SOCIAL ENTERPRISE MODEL OF LOCAL SOLUTIONS
ROAD TO SUSTAINABILITY

Regional Webinar

Date: 28th March 23,
Time: 2.00 -3.30 PM India Time.
Registration link:
https://us02web.zoom.us/webinar/register/WN_Pjr8LBfeTLyQOZIKehX82g

SOHEL AHMED
Managing Director, Grameen Shakti

MANJARI SHRESTHA
Enterprise development and vocational skills
development expert

ABDUL ARIF
Project Manager, Grameen Shakti,
Bangladesh

JYOTI AWASTHI
Managing Director at Satat Sampada Pvt. Ltd.

DENNIS MOMBHAUER
Director, Research & Knowledge Management,
SLYCAN Trust

Supported by
CISU
CIVIL SOCIETY IN DEVELOPMENT
Social Enterprise Model
Experience from Bangladesh

Abdul Arif
Project Manager
Grameen Shakti, Bangladesh

28th March, 2023

Webinar
Social Enterprise Model of Local Solutions - Road to Sustainability
Grameen Shakti was established in 1996 as a Not-for-profit company by Nobel Laureate Professor Muhammad Yunus with the Objective of providing Access to Energy to the rural people of Bangladesh.
Two prongs of activities.....

**Socio Economic Activities**

Generate **REVENUE** for **Sustainability** through activities creating **Social Impact**

**Development Activities**

Generate **Social Bottom Line** in a Sustainable manner, adding to **financial sustainability**
Key Milestone & Achievement

Solar Home System
1,800,000 units installed
43% (National program share)

Improved Cooking Stove
1,000,000 units installed
25% (National program share)

Biogas Plant
36,000 units installed
40% (National program share)

Total 15,000,000 CO2 reduction/annum
Socio Economic Activities

- Biogas Plant
- Solar Rooftop
- Solar water Pump
- PV Module
- EV & ER Battery
- Solar Street Light
Development Projects

- Eco-Village Development (EVD)
- Electric Mobility
- Peer-to-peer Solar Grid
- Energy Transition
- WePOWER, World Bank
Eco-Village Development (EVD)

Grameen Shakti is Country **Focal Point** of INFORSE as well as one of the **Founders** for INFORSE-South Asian Chapter

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**Eco-village Development (EVD)** is an integrated socio-economic development concept, in which Individual Solution combines in clusters to provide synergic benefit to the **COMMUNITY**
“Social enterprises are businesses created to attain a social purpose in a financially sustainable way”
Social Enterprise Model

Community based Biogas Plant
Social Enterprise Model (Biogas Plant)

Project Implementor (Grameen Shakti)

System Installer (Expert mason)

Project Finance
- Development Fund: Grant
- Self Finance: Equity
- SME/bank Finance: Loan

Repayment
Finance (Grant/Loan)

Project Owner

Biogas Plant
- Gas supply
- Gas supply
- Fertilizer sell

Payment

Self consumption
Case – 1 (biogas plant in a poultry firm)

- Project Owner: Abu Bakar Siddique
- Location: Gazipur (adjacent to Dhaka)
- Capacity of the poultry: 2,500 chickens
- Size of the plant: 4.8 m³
Financial Model

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<tbody>
<tr>
<td>Plant Size</td>
<td>4.8 m3</td>
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<tr>
<td>Total Project Cost</td>
<td>55,000 BDT</td>
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<tr>
<td>Grant</td>
<td>19.0%</td>
<td>10,450 BDT</td>
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<tr>
<td>Equity</td>
<td>78.3%</td>
<td>43,038 BDT</td>
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<tr>
<td>Loan</td>
<td>2.8%</td>
<td>1,513 BDT</td>
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<tbody>
<tr>
<td>Investment</td>
<td>(43037.50)</td>
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<tr>
<td>Revenue from gas sell</td>
<td>7200.00</td>
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<td>Revenue/cost saving from Fert</td>
<td>24600.00</td>
<td>24600.00</td>
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<tr>
<td>Loan payment</td>
<td>(1512.50)</td>
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<tr>
<td>Operation &amp; Maintenance</td>
<td>(5000.00)</td>
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<td>(2000.00)</td>
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<td>Cum. cash flow</td>
<td>(17750.00)</td>
<td>13050.00</td>
<td>43850.00</td>
<td>73650.00</td>
<td>103450.00</td>
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</tbody>
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*All amounts is in BDT
Case – 2 (biogas plant in cow firm, household level)

- Project Owner: Monir Hossain
- Location: Gazipur (adjacent to Dhaka)
- Capacity of the farm: 15 Cows
- Size of the plant: 4.8
Financial Model

Plant Size: 4.8 m³
Total Project Cost: 50,000 BDT

Grant: 25.0% 12,500 BDT
Equity: 72.0% 36,000 BDT
Loan: 3.0% 1,500 BDT

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<tr>
<td>Investment</td>
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<tr>
<td>Revenue from gas sell</td>
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<tr>
<td>Revenue/cost saving</td>
<td>33600.00</td>
<td>33600.00</td>
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<tr>
<td>Loan payment</td>
<td>(1500.00)</td>
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<tr>
<td>Operation &amp; Maintenance</td>
<td>(5000.00)</td>
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<tr>
<td>Cum. cash flow</td>
<td>(8900.00)</td>
<td>23700.00</td>
<td>56300.00</td>
<td>87900.00</td>
<td>119500.00</td>
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* All amounts is in BDT
Engaging Financial Institutions

• “Nobin Udyogta” or Young Entrepreneur is a program of Grameen under which Young Entrepreneurs are financed (small and medium scale) to develop/establish their business.
• Size of investment is $500 to $15,000
• Total investment is 56 million USD
• Currently 3 Grameen organizations are implementing this program
• 100,000 Entrepreneurs created
• Type of business: Agriculture, farming, small/medium shop, manufacturing and processing etc

_Grameen Shakti is advocating the other Grameen Companies to finance projects like biogas plants- from which generating income/cost saving is possible_
Social Enterprise Model

Integrated Solar water pump for drinking, drip irrigation & Productive Use appliance such as crop processing
EVD Model Village
Coastal region inhibits, around 32 million people of Bangladesh and nearly 70% of them depends on unhygienic pond water for their daily needs.
Case – 3 (Integrated Solar water pump, drip irrigation & Crop processing)

Project Finance
- Provides Grant & Loan
- Seeks project finance

Project Developer
- Gives the solution as lease
- Shares profit, as negotiated

Social Enterprise
- Collects money from selling water
- Generates income from cultivation
- Collects money from renting crop processing machineries like rice husking, rice milling etc

1) Drinking Water
2) Drip Irrigation
3) Crop Processing

Solar PV System

Water Pump
Thank You!

Abdul Arif | abdul.arif@gshakti.org | 01717799212

More information on Eco-Village Development
https://ecovillagedevelopment.net/

https://www.inforse.org/asia/EVD.htm