion Organisation – Size by Degree Centrality
- 1 Business Women's Association – Size by Degree Centrality
- 1 Management Consulting – Size by Degree Centrality
- 1 Chamber of Commerce – Size by Degree Centrality
- 1 Industry Association – Size by Degree Centrality

FIGURE 24: Solomon Islands' Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
B Solomon Islands Women In Bu...	9
C Solomon Islands Chamber of ...	7
I Pacific Islands Forum Secretar...	6
B S.I Small Business Enterprise C...	5
B Young Entrepreneurs Council ...	5

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
B Solomon Islands Women In Bu...	15.50
C Solomon Islands Chamber of ...	11.00
I Pacific Islands Forum Secretar...	4.83
B S.I Small Business Enterprise C...	1.00
M Breadfruit consulting	1.00

6 TIMOR-LESTE’ ENTREPRENEURSHIP SUPPORT ECOSYSTEM

Timor-Leste has the most nascent entrepreneurship support ecosystem in the study.

6.1 Key Ecosystem Characteristics

All organizations working in the ecosystem fundraise for projects for survival. Projects are timebound and attached with pre-defined deliverables which have little flexibility to be responsive to the needs of the ecosystem. There is little focus on long term solutions and services are not consistently available for entrepreneurs who require them.

It is also critical to note that in the last few years, Timor-Leste has been through a challenging time with natural disasters, an unstable political environment, and the COVID-19 pandemic. It is important to examine the entrepreneurship ecosystem in Timor-Leste as one that is developing in a fragile context and hence the entrepreneurship ecosystem development services need to be flexible and responsive to the changing environment.

Existing support prioritises employment creation and focuses on import substitution. This restrictive framing of entrepreneurship keeps training efforts focused on vocational and educational training with no specific support for entrepreneurship and innovation.

It is therefore common for entrepreneurs to mimic existing businesses and follow traditional business models, in some cases those that have been established by older generations.

Due to the limited support currently available, existing entrepreneurs require basic support services such as business planning, financial management and acquiring business licenses.

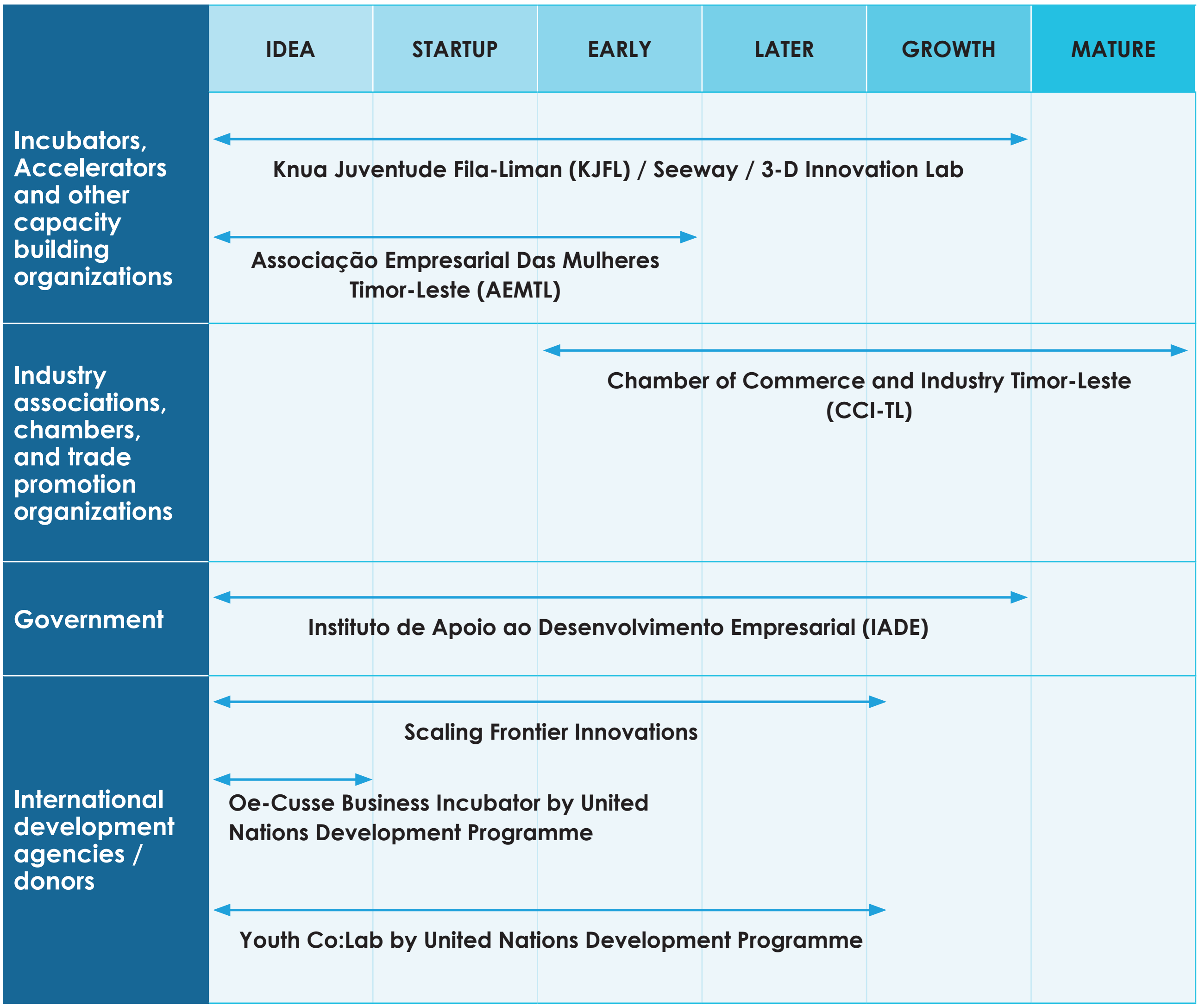
Entrepreneurs either use their own savings or look to family and friends for funding their businesses. In cases, where government has made funding provisions for entrepreneurs, this support has not been designed in line with entrepreneur’s needs and is often absorbed by established entrepreneurs.

Entrepreneurs currently use informal groups like WhatsApp for feedback, support and encouraging each other through their entrepreneurship journeys. Given the size and stage of the ecosystem this is a good early sign for entrepreneurship development and collaboration. However, such groups have not yet reached the maturity to be considered as a channel for a united voice for entrepreneurship advocacy. In addition, the group is still very small and therefore entrepreneurs see themselves as alone, isolated and outliers in the community.

Without a channel to advocate for an enabling regulatory environment, entrepreneurs in Timor-Leste feel powerless and disconnected to policymakers.

6.2 Overview of Institutions by entrepreneurship stage

FIGURE 25: Timor-Leste's Entrepreneurship Support Network



See Annex 1 for a list of definitions of entrepreneurship support institutions

Covid-19 as a disruptor in Timor-Leste – early signals

COVID-19 led to several businesses closing down. Existing ESOs helped support entrepreneurs to pivot / diversify. As tourism is an important contributor to GDP, COVID-19 has been an additional blow to the entrepreneurship ecosystem. While many entrepreneurs have shifted their focus to the domestic market, the small size of the domestic market and the inaccessibility of international markets have resulted in a difficult environment with little growth.

While some organizations have pivoted and moved online, for others, it has been a slow transition as they traditionally had no digital access. Despite moving several services online, customers and entrepreneurs prefer coming in person for all necessary documentation and do not easily access online products, including surveys.

Government strategies are focused on coping with the pandemic. This has made the ecosystem short-sighted with little focus on long term strategies.

6.3 Service Gaps and Overlaps

FIGURE 26: List of services by institutions in Timor-Leste

	INCUBATION					
Institutions	**Business Training**	**Mentoring**	**Coaching**	**Technical Training (STEM and related tech)**	**Soft Skills (i.e.: communication, leadership)**	**Co-working**
Knua Juventude Fila-Liman (KJFL) / 3-D Innovation Lab / Seeway	✓	✓		✓	✓	✓
Associação Empresarial Das Mulheres Timor-Leste (AEMTL)	✓	✓		✓	✓	✓
Chamber of Commerce and Industry Timor-Leste (CCI-TL)	✓					
Instituto de Apoio ao Desenvolvimento Empresarial (IADE)	✓	✓				
Scaling Frontier Innovations	✓	✓			✓	
Oe-Cusse Business Incubator	✓	✓				
Youth Co:Lab by United Nations Development Programme						

	ACCELERATION						
Institutions	**Funding**	**Prototyping**	**Entrepreneurship Event/Talks**	**Market Information**	**Linkages to Investors**	**Business Support (i.e.: Recruiting, Legal advice)**	**Trade Fairs / B2B**
Knua Juventude Fila-Liman (KJFL) / 3-D Innovation Lab / Seeway		✓	✓	✓		✓	
Associação Empresarial Das Mulheres Timor-Leste (AEMTL)			✓	✓	✓	✓	✓
Chamber of Commerce and Industry Timor-Leste (CCI-TL)			✓			✓	
Instituto de Apoio ao Desenvolvimento Empresarial (IADE)			✓			✓	✓
Scaling Frontier Innovations	✓				✓	✓	
Oe-Cusse Business Incubator						✓	
Youth Co:Lab by United Nations Development Programme			✓				

Ecosystem Best Practice

3D Innovation Lab initiative created in 2019 under KJFL's and UNDP's umbrella is a welcome sign of innovation when compared to other programmes in the region. It is the first of its kind in the country and provides a space for makers and innovators to test and build new products. KJFL offers training on using 3-D printing to new entrepreneurs. During COVID-19, 3D Innovation played a key role by printing face shields for frontline workers. Strengthening and designing support services as part of the Lab could foster experimentation and idea testing and hence represent a unique opportunity to nurture innovation.

6.4 Opportunities

Entrepreneurship support services

- Key support has been provided by KJFL however that program was funded by UNDP and is currently not active. Reactivating KFJL as a local institution could leverage the existing positive perception of the institution in the past.

- In the absence of KJFL, the only institution that offers services to entrepreneurs throughout the start-up lifecycle is the government institution IADE. IADE offers only limited services for business training, and does not address topics such as soft skills, market access, or connections to investors. This lack of continuous, high-quality support represents a disconnect between services provided in the ecosystem, and the needs of entrepreneurs. It effectively requires entrepreneurs to "graduate" from one set of institutions focusing on early-stage start-ups, to another set specializing in much more mature enterprises.

- The ecosystem lacks any institutions that provide coaching services. Coaching services are one-on-one relationships between entrepreneurs and advisors that help them be better managers, fundraisers, executives and business leaders. While some ecosystem actors offer soft-skills trainings that might cover related topics, these general training services lack the personalisation, and context-specific advice of proper one-on-one coaching.

- In the absence of KJFL, no institutions provide prototyping services. While there may be limited demand for this specific service, its complete absence is problematic, and prohibitive for those enterprises that require prototyping.

Ecosystem building

- Timor-Leste would benefit from an entrepreneurship council which can advocate on behalf of entrepreneurs, bridging the current gap. Providing a voice and advocacy for such young enterprises is essential to a conducive policy environment for entrepreneurship.

- Private sector needs to be engaged in the discussion and advocate for better regulation which can benefit the business environment overall. This will also improve the relationships between experienced and new entrepreneurs.

6.5 Network Analysis

Ecosystem maturity	Awakening
Number of actors in the network	11
Number of connections	15
Density of the network (being 1 the ecosystem at its maximum potential)	0.27

The ESOs network in Timor-Leste is dominated by international and regional organizations with minimal entrepreneurship support from institutions that are led locally.

With a network density of 0.27, the potential of connections is big. Of the connections reported, 70% include a collaboration to deliver services. This is a positive sign for the ecosystem that indicates good quality linkages when compared to connections that are only focused on information sharing.

When looking at the most connected institutions, UNDP's Accelerator Lab is currently taking the lead as a key connector of the ecosystem by delivering services and in some cases providing funds to other institutions in the network. Another UNDP initiative has been part of the ecosystem for long enough to be considered as locally anchored and leading the ecosystem alongside others such as KJFL (not active at the moment of the study). In addition, the government-led institution, IADE, is also currently one of the strongest institutions in the network. These findings are also aligned with the feedback received from the focus group discussion with entrepreneurs, reporting to have received most support from IADE and KJFL.

Given its broad service offering when compared to other actors, KJFL If reactivated, would have the potential to become a strong partner for existing and new actors in the ecosystem.

To increase the connectedness of the network, new connections should be created with poorly linked institutions such as 3DI Lab and Sentru Atauru Diak. However, it is worth noting that 3DI is a recent initiative from KJFL under UNDP and might therefore in some cases still be perceived as one organization (and therefore strongly linked through KJFL). Creating additional connections, such as collaboration on service delivery with AEMTL could improve programme reach and strengthen locally led initiatives.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 27: Timor-Leste's Entrepreneurship Support Network

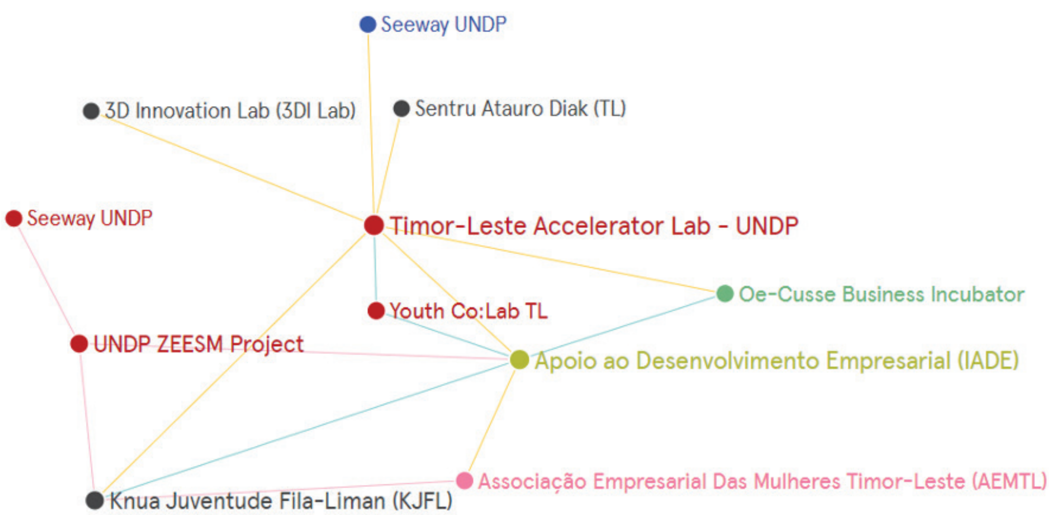


FIGURE 28: Timor-Leste's Entrepreneurship Support Network – Locally anchored institutions

Nodes

- 4 International/Regional Programme — Size by Degree Centrality
- 4 Business Support Organisation — Size by Degree Centrality
- 3 Business Women's Association — Size by Degree Centrality
- 1 International/Regional Organisation — Size by Degree Centrality
- 1 Incubator — Size by Degree Centrality
- 1 Ministry/Government — Size by Degree Centrality

Note: Despite considering some initiatives as locally anchored, most of them have been previously supported or initiated by donors. KJFL, 3DI were initiatives previously started through UNDP support but currently fully instituted as local organizations.

FIGURE 29: Timor-Leste's Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

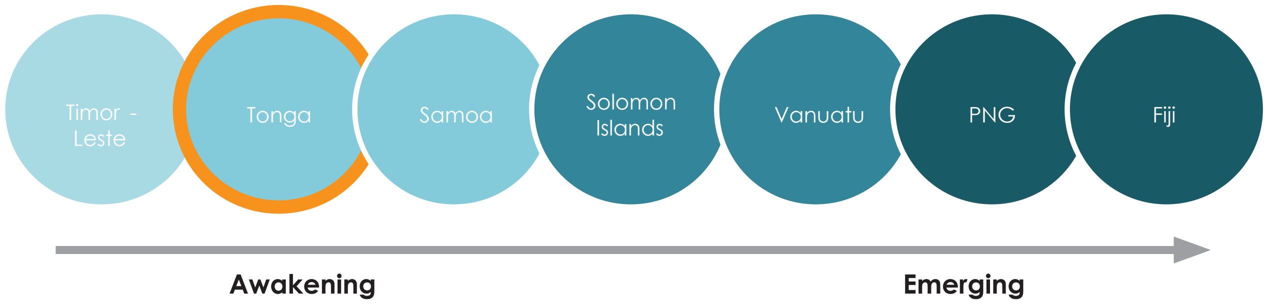
Top 5 Nodes	Connections
I Timor-Leste Accelerator Lab -...	7
M Apoio ao Desenvolvimento Em...	6
B Knua Juventude Fila-Liman (K...	4
I UNDP ZEESM Project	3
I Oe-Cusse Business Incubator	2

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
I Timor-Leste Accelerator Lab -...	25.50
M Apoio ao Desenvolvimento Em...	14.50
I UNDP ZEESM Project	9.00
B Knua Juventude Fila-Liman (K...	7.00
I Oe-Cusse Business Incubator	0.00

7 TONGA'S ENTREPRENEURSHIP SUPPORT ECOSYSTEM

Together with Timor-Leste and Samoa, Tonga has a very nascent entrepreneurship support ecosystem.



7.1 Key Ecosystem Characteristics

Most of the incubation support offered in Tonga is by non-profit organizations like Tonga Youth Employment and Entrepreneurship (TYEE), Tonga National Youth Congress (TNYC) and Take The Lead (TTL). All three organizations focus on youth with the TNYC and TYEE having an additional focus on women.

The focus of the support provided is on individual leadership development rather than business skilling. Micro-entrepreneurship is common, systemically encouraged but with limited structural incentives to formalize.

As the ESOs are organized as non-profits, organizations need to consistently fundraise for their activities so that they can provide steady support to entrepreneurs. Local support from institutions is often in-kind which includes volunteer time of individuals who mentor businesses. The lack of adequate funding for ESOs makes it difficult for them to provide consistent and coherent support to entrepreneurs.

In the Tongan context, entrepreneurship has been synonymous with micro-entrepreneurship. Most of the micro-entrepreneurship initiatives continue to be informal in nature. As business documentation is difficult to get and expensive, many businesses continue to be informal. In recent years, organizations began to focus on entrepreneurship more broadly. TYEE's ongoing Innovation Challenge which seeks to support innovation is evidence of this. Another example is TYNC, who works with microentrepreneurs on business planning for a year, through a volunteer scheme where they can earn a nominal wage before going independent. This support is bespoke and long term with the aim of launching the entrepreneurs independently as suppliers into their social enterprise selling organic products to international markets.

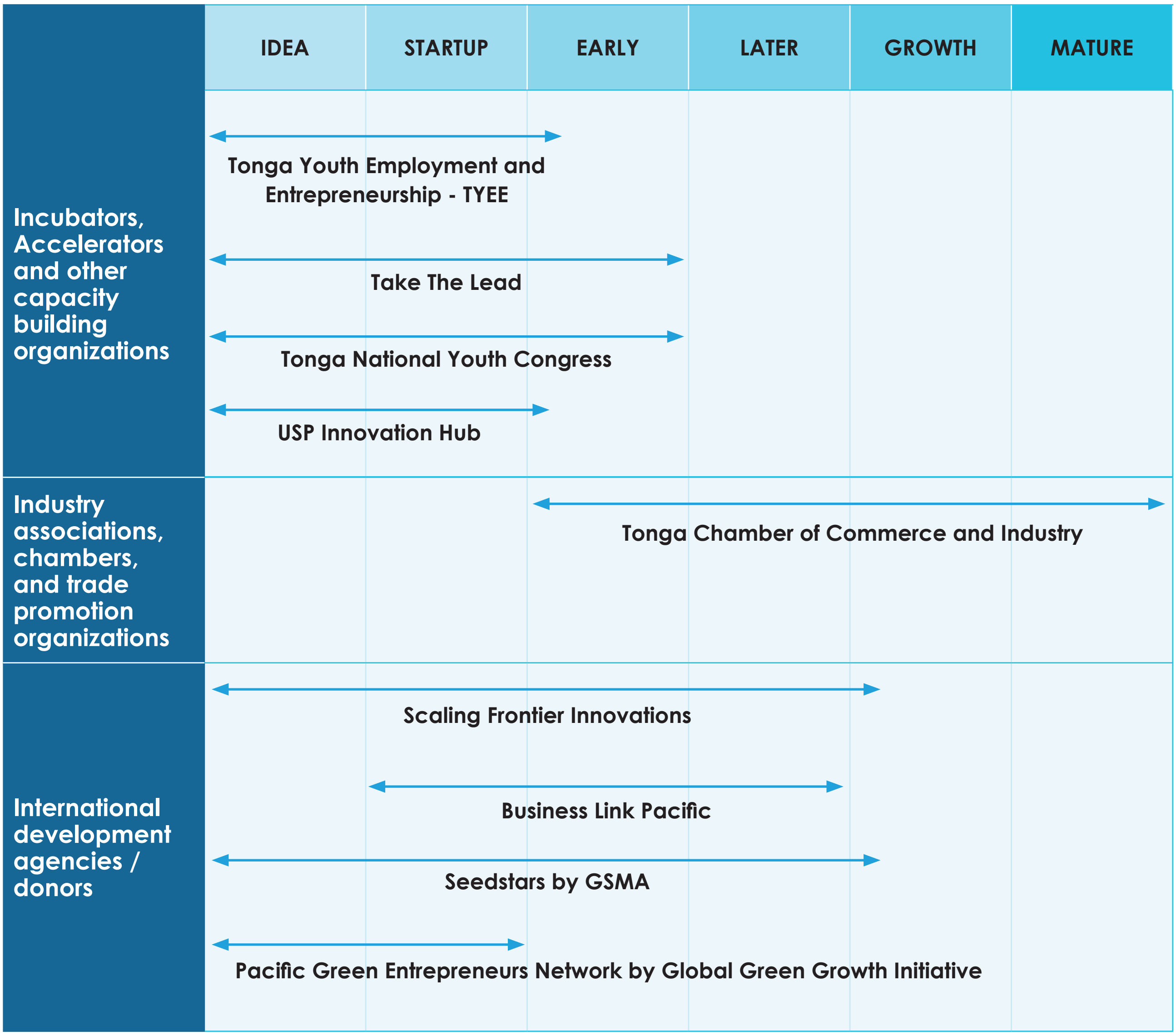
Because the dominant support in Tonga's ecosystem is provided to micro-entrepreneurs, unlike other countries like Fiji or Vanuatu, services in Tonga are more widespread and accessible beyond urban centers to peri urban regions and outer islands. Also, many of the entrepreneurs supported are female.

There is an overall growth in number of enterprises, but the procedures and structures required for scaling and business growth is still a constraint. This is particularly stark for new digital businesses who are unable to register their businesses due to lack of a physical office.

In addition to this lack of an enabling environment for entrepreneurship, cultural perceptions around entrepreneurship are not positive. Entrepreneurship is associated with those school leavers and those who cannot get and hold jobs. In addition, asking for help for building your business is not widely accepted. For most, entrepreneurship is a lonely trail.

7.2 Overview of Institutions by entrepreneurship stage

FIGURE 30: Ecosystem actors by category and business stage in Tonga



Covid-19 as a disruptor in Tonga – early signals

Since the onset of COVID-19, the number of new businesses has increased in Tonga. Many of them are online businesses. In addition, several businesses have diversified to keep afloat. Most of these businesses are using Instagram, and Facebook as sales channels and MoneyGram and bank transfers for payments.

Informal youth entrepreneur groups are supporting each other through free one-on-one training on online marketing and Facebook advertising for business.

The table below provides an overview of the range of institutions in the Tonga's entrepreneurship support ecosystem at various stage of the lifecycle of the business. See Annex 1 for a list of definitions of entrepreneurship support institutions.

7.3 Service Gaps and Overlaps

FIGURE 31: List of services by institutions in Tonga

	INCUBATION					
Institutions	Business Training	Mentoring	Coaching	Technical Training (STEM and related tech)	Soft Skills (i.e.: communication, leadership)	Co-working
Tonga Youth Employment and Entrepreneurship - TYEE	✓	✓	✓		✓	✓
Take The Lead	✓					
Tonga National Youth Congress	✓					
USP Innovation Hub	✓					
Tonga Chamber of Commerce and Industry	✓					✓
Scaling Frontier Innovations	✓	✓			✓	
Business Link Pacific	✓					
Seedstars by GSMA	✓	✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓	✓				

	ACCELERATION						
Institutions	**Funding**	**Prototyping**	**Entrepreneurship Event/Talks**	**Market Information**	**Linkages to Investors**	**Business Support (i.e.: Recruiting, Legal advice)**	**Trade Fairs / B2B**
Tonga Youth Employment and Entrepreneurship - TYEE	✓		✓	✓	✓	✓	✓
Take The Lead			✓				✓
Tonga National Youth Congress					✓	✓	
USP Innovation Hub			✓				✓
Tonga Chamber of Commerce and Industry						✓	
Scaling Frontier Innovations	✓				✓	✓	
Business Link Pacific					✓	✓	
Seedstars by GSMA	✓		✓		✓	✓	
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓		✓		✓		

Ecosystem Best Practice

Unlike other Pacific countries, Tonga has one of the highest concentration of women entrepreneurs. As per the Global Entrepreneurship Monitor, Tonga female entrepreneurs accounted for 58.2% of all entrepreneurs. A significant proportion of economic activity in Tonga occurs in the informal economy, which is dominated by women, as opportunities for salaried employment are scarce.

7.4 Opportunities

Entrepreneurship support services

- While the lack of education and training for employment is one of the reasons individuals opt for entrepreneurship, training is also critical to prepare individuals for entrepreneurship careers. In addition, offering entrepreneurship training could improve the perception of self-employment, now often seen as a last resource for unemployed youth.

- While YEC, once formalized, can potentially support early-stage business and the chamber offers support to mature business, the businesses in the middle stages struggle to access support. Even the Tonga Development Board's development loans are being used by commercial businesses and not reaching medium businesses for whom they are targeted. Increasing the support for existing business in skills such as customer development, product strategy, design, MVP launch, pitch training, communication and company registration could address the current gap.

- TYEE is the only institution providing coaching services, or market access services. While it is commendable and positive that TYEE's service offering is so comprehensive, the organisation's mandate targets youth specifically, leaving older entrepreneurs without access to these critical services.

- The Tonga Chamber is the only institution to self-report that they work with growth and maturity stage enterprises. Given that the Tonga Chamber offers limited services beyond business training/support and co-working, there is a gap in support for more mature entities. Noteworthy is the lack of B2B and trade-fair support services. More mature enterprises are exactly the ones most likely to be able to capitalize on such opportunities.

- There is little and only sporadic support for other minority groups like youth and LGBTQI. A potential opportunity in Tonga would be to reactivate and make effective the partnership between TYNC and Tonga Leitis Association (TLA)[25].

Ecosystem building

- As TYNC and TYEE both support school leavers, there is potential for collaboration with academia.

- There is a gap in research on small businesses and particularly around youth businesses. Studies could expand on potential sectors of interest to be further explored in the medium-long term.

- As per the Tonga Innovation Report & Proposed Innovation Work Plan 2020-2025, there is a need to contextualise innovation within Tongan culture as in most cases, Tongans are not aware that they are quite innovative. The report specifies the fields of education, fisheries and farming as ripe for entrepreneurial disruption in Tonga.

- Considering the importance of remittances to Tonga's economy, there is an opportunity to leverage this diaspora support towards entrepreneurship. While it is common for diaspora to support local entrepreneurs by purchasing or spreading the word about the enterprise, there is little which has been done to truly engage the diaspora in financing and building these businesses.

[25]TLA has been committed to encouraging Tonga and Tongans in acknowledging the positive contributions of Leitis to Tongan civil society. Leitis are individuals situated outside the 'normal, acceptable behaviours and attitude' of 'Anga FakaTonga' Tongan ways. The TLA has also become a key part of the HIV response in Tonga.

- The chamber and the youth entrepreneurship chamber (soon to be formed) are seen as trusted entities in the ecosystem who could start offering this support. Through the youth entrepreneurship chamber, the entrepreneurs hope to advocate for their needs and build a community of peers on whom they can rely. The creation of an informal community is critical for entrepreneurs who are alienated by entrepreneurship service organizations and the government and do not fit the criteria for support established by donor agencies.

7.5 Network Analysis

Ecosystem maturity	Pre-Awakening
Number of actors in the network	11
Number of connections	14
Density of the network (being 1 the ecosystem at its maximum potential)	0.25

Tonga's ESOs network has a big presence of non-profit business support organizations.

The network density of 0.25, indicates the potential for new connections to be created. International and regional initiatives such as BLP or MDFs appear to be less connected than youth and private led organizations. WIBDI also shows great potential to create new connections in the ecosystem. Given its current low number of connections and the potential to reach a growing base of female entrepreneurs, this institution could rapidly increase its presence.

Confirming the interviews analysis and the feedback received from entrepreneurs, leading institutions of the network are, the Tonga National Youth Congress, Tonga Chamber of Commerce and the Tonga Business Enterprise Centre.

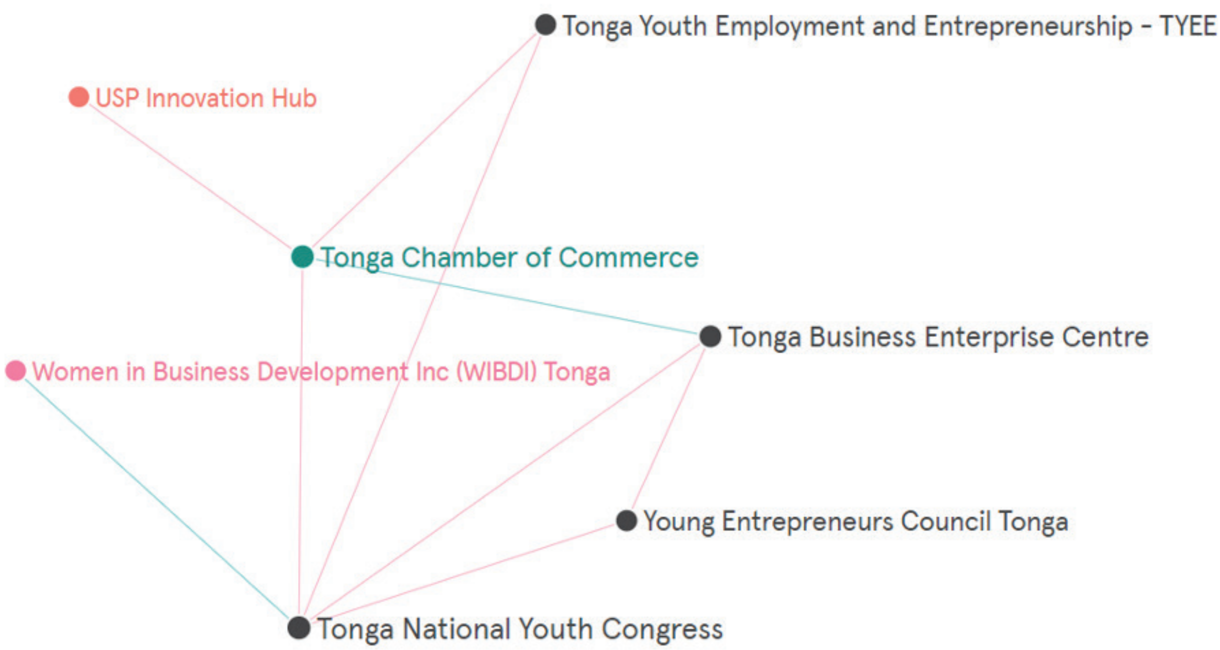
Overall, there is limited engagement with Academia. USP's new Innovation Hub pilot is the one of the few initiatives led by academia to promote innovation and entrepreneurship. As TYNC and TYEE both support school leavers, there is strong potential for collaboration with academia.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 32: Tonga's Entrepreneurship Support Network

FIGURE 33: Tonga's Entrepreneurship Support Network – Locally anchored institutions network



Nodes

4 Business Support Organisation Size by Degree Centrality	1 Management Cosulting Size by Degree Centrality
4 International/Regional Organisation Size by Degree Centrality	1 Business Women's Association Size by Degree Centrality
3 Academia Size by Degree Centrality	1 Chamber of Commerce Size by Degree Centrality

FIGURE 34: Tonga's Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
C Tonga Chamber of Commerce	5
B Tonga National Youth Congress	5
B Tonga Business Enterprise Ce...	5
B Tonga Youth Employment and ...	3
B Young Entrepreneurs Council ...	2

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
C Tonga Chamber of Commerce	20.00
B Tonga Business Enterprise Ce...	18.50
B Tonga National Youth Congress	15.50
B Tonga Youth Employment and ...	9.00

8 VANUATU'S ENTREPRENEURSHIP SUPPORT ECOSYSTEM

Vanuatu has an emerging ecosystem that offers support services to entrepreneurs at different stages of development.

8.1 Key Ecosystem Characteristics

Given the high cost of doing business in Vanuatu, one key value these services provide is to lower the cost of doing business by offering coworking spaces, networking and facilitating synergies.

Entrepreneur support organizations in Vanuatu have emerged in the last 2-3 years in response to the government's call to encourage entrepreneurship for economic development[26]. Existing ESOs are not yet market driven and are mostly subsidized by international donors. Additionally, entrepreneurship support services are mostly offered by ESOs led by expatriates hoping to create the next generation of local leadership. This wave of new services and ESOs in recent years has been led by highly motivated individuals leading the change, powering synergies in the ecosystem and allowing for collaboration and information exchange which benefits the entire ecosystem.

Business training is delivered by international consultants and local training capacity is limited. Although organizations like V-Lab and Breadfruit Consulting are focused on building local capacity in line with long term sustainability and provision of contextualized advice, the reliance on a few motivated individuals in a small ecosystem creates key person risk. If these motivated individuals were to leave, their work, not yet institutionalised, would be lost.

Vanuatu also has a vibrant and varied service offering, including prototyping, technical skills (e.g., STEM) and coaching which makes it different from the other countries in this study.

In the Vanuatu context, micro-entrepreneurship is not seen as legitimate business or entrepreneurship. This prevents many individuals from accessing services or seeking support and discourages micro-entrepreneurs, who do not perceive themselves as innovative.

While entrepreneurship support organizations are trying to cover existing gaps in support for entrepreneurs, more needs to be done in this space. Of all the organizations mapped, most seed to early-stage entrepreneurs know and trust V-Lab, Yumiwork and IDEA. Some of them reported weaker connections to the Chamber

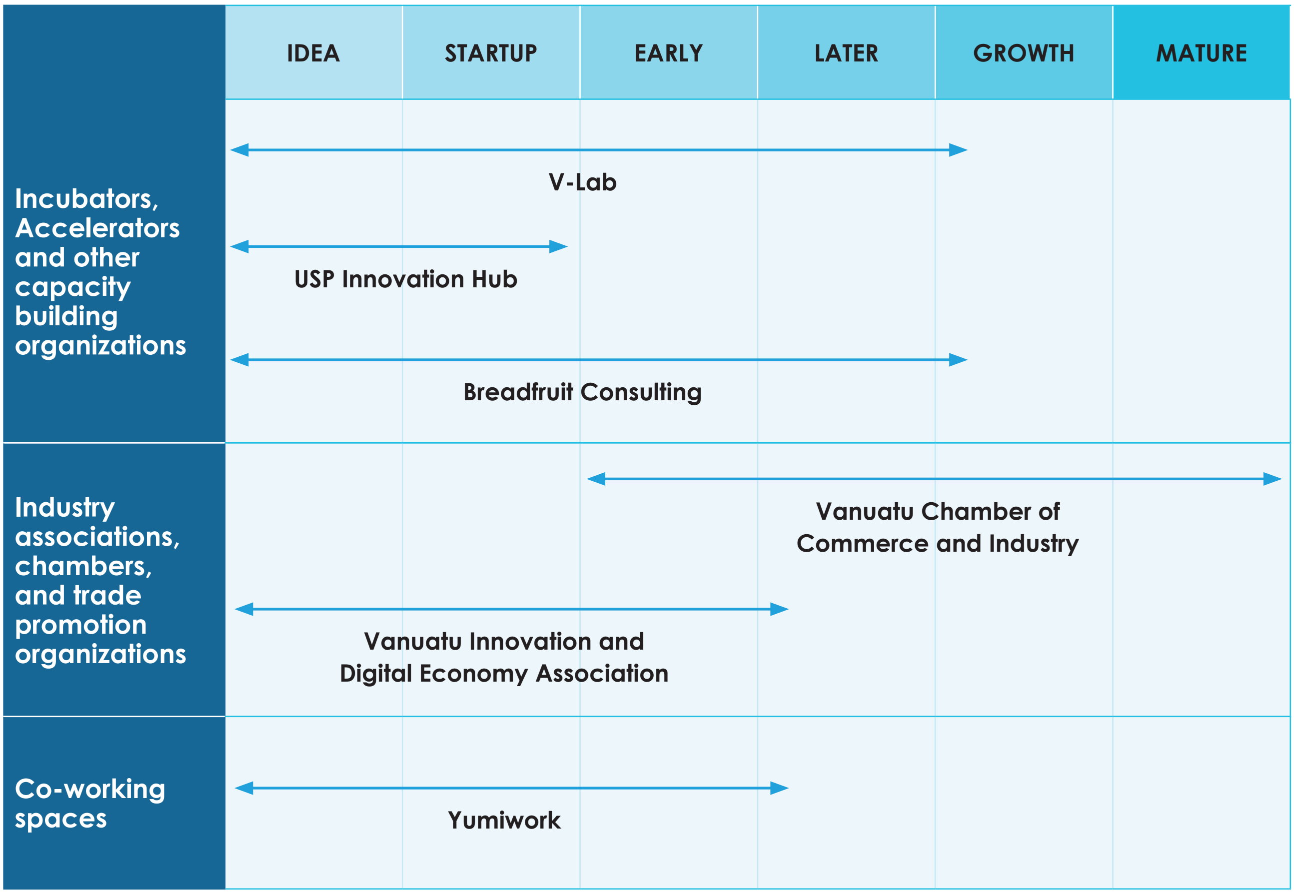
[26]https://www.rbv.gov.vu/images/Financial_Inclusion/Vanuatu%20MSME%20Finance%20Survey%20Report_2016.pdf

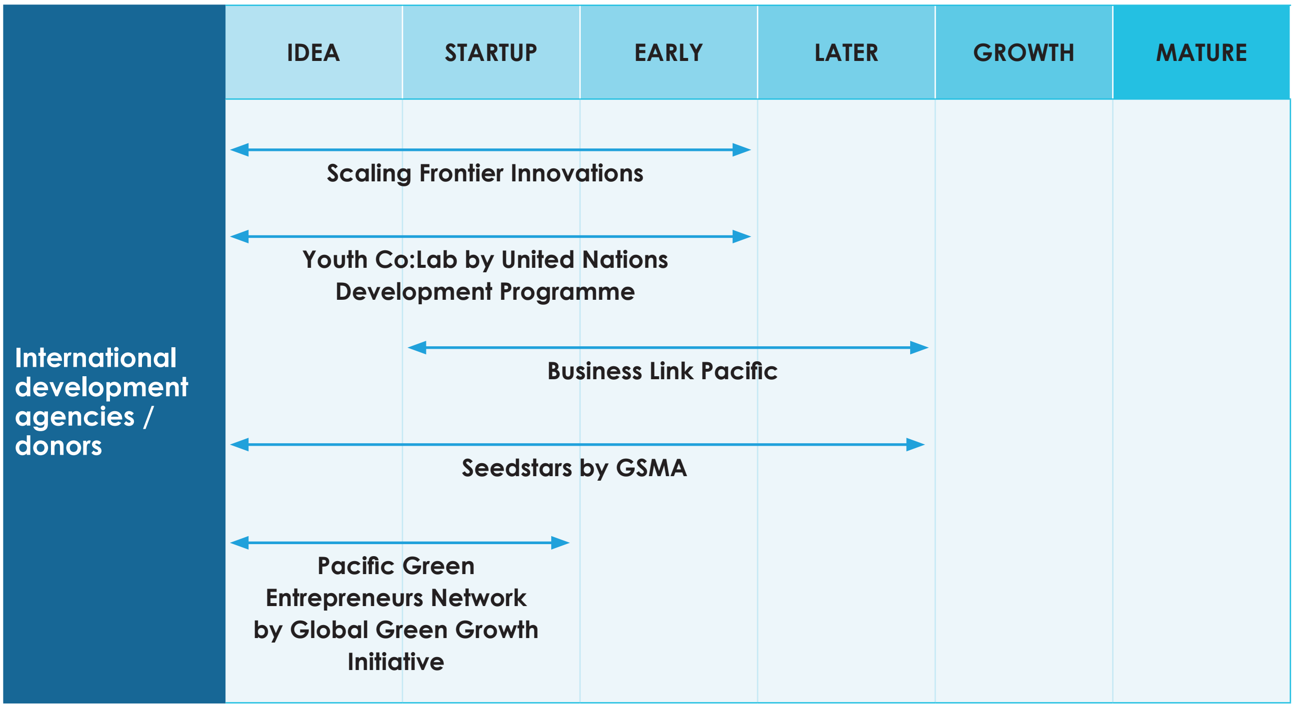
but only established entrepreneurs were aware of other actors like Business Link Pacific. This indicates the potential for further guidance and support during the earlier stages of the entrepreneurship journey. It also demonstrates the need to create a clear pathway and referrals systems from one institution to another as entrepreneurs graduate to new development stages.

Inclusion of and reach to a broad set of entrepreneurs remains a challenge in Vanuatu. Most services are centred around Efate and Port Vila and there is little presence in the outer islands. However, there is demand from other islands like Santo and Tanna as entrepreneurs from these islands come to attend events in the city. In addition, while some organizations have subsidies for attracting women entrepreneurs and some have a gender equity and social inclusion focus, enlisting women entrepreneurs continues to be a challenging area for entrepreneur support organizations.

8.2 Overview of Institutions by entrepreneurship stage

FIGURE 35: Ecosystem actors by category and business stage in Vanuatu





Covid-19 as a disruptor in Vanuatu – early signals

Entrepreneurs are pivoting their business models with some businesses exploring online models. There is more interest in digital businesses than ever before.

The Bisnis Nakamal program which aims to train anyone who has an interest in starting or developing a business in entrepreneurship skills. This is their first foray into testing a pay for service model.

8.3 Service Gaps and Overlaps

FIGURE 36: List of services by institutions in Vanuatu

	INCUBATION					
Institutions	**Business Training**	**Mentoring**	**Coaching**	**Technical Training (STEM and related tech)**	**Soft Skills (i.e.: communication, leadership)**	**Co-working**
V-Lab	✓	✓	✓		✓	✓
USP Innovation Hub	✓					
Breadfruit Consulting	✓	✓	✓		✓	
Vanuatu Chamber of Commerce and Industry	✓	✓			✓	
Vanuatu Innovation and Digital Economy Association				✓		
Yumiwork					✓	✓
Scaling Frontier Innovations	✓	✓			✓	
Youth Co:Lab by United Nations Development Programme						
Business Link Pacific	✓					
Seedstars by GSMA	✓	✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓	✓				

	ACCELERATION						
Institutions	Funding	Prototyping	Entrepreneurship Event/Talks	Market Information	Linkages to Investors	Business Support (i.e.: Recruiting, Legal advice)	Trade Fairs / B2B
V-Lab	✓		✓	✓	✓	✓	✓
USP Innovation Hub			✓				
Breadfruit Consulting			✓			✓	
Vanuatu Chamber of Commerce and Industry				✓			
Vanuatu Innovation and Digital Economy Association		✓	✓				
Yumiwork		✓	✓			✓	
Scaling Frontier Innovations	✓				✓	✓	
Youth Co:Lab by United Nations Development Programme			✓				
Business Link Pacific					✓	✓	
Seedstars by GSMA	✓		✓		✓		
Pacific Green Entrepreneurs Network by Global Green Growth Initiative	✓		✓		✓		

Ecosystem Best Practice

Strong collaboration between ESOs results in cohesive and continuous development for the entrepreneur as well as timely exchange of knowledge, resources, and opportunities. ESOs share information and partner to jointly deliver services. Despite the overlap and potential competition for resources, ESOs are funding their own unique selling propositions.

8.4 Opportunities

Entrepreneurship support services

- For each application for support, the entrepreneur needs to submit documents and undergo due diligence. This is an expensive and time-consuming process. A standardization of this process can help entrepreneurs by reducing the administrative burden of the application process and increasing access to ministries, donors and the entrepreneur support organizations who want to offer support.
- With rich natural resources, agribusiness and fisheries sectors are a potential focus for entrepreneurship support organizations as suggested by the Vanuatu Innovation Report & Proposed Innovation Work Plan 2020-2025
- While services coverage in the Vanuatu ecosystem is comprehensive, more coaching services could be offered. For all other service types, at least two ESOs have an offering. Coaching services are valuable one-on-one relationships between entrepreneurs and advisors. While several ecosystem actors offer soft-skills trainings that might cover related topics, these generic trainings do not offer contextualized advice.

Ecosystem building

- ESOs in Vanuatu generally have the right networks in place – for example, V-Lab, Yumiwork, IDEA, and Breadfruit Consulting work closely together. This means that there is an opportunity to actively streamline the offer to entrepreneurs. For example, with improved transition from V-Lab to VCCI as entrepreneurs grow and move from early to mature stage. This includes organizations sharing information (e.g., common database of entrepreneurs and needs), building incentives (subsidized fees) and building complementary support.
- Entrepreneurs are seeking a one-stop shop platform where they can get all the information they need about services, training, and support. They also want a streamlined process which removes the information gathering task from them and maps resources needed in an easy and convenient manner. Relationship building is critically important for entrepreneurs but is also very time consuming. If a single organization is a knowledgeable custodian and facilitator of key relationships, it will improve access for entrepreneurs.

8.5 Network Analysis

Ecosystem maturity	Awakening
Number of actors in the network	14
Number of connections	30
Density of the network (being 1 the ecosystem at its maximum potential)	0.33

Despite being far from its maximum potential, Vanuatu is following Fiji in terms of connectedness of actors and diversity of ESOs.

Top connected institutions and therefore leaders of the network are, V-Lab, Vanuatu Chamber of Commerce and Yumiwork. To increase the connectedness of the network, the network should increase connections with the USP innovation hub and Vanuatu Innovation and Digital Economy Association.

Network Analysis Data

Figures below present the overall support network graph and the network of locally anchored institutions. Institution nodes are ranked according to degree centrality, defined as the number of links upon a node (i.e., the number of ties that a node has). This indicates which institutions have built a bigger network. The size of the nodes (institutions) corresponds to their centrality score (the higher the node, the higher the centrality).

FIGURE 37: Vanuatu's Entrepreneurship Support Network

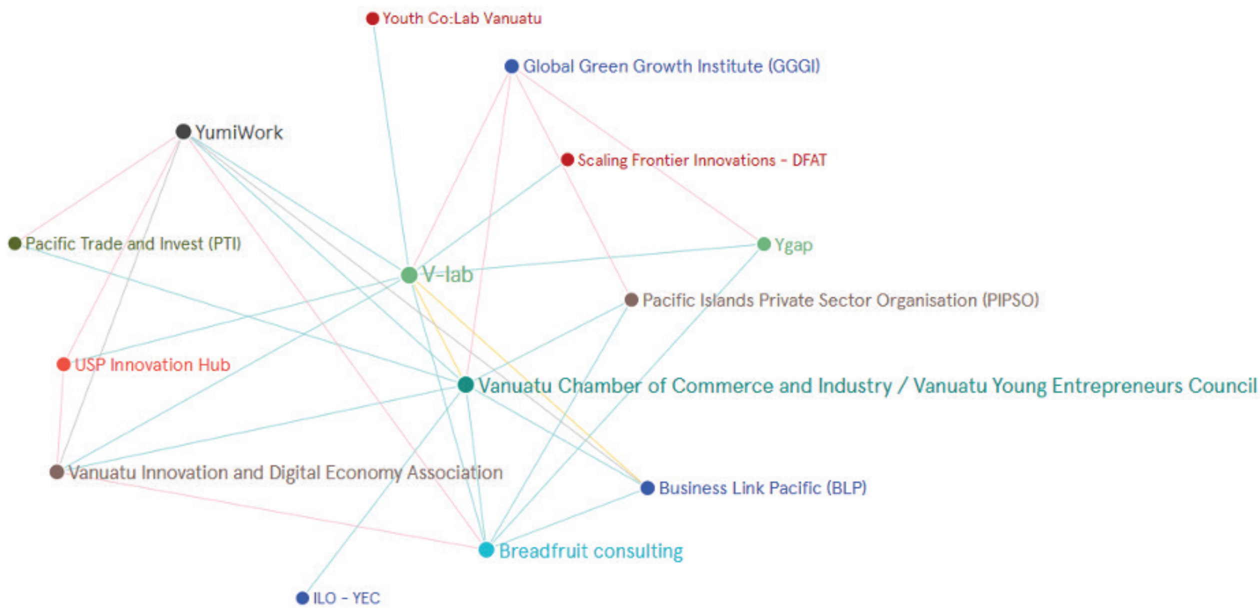
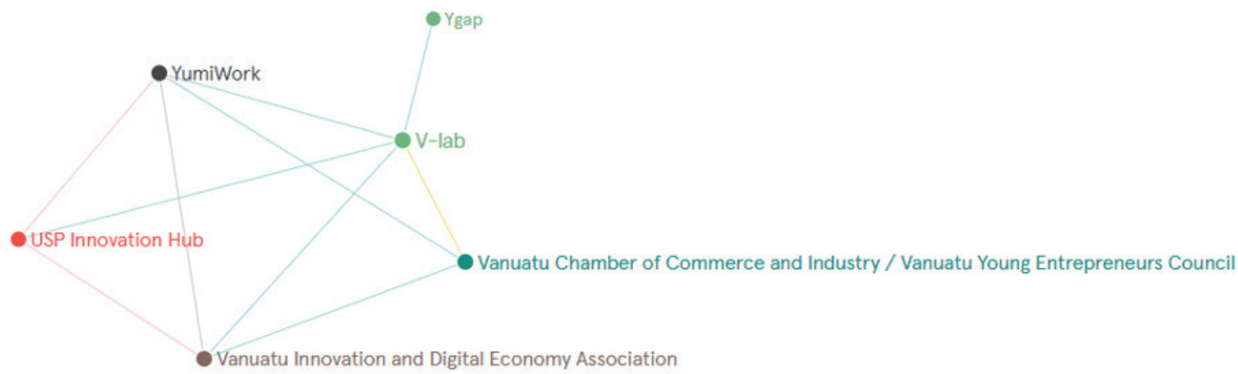


FIGURE 38: Vanuatu's Entrepreneurship Support Network – Locally anchored institutions network



Nodes

- 6 International/Regional Organisation – Size by Degree Centrality
- 1 Incubator – Size by Degree Centrality
- 1 Trade Promotion Organisation – Size by Degree Centrality
- 4 International/Regional Programme – Size by Degree Centrality
- 1 Academia – Size by Degree Centrality
- 1 Business Support Organisation – Size by Degree Centrality
- 2 Industry Association – Size by Degree Centrality
- 1 Management Consulting – Size by Degree Centrality
- 1 Chamber of Commerce – Size by Degree Centrality

FIGURE 39: Vanuatu's Network centrality

Degree centrality
Institutions with the highest number of links to other actors in the network.

Top 5 Nodes	Connections
I V-lab	10
C Vanuatu Chamber of Commer...	9
B YumiWork	7
M Breadfruit consulting	7
I Vanuatu Innovation and Digital...	5

Betweenness centrality
Institutions that most frequently act as 'bridges' between other nodes/actors.

Top 5 Nodes	Betweenness
I V-lab	31.50
C Vanuatu Chamber of Commer...	22.53
B YumiWork	6.44
M Breadfruit consulting	6.25
I Global Green Growth Institute...	2.51

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ANNEX I: INSTITUTIONS MAPPED

Incubators, Accelerators, and other Capacity Development Institutions

ESO Type	Name	Country
Academia	Regional Inclusive Growth Initiative (USP)	Fiji
Accelerator	Fiji Enterprise Engine (FEE)	Fiji
Ministry/ Government	MSME Fiji	Fiji
Youth Association	Young Entrepreneurs Council Fiji	Fiji
Business Women's Association	Women Entrepreneurs Business Council (WEBC)	Fiji
Chamber of Commerce	Fiji Chamber of Commerce and Industry (FCCI)	Fiji
International/ Regional Programme	Youth Co:Lab Fiji	Fiji
International/ Regional Organisation	Archipelagic and Island States (AIS)	International/Regional
Management Consulting	Breadfruit consulting	International/Regional
International/ Regional Organisation	Business Link Pacific (BLP)	International/Regional
Accelerator	Fiji Bloom South Pacific Business Development Microfinance	International/Regional
International/ Regional Organisation	Global Green Growth Institute (GGGI)	International/Regional
International/ Regional Organisation	ILO - YEC	International/Regional
International/ Regional Programme	LaunchPad (Australian Aid and GSMA)	International/Regional
International/ Regional Organisation	Market Development Facility (MDF)	International/Regional
Business Support Organisation	Pacific Business, Sport & Entrepreneurs (PSSE)	International/Regional
Business Support Organisation	Pacific Connect - ICDP	International/Regional
International/ Regional Organisation	Pacific Islands Forum Secretariat (PIFS)	International/Regional

ESO Type	Name	Country
Industry Association	Pacific Islands Private Sector Organisation (PIPSO)	International/Regional
International/ Regional Programme	Pacific Readiness for Investment in Social Enterprise (PacRISE) - DFAT	International/Regional
Trade Promotion Organisation	Pacific Trade and Invest (PTI)	International/Regional
International/ Regional Programme	Scaling Frontier Innovations - DFAT	International/Regional
Management Consulting	Second Muse	International/Regional
International/ Regional Programme	Seedstars	International/Regional
Accelerator	South Pacific Business Development Microfinance	International/Regional
Academia	USP Innovation Hub	International/Regional
Incubator	Ygap	International/Regional
Co-working	Emstret Space Limited	Papua New Guinea
Accelerator	PNG Digital ICT Cluster	Papua New Guinea
Incubator	Lae SME Incubator Hub	Papua New Guinea
Ministry/ Government	Small and Medium Enterprises Corporation PNG (SMEC)	Papua New Guinea
Chamber of Commerce	PNG Chamber of Commerce and Industry (PNGCCI)	Papua New Guinea
Business Women's Association	Womens Business Resource Center (WBRC-CIPE)	Papua New Guinea
Business Support Organisation	Samoa Business Hub (SBH)	Samoa
Chamber of Commerce	Samoa Chamber of Commerce	Samoa
Business Support Organisation	The Hub Pacific	Samoa
International/ Regional Programme	UNDP Accelerator Lab Samoa	Samoa
Business Women's Association	Women in Business Development Inc (WIBDI) Samoa	Samoa
International/ Regional Programme	Youth Co:Lab Samoa	Samoa

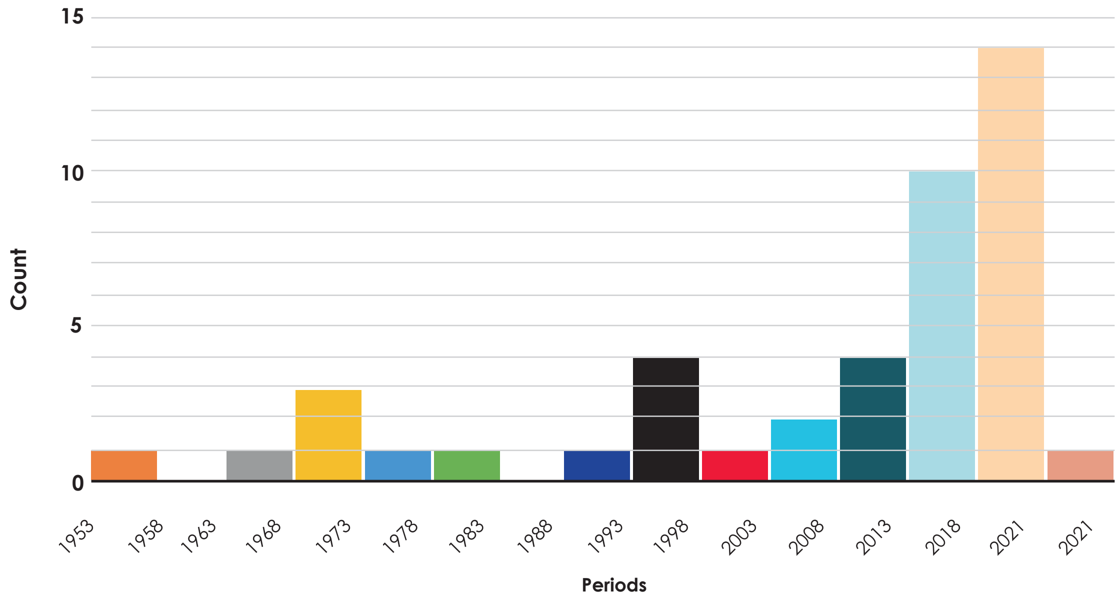
ESO Type	Name	Country
Co-Working	IumiWaka Co-Working Space	Solomon Islands
Business Support Organisation	S.I Small Business Enterprise Centre (SISBEC)	Solomon Islands
Chamber of Commerce	Solomon Islands Chamber of Commerce and Industry (SICCI)	Solomon Islands
Business Women's Association	Solomon Islands Women In Business Association (SIWIBA)	Solomon Islands
Business Support Organisation	Young Entrepreneurs Council Solomon Islands	Solomon Islands
Business Support Organisation	3D Innovation Lab (3DI Lab)	Timor Leste
Ministry/ Government	Apoio ao Desenvolvimento Empresarial (IADE)	Timor Leste
Chamber of Commerce	Chamber of commerce	Timor Leste
Business Support Organisation	Knua Juventude Fila-Liman (KJFL)	Timor Leste
Incubator	Oe-Cusse Business Incubator	Timor Leste
International/ Regional Programme	Seeway UNDP	Timor Leste
Business Support Organisation	Sentru Atauro Diak (TL)	Timor Leste
International/ Regional Programme	Timor-Leste Accelerator Lab - UNDP	Timor Leste
International/ Regional Organisation	UNDP Timor-Leste	Timor Leste
International/ Regional Programme	UNDP ZEESM Project	Timor Leste
International/ Regional Programme	Youth Co:Lab TL	Timor Leste
Business Women's Association	Associação Empresarial Das Mulheres Timor-Leste (AEMTL)	Timor Leste
Business Support Organisation	Take The Lead Tonga	Tonga
Business Support Organisation	Tonga Business Enterprise Centre	Tonga

ESO Type	Name	Country
Chamber of Commerce	Tonga Chamber of Commerce	Tonga
Business Support Organisation	Tonga National Youth Congress	Tonga
Business Support Organisation	Tonga Youth Employment and Entrepreneurship - TYEE	Tonga
Business Support Organisation	Young Entrepreneurs Council Tonga	Tonga
Business Women's Association	Women in Business Development Inc (WIBDI) Tonga	Tonga
Chamber of Commerce	Vanuatu Chamber of Commerce and Industry / Vanuatu Young Entrepreneurs Council	Vanuatu
Industry Association	Vanuatu Innovation and Digital Economy Association	Vanuatu
Incubator	V-lab	Vanuatu
International/ Regional Programme	Youth Co:Lab Vanuatu	Vanuatu
Business Support Organisation	YumiWork	Vanuatu

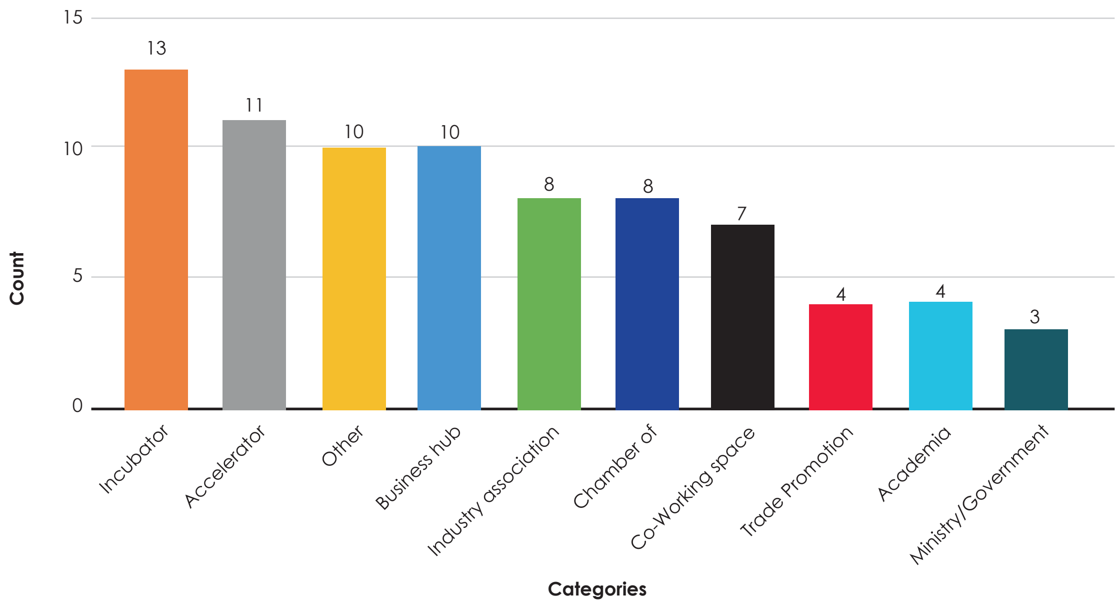
ANNEX II: RESPONSES TO ONLINE QUESTIONNAIRE

In addition to the questions asked during 1 on 1 interviews, ITC also distributed an online questionnaire to support the data gathering process for the network analysis.

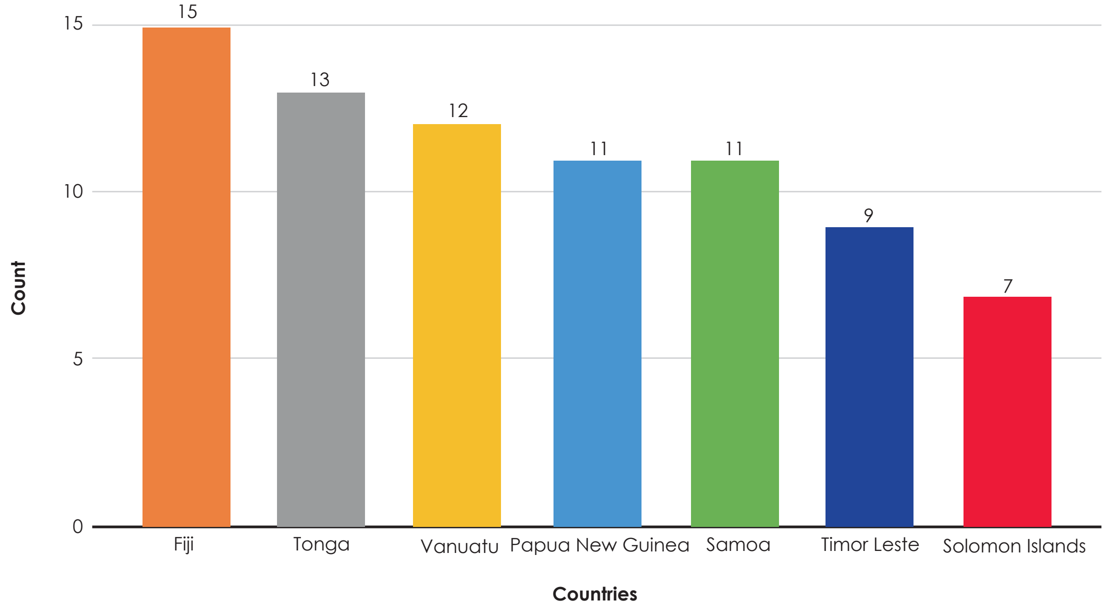
It is to note that not all interviewed institutions responded to the questionnaire. Therefore, information was crosschecked and completed using insights from interviews and desk research.



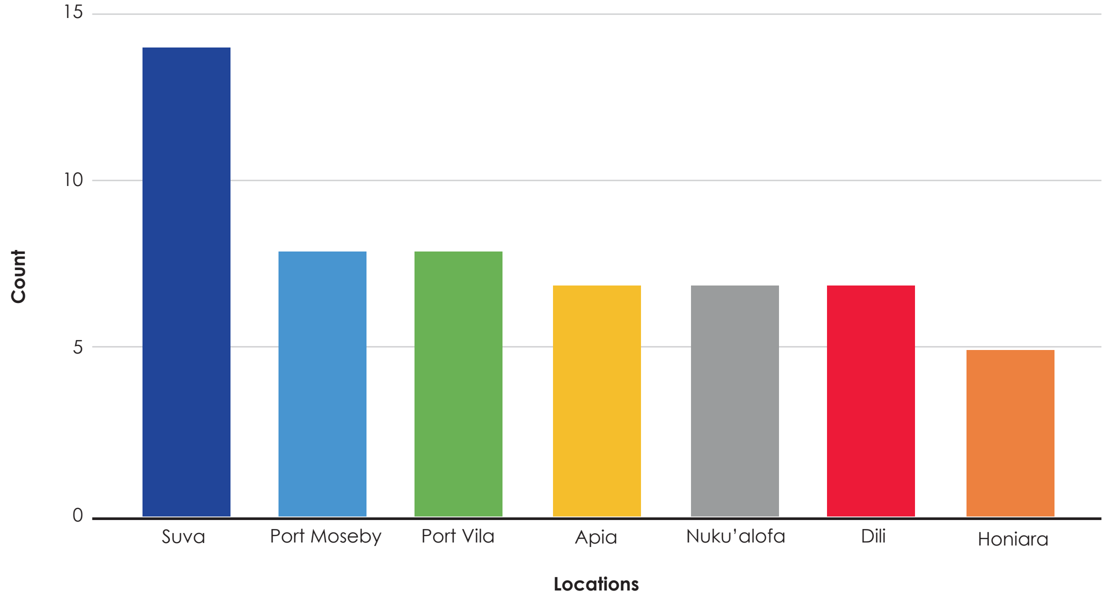
How would you categorize your institution?



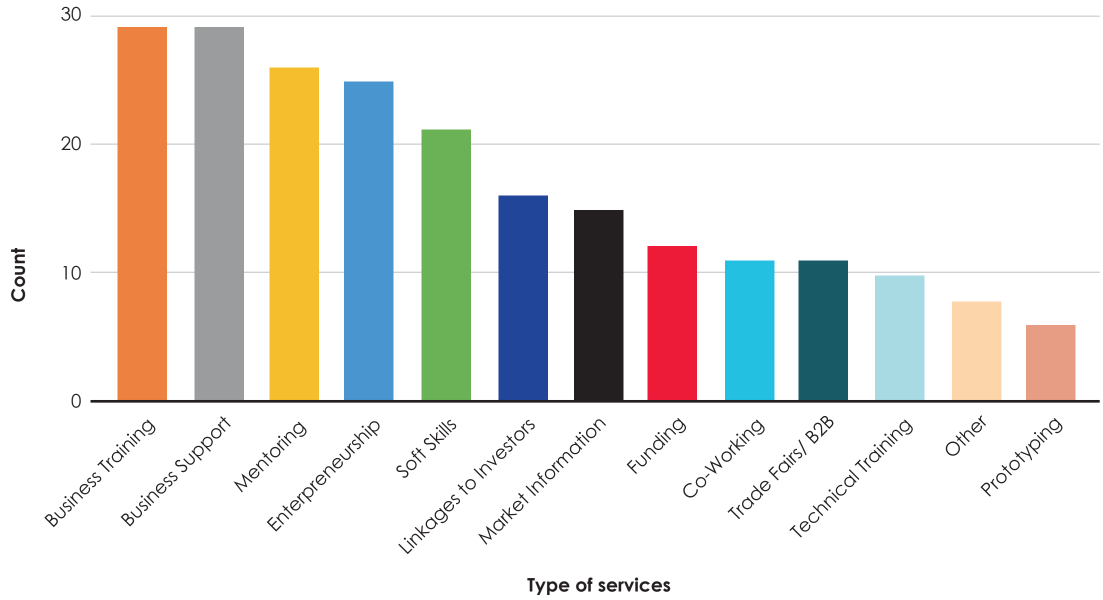
What country/ies do you work in?



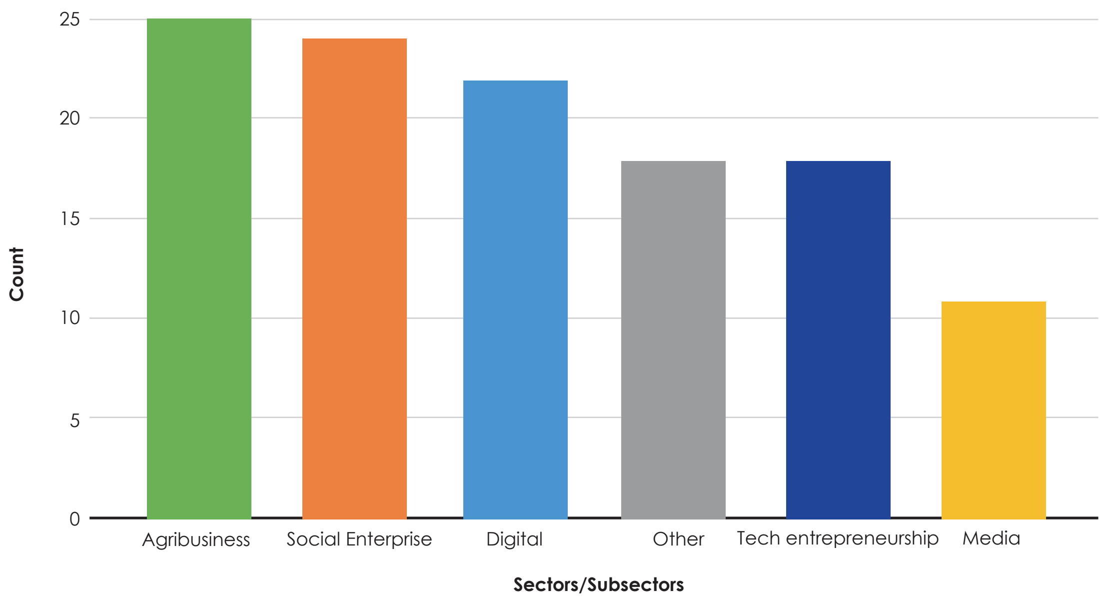
Where is your office located?



What kind of services do you offer?



What sectors/sub-sectors do you cover?



ANNEX III: ITC's METHODOLOGY

Defining Entrepreneurship Support Ecosystems

In the context of this report, an entrepreneurship support ecosystem is a collaborative arrangement through which institutions that support entrepreneurs combine their resources, capabilities, and products to offer a coherent, entrepreneur-oriented solution.

When they work, ecosystems allow institutions to create value that no single one of them could have created alone. Well-managed ecosystems improve the management of critical interdependencies to increase benefits or reduce costs.

Defining the Institutions within the Entrepreneurship Ecosystem

Pre incubators

- Offering mindset transformations for youth to engage in innovation and entrepreneurship
- Primary source of Innovation ideas
- Offers hands-on programmes such as Internships
- Program durations between 3 months to 1 Year

Incubators

- Primarily focuses on helping early stage start-ups become viable and scalable
- Provides an array of support services and infrastructure through a systematic process
- Quality controlled intake of start-ups with regular time bound exits
- Program duration generally between 1 year and 3 years

Accelerators

- Can support early and growth stage start-ups
- Often invests financially in the start-ups
- Fixed-term, cohort-based program that catalyses start-up growth through intensive mentoring, networking, and educational services
- Quality controlled, often highly competitive, intake of start-ups with regular time bound exits
- Program duration generally between 1 week and 6 months

Young entrepreneur associations

- Volunteer-driven non-profit organizations promoting youth entrepreneurship
- Provides networking and peer-to-peer exchange opportunities
- Lobbying and providing recommendations to policymakers on issues related to youth entrepreneurship

Youth chambers of commerce

- Membership organization for young entrepreneurs to have a voice and address specific concerns of youth-owned enterprises
- Often provides business development services to young entrepreneurs

Co-working spaces

- A business services provision model that involves individuals working independently or collaboratively in shared office space

Venture capitalists

- A venture capitalist is an investor who either provides capital to start-up ventures or supports small companies that wish to expand but do not have access to equities markets.

Angel investors

- Angel investors are also called informal investors, angel funders, private investors, seed investors or business angels. These are affluent individuals who inject capital for start-ups in exchange for ownership equity or convertible debt.

Events and business competition organizers

- Pitching competition, bootcamps, business plan competitions, hackathons, B2B events, fairs and exhibitions are all different types of events and competitions for young entrepreneurs to ideate and scale up. Example events/competitions include Startup Weekend and Seedstars.

Defining the Stages of Entrepreneurship

Idea Stage

The business idea requires testing and research is conducted to determine whether it is worth pursuing.

Start-up Stage

The business entity is established legally and the focus lies on developing the products/ services, adjusting the business model and understanding the customer's expectations.

Early Stage

The business is generating revenue and adding new customers, with a focus on reaching breakeven cash flow and further fine-tuning the business model.

Later

The business has demonstrated viability, with a well-known product/service and strong market presence.

Growth

The business is thriving and established in the industry and focuses on expansion, particularly into new markets.

Mature

The business is on top of its industry, often with two choices, either push for further expansion or exit the business.

Definitions of Service Categories

Business Training	Business Training consists of training packages focussing on business skills (e.g., service digitization, strategy development, financial literacy, etc.). These trainings are provided to groups of entrepreneurs, and are therefore general skills applicable to most businesses, rather than highly tailored advice.
Mentoring	Mentoring services match entrepreneurs with experienced counterparts who have been on their particular journey. Mentors are usually experienced business owners in the sector of the entrepreneur. They share their experiences and lessons learned, ensuring entrepreneurs don't have to learn from the same mistakes they did.
Coaching	Coaching services are one-on-one relationships between entrepreneurs and advisors. Coaching usually focusses on the soft skills of business management, such as adaptability, pitching, and leadership skills. Coaching differs from soft-skills training in that Coaching provides a highly tailored, one-on-one experience for entrepreneurs, in contrast to soft-skills trainings that are more generally applicable best practices.
Technical Training (STEM)	Technical training consists of the specific hard skills that are valuable for certain enterprises. Focussing on STEM (Science, Technology, Engineering, Math) skills, these services help entrepreneurs, and their enterprises build the technical capabilities to design their products, support their businesses, and analysse data.
Soft Skills	Soft skills are those interpersonal social skills that are so often underappreciated, yet absolutely critical for entrepreneurial success. Soft-skills trainings focus on topics such as hosting successful meetings, cultural sensitivities for international business, and pitching best-practices.

Co-Working	One of the most significant challenges for entrepreneurs is the raw cost of starting a business. Of those costs, office space is routinely one of the largest and most burdensome. Co-working services offer entrepreneurs office space in shared environments at little/no cost. Co-working spaces are often essential resources for entrepreneurs before they begin to raise funds and generate income to afford space of their own.
Funding	An institution that provides funding services has their own pool of financial resources at their disposal that they can invest or grant to entrepreneurs.
Prototyping	For those innovative entrepreneurs developing new products, the prototyping stage is essential. Realizing a working, demonstratable prototype is often the linchpin of successful fundraising and marketing. Having access to quality prototyping services is essential for these enterprises.
Events and Talks	Events and Talks are excellent vehicles for showcasing developing trends, convening ecosystem actors, and communicating the state of affairs. Regardless of the specific topic or content of the talk, the opportunity to convene entrepreneurs and ESOs (even informally) provides a valuable forum for exchange of ideas and best practices.
Market Access	Market Access services help entrepreneurs take their businesses to new markets. Market access services usually center on the provision of information and data on target markets.
Linkages to Investors	Linkages to investors is a vital service for entrepreneurs. Fundraising is often one of the hardest phases of start-up acceleration and connecting with investors is possible the greatest challenge in this process. Institutions that provide these services have a network of trusted, interested investors that they can connect to their clients, where appropriate.
Business Support	Business support services are those services that directly facilitate the operations of an enterprise. (E.g. an institution that provides accounting or bookkeeping services, legal support and consulting, or office processes such as printing/faxing/scanning).
Trade fairs/B2B	Services to support participation in Trade Fairs and B2B events are one of the most important elements more mature enterprises. These events provide an opportunity for entrepreneurs to showcase their products to an international audience, forge connections to other businesses interested in their products, and take their enterprise onto the global stage.

ITC's Network Analysis Methodology

ITC'S Network Analysis methodology aims to capture interactions, trends and patterns in collaborations among institutions. The results presented in this section are based on three pillars of analysis:

Desk research

Preliminary research to understand the landscape of institutions in the country and their offerings. Research on specific studies and reports in the field of entrepreneurship support and start-ups development in the country. Research to validate findings.

Entrepreneurship support institutions

Personal interviews to understand the role of the institution in the ecosystem, its contributions, perspectives, and specific collaborations within the network.

Entrepreneurship

Personal interviews to validate the institution's offering and to understand the entrepreneur's journey in the ecosystem.

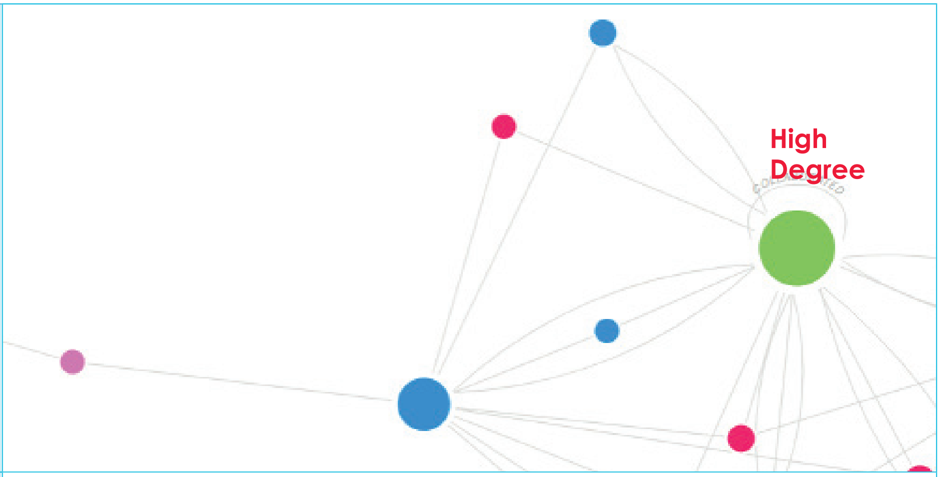
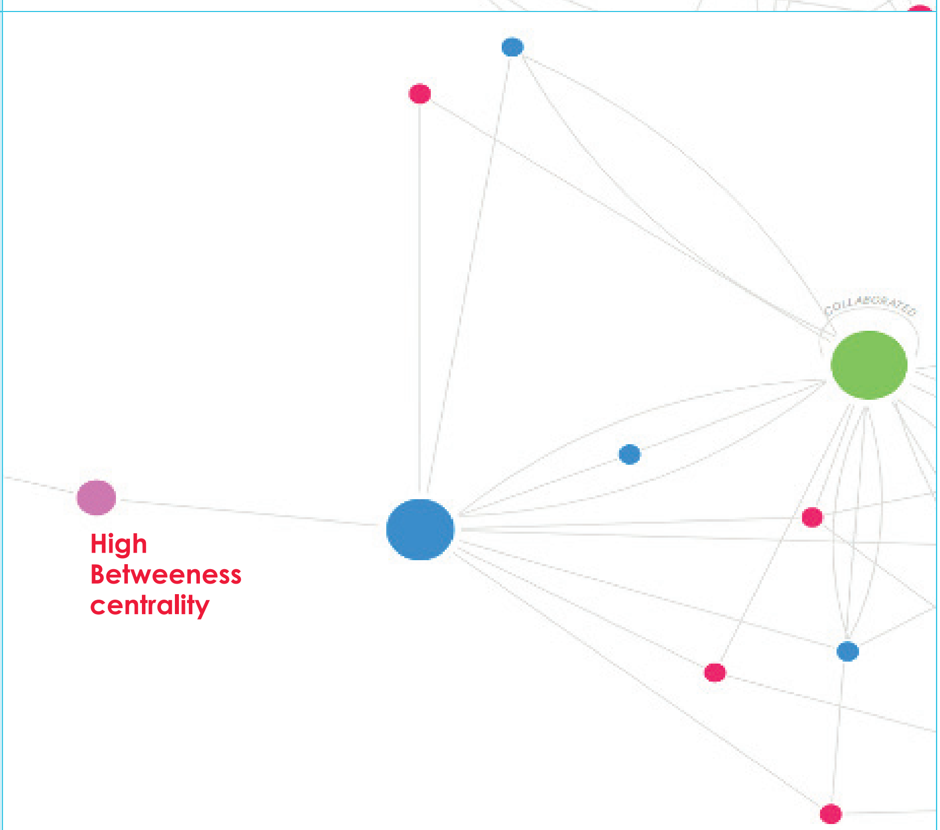
In order to represent and visually capture the interactions and linkages among the interviewed institutions, this section of the report provides qualitative and quantitative insights supported by a network analysis software.

The following section provides answers to two key questions:

1. ***What are the main connections in the network?*** The analysis explores how the landscape of institutions interact with each other, which are the most connected institutions, with who are they connecting and why are they connecting. The aim of this analysis is to understand what stimulates collaboration or what might be preventing it and therefore, what can be done to continue strengthening the ecosystem.

2. ***What are the different types of connections?*** To respond to this question, ITC's network analysis focuses on three key factors of collaboration: information, funding collaborations and service delivery. In the case of information exchanges, the analysis looks into aspects such as sharing of database of entrepreneurs, events information or market intelligence. Regarding financial exchanges, the analysis focuses on the exchanges of funds between institutions. This would be the case of institutions providing financial support for events to other institutions or logistics support. Finally, service delivery collaboration involves support for trainings, such as training material and training staff and collaboration for the organization of events and competitions.

Key Network Analysis Definitions:

Degree centrality The degree centrality measure finds actors (institutions) with the highest number of links to other institutions in the network. Institutions with a high degree centrality have the best connections to those around them – they might be influential, or just strategically well-placed.	
Betweenness centrality Institutionws with a high betweenness centrality score are the ones that most frequently act as 'bridges' between other nodes. They form the shortest pathways of communication within the network. Usually this would indicate important gatekeepers of information between groups.	

Questions to ESOs

Ecosystem roles and linkages

1. Who are your main target beneficiaries for the services you offer?
2. What's the average age of the entrepreneurs your organization support?
3. Which business lifecycle stage does your organization target (e.g. incubation support, business acceleration support, export support)?
4. How many businesses are you working with? How many graduates (if incubator programme)?
5. What services do you offer?
6. If you provide training, how did you design the training content? How much do you focus on technical skills vs. soft skills? Do you evaluate the satisfaction of entrepreneurs after the trainings?
7. What sectors do you cover? What sub-sectors (STEM, AI, IoT, etc.)?
8. What geographic regions inside your country do you work with?
9. Where are your office locations?
10. Do you have specific projects/initiatives to support tech entrepreneurship? What is your specific approach (financing/training/coaching/mentoring/investments/incentives)?
11. Do you have specific projects/initiatives to support women in tech? What is your specific approach (financing/training/coaching/mentoring/investments/incentives)?
12. Do you have a focus on international markets? Who do you partner with for delivery?
13. Do you have links with Academia? If so, with who and what is the nature of the partnership?
14. Do you organize events for entrepreneurs? If so, who do you partner with? How do you follow-up after the events?
15. Who provides your funding? Do entrepreneurs/clients need to pay a fee for their services?
16. Do you have a strategy? If yes, who do you have to ask for permission to change your strategy?
17. Is there any other institution providing services similar to yours?
18. Of the following organisations, who do you have formal connections with?
19. Considering this list, is there any other organisations that you give funding, information or coordinate for service delivery that is not on this list? Are you aware of any incubators/accelerators or other entities that support entrepreneurship for tech entities in Tanzania?
20. Considering the network as a whole, do you sense any overall trends in the way it operates? (should be free text but if prompting necessary: eg more or less silos with groups of institutions becoming more or less apparent, more or less concentration of power in a single institution etc)

Ecosystem Actors

21. From your perspective, which are the most relevant actors in the local entrepreneurial ecosystem in terms of influencing entrepreneurial success in a significant way? What do they do?
22. From your perspective, who are the key actors providing support to tech entrepreneurs? Who are the key actors providing support to women in tech? What has worked? What could be improved?
23. Do you think there are important players or services missing in the entrepreneurial ecosystem?

24. In your experience, which are the main barriers to effective interaction between actors in the local entrepreneurship ecosystem?
25. To what extent do the players/actors in the ecosystem endeavour to synergise/combine efforts (rather than duplicate the efforts) to build a robust ecosystem that effectively promotes entrepreneurship?
26. What are the main positive attributes of the ecosystem?
27. What are some of the success factors/ challenges that you can point to in your role in the ecosystem?
28. Are there any strategies for mitigating the risks/challenges associated with your role in the eco system?
29. Are you aware of any tech enterprises that are providing products/services for export?
30. What support services would you like to also provide for tech entrepreneurs?
31. What funding models do you think could be most effective in supporting tech entrepreneurs?

Questions to Entrepreneurs

Out of the following institutions (entrepreneurship support organizations in the sample):

1. Which ones have you heard of?
2. Which ones do you contact weekly / several times per year / annually?
3. What is the nature of the connection? What do you receive from them? What do you give in return?
4. Which 3 have the most impact on the success of your business? Why?
5. Which 5 would you consider the most trustworthy and efficient? Why?

Of even more value is an informal discussion about the ways in which the network supports and constrains business. To get the conversation started you could pose a business challenge, and ask the network user:

- who they would approach for help
- how they would interact with the support network to resolve the problem.

Examples of possible business challenges are:

- You have a new business idea and want to test its viability. What are the steps involved in moving from idea stage to start-up stage? How do you test the viability of your business idea? How and from whom do you attract initial funding to turn your idea into reality?
- You are beginning to receive enquiries from potential customers from around the world and you would like to internationalize your business activities. What would be your internationalization strategy? Who can support you in following this strategy?
- You would like to build your knowledge about latest technologies relevant to your business sector. How do you ensure that your business is keeping up with current trends and technologies? Where do you get this information and access training opportunities?

UN
CDF
Unlocking Public and Private Finance for the Poor

UN
DP

UNITED NATIONS
UNCTAD

International
Trade
Centre