



SOCIAL ENTERPRISE DEVELOPMENT PROGRAM (SEDP)

(TO BE LAUNCHED SOON)

INFORMATION HANDBOOK

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 contribute to regional cooperation and integration through project collaboration.

To this end the SDF will be initiating the Social Enterprise Development Program (SEDP) approved by the SDF Board during the 18th and 19th Board Meetings. The program will be implemented with the World Bank Group (WBG) as knowledge partner, broadly based on their Development Marketplace program experiences in the SAARC region.

2. Objective

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 regions

3. 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

4. Eligibility Criteria for Project or Program financing

Targeted entities - All registered nonprofit, for-profits and hybrid Organizations with innovative models, which are on the path of financial sustainability and provide products, solutions or increase livelihood opportunities for under-served and poor communities.

Project eligibility

- ❖ Social enterprises operating/proposing 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 in the specific area that the social enterprise has applied for funding will be given preference.
- ❖ Those entities, with adverse records of any regulator or any other funding agency would not be eligible for the funding.
- ❖ 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 high priority to the following:

- ❖ Organizations led by women and working towards the empowerment of women.
- ❖ Promote the role of women in enterprise and overall development.
- ❖ Comply with international acceptable environmental 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.

5. Project Support and Financing

- ❖ **Stage 1** - Support for sustainability: Provide capacity building grant up to USD 50,000/- and returnable grant up to USD 100,000/- to enable them to establish models for sustainable development impact and be ready for growth. The program duration of the capacity building would be around 3 years with returnable grants being repaid within 5 years.
- ❖ **Stage 2** - Growth: Finance enterprises that are ready for scale with concessional loan up to USD 100,000/- 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 5 to 7 years.

6. Assessment of proposals and Criteria

Assessment process

- ❖ All proposals will be rigorously assessed by SDF, WBG, along with external experts to select an initial set of shortlisted applications.
- ❖ Shortlisted applicants will be required to provide further documentation and will have to go through video/phone/Skype interviews and references checks (if necessary) and a further expert assessments.

- ❖ The finalists shall undergo jury presentations (if necessary) with an international jury of experts comprising scholars, practitioners and a member of both, the SAARC Development Fund (SDF) and the World Bank Group.

Assessment criteria

Shortlisted applicants will be requested to provide supporting evidence of meeting the criteria below and will be assessed accordingly by a panel of experts, investors, donors, and people from the development and social enterprise community based on the following criteria:

- ❖ **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 an ability to implement their proposed project supported by a realistic financial and implementation plan, with a qualified team.
- ❖ **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.

7. Rewards for SEDP projects

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

- ❖ **Recognition and visibility** – winners will be announced nationally and regionally to provide a global recognition.
- ❖ **Grant funding** - A grant funding of up to US\$50,000 to establish and scale up operations and impact communities (as mentioned under stage 1).
- ❖ **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.