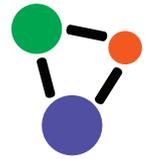


SOCIAL
ENTREPRENEURSHIP
ASSOCIATION OF LATVIA



Social entrepreneurship in Latvia: action plan for social entrepreneurship ecosystem development



1. Introduction / executive summary

The present action plan is based on the social entrepreneurship ecosystem-mapping document and is structured according to the same thematic sections, focusing on the long-term improvements needed in order to drive the ecosystem's development further, as well it includes the particular steps the Social Entrepreneurship Association of Latvia (SEAL), being one of the main national-level stakeholders, commits to implement in order to achieve the improvements.

It is clear that meaningful and long-lasting improvements of the whole ecosystem cannot happen overnight. It is also true that all major ecosystem players have to be involved and make their contribution in order for real results and changes to happen. Nevertheless, SEAL's experience shows that there has to be one or two ecosystem players who undertake the initiative and invest proactively the time and effort in bringing all other stakeholders on board by ensuring clear and effective communication, serving as an information and contact exchange point and providing the information on the newest developments in the sector. Since, over the past 3 years, SEAL has grown to naturally take on this role, the activities and measures mentioned in the present action plan focus mostly on expanding the ecosystem, the advocacy of the sector, raising awareness and building partnerships. Additionally, since SEAL works primarily for the benefit of its members, the action plan also includes activities and measures that are directly aimed at social enterprises and the improvement of their skills, knowledge, capacity, and overall performance.

Most of the steps mentioned in the action plan will be carried out or at least started in 2019, depending on SEAL's budget and funding opportunities.



2. Social entrepreneurship and social enterprises – an overview

The following long-term improvement is needed to promote the development of social enterprises and the whole social entrepreneurship ecosystem:

- Improvement of the overall business skills and competencies of most of the social enterprises, especially those that are younger than 3 years, is needed to increase their chances of creating a long-lasting business with increased social impact.
- Higher awareness of the social enterprise potential and impact is needed among the general public and specific stakeholders to create more market and partnership opportunities for social enterprises and to contribute to their sales performance.
- Lower dependence on grants, subsidies and other types of public and private sector support is needed to move away from the NGO and charity mentality and to develop a more business-oriented mind-set that would translate into long-term financial and social-impact performance and results.
- Data-based research and overview of the social entrepreneurship sector are needed to be able to analyse its financial and social-impact performance and results, and map out particular steps in order to strengthen the sector and drive it further. The data are also necessary to raise the awareness of the impact of social enterprises and their contribution to the overall economy.

SEAL's activities planned for 2019 to achieve improvement:

- Data-based research and elaboration of the overview of the social entrepreneurship sector, based on the social enterprise registry of the Ministry of Welfare and other public information (e.g. tax reports, social impact reports).
- Storytelling, information and media activities carried out across and throughout all SEAL events in order to reach wider audiences and attract more attention to social enterprise activities. Publication of the social enterprise catalogue (in print and online) with social enterprise stories in three languages (LV, ENG, RU).
- Different events carried out with and for SEAL members and other interested parties in order to improve their business skills and competencies – e.g. seminars, training, workshops, and conferences. Cooperation with partner organizations and institutions to organize joint events and/or encourage social enterprises to use different learning opportunities provided by other ecosystem players.



3. Legal and policy framework

The following long-term improvement is needed to promote the development of social enterprises and the whole social entrepreneurship ecosystem:

- More and deeper awareness about the new Social Enterprise Law and the opportunities and benefits it provides is needed, information and communication activities need to be carried out for targeted audiences (potential and existing social entrepreneurs)
- Discussion among and with social enterprises is needed about the possible improvements and changes in the law.
- A long-term social entrepreneurship development policy is needed with a focus on developing not only social enterprises but the whole social entrepreneurship ecosystem.

SEAL's activities planned for 2019 to achieve improvement:

- Informative activities (seminars, trainings, and workshops, online and printed materials) and individual consultations will be carried out throughout the year in order to increase the awareness and understanding about the Social Enterprise Law and its application.
- Cooperation with SEAL's members and wider social enterprise community to formulate what needs to be changed and improved in the law. Work together with experts to formulate particular proposals and submit them to the Ministry of Welfare and decision makers.
- Cooperation with the Ministry of Welfare to create a long-term social entrepreneurship development policy – initiate meetings and talks, and draw particular proposals for the policy documents.



4. Main stakeholders and key actors

The following long-term improvement is needed to promote the development of social enterprises and the whole social entrepreneurship ecosystem:

- More effective and coordinated cooperation among all level stakeholders towards improving the overall ecosystem.
- More and deeper awareness among state and municipality policymakers and decision makers about the potential and benefits of social enterprises, concrete proposals about what they can do locally and nationally to promote the social enterprise development.
- More inter-disciplinary partnerships among existing and new stakeholders, especially from the private sector, in order to attract more attention to social enterprise industry and blend it with other sectors and industries (e.g. technology, IT, science, creative, education, production etc).

SEAL's activities planned for 2019 to achieve improvement:

- Serving as a coordination point and platform for cooperation (in the form of a place for information exchange, meetings, stakeholder workshops etc.), provision of effective and regular communication with stakeholders and key actors about the ongoing events and activities, communication of problems and challenges, and undertaking the initiative for looking for solutions.
- Advocacy and awareness-raising activities (meetings, seminars, workshops, media activities, direct communication) for state and municipality stakeholders in order to increase their awareness and involve them in creating cooperation opportunities with and for social enterprises. Formulation of particular proposals for municipalities on what exactly they can do with and for the social enterprises in their territories.
- Proactive outreach to new partners from other industries and sectors in order to create joint events and other activities where social enterprises can integrate, participate and present their work.



5. Access to finance: financial support instruments, development finance, social impact investment

The following long-term improvement is needed to promote the development of social enterprises and the whole social entrepreneurship ecosystem:

- Effective and thoughtful cooperation of Ministry of Welfare, ALTUM, SEAL and other stakeholders towards creating financial and investment instruments for social enterprises for the period after 2022.
- Social impact investment ecosystem improvement – increasing the awareness and capacity of supply and demand side, as well as strengthening the capacity of potential intermediaries that can bring social enterprises and investors together.
- Increased awareness about social enterprises among private investors.

SEAL's activities planned for 2019 to achieve improvement:

- Regular and systematic cooperation with the Ministry of Welfare, ALTUM and other stakeholders in order to investigate the possibilities of the EU's or other funding for the next planning period for social enterprises. Investigation and sharing of ideas about other possible financial and investment measures – e.g. loan schemes, private-public partnerships, social impact bonds etc.
- Organization of the social impact investment stakeholders' meetings and serving as a platform for idea and information exchange on this topic. Formulation of particular proposals regarding possible social impact investment activities. Proactive out-reach to private sector investors in order to promote the social entrepreneurship sector.
- In cooperation with the SEAL's members, collection and publishing of existing social enterprise investment success stories, including solid data about their financial performance and return on investment, application of these stories in the communication with private investors.
- Creating opportunities (events, networking activities, meetings, pitch contests, conferences) for social enterprises and investors to meet and present themselves.



6. Non-financial support

The following long-term improvement is needed to promote the development of social enterprises and the whole social entrepreneurship ecosystem:

- There are needed more and more diverse regular and systematic non-financial social enterprise specific knowledge and skill support instruments in the form of incubators, accelerators, individual consultations. Social enterprises would benefit greatly from accessing easily the kind of skill and knowledge support they need in their specific situation, and the use of these support measures would increase their business and social impact performance in the long run.
- Joint marketing and awareness-raising support is needed in order to increase the visibility of social enterprises and their work. A discussion, as well as research and analysis are needed on whether this can be implemented with a social enterprise label or other measures.

SEAL's activities planned for 2019 to achieve improvement:

- Cooperation with the existing incubators and accelerators to improve their programs and services and tailor them to the needs and challenges of social enterprises. Encourage more social enterprises to use the services and programs provided by the incubators and accelerators, as well as other learning opportunities.
- Looking for opportunities and partnerships to create non-financial support mechanisms for more mature and developed social enterprises that need more specific assistance for further development.
- Conduct of a market research among the SEAL's members about a social enterprise label or mark, investigation of different possibilities about how such labelling system could be created, who would be responsible for it, how it could be funded etc. Formulation of particular proposals and discussion of them with the SEAL's members and the wider social enterprise community.



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