

Terms of Reference

for the Service Provider to design, plan and manage Social Enterprise Platform to support development of social entrepreneurship in Azerbaijan

NATIONAL CONTEXT

In the context of Azerbaijan, social enterprise (SE) is a new concept and has not been well researched. The country has relevant legislation regulating entrepreneurial and not-for-profit activities, but the existing legislation doesn't recognize social enterprises as a separate category. Hence, public policies and institutions tend to support business and social development taken separately and not together as in the spirit of social enterprise. The examples of the SEs in Azerbaijan are often commercial entities set-up by local CSOs or their leaders in response to the shrinking flow of the donor assistance as a way to strengthen financial sustainability.

Available research suggests that the number of SE initiatives in Azerbaijan is limited, but the efforts to explain and promote understanding of the SE concept have been increasing. A number of organizations have conducted awareness raising events to kick-off discussions on the ways to promote social entrepreneurship in Azerbaijan, which, in turn, have led to growing interest on the part of the CSOs to transform into SEs. While there is lack of consensus on the definition of the social enterprise, there is a general understanding that development of SEs should further be encouraged and set of measures recommended to promote SEs include introduction of legal changes, special tax regime, setting efficiency standards for SEs, inclusion of SEs development as an objective into national programmes and roadmaps, raising awareness on SEs, capacity building programmes, access to finance and support to networking.

The COVID-19 pandemic has significantly amplified the risks for vulnerable people and communities that are supported by CSOs and social enterprises. With strict regulations put in place to curb the spread of COVID-19 pandemic, hundreds of thousands of people in Azerbaijan face social and economic challenges. While necessary for reducing the speed of transmission of the disease, these measures risk having negative impacts on all sectors of the economy. Against this background, it is important to find new ways for supporting the people, businesses and governments, and the social entrepreneurship culture and unique and innovative solutions of social enterprise are needed more than ever.

PROJECT BACKGROUND

The consultancy is part of the EU-funded 'Developing innovation-driven and sustainable civil society in Azerbaijan' Project implemented by UNDP.

Over the past years, CSOs in Azerbaijan have reportedly faced certain legal and political limitations that resulted in scarce opportunities for financial and technical support for the CSOs and reduced civic space. Recent developments point that there are visible improvements in the CSOs operating environment that open up a possibility to revive donors' efforts in support of the CSO sector and expand avenues for CSOs cooperation with the Government around social issues. Against this background, the project is designed as a multi-dimensional response to accelerate the development and growth of the civil society sector in Azerbaijan through, inter alia, promoting social entrepreneurship culture and innovative solutions.

The project's overall development objective is to contribute to building conducive environment for a vibrant, sustainable and innovation-driven civil society in Azerbaijan. The project is built around two Components:

Component 1. Increasing CSOs capacities to engage in policy-making and foster local development;

Component 2: Building an enabling ecosystem and capacities for social entrepreneurship and social innovation.

OBJECTIVE AND SCOPE OF THE ASSIGNMENT

The Service Provider is expected to provide support to the implementation of activities envisaged under *Component 2*. Specifically, the Service Provider is expected to support design, planning and running a **Social Entrepreneurship Platform (SEP)** in Azerbaijan.

The aim of the SEP will be to instill entrepreneurial spirit and thinking among business minded CSOs and social enterprises using a realistic hands-on experience based on the internationally tested methodologies and approaches used by start-up accelerators and mentorship programmes. The SEP will serve as a technical facility for social enterprise development to cater for all phases of the business from early startup to scaling up and will involve ideation, incubation and acceleration stages. Enterprises which already have functioning SE models will be helped to accelerate through customized trainings, mentorship, demo days with investors, peer learning. At the end, CSOs and SEs with best social business proposals will be awarded with small grants to start up or grow/accelerate their innovative social business ideas (estimated number of awards – 30). At the end, CSOs and SEs with best social business proposals will be awarded with small grants to start up or grow/accelerate their innovative social business ideas (estimated number of awards – 30). In addition, the Service Provider will also support building a pool of local master trainers/mentors who will be paired with international experts throughout the implementation of the assignment.

SPECIFIC DUTIES AND RESPONSIBILITIES

The scope of work of the Service Provider will be around the following essential functions:

- Develop an overall methodology to establish and maintain Social Enterprise Platform catering for all stages of the business, from early startup to scaling up;
- Develop a master training programme and resource toolkit, and deliver Training of Trainers to create a pool of core capacity on social entrepreneurship that will be involved in all stages of SE platform development and functioning;
- Devise a training programme and deliver 2 to 3 training workshops on social impact business skills to the CSOs interested in shifting towards SE model and socially oriented SMEs. The training programme should include but not limited to social impact management, business planning, business models, procurements, sales and marketing, cooperation. Trainings should be delivered by international trainers paired with local master trainers (international trainers shall play a key role, and the local master trainers rather a supportive role); Identification, selection and payment of local master trainers is not a responsibility of the Service Provider. Service Provider may be only consulted by UNDP in the course of selection of the master trainers.
- Develop a toolkit/handbook for social entrepreneurs to support them at all stages of social enterprise development;
- Contribute to preparation of an overall framework, terms and conditions for the organizing a competitive process for grant awards to establish new or expand existing social enterprises;
- Design and facilitate an ideation bootcamp where CSOs/SE (approximately 60 organizations) will work on social gaps and potential solutions including social innovations (Introduction to Start up World);
- Participate in the assessment of the initial ideas and select social business ideas for the

incubation or acceleration stage;

- At the incubation stage, deliver advanced customized trainings and mentorship services for the selected CSOs and social enterprises (approximately 40 organizations) to further elaborate and develop their ideas. It is expected that the organization will cluster the businesses by type and will deliver trainings specific for each cluster
- Directly provide ad hoc business development support to selected social enterprises, with the aim to help them grow their business and access new markets (300 hours of mentorship);
- Create a platform to engage and coordinate with partners in the ecosystem for the effective follow-up, coaching and mentorship;
- Develop Informative Digital Knowledge Platform (fully developed platform, including software and content) for social entrepreneurs;
- Participate in the planning and organization of at least 1 Demo Day with investors, accelerators and other potential partners;
- Develop a training programme and deliver training for local organizations with a potential to assist social entrepreneurs to access finance, markets, partners and networks, talents and competences.
- Develop an evaluation grid and guidance for evaluator to evaluate established social enterprises in terms of sustainability and social impact after 1 year

Ideation bootcamp, trainings and Demo Days are to be conducted onsite / physically in Azerbaijan. The Service Provider is responsible for provision of trainers, facilitators and support staff for the trainings and bootcamp, including their travel, accomodation and meal. Venue, coffee-breaks, meal and accomodation for training and ideation bootcamp participants will be organized by UNDP - these costs shall not be considered by the Service Provider in his proposal. The Service Provider is responsible for communicating the number of days and dates for the training 1 month before of the event, to ensure that all arrangements are timely made.

Deliverables:

- Methodology to establish and maintain Social Enterprise Platform
- Delivery of three types of trainings:
 - ToT for local master trainers (1 training for 5-7 persons)
 - Training for social entrepreneurs (2-3 trainings for 20 participants each)
- Advanced customized trainings and individual mentorship services for the selected CSOs and social enterprises Development of resource kits:
 - Resource kits for master trainers
 - Toolkits for social entrepreneurs
- Other:
 - Inputs to overall framework, terms and conditions for the organizing a competitive process for grant awards to establish new or expand existing social enterprises;
 - Ideation bootcamp
 - Evaluation and selection of social businesses for incubation or acceleration stage
 - Digital Knowledge Platform (fully developed platform, including software and content)
 - At least 1 Demo Day
 - Evaluation grid and guidance for evaluator
 - Ad hoc business development support to selected social enterprises

Experience and qualification requirements:

Expertise of the Firm 20%

- At least 5 years of proven experience in idea incubation and acceleration in local market (Azerbaijan) – 10 points
 - At least 10 years of proven experience at international level in idea incubation and acceleration of social enterprises – 10 points
- Note: the Service Provider may enter into a coalition/partnership to meet the requirements to the firm. In this case, a letter of intent shall be submitted by both partners, and a lead partner shall be assigned to submit a proposal and enter into the contract.

Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan 30%.

The methodology, inter alia, must include training content and learning methods.

- Methodology – 20 points
The methodology shall show detailed approach to work proposed by the company and specific areas / roles where the international experience will be applied.
- Implementation plan – 10 points
The plan shall be in line with the applied methodology and shall show the key personnel involved for each activity/action, in addition to the implementation schedule.

Team composition and Qualification of Key Personnel 50%

- Adequacy of the team composition to the complexity of the assignment – 15 points.
Note: The Service Provider shall include CVs of all key personnel and clearly show their roles in the project.
- Qualification of the project manager – 20 points
- Qualification of other key professional personnel – 15 points

Project manager must meet the following requirements:

- University degree in one of the disciplines relevant to the following areas: Economics, Business Administration, Enterprise Development, Humanitarian, or other related fields relevant to economic and social development (2 points)
- Minimum 5 years of relevant work experience in the field of social entrepreneurship, with previous work experience in downstream (new venture creation, startups, social enterprises) and midstream (coworking spaces, incubators and accelerators); (6 points)
- Expertise and knowledge of social innovation trends and technologies innovation (specifically social impact driven and SDGs focused initiatives); (4 points)
- Minimum 5 years of project management experience (6 points)
- Ability to communicate effectively across different audiences
- Excellent organizational skills with a successful track record of working with different stakeholders for programme designing, planning, coordination and implementation; (2 points)
- Fluency in written and oral English is must

Other key professional personnel assigned for the tasks should possess the following expertise and qualifications:

- University degree in one of the disciplines relevant to the following areas: Economics, Business Administration, Enterprise Development, Humanitarian, or other related fields relevant to economic and social development (2 points)
- Minimum 5 years of relevant work experience in the field of social entrepreneurship, innovation (specifically social impact driven and SDGs focused initiatives) with previous work experience in downstream (new venture creation, startups, social enterprises) and midstream (coworking spaces, incubators and accelerators); (5 points)
- Minimum 5 years of experience and knowledge of curriculum and training content development, facilitation and teaching methodologies; (4 points)
- Excellent organizational skills with a successful track record of working with different stakeholders for programme designing, planning, coordination and implementation; (4 points)
- Fluency in written and oral English or Azerbaijani is must