



SAARC
SAARC Development Fund

SOCIAL ENTERPRISE DEVELOPMENT PROGRAM (SEDP)

INFORMATION HANDBOOK FOR PROJECTS UNDER SEDP

1. Introduction

SAARC Development Fund (SDF) was established in April 2010 to serve as the umbrella financial institution for SAARC engaged in implementing projects and programmes under the three funding windows; Social, Economic and Infrastructure in fulfillment of the greater developmental goals of the SAARC region. It is aimed to promote the welfare of the people of the region and contribute to regional cooperation and integration through project collaboration.

The SDF is launching the Social Enterprise Development Program (SEDP) as part of its Social Window to be implemented in all the 8 SAARC Member States. The program intends to support about 80 Social Entrepreneurs annually across all the Member States.

2. Aim

To support and promote sustainable Social Enterprise business models that will have positive impact on the population at the base of the pyramid, contributing towards eradication of poverty and empowerment of vulnerable communities for a better future in the region.

3. Objective

The objective of SEDP is to build and scale Social Enterprises by using a mix of Grant and Concessional Returnable Capital.

4. Focus sector under Social Enterprise Development Program

Under the Social Enterprise Development Program, SDF will identify and support projects under the following sectors:

- ❖ Agribusiness/livelihood
- ❖ Healthcare
- ❖ Renewal Energy
- ❖ Any other sectors based on Member States needs

5. Eligibility Criteria for Project or Program financing

Targeted entities - All registered nonprofit, for-profits and hybrid Organizations either established with products and on the path of financial sustainability or new with innovative models, solutions towards enhancing social and livelihood opportunities for under-served and poor communities.

Project eligibility

- ❖ Social enterprises operating/proposing new projects in the above mentioned sectors.
- ❖ Only social enterprises registered and operating in the SAARC Member States (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).

- ❖ Pilot projects in the above mentioned sectors that can be replicated within or among the SAARC Member States.
- ❖ Social enterprises with operational experience and demonstrated track record of creating impact at the base of the pyramid will be given preference.
- ❖ Partnerships/consortiums formed for the sole purpose of the SEDP program will not be considered; proof of existing partnerships must be provided, if more than one organization applies for a single grant.

The SDF shall assign priority to the following:

- ❖ Organizations led by women and/or working towards the empowerment of women.
- ❖ Promote the role of women in enterprise and overall development.
- ❖ Comply with international acceptable environmental and labour protection standards.
- ❖ Create and enhance employment opportunities and other social benefits to the population at the base of the pyramid.
- ❖ Promote cooperation between or among Member States.

6. Project Support and Financing

- ❖ **Stage 1** - Support for sustainability: Enterprises will be eligible for capacity building Grant and Returnable Grant to enable them to establish models for sustainable development impact and be ready for growth. The program duration for capacity building and returnable grant will be for 3 – 4 years.
- ❖ **Stage 2** - Growth: Finance enterprises that are ready for scale with concessional loan and support for capacity building to deal with growth and change. Stage 2 will commence subsequent to Stage 1 for qualifying enterprises and duration of the investment will be 3 – 4 years.

7. Assessment of proposals and Criteria

Assessment process

- ❖ All proposals will be subject to Technical Assessment by internal committee for eligibility and quality assurance.
- ❖ Shortlisted applicants may require providing further documentation and or making presentation through video/Skype. References checks and a further expert assessments will be undertaken where necessary.
- ❖ The short listed proposals once approved by CEO will be submitted to the Board Project Assessment Committee for their review.

- ❖ The final list of applications recommended by the Board Project Assessment Committee will be submitted to the Board for their final approval.

Assessment criteria

Shortlisted applicants will be assessed based on the following criteria and where required the applicants will be requested to provide supporting evidence:

- ❖ **Impact on the poor/underserved** - Social enterprises must have a clear and measurable social impact on the population they aim to assist.
- ❖ **Sustainability** - The grant money will act as a pathway to financial self-sufficiency and therefore projects must demonstrate the ability to operate beyond the funding period (business plan and scalable business model).
- ❖ **Operational readiness** - Social enterprises must demonstrate their ability to implement their proposed project supported by a realistic financial and implementation plan.
- ❖ **Demonstrated results** - Social enterprises must be able to demonstrate at least a proof of concept of their model with measurable results.
- ❖ **Potential for growth**- Social enterprises must show the potential to scale up its operations and impact a larger population.

8. Rewards for SEDP projects

As part of the SEDP, each recipient of the fund will receive/benefit from SDF as follows:

- ❖ **Recognition and visibility** – The recipient will be announced nationally and regionally to provide a regional/global recognition.
- ❖ **Grant funding** - A Grant fund to establish and scale up operations and impact communities (as mentioned under stage 1).
- ❖ **Concessional Loans** – A returnable interest free loan and concessional loan to enable enterprises to grow and sustain themselves (as mentioned under stage 1 &2 above).
- ❖ **Capacity Building** - Customized capacity building and technical advisory support (both stages as mentioned above).
- ❖ **Peer-Learning** - Opportunities for peer learning through an active exchange of ideas and by foster strategic peer collaborations over the grant duration.
- ❖ **Platform to showcase the work** - Additionally, the enterprises may be provided with opportunities to participate in regional or national events to present their enterprises and promoting cross-country exchanges and learning.