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Social Enterprise and Inclusive Business in ACP Countries: Variety and Access to Finance

ICReport in the series on Innovative Finances

Executive Summary

The purpose of this report is to highlight the variety of social enterprises and inclusive businesses operating across Africa, Caribbean and Pacific (ACP) countries, and to explore the barriers they face in accessing finance. Placing positive social impact at the forefront of their work sets these businesses aside from mainstream, or 'profit-first' businesses, and can give rise to additional challenges, including financial, that need to be addressed. Yet, there is no one common form of social enterprise or inclusive business around which to formulate a response. A supportive ecosystem must take account of how the financing challenges and needs of socially-oriented businesses differ both in relation to their profit-first counterparts and within their own broad category.

After outlining five key dimensions of business variety, the report distinguishes between those barriers that are shared with profit-first businesses, especially SMEs; those that are faced more frequently or severely by social enterprises and inclusive businesses due to their profile (e.g. leadership characteristics); and those barriers that are specific to these sorts of businesses due to their legal forms and governance, business models, legal forms and target communities.

This report includes recommendations for actions that can support social enterprises and inclusive businesses overcome these barriers and demonstrates how the ICR Facility can support such actions. While this report explores the issue from the perspective of social

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enterprises and inclusive businesses, a subsequent report will revisit the topic from the perspective of social finance providers.

Key Findings

- Businesses set up with a primary purpose to make a positive social impact are commonly known as social enterprises, often with certain organisational checks to ensure ongoing commitment to the social mission and appropriate management of surplus income. Inclusive businesses are similar but rather than social impact per se, are driven by the commercial viability of integrating low-income populations in their value chains (as suppliers, distributors, retailers and/or customers).

- Socially-oriented businesses differ in their features and needs both in relation to the two extremes of the profit-impact spectrum and in relation to each other. A social orientation can present particular challenges and barriers to businesses, which cross-cut with other factors that do not relate to their social mission. One such challenge relates to the access to finance for socially-oriented businesses.

- Five important dimensions of variety of social enterprise and inclusive business, that help to highlight the range of organisations and the barriers they face, are 1) legal forms and governance; 2) income and mission alignment; 3) size, age and growth; 4) impact sought and target communities; and 5) leadership.

Content

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Background

This report sets out a framework to describe key differences between social enterprises and inclusive businesses operating across the ACP region. Such variety is reflective of the particular set of challenges and opportunities that coalesce in different social, economic and political contexts across ACP communities. From micro community-based organisations to large-scale growth-oriented businesses, from those working in renewable energy to those delivering health interventions, from those recently setup to those founded 40 years ago, social enterprises and inclusive businesses come in all shapes and sizes and their support needs vary accordingly. These are rarely more acute than in their access to finance, the focus of this report. Effective responses, that smoothen the flow of suitable capital to enterprises delivering positive social impact, must be rooted in a clear understanding of how such businesses vary. In the following pages we explore these differences as they pertain to financing needs.

All businesses create value of one sort or another but there is a growing pool that are recognised for their role in addressing key social and environmental challenges. Businesses set up with a primary purpose to make a positive social impact are commonly known as social enterprises, sometimes with certain organisational checks to ensure ongoing commitment to the social mission and appropriate management of surplus income. Inclusive businesses are similar but rather than social impact per se, are driven by the commercial viability of integrating low-income populations in their value chains (as suppliers, distributors, retailers and/or customers).[1]

Like any business, these enterprises are shaped in their development, and the realisation of their potential, by various ecosystem factors, such as the policy environment, the availability of effective business support, and access to suitable finance. Yet, as explored in this report, these social enterprises and inclusive businesses often face additional barriers and challenges. For instance, restrictions on distributing profits (e.g. to shareholders or lenders) combined with longer growth trajectories can create demand for more patient, low-interest capital. Or a focus on serving low-income populations, frequently based in rural areas, means businesses have less access to urban-based investors and business support. But nor are social enterprises and inclusive businesses a homogenous group. They differ from mainstream SMEs but they also differ from one another. This presents a challenge to policymakers, financiers and other institutions that want to build a supportive ecosystem for such businesses in all their variety.

There is increasing consensus around the world that we need to build a more sustainable and inclusive economy. Especially in post-Covid recovery, countries across the world are engaged in efforts to "build back better" and "build forward better". As part of this, social enterprises and inclusive businesses need to be supported to develop and grow. Access to finance can be a crucial factor. This report identifies the challenges faced by social enterprises and inclusive businesses across ACP countries, based on an understanding of the various shapes and sizes that they take.

This report makes a number of policy recommendations to help support social enterprises and inclusive business have better access to appropriate finance. It is aimed at government policymakers, donors, and other institutions, which influence business environment reform (BER) and investment climate reform (ICR). While we are focused here on the demand for finance from social enterprises and inclusive businesses, building on previous online events, a forthcoming companion report will focus on the supply of social finance and draw banks and other financial institutions into its recommendations. This forms part of the series of Knowledge Products of the ICR Facility on innovative finance solutions. Other ICReports in this series explore Crowdfunding, Prêts d'honneurs and Start Up Acts.[2]

The report consists of three parts:

1. **What are social enterprises and inclusive businesses?**
2. **How do these businesses vary across ACP countries and what are their needs and barriers, accordingly, when it comes to access to finance?**
3. **What policy approaches can support these organisations to fulfil their potential in offering sustainable solutions to our social, economic and environmental challenges?**

1 In other words, they err slightly more towards the profit of the impact-profit spectrum.

2 For more info on the facility and to access the Knowledge Hub: https://www.icr-facility.eu/

Social enterprises and inclusive businesses

Where an organisation sits with regard its interest in generating profit and delivering social impact can be understood by its position on the impact-profit spectrum.[3] At one extreme are those organisations focused only on delivering positive social impact but entirely dependent on philanthropy in the form of grants and donations to finance their work. At the other extreme are those mainstream businesses that are driven in their operations by the need to maximise profit and for whom social impact is only of concern to the extent it affects profit margins. In between these poles is a growing mix of enterprises that seek to deliver positive social impact through their business practices or, going further, expressly set out to use business models (i.e. trade)[4] to achieve social good. Social enterprises, inclusive businesses, social businesses, B Corps, impact enterprises, charitable businesses, co-operatives and innumerable other terms have been used in this vein.

The differences between them may be substantial, for example in indicating a greater erring towards the profit (e.g. inclusive businesses) or impact (e.g. social enterprises) end of the spectrum, or in signalling that the organisation has been formally validated or accredited against a set of criteria (e.g. B Corps, or Community Interest Companies in the UK) which mean it may qualify for certain benefits or access to support. But there is also significant overlap between the terms used, as highlighted by representatives from the social enterprise, inclusive business and B Corp movements in the ICR Facility Online event on this topic.[5] In many cases, socially-oriented businesses do not fit neatly into one or other category and the label of choice will simply reflect the local context, and the preference of legislators, funders, and other key players in the business ecosystem. As we will explore in this report, socially-oriented businesses are often more usefully differentiated by a number of factors other than the business 'type' they are assigned.

Socially-oriented businesses differ in their features and needs both in relation to the two extremes of the profit-impact spectrum and in relation to each other. In this report we take two common terms, social enterprise and inclusive business, to show how a social orientation can present particular challenges and barriers to businesses and how such challenges can also vary within these categories, especially in relation to accessing suitable finance.

Social enterprise

Social enterprises are often defined[6] as enterprises with the primary aim of having a social impact, rather than to maximise profit for owners or shareholders. The European Union[7] description is: "A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities". As set out in a paper prepared for the Asian Development Bank, social enterprises are thus commonly differentiated from other businesses by "(i) mission (social or environmental), and (ii) profit use."[8] There is sometimes a formal registration option for social enterprises such as the Community Interest Company in the UK[9] but this is rare across ACP countries.

Inclusive business

With more emphasis on commercial sources of funding, and a more defined target community, the G20[10] define inclusive businesses as businesses that "provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the pyramid making them part of the value chain of companies as suppliers, distributors, retailers, or customers" . Inclusive businesses may also pursue broader socially inclusive goals and are expected to promote sustainable development in all its dimensions – economic, social and environmental. According to SNV, the Dutch Development Organisation and an implementer of the ICR Facility, the rationale for inclusive businesses stems from the needs of populations who belong to the "bottom of the pyramid", which have a purchasing power parity of 8 USD a day or less. The Inclusive Business Action Network (iBAN) project, co-funded by the German Federal Ministry for Economic Cooperation and the European Union and implemented by GIZ, also an implementer of the ICR Facility, has been instrumental in championing a coherent policy framework for inclusive businesses.[11]

Social enterprises and inclusive businesses are just two of many terms used to describe so-called hybrid business that seek to combine a degree of market viability with positive social impact. Their focus on underserved communities as well as other characteristics such as restrictions for social enterprises on profit management suggest their support needs will differ from profit-only counterparts. Yet there are also substantial differences within this hybrid space that are only hinted at by the two summaries above. In the next section, we seek to sort through some of these differences.

Five dimensions of social enterprise and inclusive business variety

3 https://knowledge.insead.edu/blog/insead-blog/the-force-for-good-spectrum-using-business-as-a-tool-13321

4 'Trade' is understood to broadly include the delivery of products, services and goods. It does not include grants and donations

5 https://register.gotowebinar.com/recording/942818436985769739

6 https://ec.europa.eu/social/main.jsp?catId=952&intPageId=2914&langId=en

7 https://ec.europa.eu/growth/sectors/social-economy/enterprises_en

8 https://www.adb.org/sites/default/files/project-documents/46240/46240-001-tacr-en.pdf

9 https://www.gov.uk/set-up-a-social-enterprise

10 https://www.inclusivebusiness.net/IB-Universe/what-is-inclusive-business

11 https://www.inclusivebusiness.net/about/iban

Given their considerable variety, we set out five dimensions of difference below, highlighting how these can affect access to finance. Exploring these dimensions helps to show the range of these organisations, the barriers they face and their support needs. Image 1 provides an overview of the dimensions.

Image 1: Five dimensions of social enterprise and inclusive business variety

In some cases, barriers are shared with mainstream businesses (i.e. the social orientation does not present specific challenges). In other cases, barriers are felt more severely (i.e. the profile of socially-oriented businesses means a certain challenge is more prevalent or acute). In yet other cases, barriers are specific to socially-oriented businesses (i.e. as a direct result of their social orientation). These subtleties are explored in detail later in the report but first the five dimensions are elaborated.

1. Legal forms and governance

Most ACP countries do not provide dedicated policy frameworks for social enterprises or inclusive businesses. It may be possible to formalise as a co-operative or an equivalent but these may not be fit-for-purpose and options for legal registration are more commonly focused at either end of the impact-profit spectrum rather than anywhere in between. As a result, social enterprises and inclusive businesses, recognised by government or otherwise, take a range of legal forms.

In a 2020 report from the British Council, 81 per cent of social enterprises in Sudan were found to be registered as either a 'private company' (25 per cent), 'NGO' (30 per cent)[12] or 'association' (26 per cent). Other mappings by British Council (2017) found that 23 per cent of social enterprises in Kenya are registered as a 'Limited Liability Company', 20 per cent as sole proprietorships, and 15 per cent as 'not-for-profit entities'.[13] In Jamaica 21 per cent are registered as 'Benevolent or Friendly Society', 15 per cent as a company (limited either by guarantee or shares) and nine per cent under the Charities Act[14]. 33 per cent are registered as 'other'. Clearly, variety in the legal registration of social enterprises across ACP countries suggests there is no ideal option.

Adopting a legal form that is not tailored to social enterprises or inclusive business can create barriers when it comes to accessing finance. On the one hand, many social enterprises are adopting forms associated with more traditional charities such as NGOs, and other not-for-profit entities. These may restrict commercial activity and also the type of finance that can be accessed. For instance, such organisations are generally unable to issue shares, so they are not able to attract risk capital in the form of equity investments. Some may also find it hard to take on debt, where this relies on personal guarantees or collateral from voluntary board members, for instance. Many co-operatives may issue equity but on a one-member-one-vote basis which can create a barrier for investors used to shareholding bringing proportionate voting, or even controlling rights.

On the other hand, many social enterprises and most inclusive businesses are registered as private companies limited by shares or as limited liability companies. These allow private ownership and control and often bring lighter regulation. However, they may be subject to greater taxation such as taxes on profits; and may not be able to take on grants or donations. This is likely to be less of a barrier for inclusive businesses than social enterprises which, as outlined by ADB, are more likely to depend on a mix of funding sources to supplement commercial income. [15] To signal that they are social enterprises, private companies may amend their memorandum or articles of association, to enshrine their social purpose and commitment to specific Sustainable Development Goals (SDGs), simply state their purpose in their communication materials, or to get endorsed by global certifications such as B Corps [16].

12 Countries vary in the terms they use and the variety of options they provide. The specific registration option and terminology for not-for-profit organisations varies by country (NGO, charity, public benefit organisation etc.). For the purposes of this report, the point is that most if not all countries have at least one option for registering as an organisation whose primary purpose is to deliver public benefit. This generally carries restrictions on trading and profit management. Nevertheless, we use 'not-for-profit' rather than 'nonprofit' here as, in line with this report, there are an increasing number of organisations that are registered as NGOs and equivalents but looking to generate income and profit that can be reinvested in pursuit of their social mission.

13 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_kenya_british_council_final.pdf

14 https://www.britishcouncil.org/sites/default/files/bc_social_enterprise_jamaica_web.pdf

15 https://www.adb.org/sites/default/files/project-documents/46240/46240-001-tacr-en.pdf

16 B Corps are for-profit businesses that are independently certified to meet rigorous standards of social and environmental performance, accountability, and transparency. The B Corporation movement was launched in East Africa in January 2017 and to date there are around 45 certified B Corps across the continent, out of 3500 certified B Corps across the world - https://bcorporation.net/about-b-corps

There are other registration options in ACP countries that may provide more flexibility in combining income generation with delivery of social impact, and in accessing finance for this purpose. Community Based Organisations (CBOs)[17] may be easier to register and attract less suspicion from the government than not-for-profit alternatives in certain countries. Examples include membership associations such as Rotary Membership Clubs[18] which are registered throughout ACP regions and church associations such as the Scripture Union of Nigeria. Indeed a World Bank report on social enterprise in Africa suggests that "A notable exception to the lack of policy recognition in most countries studied is government collaboration with faith-based organizations. They see faith-based organizations as distinct from the private sector and NGOs and recognize them for their role in filling service delivery gaps."[19]

Co-operatives[20] are also an option for legal registration in most ACP countries. In Sierra Leone[21], for example, there are over 1,000 co-operative societies registered with the Department of Co-operatives. Communities in the northern part of Nigeria, where co-operatives can be set up as either not-for-profit or for-profit, embraced the co-operative law in the 1950s which allows co-operatives to be set up as either not-for-profit or for-profit and for profits to be distributed among members which differentiates them from NGOs and CBOs.[22] In Ghana and Cote d'Ivoire, 15% of cocoa farmers are in Fairtrade co-operatives[23]. As part of a cooperative, members share access to technical skills, extension services and can enjoy economies of scale in production.

CBOs and co-operatives are useful alternative registration options but they carry additional criteria that may not align with the workings of a particular social enterprise or inclusive business such as the requirement for a local focus (CBOs) or rules on ownership (co-operatives). The main conclusion here is that there is only very rarely a catch-all legal registration option tailored to the needs of social enterprises and inclusive businesses, and in the absence of such an option businesses can face restrictions in the types of finance they can access and/or tax burdens that detract from their social impact.

2. Income and Mission Alignment

Some social enterprises and most, if not all, inclusive businesses are able to align their commercial trading with the delivery of positive social impact so that both are achieved in the same action. By definition, inclusive businesses are based on the commercial viability of integrating the lowest-income communities into value chains as suppliers, distributors, retailers or customers so they tend to have strong alignment between income and impact. Yet, many social enterprises across ACP countries, as elsewhere in the world, are having to explore other ways of generating income where delivery of their primary social mission does not pay its way. However, convoluted methods of tying commercial income to social impact, or dependence on a mix of funding sources, can present challenges for enterprises seeking investment.

'Work integrated social enterprises' and equivalents provide an interesting example of mission alignment. These businesses focus on "improving employment prospects for those furthest from the labour market."[24] In an ideal situation the positive social impact (employment of disadvantaged groups) is achieved in tandem with the generation of income that sustains the business (the selling of products and services delivered by the workers). The additional costs of providing access to employment for more marginalised groups is borne within the business. Those offered this type of supported employment also benefit from enhanced support when they move to 'mainstream' employment, thus opening up spaces to support new individuals and creating a virtuous cycle.

Research from the British Council specifically explored the links between social enterprise and job creation in sub-Saharan Africa and found myriad ways that businesses are tying income generation to employment-relate social impact. It found that 73 per cent of social enterprises deliberately employ people from poor communities compared to 56 per cent of 'profit-first' businesses and that 35 per cent of social enterprises specifically aim to support vulnerable people, compared to only 7 per cent of "profit-first" businesses.[25]

Employment-focused impact provides an example of how income generation and the delivery of a social mission can be aligned. Where other types of impact are sought, the unaffordability of products and services for marginalised groups can mean it is more difficult to achieve alignment between income generation and social mission. Many social enterprises revert to a cross-subsidisation model where surplus from additional trading activity that does not in itself deliver the social impact, is reassigned to subsidise the social impact. In Fiji, social enterprises undertake a range of commercial activities such as product sales, service fees, project levies and investment income, to subsidise the delivery of services which improve individual and community

17 According to FutureLearn, CBOs are "organisations with a strong geographical definition and focus on local markets and services. Community-based organisations are organisations with earned-income activities which are set up, owned and controlled by the local community and which aim to be a focus for local development."

18 usually dependent upon members' contributions and an agreed-upon social purpose or cause to support

19 https://openknowledge.worldbank.org/bitstream/handle/10986/26672/115052-WP-P152203-PUBLIC-AfricaSEEcosystemMay.pdf

20 Co-operatives are defined by the International Cooperative Alliance as "people-centred enterprises jointly owned and democratically controlled by and for their members to realise their common socio-economic needs and aspirations. As enterprises based on values and principles, they put fairness and equality first allowing people to create sustainable enterprises that generate long-term jobs and prosperity. Managed by producers, users or workers, cooperatives are run according to the 'one member, one vote' rule."

21 https://wacupp.wordpress.com/sierra-leone/

22 https://ukdiss.com/examples/social-enterprise-nigeria-growth.php

23 https://www.fairtrade.org.uk/wp-content/uploads/2020/06/Cocoa-Sustainable-Livelihoods-Landscape-Study.pdf

24 http://www.inworkproject.eu/toolbox/index.php/glossary-resources/glossary/work-integration-social-enterprise

25 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf

social and economic wellbeing.[26] An example from Ethiopia is Tebita, a social enterprise that provides emergency ambulance service and medical help to those in need, using income earned from wealthier clients.

Where a social mission cannot be entirely sustained by payment from the target community, or supported by trade with higher-income communities, evidence shows that many social enterprises across ACP countries adopt a mixed funding model, where some level of donation and grant funding is sought to supplement commercial income. As the World Bank puts it, in relation to social enterprise ecosystems in East and South African Countries, "the more commercial models target wealthier segments, while hybrid funding is sometimes necessary to reach the poorest segments and often include awareness and consumer financing components." [27]

By working with low-income communities, and/or communities that require specialist support and costly interventions, social enterprises rarely generate significant surplus. Notwithstanding restrictions on profit disbursement (see dimension 1 – Legal forms and governance), many social enterprises will therefore struggle to take out loans at market rates. Furthermore, where social enterprises revert to cross-subsidisation in delivering their social mission and are more likely to generate a surplus, investors may be dissuaded by the complexity of the arrangement (especially if they themselves have a social imperative). Many social enterprises are dependent on a mix of grants and donations to supplement their trading income. This may prevent a business accessing loan finance where grant funders and donors raise concerns about their funding being used to service interest payments. To access specifically social finance (which may be offered at preferential rates or require less security), social enterprises will have an additional burden of measuring their social outcomes. However, the inherent challenge of effectively monitoring social outcomes (in comparison to business performance) combined with a lack of capacity mean that many social enterprises are not equipped with the social outcomes and business metrics to support their case for financing.

3. Size, age and growth trajectory

Size, age and growth trajectory are all factors that can affect access to finance for social enterprises and inclusive businesses. To some extent these issues are shared with many mainstream businesses but there are certain characteristics that can present additional challenges.

According to the World Bank, Small and Medium-sized Enterprises (SMEs), employing less than 300 people, represent about 90 per cent of businesses and more than 50 per cent of employment worldwide.[28] Most social enterprises across ACP countries are small or medium businesses. In 2017 data from Jamaica, for example, it was found that 67.5 per cent of social enterprises actually have no permanent employees and 26.7 per cent have 1-10 permanent employees.[29] Consistent estimates of employee numbers linked to social enterprises across multiple countries are harder to come by. A British Councils study in SSA reports an average of 21 workers while a report from Siemens Stiftung, funded by GIZ, puts the figure between 2 and 3.[30][31] Still, in both cases the average size is at the smaller end of the scale. Business size can also be considered in terms of turnover and the data again shows that social enterprises in ACP countries tend to be small. 42 per cent of social enterprises in Sudan were found to have an annual turnover of less than 50,000 Sudanese pounds (US$900) and 85 per cent of less than 500,000 (US$9,000).[32] In Jamaica, just four per cent of social enterprises reported turnover of more than 50,000 USD.[33] Inclusive businesses differ here as they are predominantly medium to large companies that operate at scale or are scalable (although some do integrate micro and small enterprises into their value chains).

In terms of the age of social enterprises, 2016 data from British Council shows that 75 per cent of social enterprises in Ethiopia and 65 per cent of social enterprises in Kenya had been established in the past five years, due in large part to development of the countries' social enterprise ecosystems during this time.[34] [35] While the data is not directly comparable, a 2016 report from Appui au Développement Autonome found the average age of small and growing businesses to be seven years in Ethiopia and 14 years in Kenya.[36] In Jamaica, based on 2017 data, 62 per cent of social enterprises were found to have been setup since 2011 and 86 per cent since 2001. Cooperative models in the agricultural sector or businesses operating according to fair trade principles have often been operating for much longer.

The size of an organisation is important in terms of accessing finance because smaller loans for smaller businesses are less readily available. Social Enterprise Ghana report that their members tend to require loans of less than $50,000 but many investors and banking institutions view the cost of due diligence for such loan sizes as too high. The age of an organisation is important because financiers will often seek track record and organisational maturity when making investment decisions and may also require an asset base to secure loans against that has yet to have been built up.

26 https://www.emerald.com/insight/content/doi/10.1108/SAMPJ-08-2017-0081/full/html

27 https://elibrary.worldbank.org/doi/abs/10.1596/26672

28 https://www.worldbank.org/en/topic/smefinance

29 https://www.britishcouncil.org/sites/default/files/bc_social_enterprise_jamaica_web.pdf

30 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf

31 https://www.siemens-stiftung.org/wp-content/uploads/2020/10/studie-socialenterprisesasjobcreatorsinafrica-part1-siemensstiftung.pdf

32 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_sudan.pdf

33 https://caribbean.britishcouncil.org/sites/default/files/bc_social_enterprise_jamaica_web.pdf

34 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_ethiopia_british_council_final.pdf

35 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_kenya_british_council_final.pdf

36 https://cdn.ymaws.com/www.andeglobal.org/resource/resmgr/research_library/study-sgbs_ada.pdf

While there is variety between them and in relation to inclusive businesses, social enterprises across ACP countries are often small and recently established, with an accordingly smaller asset base. These factors may combine to present challenges in accessing finance but they are not necessarily more of an issue for social enterprises than mainstream businesses. What is more distinct is their growth trajectory. As set out in a 2020 report on the UK's social sector:

"Working on a new idea or looking to scale existing operations can be tough for any organisation, but for those working in sectors trying to balance impact and sustainability, navigate the worlds of commerce and philanthropy, and earn income in underserved markets whilst innovating new, untested delivery models, the task can be seemingly impossible."[37]

It is hardly surprising that reaching a size, building an asset base and achieving a level of commercial viability that satisfies investors is likely to take longer for businesses that seek to solve intractable social problems. The task becomes even more challenging without an ecosystem providing access to specialist support tailored to the challenges of combining social impact with commercial viability. Given their small size and relatively young age, social enterprises can face internal capacity and capability challenges which preclude them from operating and growing effectively. Support organisations, investors and even social enterprises themselves sometimes note a lack of managerial, technical, and organisational skills[38] which may impede growth and restrict access to finance. In short, there is evidence that social enterprises need a longer lead-in time to realise their potential in social innovation and scale accordingly, and to translate financial support into commercial viability (and the repayment of loan finance or maturity of equity finance).[39 40]

4. Impact sought and target communities

In some cases social enterprises may face additional challenges when seeking finance as a result of the social impact they seek and the particular groups they work with. Social enterprises and inclusive businesses work with a wide range of beneficiary groups and take different approaches and methods to support them. To some extent, this will reflect the social and environmental priorities in a particular community or geography. In Jamaica, for instance, 82 per cent of social enterprises count 'domestic violence victims' as a targeted group of beneficiaries. Common beneficiary groups across Ethiopia, Kenya and Ghana include the local community, young people and women. Even across inclusive businesses, which share a common focus on people living at the base of the pyramid, there is variety in the sectors they work through.

To some extent the challenge in accessing finance arises from the challenge of generating income whilst working with underserved communities (as explored in dimension 2 - Income and Mission Alignment). But prohibitive social norms can also play a role here. Social enterprises are by their very nature often drawn to target communities that are particularly marginalised and stigmatised, and this may sway the decision-making process of investment managers, whether as a result of their own conscious or unconscious bias or that of source investors. Working at the intersection of women's health and domestic violence, social entrepreneurs interviewed by the authors of this report shared their perception that social investors sometimes do not understand the needs of their target communities and feel uncomfortable talking about the issues they face. As a result, the entrepreneurs have struggled to gain traction for investment.

Social enterprises and inclusive businesses that serve predominantly rural populations, and for operational reasons choose to be based in non-metropolitan areas, may also find it harder to access finance.[41] In an ICR Facility live event on social enterprises[42] the point was made that investors and ecosystem supporters are based predominantly in the capital cities. Ecosystem support organisations such as Social Enterprise Ghana and Social Enterprise Academy Zambia, based in the capitals of Ghana (Accra) and Zambia (Lusaka), highlighted their efforts in reaching out to entrepreneurs serving peri-urban and rural populations, as they often miss out on networking opportunities with investors.

5. Leadership

The profile of founders and leaders is also a factor for consideration in understanding the needs of social enterprises and inclusive businesses. Just over half of social enterprise leaders are aged 35 or under.[43] Anecdotal evidence during a field visit conducted by British Council from support organisations in Nigeria suggests that social entrepreneurs aged over 30 and with some industry experience are more likely to succeed and are preferred by investors. Younger social entrepreneurs may therefore struggle to access the finance they need and may require additional support if they are to be considered 'investment-ready', a challenge that is likely to replicate trends in the wider business environment.

While the age of their leaders may not be a distinguishing factor, there is evidence that in certain African countries (including

37 https://shiftdesign.org/content/uploads/2020/05/Beyond-Demand-Report_Shift_EsmeeFairbairn.pdf
38 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_kenya_british_council_final.pdf
39 https://beanbagsandbullsh1t.wordpress.com/2018/12/
40 https://www.oecd.org/cfe/leed/Policy-brief-Scaling-up-social-enterprises-EN.pdf
41 https://core.ac.uk/download/pdf/213921664.pdf
42 https://register.gotowebinar.com/recording/942818436985769739
43 https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_kenya_british_council_final.pdf

Ghana, Ethiopia, Kenya and Sudan) a greater proportion of social enterprises are led by women than profit-led businesses.[44] In Ghana,[45] nearly 40 per cent of social enterprise leaders are female – almost three times higher than the proportion of female senior managers in mainstream businesses. Across SSA, 41 per cent of social enterprises have a woman in charge compared to only 27 per cent of 'profit-first' businesses.[46]

And women, whether in charge of social enterprises or any other business, face greater challenges in accessing finance. In 2019 all-female founding teams secured only four per cent of the venture capital deals worth more than 1 million USD in SSA.[47] A 2017 British Council study across various countries including Ghana on the role of social enterprise in supporting women's empowerment,[48] found that women social entrepreneurs report experiencing greater disadvantage than men in various domains, including access to finance. The Global Accelerator Learning Initiative has also shown a gender financing gap for women-led start-ups upon entering and exiting accelerators.[49]

Social entrepreneurs with certain characteristics are likely to have easier access to finance than others. For the most part this will be down to system trends that ensure an entrepreneur (based on their gender, age, socio-economic background etc.) can draw on the skills, asset base and cultural capital that investors seek.[50] [51] But opportunities for social impact may be missed as a result. Efforts to diversify investment panels are at least in part an effort to overcome biases that may influence decision-making unduly (including with regards perceptions of risk and profitability). The issue is that social enterprise founders will often be from the underserved social groups that those same founders seek to support (this may be a reason why a greater proportion of social enterprise leaders are female than their mainstream business leaders). Such leaders are best placed to reach and understand their target groups but they also face the same disadvantages in access to resources and opportunities and this can affect their access to finance.

The barriers to finance faced by social enterprises and inclusive business

Social enterprises and inclusive businesses face a range of barriers to their development, including their access to finance. For the purposes of this report, these can be understood through three categories:

- Barriers shared across both socially-oriented and mainstream business forms as they do not relate to differences by which they are defined (e.g. intention to deliver social impact) but to variations such as size and the prevailing business and investment environment for all. Access to technology, high interest rates and financial market instability, Intellectual Property protection, and the fragility of states, would all fall in this category;

- Barriers that are felt more acutely or frequently by one or other socially-oriented business type in comparison to mainstream businesses because of particular characteristics that are more prevalent amongst socially-oriented businesses (e.g. female leadership amongst social enterprises[52] [53]).

- Barriers that may apply specifically to socially-oriented businesses as a result of their focus on social impact and associated governance and legal factors (e.g. restrictions on their distribution of profit). These might not apply to all socially-oriented businesses due to differences in their approaches (e.g. inclusive businesses being more commercially focused). Understanding these differences should be a key priority.

This report focuses especially on the second and third categories to highlight the imperative for policy instruments, financial products and other business support that respond to the specific needs of social enterprises and inclusive businesses in relation to mainstream businesses and each other.

The table below summaries the five key dimensions of social enterprise and inclusive business variability, how they manifest and how they subsequently affect organisations' access to finance.

44 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf

45 https://www.britishcouncil.org.gh/sites/default/files/social-enterprise-bc-report-ch3-ghana-digital.pdf

46 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf

47 https://www.forbes.com/sites/meghanmccormick/2020/12/30/all-female-founding-teams-in-africa-secure-4-of-1m-deals-in-2019/?sh=5b77be543b58

48 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_womens_empowerment_july.pdf

49 https://www.galidata.org/publications/accelerating-women-led-startups/

50 Businesses with proper accounting and governance structures in place, legal expertise, better networks etc. will invariably be seen as less risky. Moreover, disinheritance laws in some countries mean women often lack asset ownership needed for accessing finance.

51 https://journals.sagepub.com/doi/abs/10.1111/etap.12275

52 Refer to https://www.fmo.nl/news-detail/0d0c3e73-c2e1-4a0a-a8fd-6ee7175d417a/access-to-finance-for-female-entrepreneurs-speak-louder-push-harder.

53 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_womens_empowerment_july.pdf

Barrier

Barrier specific to socially-oriented businesses

	Manifestations	Effect on access to finance
Legal forms and governance	Legal registration as organisation types not fit for purpose due to absence of specific option for hybrid models that combine social impact and business activity. Social enterprises register as NGOs, private companies, cooperatives, CBOs and other entities. All carry advantages and disadvantages for social enterprises.	NGO legal forms are often unable to access equity finance and their governance models may make it more difficult to take on debt. Private company legal forms are often unable to take access grants and donations which are often used by social enterprises to supplement income. Commitments by either to reinvest profits in the social mission, rather than distribute to shareholders may dissuade investors. Co-operatives also have specific rules around the type of shares they may issue.
Income and Mission Alignment	In supporting underserved groups, social enterprises may struggle to align delivery of their social mission with income generation. To maintain financial viability, social enterprises will often make use of a mix of funding sources and/or cross-subsidise with commercial activity in other areas. Even where income and mission are aligned the target group may not have the spending power for a social enterprise to service a loan.	For social enterprises dependent on a mix of funding sources, grant givers and donors may not be keen on their funding being (seen to be) used to service interest on loans. Cross-subsidisation (where income generation in one area of the business is used to fund social impact in another area of the business) may be perceived by investors to be too complicated or compromise their potential returns.

Barrier more prevalent/acute for socially-oriented businesses.

	Manifestations	Effect on access to finance
Age, size, growth trajectory	Social enterprises may be smaller and younger than mainstream businesses which can present challenges in accessing suitable finance but it is their growth trajectory which most clearly stands apart. Their route to 100% commercial viability, or at least a stage at which loans can be repaid or shares become profitable, tends to be longer than for mainstream businesses. The case may be different for inclusive businesses which more likely to have scaled or be scalable and are generally bigger.	The lack of track record and an asset base, as well as demand for small cash injections which are not financially viable for investors to provide, mean that younger and smaller businesses often rely on personal networks for early-stage risk capital, combined with grant and donor funding. Longer growth trajectories amongst social enterprises create demand for low-interest and patient (5+ year) finance that is less readily available. Inclusive businesses are generally larger which means that restrictively small ticket sizes is less of an issue when accessing finance. Their size and approach leads to different financing models and constraints.
Target communities	Social enterprises and inclusive businesses tend to serve more marginalised or stigmatised populations and in more remote areas than mainstream enterprises.	Supporting certain marginalised groups may add challenges to building the business due to stigma attached to certain groups, or the lack of familiarity among investors with certain target groups. Raising investment leverages a lot on networks and investors tend to cluster around the metropolitan areas, and enterprises based in rural or peri-urban areas may find it harder to access investors. Also, for inclusive businesses, ensuring affordability of products and services for low-income populations creates particular challenges for the financing of such operations as they often has to also act as (or partner with) a micro-finance provider.
Leadership	A greater proportion of social enterprises than mainstream businesses are led by women and other social groups that are more likely to experience negative individual or system bias (e.g. a lack of access to support and resources in other parts of a system influence the readiness of an individual to access finance).	Women, ethnic minorities and entrepreneurs holding certain other characteristics that are more likely to be discriminated against may experience individual or system bias when building the business and seeking finance. While the most impactful social enterprises will have founders with a close affiliation to the groups they seek to help, this affiliation may not be represented in investment circles thus affecting investment decisions.

As with most businesses, especially SMEs, issues around access to appropriate finance pose some of the biggest challenges for social enterprises and inclusive businesses.[54] At various stages of the business lifecycle, from ideation through to scaling, the financial needs of socially-oriented businesses are not being met.

Currently, most social enterprises' top sources of external funding are still donations and grants, rather than risk capital that can help them scale and firmly establish their commercial viability (a social enterprise should generally be seeking to generate at least 50 per cent of its income through trade in products and services). In Jamaica,[55] social enterprises are more reliant on grant income as a significant percentage of their overall turnover than social enterprises in other countries. In Ethiopia, the majority (54 per cent) of social enterprise respondents reported that a huge barrier to growth was obtaining capital (debt or equity). In Ghana[56], less than ten per cent access loans or equity.

Recommendations

The value of social enterprises and inclusive businesses, and the role they can play in supporting social and economic development, has been shown in many ways. Recent reports from British Council and Siemens Stiftung, for example, have explored the links between social enterprise and job creation. The British Council report suggests that 28-41 million jobs have been created by social enterprises across SSA.[57] The Siemens Stiftung report suggests that "social enterprises could create more than 1 million additional jobs by 2030 in the 12 focus countries".[58] The inclusivity and decency of the job opportunities add another valuable dimension. A previous British Council report highlighted the links between social enterprise and women's empowerment, showing that social enterprises create proportionally more jobs for women than other sectors of the economy.[59]

The existence of a supportive ecosystem can make a significant difference to whether social enterprises, inclusive businesses and other socially-oriented businesses are able to contribute in these ways. Such an ecosystem is made up of various components. British Council's Global Social Enterprise portfolio focuses on six of these – policy, education, capacity-building, access to finance, data and evidence, and consumers. Similarly, in rolling out its Inclusive Business Ecosystem Initiative (IBEI) in Africa, the UNDP identifies four essential support pillars for business: information, financial investment, conducive rules and policy incentives, and implementation support.[60] Access to finance, almost invariably, is identified as a key area of the ecosystem.

Such an ecosystem needs to accommodate variety however. As we have seen, social enterprises and inclusive businesses differ in their financing needs from mainstream businesses and traditional NGOs, but they also exhibit variety between each other and across the ACP regions. Interventions geared towards the financing of social-oriented businesses must recognise and respond to the diversity of such businesses.

We now move to a number of business-focused recommendations[61] for ACP and donor governments that will mean a greater variety of socially-oriented businesses are better placed to access the finance they need. A couple of caveats are worth mentioning. Firstly, the focus is on what can be done to aid businesses' positioning for accessing finance. Such interventions will be most effective when accompanied by developments in the investment field but these are not the focus here - investor-focused recommendations will follow in a forthcoming report. Secondly, some interventions are not solely related to improving access to finance. The actions needed to improve businesses' standing will carry advantages that extend beyond their financing.

These recommendations have been informed by the Global Steering Group for Impact Investment's Policymaker's Toolkit[62] which adopts three policy frames of government as a market facilitator, participant, and regulator; as well as the Guidelines for the Promotion of Inclusive Business in ASEAN, supported by iBAN in their development, which describes twelve policy instruments[63] to promote inclusive businesses.[64]

Recommendations and how the ICR Facility can help you

Based on the analysis provided, this ICReport makes four recommendations for policy makers and their influencers to overcome the barriers social enterprises and inclusive businesses are facing. Specifically:

- build the evidence base
- give formal recognition and incentive
- support capacity, and
- government as customer.

Investment- and investor-related recommendations will be in the forthcoming policy paper.

54 E.g. see the British Council's *State of Social Enterprise* series which https://www.britishcouncil.org/society/social-enterprise/reports/state-social-enterprise

55 https://www.britishcouncil.org/sites/default/files/bc_social_enterprise_jamaica_web.pdf

56 https://www.britishcouncil.org.gh/sites/default/files/social-enterprise-bc-report-ch3-ghana-digital.pdf

57 https://www.britishcouncil.org/sites/default/files/social_enterprise_and_job_creation_in_sub-saharan_africa_final_singlepages.pdf

58 https://www.siemens-stiftung.org/wp-content/uploads/2020/10/studie-socialenterprisesasjobcreatorsinafrica-part1-siemensstiftung.pdf

59 https://www.britishcouncil.org/society/social-enterprise/reports/activist-entrepreneur-womens-empowerment

60 https://www.africa.undp.org/content/rba/en/home/about-us/AFIM/overview/IBEI.html

61 Investor-focused recommendations will follow in a forthcoming report.

62 https://gsgii.org/wp-content/uploads/2018/10/GSG-Paper-2018-Policy.pdf

63 These are listed as: strategy and action plan on IB enabling environment; institutionalising IB promotion; IB accreditation and registration; IB awareness raising; IB coaching for companies; IB investment incentives; reducing impact investment risks; promoting IB in public procurement; targeting IB in existing private sector and other development programmes; IB enabling environment; IB strategies aligned with MSME development strategies; linking IB to the social enterprise and corporate social responsibility agenda; monitoring and reporting on IB results.

64 https://asean.org/storage/2020/09/ASEAN-IB-Promotion-Guidelines-Endorsed-at-the-52nd-AEM.pdf

If you are a policy maker or other relevant stakeholder in an ACP country and would like support from the ICR Facility in implementing these recommendations then please visit https://www.icr-facility.eu/ Some examples of how the ICR Facility can help are:

- Support evidence-gathering activity including undertaking mapping studies of social enterprise and inclusive business ecosystems
- Support policy dialogues and training masterclasses to build momentum for change in policy frameworks
- Peer learning events – learning from leaders in your region
- Tailored support on specific policy and regulatory developments
- Provide guidance on accreditation and kitemark system
- Support set up and capacity building of intermediaries, industry networks and member bodies
- Support nurturing of closer investor-enterprise relations
- Support embedding of social value in government procurement
- Target capacity building of Public-Private dialogues secretariat

1) **Recommendation 1 – build the evidence base**

This report has provided examples of the sorts of challenges faced by social enterprises and inclusive businesses in ACP countries but these will vary between different contexts. To understand what sorts of businesses are delivering what sorts of impact, their need for finance and the challenges they face in accessing this, there needs to be a strong pool of evidence to draw from. Government decisions need to be rooted in a clear sense of how socially-oriented businesses are contributing (or could contribute) to socio-economic development and what is holding them back. Which areas are social enterprises working most in? What social value are they delivering? How are they registered? Is this fit for purpose? How big are they? How old are they? Who leads them and who works for them? Where are they located? Are they looking to scale? What challenges do they face? What sort of finance do they need? Do they know where to find it? How can the government support them? There need to be answers to these questions for further interventions to be made.

2) **Recommendation 2 – give formal recognition and incentive**

As described above, a common challenge for socially-oriented businesses is that they often have to take a legal form that is not fit for purpose and proves to be restrictive when it comes to accessing finance. A priority should be to introduce a legal form that gives hybrid businesses (combining social impact with commercial activity) the flexibility to trade and access different forms of finance as well as the benefits enjoyed by more traditional NGOs.[65] This should not carry unrelated requirements such as those associated with CBOs or cooperatives, nor should the registration process be overly cumbersome for the businesses. It should accommodate the mix of shapes and sizes of socially-oriented businesses, ensuring that the needs of smaller, less established businesses are accounted for.

Governments should build support for social enterprises and inclusive businesses into a broader strategy and explore what other support measures and incentives can be adopted. Anything that supports the viability of a business will also improve its standing when it comes to accessing finance. As well as a clear definition enshrined in an appropriate legal form, socially-oriented businesses may benefit from tax incentives. Tax advantages enjoyed by co-operatives in many African countries show that such measures are feasible while the Philippines offers specific tax incentives for companies with IB models in the agribusiness and tourism sector.[66]

Prior to the introduction of a new legal entity, interim measures might include slight adjustments to existing legal forms so that they are more aligned to social enterprises and inclusive businesses. In the absence of a formal registration option, a kitemark scheme can provide some level of endorsement and give assurances to risk-averse investors. This is often best managed by the business community rather than government.

3) **Recommendation 3 – support capacity**

The government can play a key role in ensuring that social entrepreneurs have the knowledge and skills to run social enterprises and access the finance they need. There are particular challenges for many social enterprises around aligning their social mission and commercial activity which can weaken their pitch for finance but can be mitigated through more tailored interventions.

Governments have a role in improving the knowledge and skills of social entrepreneurs to run businesses. This may be through supporting education programmes that incorporate relevant themes from the earliest stages of formal education. Down the line, governments can support more targeted capacity-building through impact hubs, incubators and accelerators and help to ensure that the participants' skillsets and businesses align with expectations of 'investment readiness' amongst finance providers.

Many programmes for social entrepreneurs specifically include an 'accessing finance' component. For example, in Tanzania the 2020 Investment Readiness Accelerator For Social Enterprises promises opportunities for pitch development, 'one-on-one' time with investors, and access to affordable risk-tolerant capital. Interestingly, the programme culminates with the participants selecting which ventures should receive investment from the Anza Growth Fund[67] which can encourage entrepreneurs to identify with the investor mindset.

65 E.g. see https://www.gov.uk/government/publications/legal-forms-for-social-enterprise-a-guide

66 https://www.unescap.org/sites/default/files/Inclusive%20Business%20in%20ASEAN%20-%20Progress%20Report_ESCAP_iBAN_ASEAN.pdf

67 https://anzaentrepreneurs.co.tz/investment-readiness/

Connections with investors is an essential component, both in ensuring that training programmes are aligned with investor expectations and in providing a platform for social entrepreneurs to pitch their ideas. Started as a 'broker' to build a network between social enterprises and investors, Pacific RISE is funded by the Australian Government's Department of Foreign Affairs and Trade (DFAT) and operates across 14 Pacific island countries.[68] [69] In its first six months of launching, Pacific RISE profiled 27 social enterprises and developed criteria to identify suitable intermediaries and investors that can support social enterprises. They piloted tools to facilitate funding allocation to social enterprises and support investors in pipeline development. As well as the hard skills of developing a socially-oriented businesses, these and related events can provide a forum for entrepreneurs to network, build a collective voice and pitch their ideas to potential investors.

Governments should help ensure that the suite of training offers for social entrepreneurs is varied enough to meet demand and tailored to the challenges that need to be addressed (the quality of incubators and accelerators is highly variable across ACP countries). An entrepreneur seeking start-up funding to establish a social enterprise will require very different support to a medium-sized inclusive business looking to scale. Governments should also help to ensure equality of access across urban and rural divides, across gender, and other socio-economic strata, and should back this up with broader policy and educational measures that challenge structural discrimination.

4) **Recommendation 4 – become a customer**

When making investment decisions, an element of the risk calculated by investors will relate to the commercial activity of a social enterprise or inclusive business. In particular, judgements will be made about the long-term viability of their customer base. Investing in a business that does not stand the test of time will not carry the long-term value sought by investors and the business may default on repayments. If a social enterprise can count the government amongst its customers, they may be viewed more favourably by investors. For governments, socially-oriented businesses can play a vital role in supporting social and economic outcomes, for example in relation to job creation and women's empowerment, so there is value in directing custom accordingly.

Governments can improve their standing with regards development priorities, while improving access to finance amongst social enterprises and inclusive businesses, by embedding social value within their procurement processes and decision-making. Placing social value alongside quality, price and other procurement criteria, should give an advantage to socially-oriented businesses when competing for contracts whilst creating incentives for other businesses to consider their social and environmental impacts. The EU has worked to promote the use of social value in public procurement procedures, and has funded the Buy Social project which promotes socially responsible public procurement (SRPP) and its benefits. Embedding social value in procurement is a long process, however,[70] and incremental steps are advised.

In ACP countries, one example is the Jobs Fund in South Africa[71]. It was launched in June 2011 by the Minister of Finance to use R9billion (equivalent to 1.2 billion USD according to exchange rate in 2011) to co-finance job creation projects by public, private, and non-governmental organisations. South Africa has already harnessed the power of public procurement to deliver additional benefit by implementing the Broad-based Black Economic Empowerment Act[72], which prioritises previously disadvantaged black-owned businesses in the government and corporate supply chains. The Kenyan government[73] also provides initiatives where social enterprises could become potential partners, such as the Digital Learning Program of the Ministry of Education and the 58 E Health Hubs of the Ministry of Health.

Conclusions

While social enterprises and inclusive businesses vary from profit-first counterparts and amongst themselves in size and scale, leadership and legal form, beneficiaries and barriers, governments can take steps to create an environment that enables them to thrive. Across ACP countries access to finance for such businesses is often a limiting factor, which plays out for different reasons and in different ways across business features and geographies.

The report provides a number of examples of how governments and other stakeholders can help social enterprise and inclusive businesses be better placed to access finance and sustain and grow their business. It makes four recommendations for governments in the ACP regions to support socially-oriented businesses in this way and thus increase their contributions to sustainable development. The next ICReport will focus on how investors and funders can effectively support these activities. It will again make recommendations and highlight how the ICR Facility can support delivery of these across ACP countries though its technical assistance component[74].

68 https://www.pacificrise.org/

69 https://www.pacificrise.org/wp-content/uploads/2020/05/3-Our-first-six-months.pdf

70 It may for example depend on a reliable system of accreditation for social enterprise and inclusive businesses

71 http://www.jobsfund.org.za/

72 https://www.gov.za/documents/broad-based-black-economic-empowerment-act#:~:text=The%20Broad%2Dbased%20Black%20Economic,Economic%20Empowerment%20Advisory%20Council%3B%20and

73 https://www.innovationpolicyplatform.org/www.innovationpolicyplatform.org/system/files/SE Policy Note_Jun20/index.pdf

74 For more information about the support provided, please see here: https://www.icr-facility.eu/request-form

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This ICReport is part of a series of two ICReports on Innovative Finance Solutions for Social Enterprises and Inclusive Businesses

ICReport 1: Social Enterprises and Inclusive Businesses across ACP countries: Variety and Access to Finance

ICReport 2: Financing Variety: A challenge for impact investors

The report was produced after two very engaging online events, bringing together speakers from the social enterprise academy in Zambia, B Lab East Africa, ANDE, Social Enterprise Ghana, i4Policy, BNP Paribas, micro- and social finance unit. One event was delivered in English and the recording is available here, and the second event was delivered in French, and can be accessed here.

The second report is expected in March and will be available on www.icr-facility.eu – please check the website for information on the live events!

Other ICReports in this series will explore

- **Crowdfunding**
- **Prêts d'honneur**
- **Start Up Acts**

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The ICR Facility supports specific and targeted interventions at the economy-wide, sectorial and value chain level with Technical Assistance for up to 90 days based on requests. Requests can be handed in by OACPS public and private stakeholders according to the eligibility requirements. The ICR Facility offers Technical Assistance in the field of Business Environment Reform for inclusive and sustainable economic development on the basis Public-Private Dialogue.

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