

# - Social Enterprise Loop -

## Context

Entrepreneurship is nowadays recognized by international cooperation as vital for societies, through its contribution to economic growth, innovation and job creation. In recent years, social entrepreneurship has also gained major interest with new programmes and specific legislation in some countries. The main objective of a social enterprise is to generate a social or environmental impact through its economic activity, the profits made being used mainly to finance the pursuit of this objective. With its focus on impact and its ability to generate its own income, this model has since been acknowledged for its ability to be self-financing and to contribute to the sustainable development goals (SDGs) through entrepreneurship.

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 is now continuously developed and disseminated by the Regional Competence Centre for Employment Promotion (RCCEP). In addition, the project also supports the partner organization SENS (Solidarités Entreprises Nord-Sud) to promote inclusive value chains in Benin.

To meet the strong demand from partners and other international 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 RCCEP 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.

## Objectives of the Social Enterprise Loop

In addition to aiming to increase competitiveness and encourage job creation, the Social Enterprise Loop also generates a positive impact on society and the environment through the company's activity, thus contributing further to the SDGs.



**Figure 1: Cycle of trainings and coachings in the Social Enterprise Loop**

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Potentially, the Social Enterprise Loop contributes, among other things, to promoting businesses 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.)



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## The approach

The Social Enterprise Loop is an approach based on the SME Loop support programme. The Social Enterprise Loop therefore also includes seven phases (see Figure 1). The implementation of a full Social Enterprise Loop cycle lasts six months (without the preparatory phase).

In order to take into account the specifics of the support of social enterprises, several tools and training modules have been developed and adapted from the existing SME Loop approach.

- **Selection:** Selection criteria specific to social entrepreneurship & adapted monitoring and evaluation

- **Additional training modules:**

- Introduction to Social Entrepreneurship and Social Economy
- Social Enterprise business model
- Impact measurement
- Business cooperation
- Legal status of social enterprises
- Social entrepreneurship and corporate social responsibility
- Circular economy and sustainability

- **Coaching:** Adapted criteria and tools for supporting social enterprises, including specific tools on impact assessment, access to financing for social enterprises etc.



## Target group

The target group for the support are small and medium-sized social enterprises throughout different sectors. As defined above, these companies aim to provide solutions to a social or environmental challenge or need, which can be categorized according to the following aspects:

- **Inclusive** (Inclusion of certain groups (employees, customers))
- **Social character** (impact on employees/members/adherents)
- **Solidarity character** (impact on third parties/a target group external to the organization)
- **Green Businesses** (positive or neutral impact on the environment)

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

## Timeline

As the support programme is under development, the following timeline describes the steps and deadlines for the deployment of the Social Enterprise Loop.

*October - December 2021*

The concept of Social Enterprise Loop is developed.

*January - August 2022*

Adaptation of the course / development of additional modules

*September - October 2022*

Adaptation of training of trainers

Drafting of information materials

*November 2022 - June 2023*

Pilot of the Social Enterprise Loop deployed in Benin

Training of interested project teams and coaches

*From June 2023*

Scaling up of the Social Enterprise Loop

More information on the SME Loop approaches is available on IDA :

[SME Business Loop](#)

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