Research Consultancy Announcement

Report on Comparative Examples of Social Stock Exchanges

The International Center for Not-for-Profit Law (ICNL) seeks an individual or organizational research consultant to produce a report examining different countries’ “Social Stock Exchanges” ("SSEs"), to be completed no later than October 20, 2020. The overall budget cap for this project is $10,000 USD – proposals will be assessed for cost competitiveness, and can vary significantly based on scope, length, number of countries covered, and other factors. Applications are due August 31, 2020. For more details and application instructions, please see below.

Background

Social stock exchanges are relatively new innovations; they generally seek to integrate traditional stock market structures with social enterprises and impact investing, connecting capital with socially-minded organizations. SSEs can be seen as part of an emerging trend around hybrid forms of financing for organizations with social purposes (both for-profit and not-for-profit), as investors seek to move capital to enterprises that serve underserved populations or work on important social issues.

Social stock exchanges have received increased attention following India’s plans (first announced by Finance Minister Nirmala Sitharaman in July 2019) to develop what would potentially be one of the world’s largest and most impactful SSEs. The Working Group on Social Stock Exchange constituted by the Securities and Exchange Board of India (SEBI) submitted a report on June 1, 2020, with detailed recommendations, open for public comment through August 15, for India’s proposed SSE.

Depending on how it develops, India’s proposed SSE may be substantially different from a variety of existing or past social stock exchanges implemented by other countries, including the U.K., Canada, Singapore, South Africa, Kenya, Brazil, Scotland, and Jamaica.

Purpose & Scope of Research

The purpose of this consultancy is to undertake research on the structure, mechanisms, laws, and regulations governing existing social stock exchanges, as well as India’s proposed SSE. The research will serve in part as a resource for civil society and policymakers as India’s SSE plans develop, as well as for other countries undertaking or considering such ventures. The consultant will produce a report with
in-depth overviews and analyses of the social stock exchanges of at least three (3) of the countries listed above (or additional countries), along with a separate, in-depth overview and analysis of India’s proposals for an SSE.

The following are illustrative questions to be addressed in the country overviews; applicants are welcome to propose additional sub-areas, revisions or alternatives to this Scope of Research in their application.

**HISTORY & STRUCTURE**
- History of the SSE: how was it developed, and by whom? What was the impetus behind its creation?
- What is the structure of the SSE? Are there separate exchanges for social enterprises versus non-profits, or are they grouped together?
- Where is the SSE housed, and how does it function?
- How many enterprises are currently listed on the platform?
- How do investors engage with the platform?

**ELIGIBILITY & CRITERIA**
- Is there a definition of social enterprise? Are there additional criteria that eligible organizations must meet, beyond this definition?
- What organizations are eligible to be listed? Are non-profits eligible to join/is the SSE limited to certain organizational forms?
- What do organizations, social enterprises, or businesses need to do to be listed on the SSE (e.g., what are the application procedures)?
- Is participation limited to entities headquartered in the country of the SSE? Is it open to international entities?

**REGULATION & INCENTIVES**
- Who regulates the SSE? Does it fall under an existing stock exchange?
- What are the relevant laws that govern the SSE? Are there reporting requirements for listees and investors? Please describe how these laws function in practice, and what specific reporting is required of participants.
- What incentives (if any) do social enterprises have for participating in an SSE?

**IMPACT**
- How has the SSE impacted the non-profit sector, or funding for social enterprises? Has it affected public opinion about the non-profit sector or about social enterprises, either positively or negatively?
- What are some critiques of the SSE? Has it had any negative effects?
These topics should be answered and expanded upon in a narrative, report format. The report should include a section detailing lessons learned and developing regulatory practices relating to social stock exchanges, and provide some recommendations around what works and what does not in this new realm of hybrid market-social impact structures. Authors may suggest improvements and potential avenues for reform of existing social stock exchanges, or to the general concept of SSEs moving forward.

ICNL welcomes applications from individuals and organizational consultants with access to primary sources (including testimonials, interviews, etc.) and firsthand information about the SSEs from those directly or closely involved in their establishment and/or functioning.

APPLICATION INSTRUCTIONS

To apply for the Research Consultancy, applicants must submit the following items by August 31, 2020:

• Application coversheet;
• Proposal; and
• Resume, Curriculum Vitae (CV), or other statement of work history and education.

Applications should be emailed to asia@icnl.org, with reference made to “Social Stock Exchange Consultancy” in the subject line. All application materials should be submitted in English. Applications will be considered on a rolling basis through August 31, 2020. Questions related to this consultancy can be emailed to asia@icnl.org.

PROPOSAL

Interested applicants should submit a proposal addressing the following topics:

• The depth of your knowledge and experience around social stock exchanges, social enterprise, non-profit funding challenges, and other relevant issues – including with respect to the countries proposed.
• Your experience undertaking legal research and writing reports.
• If more than one person will be involved in this project, a description of who will undertake different aspects of the project. ICNL reserves the right to approve or reject the use of any personnel.
• Any revisions to the Scope of Research presented above, the methodology for conducting the research, and the timeline, including interim benchmarks and drafts of the report.
The proposed timeline and cost proposal for this consultancy. The pricing for the cost proposal must be in USD and fully itemized. For personnel costs, please list each person to be involved in this project, the proposed day rate(s) and number of days. All other costs, if any, should be listed and explained. The proposed price should be inclusive of all taxes. ICNL expects to issue one Firm Fixed Price contract.

**SELECTION CRITERIA**

Applications will be evaluated based on the following factors:

- Compliance with eligibility requirements and application procedures;
- Depth of experience with the subject matter of this research consultancy;
- Experience researching and writing similar reports;
- Quality of the proposal;
- Commitment to producing high quality reports in a timely manner; and
- Proposed Fee/Firm Fixed Price and value for money.