

# Social Enterprise Loop Handbook



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Cotonou, March 2024

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# 1. Introduction

## 1.1. The story of the Social Enterprise Loop

Since 2015, the "Green Innovation Centre for the Agriculture and Food Sector" (GIC) project in Benin has been implementing an innovative support programme, the "SME Business Training and Coaching Loop" (SME Loop), which consists of supporting existing Small and Medium Enterprises (SMEs) through the implementation of personalized training and coaching in order to improve productivity and employment. The approach **has today become a standardized approach within GIZ and has been implemented in over 15 countries in Africa.**

In addition, the project also supports the partner organization SENS (Solidarités Entreprises Nord-Sud) to promote inclusive value chains in Benin. SENS Benin thinks, experiments and supports the development of inclusive value chains in a principle of sustainable social and territorial economy. With the "B'EST approach", it supports the development of a network of rural and urban solidarity enterprises to build inclusive value chains that create new value, shared with small rural producers and female processing companies

To meet the strong demand from partners and other inter-national cooperation projects, especially within GIZ, it was decided to expand the SME Loop range to other targets such as social enterprises.

The development of this offer was done with SENS Benin, an experienced and recognized actor of social and inclusive entrepreneurship, in a perspective of intensifying the existing partnership. The joint work of the GIC Benin and SENS Benin has led to the creation of a toolbox gathering useful training and coaching materials adapted to social entrepreneurship, which were used to adapt the SME Loop and develop the Social Enterprise Loop.

## 1.2. What's a social enterprise?

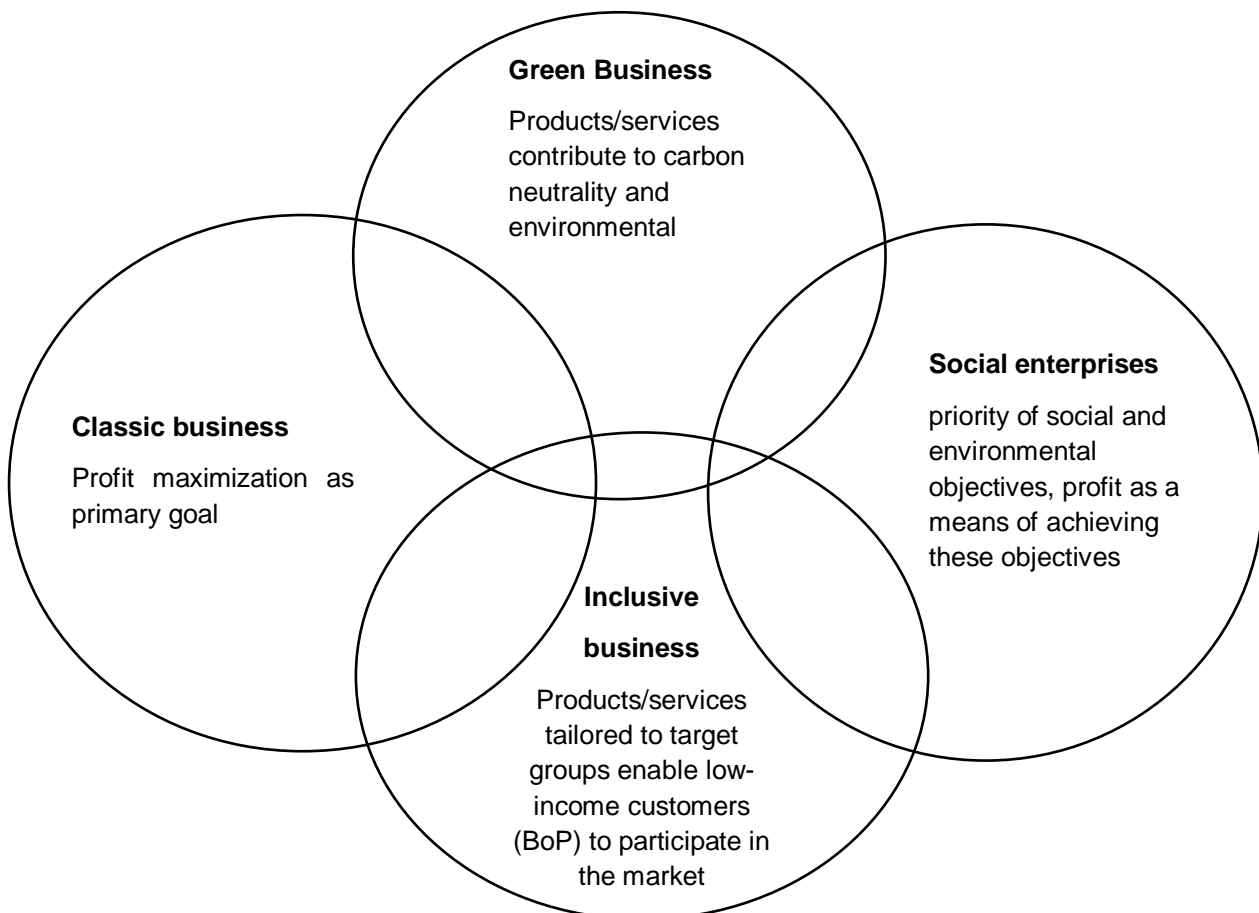
The main objective of a social enterprise is to generate a social or environmental impact through its economic activity, with profits used primarily to finance the pursuit of this objective.

Here we find the three dimensions of sustainable development: economic, social and environmental. The logic of social entrepreneurship is to use the economic dimension as a tool to achieve the other two dimensions. Entrepreneurship (and therefore economic efficiency) becomes a tool for achieving social and environmental impact, and not just financial impact, as it is the case with the classic economic dimension alone.

Social entrepreneurship is based on four fundamental principles:

1. To be viable (or have the potential to be) → Be solid to be solidary.
2. Address an **environmental and/or social challenge** (recycling, access to employment for disadvantaged people, healthy food, environmental protection, education, etc.).
3. Prioritize social/environmental objectives over financial profit maximization. To this end, the majority of profits are reinvested in the company.
4. Stakeholders are involved in corporate governance

The terms green enterprise or inclusive entrepreneurship are also very common but are not the same thing as social entrepreneurship. The diagram below proposes to clarify the terms. Green and inclusive businesses are defined by the purpose of their offerings and can be social enterprises, just as they can have a classic business model.



### 1.3. What is Social and Solidarity Economy (SSE)?

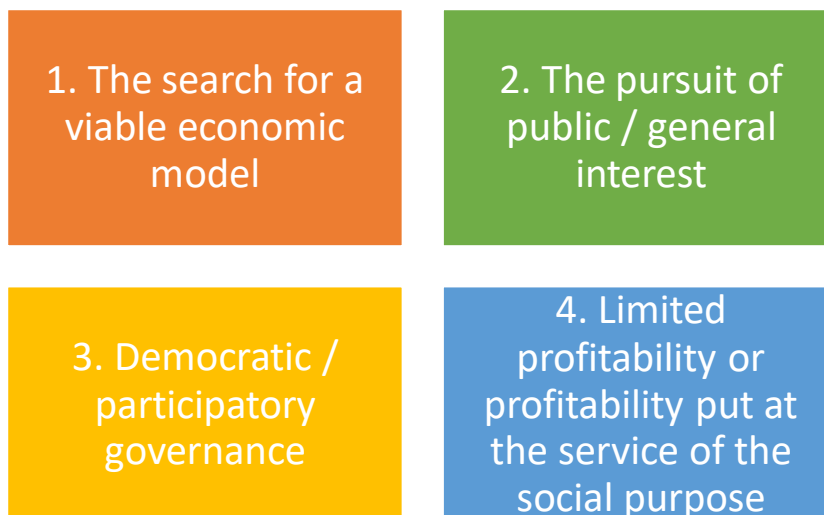
The term social and solidarity economy (SSE) describes an alternative form of economy in which different forms of organization pursue social or community-oriented objectives as a priority. This is done in compliance with fundamental principles, such as the use of profits/surplus for the organization's objectives, and democratic decision-making processes. Financial resources can be obtained through market (sale of products/services) or non-market business models (operation on the basis of grants/donations).

In economics, a distinction is being made between the public sector (owned by the state or local authorities) and the private sector. To be more precise, the latter can be divided into two categories:

- the for-profit private sector, made up of shareholding organizations owned by individuals, motivated by individual entrepreneurship, asset management and/or the pursuit of profit;
- the private not-for-profit sector, also known as the "social and solidarity economy", which can be defined in terms of these first two sectors: it is not public but private, and is not owned by a limited number of shareholders, as companies in the private for-profit sector sometimes are. As a result, it refers to a wide range of voluntary or community groups and non-profit activities.

Non-profit does not mean "without profit". Profit may be generated by economic activities, but it is not the primary purpose of that activity, nor is it reserved for the company's owners. On the contrary, most of it is reused to achieve the organization's social objectives.

In several countries, framework laws define which types of organization are part of the SSE. In France, for example, these include associations, cooperatives, mutual societies, foundations and social enterprises. In Africa, too, countries such as Senegal, Cameroon, Tunisia and Djibouti have adopted SSE laws. In other countries, organizations adhering to SSE principles may exist without an SSE framework. More than a question of statutes, SSE is a form of alternative economy that responds to the following principles:



A viable business model doesn't necessarily mean a commercial model; it can be viable with a subsidized model that works over the long term.

To make the link with social enterprises, the latter are part of the SSE. **On the opposite**, not all SSE organizations are automatically social enterprises, as they do not all have a market-based economic model (e.g. associations). Social enterprises emphasize an entrepreneurial, and therefore commercial, model.

#### **1.4. The international context of SSE and social entrepreneurship**

In recent years, the international context surrounding the SSE has made considerable advances, with a number of key events to be highlighted:

- 2022 : the ILO adopts [a resolution on decent work and the social and solidarity economy](#), recognizing that the SSE can contribute to balanced, inclusive, resilient and sustainable economies and societies.
- 2023 : The UN General Assembly adopts the resolution [“Promoting the Social and Solidarity Economy for Sustainable Development”](#)
- [The European Union](#) is very active on this subject, with the European Commission having developed an [Action Plan to boost the social economy](#), and the Council of the European Union has published [Council recommendations on developing social economy framework conditions](#)

In Africa, too, the context has changed considerably in recent years:

- the African Union voted a [Ten Year Social and Solidarity Economy Strategy for Africa \(2023-2032\)](#).
- Since 2019, several African countries, including Cameroon, Tunisia, Senegal and Djibouti, have adopted a framework law on SSE.
- The World SSE Forum, organized every two years by the Global Forum for Social Economy (GSEF), was held in Dakar in 2023, for the first time on the African continent.

This favorable worldwide trend encourages and justifies the development of the Social Enterprise Loop and enables GIZ to position itself as a key actor promoting SSE in its partner countries.

## 1.5. What is the added value of the Social Enterprise Loop?

Going beyond the objective of increasing competitiveness and encouraging job creation, the Social Enterprise Loop also aims to generate a positive impact on society and the environment through business activity, thereby further contributing to the SDGs. Potentially, the Social Enterprise Loop helps, among other things, to promote companies that:

- Offer products/services that have a positive impact on society and/or the environment (BOP products, access to healthy products, environmental protection, waste/carbon emission reduction etc.)
- Develop a limited profit or not-for-profit business model, allowing a large part of the profits to be reinvested in the company in order to increase its impact
- Promote the inclusion and professional integration of precarious groups/minorities (access to jobs, access to markets, products/services offered)
- Increase stable jobs and improve working conditions
- Improve product quality (e.g. organic products, circular economy, easily repairable/recyclable components etc.)

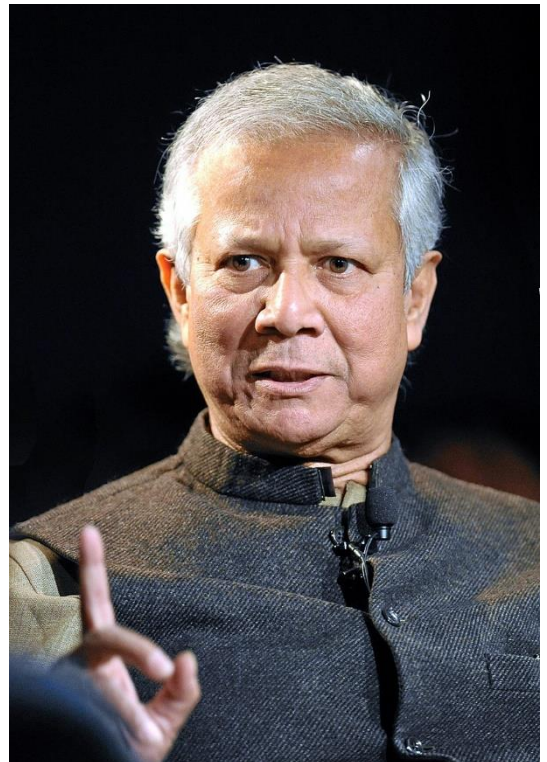
As recognised by the United Nations, social enterprises contribute to the Sustainable Development Goals (SDGs), while incorporating the principle of economic efficiency and self-financing over the long term. This opens up new opportunities for international cooperation to support social enterprises which, once they have achieved financial autonomy, will in turn contribute independently to achieving the SDGs.

*“A charity dollar has only one life.*

*A social-business dollar is eternal.”*

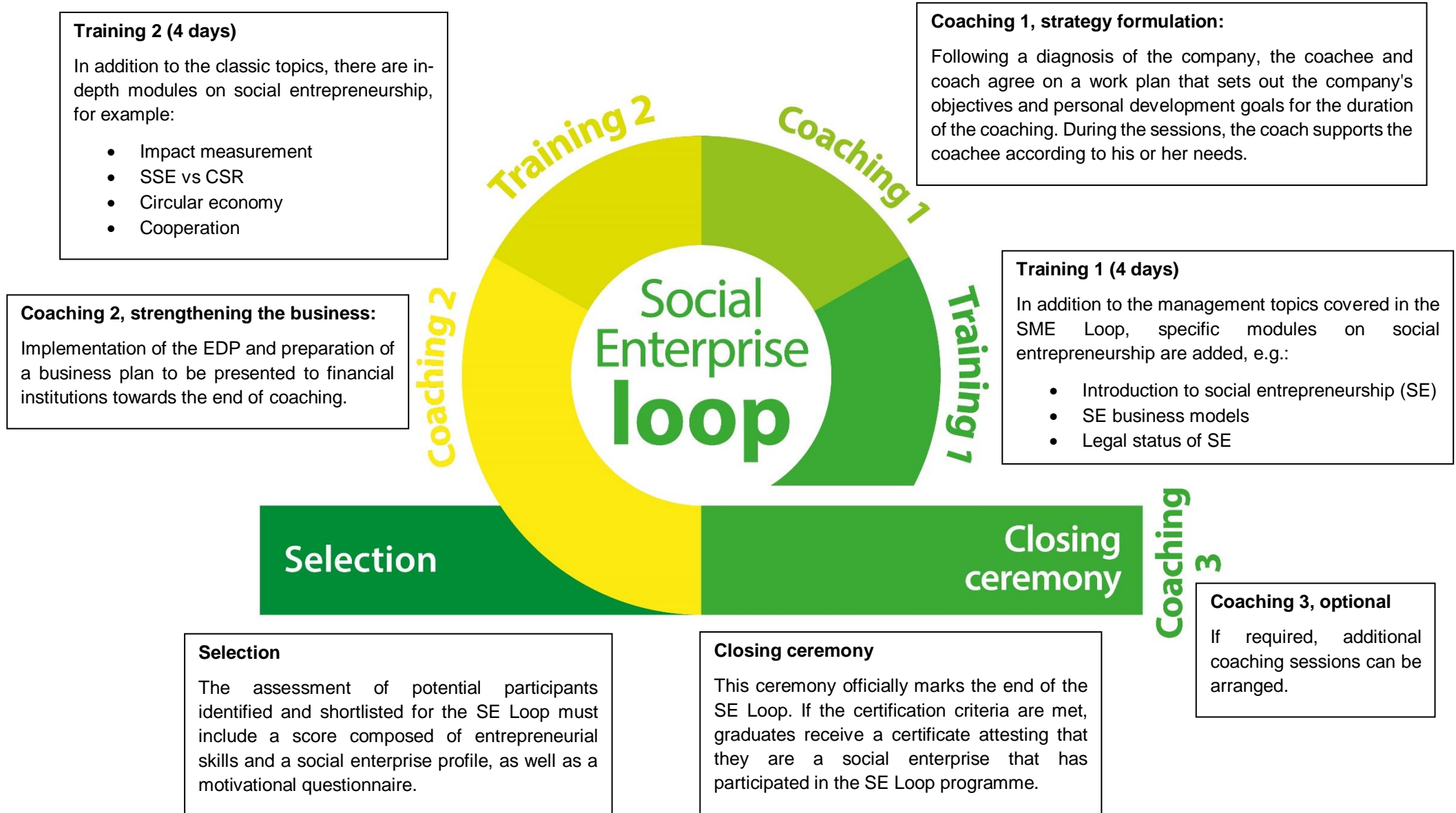
- Muhammad Yunus

Nobel Peace Prize 2006



## 2. The Social Enterprise Loop

Like the SME Loop, the Social Enterprise Loop (SE Loop) consists of seven consecutive phases, each building on the previous one. The total time required to complete a full SE Loop circuit is six months (not including the preparation period).



### 3. Comparative analysis of the SE Loop and SME Loop

Whether for the classic SME Loop or the SE Loop, the approach remains the same in terms of the process and the various stages of implementation. It's in terms of content, both training and coaching tools, that the differences lie. The following table compares the classic SME Loop with the SE Loop.

| Points of comparison    | Classic SME Loop   | SE Loop   |
|-------------------------|--|---|
| Target groups           | <p>According to the SME Loop handbook, selection criteria for the target group can be:</p> <ul style="list-style-type: none"> <li>• Business already active on the market for at least six months</li> <li>• Intégration d'activités formelles et informelles</li> <li>• Business likely to increase revenues/competitiveness and create employment opportunities</li> <li>• Participants are owners or managers of market-oriented businesses</li> <li>• Formalized, in the process of formalization, or committed to formalization during the coaching process</li> <li>• The SME is considered the owner's main source of income</li> <li>• Meso-level suppliers of services/raw materials are explicitly included among the targeted economic players</li> <li>• Emphasis on the participation of women and/or young people</li> <li>• Entrepreneurial skills: reading, writing, drafting documents, basic arithmetic</li> <li>• Open-mindedness towards innovation (e.g. already uses/interested in a particular innovation)</li> <li>• Integration of more successful or less successful but high-potential companies</li> </ul> | <p>Like the SME Loop, the SE Loop targets already active enterprises.</p> <p><b>In addition to the SME Loop criteria</b>, the target group needs to</p> <ul style="list-style-type: none"> <li>• Define a social/environmental objective as the company's main goal</li> <li>• Contribute to at least 1 SDG</li> <li>• At least 50% of financial resources come from commercial activities.</li> </ul> <p><i><b>In contexts where social entrepreneurship is less developed/known, it is possible to select classic companies in operation that have a strong motivation to become a social enterprise.</b></i></p> <p>An evaluation grid for social entrepreneurship criteria is provided in the chapter on selection.</p> |
| Number of SMEs per Loop | 12-25 (SME Loop handbook)  | 12-25.  |

| Points of comparison | Classic SME Loop   | SE Loop  |
|----------------------|--|--|
| Training             | Two series of face-to-face training sessions. 3 days of training per session.                            | Two series of face-to-face training sessions. <b>4 days of training</b> , including training modules specific to social entrepreneurship |
| Coaching             | Individual coaching sessions with at least two monthly visits to the company. 2 coaching phases minimum. | Individual coaching sessions with at least two monthly visits to the company. 2 coaching phases minimum.                                 |
|                      | Completing a diagnosis and EDP, usage of SME Loop tools  | Completing an updated <b>diagnosis and EDP, usage of specific tools (see chapter on coaching tools)</b>                                  |
| Access to finance    | Invitation from financial institutions to the business plan presentation workshop                        | If possible, invite institutions dedicated to financing social enterprises   |
| Certification        | Face-to-face   | Face-to-face, criteria adapted to social enterprises   |

## **4. Preparation of the implementation**

### **4.1. Environment and cooperation system**

- 1.**
- 2.**
- 3.**
- 4.**

In countries where the SME Loop has already been implemented, the environment and cooperation systems are already known. However, this system needs to be updated to take account of the social entrepreneurship environment: Are there any specific laws or regulations governing social entrepreneurship? Is the concept already fairly well known among the general public, or are there already many social enterprises? Are there coaches with this expertise?

**MQS: For the implementation of the SE Loop, a good expertise of social entrepreneurship is an essential prerequisite, especially for service providers and coaches.**

If possible, it is recommended to work with coaches having experience with the SME Loop. If that is not possible, it will be necessary to train new coaches on the basic principles of the SME Loop and the added contents of the SE Loop.

If there are no competent and experienced service providers in the field of social entrepreneurship, implementation will not be possible (even if they have SME Loop experience). The operation of a social enterprise differs greatly from that of a conventional business, and coaches need to have a thorough understanding of this in order to be able to work properly with entrepreneurs. If this expertise is not available locally, it will be necessary to identify foreign service providers who may be able to carry out the implementation on site.

In a context where social entrepreneurship is little (re)known, it is necessary to raise awareness among the general public (and particularly among young people wishing to embark on entrepreneurship), as well as among public and private players in the entrepreneurial ecosystem. The Social Enterprise Loop can be implemented for traditional operating companies with a strong motivation to become a social enterprise, which must be verified and validated during the selection process.

### **4.2. Choosing implementation partners**

For greater impact and visibility of the actions of the SE Loop, we recommend focusing on the choice of local service providers. They have a better understanding of local realities and will be useful for the sustainability of actions beyond the duration of the programme.

Service providers may be trade associations, local consultancies, SME agencies of sector ministries or, in some cases, NGOs. However, it will be important to ensure that they have sound expertise in social entrepreneurship and a good knowledge of the SE Loop approach.

In regions where SME Loop service providers are present, the programme can work with them to start implementing the SE Loop as well. But these providers need to have expertise in social entrepreneurship. Over time, other providers can be integrated by arranging training for them.

#### **MQS: Selection of implementation partners**

SE Loop service providers need to have good knowledge of the SME Loop approach. It is mandatory to plan a training for those not yet familiar with the SME Loop.

### **4.3. Selection of trainers and coaches**

Trainers and coaches can be part of the service provider's staff or recruited from their network. To implement the SE Loop, trainers and coaches need to have the corresponding profile (see SME Loop handbook for further details). Coaches will be certified SME Loop and SE Loop. In addition to this, **coaches must have a very good knowledge and experience of social entrepreneurship in their country**, without which it will be impossible for them to properly support a social enterprise.

### **4.4. Capacity-building for service providers, SME Loop trainers and coaches**

It may be impossible to find trainers and coaches who exactly match the profiles described. In countries where SME Loop has been implemented, trained SME Loop trainers and coaches should be available. In that case, the project will be able to rely on these certified SME Loop trainers and coaches to implement the first Social Enterprise Loops. The aim is to identify trainers and coaches who already have experience in social entrepreneurship, and to offer them capacity-building sessions on the SE Loop approach.

On the other hand, countries wishing to implement the SE Loop directly will need to organize an **introductory training** on the SME Loop approach and SE Loop methodology. It is very important for trainers and coaches to master the principles and minimum standards of these approaches.

## 5. Implementation phases

### 5.1. Selection

Un programme co-développé par :

**giz** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

**ens Bénin**  
Solidarités Entreprises Nord-Sud

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Example of a selection flyer for the pilot implementation in Benin

## Specific selection criteria for social enterprises

As with any support programme, objectively verifiable selection criteria need to be defined as part of the selection process. In the case of social enterprises, specific criteria need to be added, such as the capacity over the long term to generate at least 50% of its financial resources through commercial activity, to differentiate it from an NGO. Depending on the target group (e.g. experienced social entrepreneurs or companies in transition to social entrepreneurship), it is possible to require specific criteria relating to governance or the use of profits, but this is not compulsory. The criteria described in this tool are therefore proposals that need to be adapted to the local context of implementation.

Specific criteria for the Social Enterprise are the following:

- Social/environmental objective defined as the company's main objective
- Contribution to at least 1 SDG
- At least 50% of financial resources come from commercial sources (commercial activity)
- Motivation questionnaire
- Minimum score of 75/150 points for the Social Entrepreneurship assessment (see tools below)
- References if available

## 5.2. Selection tools

In order to reflect the specific criteria of social entrepreneurship in the selection process, it is necessary to adapt the existing tools so as to be able to check that the companies selected are really part of a social entrepreneurship approach.

### Selection tools used in the SE Loop:

1. Entrepreneurial profile
2. Business profile
3. Training Needs Assessment
4. Motivation questionnaire



Note: The Training Needs Assessment has not been modified, it is the same as in the SME Loop.

Only the entrepreneurial and business profile as well as the motivation questionnaire will be presented on the next pages.

### a) Entrepreneurial profile

In order to better understand whether the candidate's profile corresponds to that of a social entrepreneur, this tool proposes a series of questions to identify certain characteristics specific to entrepreneurs, and particularly social entrepreneurs. In addition to the 40 questions in the classic SME Loop entrepreneurial profile questionnaire, there are fifteen questions specific to the attitude of a social entrepreneur, listed below:

|    | Statement   | Not at all | A little bit | Somewhat | A lot |
|----|---|------------|--------------|----------|-------|
| 41 | I think making money is not the only goal of business.  |            |              |          |       |
| 42 | I want to earn money to increase the positive impact of my action.  |            |              |          |       |
| 43 | I undertake because I feel the need to act in the service of my community.  |            |              |          |       |
| 44 | I think businesses have a responsibility to society.  |            |              |          |       |
| 45 | I think that entrepreneurship and doing social work are not contradictory.  |            |              |          |       |
| 46 | I became an entrepreneur to be in accordance with my values.  |            |              |          |       |
| 47 | I agree with this statement: alone you go faster, together you go further.  |            |              |          |       |
| 48 | I see my competitors as potential partners.   |            |              |          |       |
| 49 | I am inspired by already existing social enterprises.   |            |              |          |       |
| 50 | I am not afraid to talk about my project to those around me and take into account possible criticism to improve myself. |            |              |          |       |
| 51 | My idea/business responds to a social or environmental need that has not yet been met.                                  |            |              |          |       |
| 52 | I want the opinions of my employees to be taken into account in future decisions regarding the company.                 |            |              |          |       |
| 53 | I think profits have more impact when they are reinvested in the business rather than paid out to the owner.            |            |              |          |       |
| 54 | I want my goods or services sold to have a positive impact on society.  |            |              |          |       |
| 55 | I am vigilant about optimizing resources and the environmental impact of my production.                                 |            |              |          |       |

**TOTAL = ...../165**

***Out of which for social entrepreneurship = ...../45***

The tool totals 165 points, including a maximum of 45 for social entrepreneurship (3pts x 15 questions).

## b) Business profile

Similar to the "entrepreneurial profile", the business profile assessment tool takes the form of a questionnaire and, this time, focuses on the measures taken by the company in various areas such as governance, financial and human management practices, production, etc. This helps to better assess the company's entrepreneurial capacity and support needs. Here too, criteria specific to social entrepreneurship have been added.

Some examples of the added criteria:

*Production is based on recycled resources/reuses materials that have already been used.*

*The company has a good knowledge of social enterprise networks in its economic field.*

*The entrepreneur has a good knowledge of the legal status of social enterprises.*

## c) Motivation questionnaire

This tool is used to better understand the entrepreneur's motivation on three levels. Firstly, to assess their understanding of social entrepreneurship and why they want to embark on this type of entrepreneurship. This questionnaire is particularly useful in situations where social entrepreneurship is not recognised. Secondly, the tool can be used to check whether the type of activity envisaged meets a social/environmental need in the area and whether this fits in well with the businesses that the programme wishes to support. Finally, it assesses the motivation and needs expressed, justifying the need for support.

In addition to the scores obtained, this questionnaire facilitates a qualitative analysis of the entrepreneur's motivation, thus complementing the selection tools.

1. Why do you want to get into social entrepreneurship? (\_\_\_ / 5 points)  
*OR Already existing business: Why did you choose social entrepreneurship?*
2. What is the social/environmental problem you want to solve? (\_\_\_ / 5 points)
3. What makes your business a social enterprise? ? (\_\_\_ / 5 points)
4. Why do you want to be supported by the Social Enterprise Loop? (\_\_\_ / 5 points)

Score out of 20 : \_\_\_\_\_ / 20 points

Evaluation grid :

| <b>0</b>                              | <b>3</b>                | <b>5</b>                          |
|---------------------------------------|-------------------------|-----------------------------------|
| No response / Unsatisfactory response | 1 satisfactory argument | 2 ou plus arguments satisfaisants |

### 5.3. Evaluation synthesis

The selection tools presented enable an application to be assessed on the basis of a score, distinguishing between criteria linked to traditional entrepreneurship and those specific to social entrepreneurship. The application must obtain a minimum score of 75/150 points for the Social Entrepreneurship assessment in order to be selected, to ensure that the profile is relevant for a support programme dedicated to social enterprises.

| MAIN CRITERIA   | Score     |
|---|-----------|
| <b>The company responds to a social and/or environmental challenge</b> recognized by the SDGs (20 pts for 2 SDGs and more, 10 pts for 1 SDG)  |           |
| <b>Entrepreneurial profile (165 pts)</b><br>of which for social entrepreneurship: /45 pts   |           |
| <b>Sex</b> (10 pts for women 5 pts for men)   |           |
| <b>Age</b> (10 pts for young people between 18 and 40 years old and 5 pts for others)   |           |
| <b>Number of jobs</b> (15 pts for 10 or more employees, 10 pts for 5 to 9 employees, 5 pts for 2 to 4 employees, 2 pts for 1 employee and 0 pt for 0 employee)  |           |
| <b>Income over the last six months</b> (10 pts for income more than 3 million CFA, 6 pts for income between 2 and 3 million; 4 pts for income between 1 and 2 million; 1 pt for income less than 1 million)     |           |
| <b>Business profile (165 points)</b><br>of which for social entrepreneurship: /45 pts   |           |
| Experiences (companies at 10 years and +=10 pts ; 5 to 10 years = 7 pts ; 2 to 4 years = 5 pts ; 0 to 2 years = 2 pts   |           |
| Educational level (university = 10; Secondary = 8; primary = 6; literate = 4; none = 0  |           |
| <b>Legal status or legal SSE recognition:</b> recognized/formalized association/cooperative/social enterprise = 20pts; Social enterprise defined by the entrepreneur as such = 10 pts; classic business = 0 pt. |           |
| <b>Responses to the motivation questionnaire (20 pts max)</b>   |           |
| <b>TOTAL</b>  | ...../450 |
| <b>of which score for social entrepreneurship</b>   | ...../150 |

## 5.4. Trainings

The complementary training modules focus on different themes specific to social entrepreneurship. There are seven modules:

- Introduction to social entrepreneurship and Social and Solidarity Economy (SSE)
- Business models of social enterprises
- Impact measurement
- Legal status of social enterprises
- The difference between SSE and CSR
- Business cooperation
- Circular economy and sustainability



These modules are to be completed during the two training sessions and can be supplemented by additional modules. In order to have enough time to run through all the modules without having to give up too many “classic” management modules, **it is recommended to devote 4 days to each training session.** In the classic SME Loop, these sessions last 3 days each.

*If you develop additional training modules, do not hesitate to share them with other SE Loop practitioners in order to strengthen the approach and keep the community alive!*

### 5.4.1. Introduction to social entrepreneurship and Social and Solidarity Economy (SSE)

In this module, the concepts of social enterprise and the social and solidarity economy are introduced, setting out the framework within which social enterprises can evolve.

|                              |   |
|------------------------------|---|
| <b>Duration</b>              | Approx. 3 hours   |
| <b>Topics covered</b>        | <ul style="list-style-type: none"> <li>• Definitions and principles of social entrepreneurship</li> <li>• Definitions and principles of social and solidarity economy</li> <li>• Similarities and differences with classic entrepreneurship</li> </ul>  |
| <b>Targeted competencies</b> | <p>Participants will be able to</p> <ul style="list-style-type: none"> <li>• Define social entrepreneurship and the social economy</li> <li>• Differentiate/compare traditional entrepreneurship and the SSE</li> <li>• Illustrate SSE with concrete cases, cite examples of impact enterprises</li> <li>• Use the principles of the SSE to apply them in their own case</li> </ul> |

### 5.4.2. Business models of social enterprises

The module explores different types of business model specific to social enterprises and equips participants to develop/adapt their business model to take account of the specific features of a social entrepreneurship business model.

|                              |  |
|------------------------------|--|
| <b>Duration</b>              | Approx. 3 hours  |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• Characteristics of a business model</li><li>• Business models of social entrepreneurship</li><li>• The Social Business Model Canvas</li></ul>  |
| <b>Targeted competencies</b> | Participants will be able to: <ul style="list-style-type: none"><li>• Compare different social enterprise business models</li><li>• Apply the specific features of a social enterprise business model to their business</li><li>• Describe their social business model</li></ul> |

### 5.4.3. Impact measurement

This module looks at measuring and demonstrating the actions of social enterprises. In terms of meeting a social objective, impact measurement is what makes it possible to demonstrate the achievement of this objective and thus the validity of the existence of this enterprise, both externally and internally.

|                              |   |
|------------------------------|---|
| <b>Duration</b>              | Approx. 4h  |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• The multiple definitions of impact and social impact</li><li>• The key stages in the social impact measurement process</li><li>• Overview of different methods</li></ul>  |
| <b>Targeted competencies</b> | Participants will be able to: <ul style="list-style-type: none"><li>• Define the concept of impact and the different aspects it covers</li><li>• Understand the importance of measuring social impact for a social enterprise</li><li>• Know how to measure social impact</li><li>• Differentiate between quantitative and qualitative analysis</li></ul> |

#### 5.4.4. The difference between SSE and CSR

|                              |  |
|------------------------------|--|
| <b>Duration</b>              | Approx. 2h   |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• Definition of CSR, similarities and differences with the SSE</li><li>• The benefits of CSR</li><li>• The risks and the notion of greenwashing</li></ul>  |
| <b>Targeted competencies</b> | Participants will be able to: <ul style="list-style-type: none"><li>• Define CSR</li><li>• Understand the benefits and risks of CSR</li><li>• Describe the difference between CSR and SSE</li><li>• Discuss the possible convergence between SSE and CSR</li></ul> |

#### 5.4.5. Legal status of social enterprises

Choosing the legal status of an enterprise is a crucial stage in any business creation/development process. This module presents the framework within which social enterprises can operate in order to choose their legal status.

|                              |  |
|------------------------------|--|
| <b>Duration</b>              | Approx. 2h   |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• The legal status of the SSE and its implications</li><li>• Differences and similarities between traditional and social enterprises</li><li>• Criteria to be taken into account and stages in choosing a legal form</li></ul>   |
| <b>Targeted competencies</b> | Participants will be able to: <ul style="list-style-type: none"><li>• Find their way around the legal framework in their country</li><li>• Compare the legal forms compatible with social entrepreneurship</li><li>• Identify the relevant procedures for choosing a legal status</li><li>• Follow a process leading to the choice and formalisation of the legal status</li></ul> |

### 5.4.6. Business cooperation

The business cooperation module uses role-playing exercises to identify the obstacles to cooperation and the challenges of good business cooperation.

|                              |  |
|------------------------------|--|
| <b>Duration</b>              | Approx. 2h   |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• What is business cooperation?</li><li>• Why cooperate?</li><li>• How to establish sustainable cooperation</li></ul>  |
| <b>Targeted competencies</b> | Participants will be able to: <ul style="list-style-type: none"><li>• Explain what cooperation is and the benefits it brings</li><li>• Develop a process for initiating cooperation</li><li>• Identify risks in cooperation to avoid misunderstandings</li></ul> |

### 5.4.7. Circular economy and sustainability

The notion of sustainability is cross-cutting for all social enterprises, and is reflected in a concept that is gaining in importance around the world: the circular economy. This module presents the theory and practice of how sustainability must be considered throughout the process of creating and developing a company.

|                              |   |
|------------------------------|---|
| <b>Duration</b>              | Approx. 2 hours   |
| <b>Topics covered</b>        | <ul style="list-style-type: none"><li>• Concepts and examples of the linear and circular economies</li><li>• The 7 pillars of the circular economy</li><li>• The existing legal framework on the circular economy in Africa</li></ul>   |
| <b>Targeted competencies</b> | <ul style="list-style-type: none"><li>• Discuss the concepts of sustainable development</li><li>• Differentiate between the linear and circular economies and discuss the challenges of transitioning from one to the other</li><li>• Apply the principles of the circular economy to their company</li></ul> |

The modules are available on IDA and DMS :

IDA : [Social Enterprise Loop - Tous les documents \(sharepoint.com\)](#)

DMS : [Social Enterprise Loop - \(dms\)](#)

## 5.5. Coachings

Coaching sessions take place in the same way and at the same frequency as during the SME Loop, i.e. twice a month during the first coaching phase and three times a month during the second. The following tools adapted to social entrepreneurship are available and described below. Some tools need to be adapted to the local context. In any case, the tools presented here are not exhaustive and it is strongly recommended to develop others according to the context and the needs of the target group. This once again underlines the need to recruit coaches who already have expertise in social entrepreneurship and the SSE.

*If you develop additional coaching tools, do not hesitate to share them with other SE Loop practitioners in order to strengthen the approach and keep the community alive!*

### 5.5.1. Entrepreneurial Development Plan (EDP)

The Entrepreneurial Development Plan is a document divided into two main parts: The diagnosis and the business plan.

Before starting to support a company, it is necessary to carry out a diagnosis of its strengths and weaknesses. This tool offers various criteria in different categories relating to a company's activity, the analysis of which should be used to determine the content of the coaching phase support. For the Social Enterprise Loop, this tool has been enriched with categories and criteria specific to social enterprises.

The EDP is the framework within which the workstreams, objectives, activities and success indicators are defined. It must be filled in at the start of the programme and acts as a roadmap for the entire duration of the support, while remaining flexible in the event of any need for adaptation along the way.

### 5.5.2. Social Business Model Canvas

Like the Business Model Canvas, the Social Business Model Canvas is a tool designed to describe the business model of a social enterprise by providing answers to the various components of a model. In addition to the traditional elements, this canvas also contains aspects relating to social entrepreneurship, such as the relationship with beneficiaries and the impact of the activity. Introduced during a training module dedicated to the economic model of social enterprises, it can be worked on in greater depth during coaching sessions.

|   |   |   |  |   |   |
|---|---|---|--|---|---|
| <b>Social challenge</b><br><i>What is the social challenge and your mission?</i>        |   |   |  |   |   |
| <b>Partners</b><br><i>What are the strategic partnerships essential to the project?</i> | <b>Activities</b><br><i>How will you implement this project?</i><br><br><i>What are its key activities?</i> | <b>Value proposition</b><br><i>How will you respond to the targeted societal/environmental challenge? With which products and services?</i> | <b>Beneficiaries</b><br><i>Who are your beneficiaries?</i>     | <b>Beneficiary relationship</b><br><i>How will you reach them, directly/indirectly? How to strengthen their autonomy?</i> | <b>Impact</b><br><i>What are the short, medium and long-term results for your beneficiaries or for society? What is the impact beyond the results?</i><br><br><i>What are the indicators?</i> |
|   | <b>Resources</b><br><i>What resources do you need?</i>  |   | <b>Clients</b><br><i>Who are the recipients of your offer?</i> | <b>Distribution channels</b><br><i>How will you sell the offer? Which distribution channels?</i>                          |   |
| <b>Costs</b><br><i>What are the types of costs inherent to your project?</i>            |   | <b>Sources of income</b><br><i>What are your sources of income? What is the contribution of each type of income to overall income?</i>      |  |   |   |

### **5.5.3. Access to finance for social enterprises**

During the second coaching phase, a business plan presentation fair is organised. As social enterprises have different objectives and business models to traditional enterprises, complementary sources of funding must be available in addition to traditional offers such as bank loans. This tool presents a general overview of the various relevant sources depending on the business model, as well as some concrete examples of support for social enterprises, while leaving room for the person being coached to supplement this with local offers depending on the context.

This tool needs to be adapted to the local context, according to the service offers adapted to social enterprises. Local expertise is strongly recommended for an exhaustive list of these structures.

### **5.5.4. Impact mapping**

In order to measure the impact of a social enterprise, the social impact mapping tool proposes a methodology that links the beneficiaries to the activities implemented and enables indicators to be set to measure the impact. This tool is designed to be simple to use, enabling novice social entrepreneurs to take their first steps in measuring social impact. More detailed and complex methodologies can be added to this initial tool at a later date.

### **5.5.5. Guidance framework for legal status**

This framework proposes a set of seven questions to help entrepreneurs decide which legal status to choose. The template does not suggest a set of statutes at the end of the process, as this depends on the existing legal status in each country. Rather, the tool serves to identify the key points that need to be clarified and defined before the most appropriate legal status can be found in the local context.

This tool must be adapted to the local context, according to the legal statutes best suited to social enterprises. Coaches need to have a good grasp of these statutes in order to be able to support entrepreneurs in the discussions and steps to be taken.

## **5.6. Measuring & Evaluation (M&E)**

M&E of the SE Loop needs to be adapted according to the target group. In fact, when the enterprises supported are experienced social enterprises, the criteria may be more specific than when they are enterprises in transition towards social entrepreneurship. The criteria presented here are therefore proposals and can be adapted. Nevertheless, it is strongly recommended that monitoring and evaluation be adapted to take account of criteria specific to social entrepreneurship. The following indicators can serve as example:

### **1. Social enterprise indicators**

- Pursuit of social utility: The company's main objective is to contribute through its activity to at least one of the SDGs (100%)
- Reinvestment of at least 50% of profits in the company or in the social/environmental objective
- Establishment of participatory decision-making bodies with the company's members and employees
- Inclusion of other stakeholders in decision-making (suppliers, partners, customers)

### **2. Economic indicators**

- At least 50% of turnover from commercial sources (= sales of products and services, as opposed to grants and donations)

### **3. Social indicators**

- Number of jobs created, of which inclusive jobs:
  - Single parents
  - Immigrants from the sub-region
  - Seniors (aged 50 - 65)
  - People with disabilities
  - People released from prison
- Number of jobs registered with Social Security
- Number of jobs with an employment contract

### **4. Programme indicators**

- Number of companies having implemented an impact assessment process

## 5.7. Certification

Certification of SE Loop enterprises follows the same logic as in the SME Loop. Using pre-defined criteria, each company is assessed to determine whether it can be certified as a social enterprise. To ensure maximum neutrality, the person(s) carrying out the assessment are not part of the team that coordinated the support.

For the purposes of institutional anchoring, it is advisable to include the public partners from the start of the support, in order to agree on the criteria and the involvement of the various stakeholders in the certification process. This will help to increase the credibility and recognition of the certification at national level.

You will find below the evaluation grid used during the implementation pilot of the SE Loop in Benin. As social entrepreneurship was not yet well developed at the start of the pilot implementation, the certification criteria are not very strict. Like the monitoring and evaluation indicators, they need to be adapted to the local context.

### Evaluation grid model

Name of the entrepreneur:

Name of the enterprise:

#### I. Classic criteria

| Criterion   | Yes / No | Number of points  | Comment |
|---|----------|---|---------|
| Formalised enterprise   |          | 10 pts  |         |
| Possession of EDP   |          | 10 pts  |         |
| Increased turnover  |          | 15 pts  |         |
| Possession of a Business plan   |          | 10 pts  |         |
| Possession of a bank account  |          | 10 pts  |         |
| Cahier journal à jour   |          | 10 pts  |         |
| Operating account written by the SME (forecast and actual after the financial year) |          | 10 pts  |         |
| Permanent job creation with proof   |          | 15 pts ; Contract or pay slip 10 pts, salary $\geq$ minimum salary 5pts |         |
| <b>Total</b>  |          |   |         |

## II. Criteria specific to social enterprises

At least 1 of these criteria is mandatory to obtain certification:

| Criterion  | Yes / No | Number of points | Comment |
|--|----------|------------------|---------|
| The company's social/environmental objective is clearly defined  |          | 10 pts           |         |
| Implementation of an impact measurement system   |          | 10 pts           |         |
| At least 50% of profits are reinvested in the company and/or used to achieve the social/environmental objective. |          | 10 pts           |         |
| <b>Total</b>   |          |                  |         |

**Total I + II :** \_\_\_\_\_/120 pts ; *To be certified, the SME must obtain at least 60 points and meet at least one criterion specific to social entrepreneurship.*

**SME certified :**       Yes       No

## 6. Success stories from the SE Loop pilot implementation

### Bénin Béni, cosmetic products

*Ms Rébéca Sozihoun*

#### Tell us about your company, what do you do?

The BENIN BENI company, created in 2018, specialises in the production and processing of artisanal "kotto" soap under the QUESIAH brand. The products in the range are:

- Kotto soap (Black soap)
- Shower gel
- Clarifying soap (non-lightening)
- Superfatted soap
- Gentle soap for babies and children
- Hair shampoo



The Quesiah brand is promoting the empowerment of women, with 75% of its human resources made up of women from the Abomey Calavi commune. The women not only contribute to production, but also receive training in health, and are included in the value chain by also becoming suppliers of raw materials to boost their income and savings.

In environmental terms, the products are purely natural, without chemicals. The packaging is recyclable and reusable, producing less waste, and the entrepreneur is thinking about biodegradable packaging in the future.

#### What have you gained from the Social Enterprise Loop?

The SE LOOP has given me direction, balance and discipline in the management of the business through the availability of strategic tools. For example, I now have a better understanding of a social enterprise and how to calculate production costs, which was a real concern for me. I can now say that I have a business plan.

#### What are your objectives and prospects for the future?

To improve employees' understanding of the concept of social enterprise, and to support them in the company's vision of becoming an international social enterprise.

## Moonri, rice distribution

*Ms Monique Dossouvi*

### Tell us about your company, what do you do?

MOONRI is a company specialising in the marketing of paddy transformed into rice. Founded in 2017, our company is located in Cotonou. We are involved in all phases of the process, from the purchase of paddy from producers to the distribution on the local market of products derived from this processing, such as white rice, brown rice, rice flour and rice bran.



### What social and/or environmental challenge is your company addressing?

- **Waste reduction:** The processing of paddy produces by-products, such as rice husks, which can be used to make charcoal, for example, for the production of energy or other products, thus helping to reduce waste. In addition, our rice is packaged in reusable fabric bags, reducing plastic waste.
- **Reduced food waste:** Processing paddy extends the shelf life of rice, reducing the food waste that would occur if raw paddy was not processed quickly.
- **Inclusive economy and poverty reduction:** Our paddy processing activity has a positive impact on the local economy by creating jobs in rural areas, providing secure outlets for local farmers and helping to reduce poverty in rural areas.

### What have you gained from the Social Enterprise Loop?

The SE Loop support we received enabled us to structure our activities properly, to draw up our business plan for refinancing our activities and, finally, thanks to the support we received, we will now be able to put together a financing file to submit to financial partners or business financing institutions and demonstrate our commitment to the local community.

## NerdX digital, conception et développement de sites internet écoresponsables

Mr. Tinos Anago

### Tell us about your company, what do you do?

We are the first eco-responsible web agency in Africa specialising in digital transformation and eco-responsible digital design, i.e. the creation of digital solutions (websites, web applications, AI, IoT, web platforms, etc.) that respect the environment.

We're a team of young people with a passion for technology and the environment, who use our ingenuity, creativity and skills to help you make your eco-responsible digital transformation. We work with companies, organisations and entrepreneurs to help them digitalise their business while reducing their online carbon footprint, improving their image and impact on the web.

### What social and/or environmental challenge is your company addressing?

Our vision is to digitalise Africa and the world without polluting. Did you know that even digital technology is extremely polluting? The servers that host websites consume an enormous amount of energy. Creating websites that are optimised to use as little storage space as possible helps to reduce the CO2 emissions linked to website hosting.

