



CASE STUDY

# IRC + Flat6Labs: Catalyzing the Startup Ecosystem in the Mashreq Region

## THE CHALLENGE

Throughout the Middle East and North Africa (MENA), or Mashreq region, a burgeoning startup culture is taking hold, with entrepreneurs and innovators piloting new ventures and company valuations rivaling those of Silicon Valley incubations. Cultivating this progress is essential, both to drive growth and to create opportunities for vulnerable communities. For refugee and internally displaced (IDP) entrepreneurs in the Mashreq region, however, resources are scarce. There is a dearth of investment, and the ecosystem of support that cultivates innovation in many parts of the world is harder to access. Humanitarians have traditionally played a role providing small business grants and startup training to their clients, but these programmatic efforts are not sustainable, especially in a world of significant funding cutbacks across the aid and humanitarian sectors.

## THE PILOT

To address these challenges and to catalyze the refugee-led startup ecosystem in the Mashreq region, IRC and Flat6Labs piloted a humanitarian-private sector partnership to launch a unique innovation & entrepreneurship virtual and in-person incubation platform focused on startup ecosystem development and capacity building for refugee and IDP-led businesses.

As part of its Start Mashreq program, Flat6Labs committed up to \$10MM of investment capital to invest in successful startups through a bootcamp track, as well as a provided longer-term pipeline development track focused on entrepreneur education, which would enable earlier stage entrepreneurs to gain access to the robust Flat6Labs network while they continued to refine their businesses. The IRC collaborated on the design of client outreach, mentorship and coaching programs, as well as general program communications support.

As a lead humanitarian partner, IRC played an integral role in identifying and engaging potential participants and entrepreneurs, by recommending applicants in IRC's client network deemed suitable to join the StartMashreq program:

- IRC contributed its long-standing humanitarian expertise working with the communities that could benefit from these services by supporting Flat6Labs with connectivity to IRC client networks. IRC provided guidance on client protection, barriers to access, client preferences on trainings' subject matter, as well as its office space in East Amman to facilitate the community's access to the training.
- Flat6Labs contributed access to financing and investment well as provided access to its decades of experience finding, training, and scaling startups in the MENA region.

## LESSONS LEARNED

IRC and Flat6Labs collaborated on this pilot from the launch of the Flat6Labs StartMashreq program in March 2023 through December 2024, supporting six events with over 300 attendees in both Jordan and Iraq. The pilot provided critical insights about how humanitarians and investors—from startups and private equity to mission-driven investors—can collaborate effectively. Some lessons learned:

- Humanitarians and commercial investors speak different languages and have different incentives. To ensure alignment, every stage of the partnership requires a pre-meeting to determine assigned roles and responsibilities in alignment with skill sets.
- Determining the value each partner can bring requires significant brainstorming and exploration. Eventually, it was clear the quality of training and startup education that StartMashreq could provide was a unique opportunity for the vulnerable communities that IRC serves, and Start Mashreq would have not been able to reach these communities without IRC's support.
- Thanks to IRC's advice, StartMashreq was able to tailor the educational track of the pipeline development to address the varying needs and interests of refugee and IDP communities.
- By providing guidance around the needs and opportunities faced by refugee and IDP-led businesses in the Mashreq region, IRC was able to educate the Flat6Labs team on market dynamics, better informing future investment strategies in the region to be more inclusive. Through the StartMashreq program, Flat6Labs was able to make investments into some of the refugee-led businesses in the pipeline. IRC's support and education of community needs was critical in getting these investors up to speed.
- Humanitarians have valuable advice on how to impactfully access vulnerable communities, but this advice needs to be further organized, codified, and institutionalized at humanitarian NGOs for it to be appropriately valued by investors.

## OUR THEORY OF CHANGE

Our partnership with Flat6Labs tested the hypothesis that gaps in funding and infrastructure can be met by innovative partnerships at the nexus of humanitarian aid and investment. Through this project and others, IRC is demonstrating proof of concept that when humanitarian actors provide advisory services rooted in client-centered, localized expertise to investors financing projects in fragile/conflict settings, then the social impact of investments can increase and risks can decrease, incentivizing further such investments and cross-sector partnerships.

Learn more [here](#) about the Advisory Model for Investor + Humanitarian Partnerships.