

DUAL KEY PIPELINE: INVESTING WITH IMPACT

Women's Economic Empowerment/Social Enterprise Finance



ECO-SOCIAL DEVELOPMENT FOUNDATION

Eco-Social Development Foundation (ESDF) was a foundation in Bangladesh relying entirely on its parent NGO's funds for survival. In the backdrop of rationing ODA from donors to NGOs to deliver their often non-profit generating social development works, ESDF was in immediate need of new sources and sustainable flows of capital for growth. UNCDF assisted ESDF in developing a business plan, restructuring legal and management architecture and piloting a blended financing model, in turn unlocking public and private resources, to establish the first district level branding, packaging and distribution center for locally crafted mozzarella cheese by marginalized women artisans of Thakurgaon district of Bangladesh.

Location: Thakurgaon district, Rangpur, Bangladesh

Project Cost: \$166,466

Development Impact: Women's Economic Empowerment and Local Economic Development

UNCDF Support:

- Tailored Technical Assistance – restructured legal entity (foundation to enterprise) to mobilize debt capital, co-designed commercially viable yet sustainably social business model, tested inclusive ownership structure, undertook full due-diligence, structured project financing, assessed the development impact and the financial impact additionality and sustainability (Dual Key), supported the investments in the implementation phase, advised on performance and impact measurement and reporting
- Seed Capital Grant - UNCDF provided seed capital grant of \$60,000 that unlocked additional financial flows (private sector

equity investment of \$65,000, commercial bank loan of \$35,000 from MTB Bank, and Local Government grant of \$10,000 and in-kind contributions (i.e. vaccination, fodder subsidies, training and court-yard community learning

sessions for small-holder women daily farmers).

Financial Leverage unlocked by UNCDF: The intervention has demonstrated proof of concept of blending public and private resources at the local level; especially by unlocking commercial loan facilities at concessional terms for women operated projects. Overall \$110,000 in local development finance has been unlocked.

Investment Impact:

With the technical assistance and seed capital grant support from UNCDF, ESDF has accomplished the following:

- Construction of distribution center (600 sq.ft facility consisting of a cooling room, sorting section, testing lab, packaging and branding section and loading doc) with capacity of handling 20,000 kgs of cheese
- Procurement and installation of chiller units and vans, digital packaging equipment and branding materials
- Quality assurance certification from Hajee Mohammad Danesh Science Technology University, Bangladesh and Thakurgaon polytechnic Institute, Bangladesh; certificate from BSTI under processing.
- Secure distribution, sales and marketing contracts with 68 domestic channels and vendors
- Training and selection of 35 local women cheese producers
- Secure supply contracts with first 5 local women cheese producers (MOUs detailing fair trade terms and conditions).
- Restructure legal identity from foundation to social enterprise
- Transform into a commercially viable and sustainably social business model
- Test innovative ownership structure whereby the shares of the enterprise would over time are being offered to its

network of local women led cheese enterprises serving as the suppliers to the project.

Overall creating a rippling effect on small scale entrepreneurship and employment generation across the District.

Social Impact:

- Gender Responsive Policies and Benefits - the newly adopted commercial business model is able to absorb additional costs associated with greater gender responsive benefits and policies including formalization of decent working environment and standards for women in rural Bangladesh (i.e. equal pay for equal value, healthcare, sick leave, pension, disability, paid time off, stock ownership, zero tolerance for sexual harassment, etc.)
- Employment - ESDF completed recruitment of 12 full-time staff (administration, factory and sales and marketing positions) and 5 supply contracts with local women cheese enterprises (engaging total of 79 women artisans) ensuring their regular salary payment through formal bank accounts



Figures 1-3: Local women beneficiaries working in three of the five mini factories in Thakurgaon supplying to ESDF's branding, packing and distribution hub.



Figure 4: UNCDF funded chilling vans transporting locally made mozzarella cheese from Thakurgaon to surrounding cities Panchagor, Dinajpur, Rangpur and Rajshahi.



Unlocking Public and Private
Finance for the Poor

Contacts:

leyla.cuevas.lopez@uncdf.org
Public and Private Investments
Portfolio Lead

Amadou.sy@uncdf.org
Communication Lead Dual-Key

Mohammad.abbadi@uncdf.org
Senior Investment Manager

UN Capital Development Fund Two
UN Plaza, 26th Floor, New York, NY
10017



www.uncdf.org/dual-key