



## Social entrepreneurship in the South Caucasus

### Incubation and acceleration

Believing in the power of entrepreneurship, **CARE operates an innovative platform that incubates and accelerates social enterprises in the South Caucasus.** The program uses new ways of working and partnerships, enabling a large geographical coverage and a cost effective mechanism of vetting and stimulating social enterprises among vulnerable groups.

CARE International in the Caucasus (CIC) believes that a successful and sustainable development model hinges on **fostering local social entrepreneurship which generates ideas**—whether economic, social, or political—that seek to address an unjust societal equilibrium which causes exclusion, marginalization, and suffering. The social enterprise program is based on the findings of CARE’s social injustice in the South Caucasus report, and provides a development model that builds on the ability of people to improve their situation and community. Using its widespread network, **CARE operates a system of 64 opportunity scouts spread over Georgia and Armenia.** The opportunity scouts are trained professionals that find and vet “idea bearers” : People with business ideas that are economically viable and can bring social change that we transform them into social enterprises.

Using a well tested mechanism and through cooperation with the private sector, CARE ensures economic viability and social impact of the selected social enterprises. Having a current portfolio of 15 ready to start social enterprises and over 200 idea bearers, CARE offers the possibility to directly invest in the companies or invest through the social enterprise revolving fund.

### Social Entrepreneurship in the South Caucasus

The South Caucasus represents a unique conglomeration of geographical entities - countries as well as brake away “entities” – which are subject to a perpetual turmoil since the collapse of the Soviet Union. As a result of conflicts, poverty and the deterioration of rural areas, an unjust societal equilibrium exists, affecting hardest the rural poor, conflict affected people, youth and women. Social enterprises are key to combat social injustice through stimulating entrepreneurship in deprived populations and address social needs in their communities.

**“whilst the commercial viability of the business is crucial the social objective must be the paramount driver”**

- Organization:** CARE International in the Caucasus
- Countries:** Georgia and Armenia
- Opportunity scouts:** 64
- Idea bearers:** 200+
- Social enterprises:** 15+
- Range of investment:** \$5000 – \$100.000
- Partners:** Private and public social investors

### Equity investment - revolving fund - and direct brokerage



**Active in Georgia and Armenia targeting IDP’s, women, youth rural poor**

## Greenhouses against mines rebuilt a kindergarten

Berkaber, a village in Armenia close to the conflict-border with Azerbaijan - suffers from high poverty - no development - and the remnants and constant threat of war. Arable land of the village belongs to Azerbaijan and much of the remaining land is filled with landmines, reducing possibilities for agriculture, the only source of income. The social enterprise consists of 8 women, whose men emigrated to work in Russia. The greenhouses offer an inexpensive solution to increase productivity on the small plots of land. As a result of business, organizational and technical trainings, the women decided to grow niche products that sell better on the market. With an investment of \$15,598, eight greenhouses were constructed; Several of the men returned back to the village to work in the greenhouses. The women reinvested part of their profit in new greenhouses women and other villagers join increasing incomes of more than 70 people. **A remarkable result of the social enterprise is their investment in the construction of a kindergarten**, that now provides 25 families per year with a place to bring their children, saving time for women to engage in their own activities and providing education.



## Strategy in a nutshell

The program consists of:

**Opportunity scouts:** A unique network of partners that effectively finds the best ideas in the most vulnerable populations, in two countries. **Vetting system & business proposals:** an efficient method of vetting ideas and create business proposals that ensures economic and social impact. **Social investment:** Every enterprise invest 20% of their profit over a certain period of time in a community need. **Social impact:** Social enterprises serve vulnerable populations through their actions, employ vulnerable populations.

**Capacity building:** After the vetting of ideas – entrepreneurs are provided with business and organizational trainings necessary for writing a solid business proposal. After the selection of best business proposal people are further trained on technical aspects for their social enterprise.

**Brokerage:** The program offers the possibility to investors to pick their favorite social enterprises in which they seek to invest.

**The revolving fund** Offers soft loans, equity and grants. Social investors can use the revolving fund which will invest in businesses. Later the returns can be invested in other businesses or go back directly to the investor.

### Multi-staged Idea Selection System



### CARE is looking for...

Care is looking to partner with private and public social investors that believe social entrepreneurship is the key to creating real social and economic development.

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