



Funded by  
the European Union



# THE FIRST

## IMPACT FUND IN GEORGIA

THE CENTER FOR STRATEGIC RESEARCH AND DEVELOPMENT OF GEORGIA

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# WHO WE ARE?

THE CENTER FOR STRATEGIC RESEARCH AND DEVELOPMENT OF GEORGIA (CSR DG)



CSR DG was established back in **1995**. We have more than 25 years of successful working experience in the civil society sector. We are oriented on the results that bring positive changes and well-being to individuals as well as the society as a whole.



Our team is one of the first to start working on the development of social entrepreneurship in Georgia. **Since 2009**, our goal has been to create a favorable and enabling environment for social entrepreneurship. Together with our partners, we contributed to the fact that today there are more than **150 social enterprises in the country**.

## OUR VALUES:

Honesty

Impartiality

Professionalism

Equality

Transparency

High civic responsibility



## WHY SOCIAL ENTREPRENEURSHIP?

This is a unique opportunity for changemakers to contribute to solving social, economic and environmental challenges in a systematic and sustainable way.

*Developing and supporting of Social Entrepreneurship means:*



Employment and empowerment of vulnerable groups, including youth



Access to education



Development of regions



Development of social services



Preservation of traditional culture



Environment protection

## WHY SOCIAL IMPACT INVESTING?

For the sustainable development of social entrepreneurship, it is important to increase the role of local investors and business companies in supporting social enterprises.

This is possible through one of the most effective approaches

### Social Impact Investing

This approach encompasses the long-term and needs-based support of organizations aiming at creating positive social and environmental changes on the one hand, and making some financial profit on the other hand.





## THE FIRST IMPACT FUND IN GEORGIA - ACTIO

The European experience shows that in many cases, in order to simplify the investment process and achieve their goals, impact investors prefer to use **social impact funds**.

### THE FIRST IMPACT FUND IN GEORGIA



#### THE MISSION OF THE IMPACT FUND

Is to support the development of the social economy in Georgia. We, jointly with our investors, do it by creating space and opportunities for social enterprises to scale up their business and social impact.



#### THE GOAL OF THE IMPACT FUND

**for the next 5 years** is to support the empowerment of **10 social enterprises** having sustainable business models, which create tangible impact in the spheres of work integration, environment protection and preservation of cultural heritage.



**5 YEARS FOR EMPOWERMENT OF**  
**10 Social Enterprises**



**A MODERN APPROACH**

**TO RESPONDING TO ACUTE SOCIAL CHALLENGES**





## CHALLENGES WE RESPOND TO

### SOCIETAL CHALLENGES:

- High level of unemployment, especially within vulnerable groups;
- Lack of access to non-formal education especially for youth in rural areas;
- Environment pollution, malfunction of waste management systems;
- Lack of access to funds for culture development and preservation of traditional cultural heritage.

### CHALLENGES OF SOCIAL ENTERPRISES:

- Limited access to funds for scaling up (including loans, governmental programs, other investments);
- Limited access to non-financial support tailored to social enterprises' needs;
- Lack of resources, knowledge and skills for proper impact planning and management.



## OPPORTUNITIES WE SEE

Today, there are about **150 Social Enterprises in Georgia** solving acute social and environmental problems

Despite the less enabling environment, **more people and organizations are expressing interest** in social entrepreneurship

**Social enterprises are able to play a unique role** in solving numerous social and environmental challenges that Georgia faces

Some of the social enterprises already have the potential and readiness **to scale up their business and social impact**

There are **good B2B cooperation experiences** between social enterprises and traditional business companies

# THE INVESTMENT STRATEGY OF THE IMPACT FUND

## IMPACT SPHERES WE SUPPORT



Over the next 5 years, we will support 10 active social enterprises which function in the following impact areas:



WORK INTEGRATION AND  
EDUCATION



ENVIRONMENT  
PROTECTION



PRESERVATION OF CULTURAL  
HERITAGE AND DEVELOPMENT OF  
TRADITIONAL CRAFTS

## SELECTING CRITERIA OF SOCIAL ENTERPRISES

### Social enterprise must

- ☒ Meet EU definition and criteria of social enterprises and position itself as a social enterprise;
- ☒ Have a sustainable business model and be economically active for at least 2 years. The annual turnover of the social enterprise should be at least 30,000 GEL and at least 80% of revenue must come from sales;
- ☒ Be able to provide proven information about financial and social outcomes;
- ☒ Have scale up readiness as well as potential;
- ☒ Have a strong and motivated team composed of at least 3 employees.

The fund will work with portfolio social enterprises in a long-term and structured manner from 3 up to 5 years having the following approach:



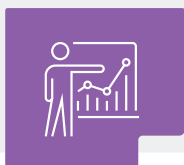
#### TAILORED FINANCIAL SUPPORT (up to EUR 50,000 per social enterprise)

- Milestone based grants
- 0% soft loans



#### TAILORED NON-FINANCIAL SUPPORT IN

- Strategic management
- Marketing, communication and sales
- Finances, and etc.



#### SOCIAL IMPACT MEASUREMENT AND MANAGEMENT

- Planning
- Measurement
- Reporting

# PORTFOLIO OF THE IMPACT FUND

THE FIRST IMPACT FUND IN GEORGIA



Over the next 5 years the impact fund will support scale up of 10 social enterprises in terms of business as well as social impact

WORK INTEGRATION  
AND EDUCATION

ENVIRONMENT  
PROTECTION

PRESERVATION OF CULTURAL HERITAGE AND  
DEVELOPMENT OF TRADITIONAL CRAFTS



The fund will ensure the variety of social missions of the target enterprises

## At least

- ✓ **50%** of target social enterprises will support employment of vulnerable people;
- ✓ **50%** of target social enterprises will be women led;
- ✓ **50%** of target social enterprises will create access to non-formal education and professional training, especially for young people;
- ✓ **50%** of target social enterprises will apply environmentally friendly practices;
- ✓ **20%** of target social enterprises will support preservation of Georgian cultural heritage and/or traditional crafts development

## ANTICIPATED IMPACT OF THE FUND



SOCIAL OUTCOMES OF PORTFOLIO SOCIAL  
ENTERPRISES WILL INCREASE AT LEAST BY **50%**



ANNUAL TURNOVER OF PORTFOLIO  
SOCIAL ENTERPRISES WILL INCREASE  
AT LEAST BY **30%**

## OVER THE NEXT 5 YEARS THE IMPACT FUND WILL SUPPORT SCALE UP OF 10 SOCIAL ENTERPRISES

in terms of business as well as social impact considering  
the following Sustainable Development Goals

**5** GENDER  
EQUALITY



**8** DECENT WORK  
AND ECONOMIC  
GROWTH



**11** SUSTAINABLE  
CITIES AND  
COMMUNITIES



**13** CLIMAT ACTION



**17** PARTNERSHIPS FOR  
THE GOALS





## HOW TO BECOME AN IMPACT INVESTOR?

In order to become **the impact investor and supporter of the fund, please:**

- ☒ Express your interest;
- ☒ Make an annual investment of minimum **6250 \$ over the next 4 years** using a money distribution approach convenient for you;
- ☒ Support development of the fund depending on your resources and capabilities.

## RESPOND TO SOCIAL CHALLENGES



### OUR RESOURCES

**600,000 \$**

is needed for the full implementation of the Impact Fund's first round

**300,000 \$**

We have already mobilized **\$ 300,000 from European Commission**

**300,000 \$**

We need additional investment of **\$ 300,000 to raise**



**AFTER RAISING LOCAL INVESTMENTS THE FUND IS EXPECTING TO SECURE A MATCHING FUND FROM THE INVESTOR (USA) WHO PREFERS TO STAY ANONYMOUS.**

### The budget of \$ 600,000 will enable the fund

#### 1. To financially support 10 social enterprises

\$40-50,000 for each and ensure organizational development and impact management assistance

#### 2. To cover basic operational costs

# WHAT DO WE OFFER?

THE CENTER FOR STRATEGIC RESEARCH AND DEVELOPMENT OF GEORGIA (CSR DG)



## WE OFFER YOU

- to become a leader impact investor in Georgia
- to create positive social impact using strategic CSR approaches



### **Creation of the sustainable and long-term social impact by supporting social enterprises**

- Creation of social impact in the following spheres: work integration and education, environment protection and preservation of cultural heritage;
- Support to 10 social enterprises to scale up their business and social impact;
- Rotating seat in the investment committee;
- Mentorship of the portfolio social enterprises.



### **Sharing of international experience and networking**

- Up to date information about impact investing and venture philanthropy;
- Sharing experience of impact investors on international level; becoming a member of the European impact investors' community and attending the most remarkable events in the sphere;
- Membership of the first impact investors club in Georgia and opportunities to be actively engaged in the sphere development.

## WE OFFER



### **TRANSPARENCY**

Ensuring transparency and accountability via activity and financial reports



**CONSTANTLY UPDATED INFORMATION**  
about the fund's activities and social outcomes/impact



### **SAVING TIME AND RESOURCES**

All administrative work related to social enterprises support will be implemented by the Fund





POPULARIZATION OF YOUR ACTIVITIES AND POSITIONING YOU/YOUR ORGANIZATION AS A STRATEGIC PARTNER USING THE FOLLOWING CHANNELS

Web page and social media of the fund

IMPACT EUROPE's communication resources

Traditional media

Placement of your logo and banners at the events of the fund

Placement of your logo on communication material

## OUR PARTNERS



EUROPEAN COMMISSION'S DIRECTORATE-GENERAL FOR NEIGHBOURHOOD AND ENLARGEMENT NEGOTIATIONS (DG NEAR)



**IMPACT EUROPE** - is a leading umbrella organization in the sphere of social impact investing in Europe. It brings together 320 member organizations from more than 30 countries in Europe, USA, in the Middle East and Asia. We are the only Georgian organization, which has been an associate member of Impact Europe (formerly EVPA) since 2017.



**BREAD FOR THE WORLD** is a supporter of Impact Fund ACTIO.



## OUR TEAM

**WE BELIEVE THAT** it is possible to achieve tangible changes, ensure well-being of the society and make a meaningful contribution to sustainable development of our country only by joint work and unity.

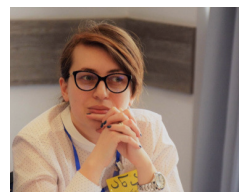


**KRISTINE KANDELAKI**  
Impact Fund Manager

- [kristine.kandelaki@csrdg.ge](mailto:kristine.kandelaki@csrdg.ge)
- +(995)555 50-00-57



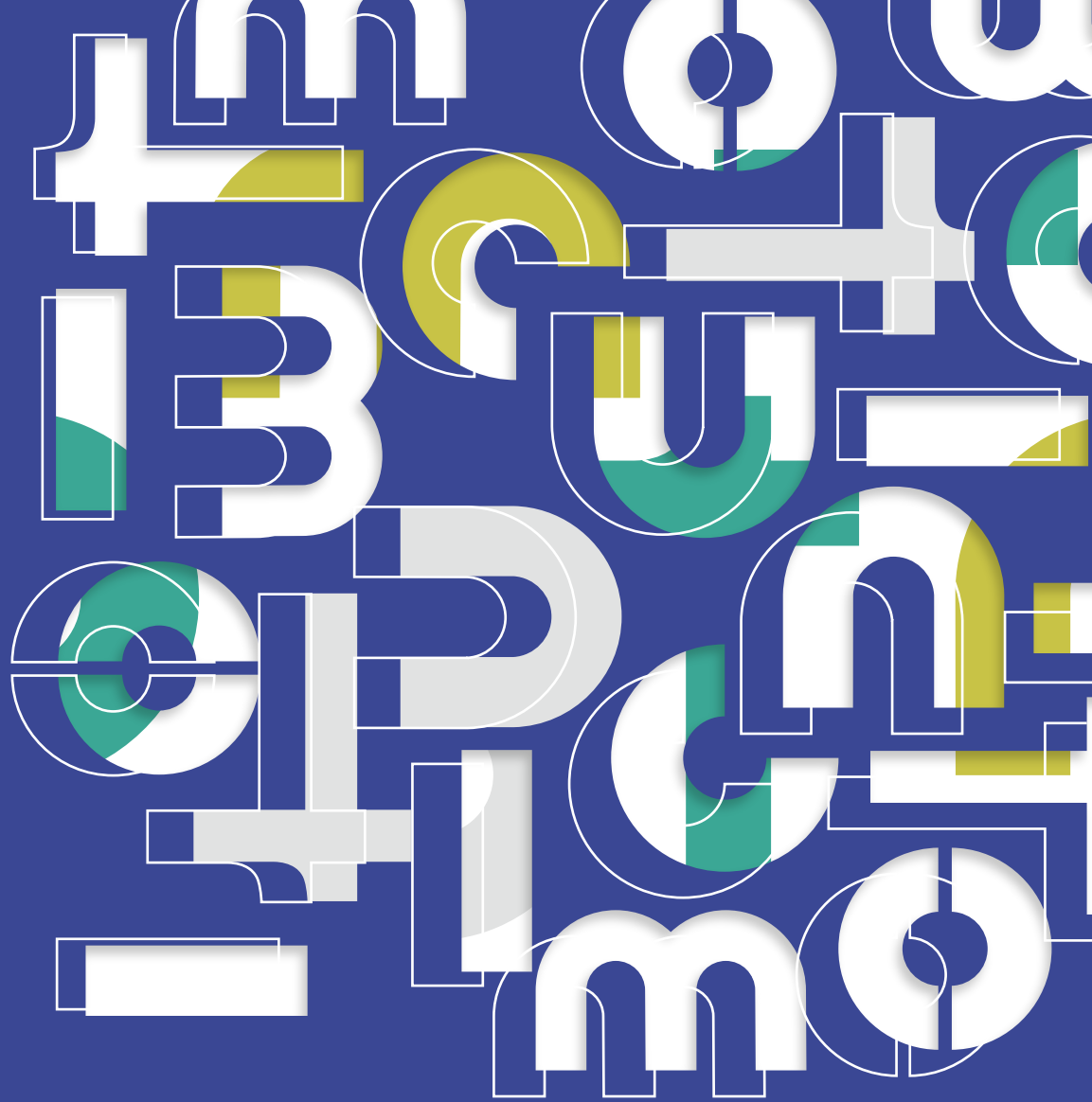
**EKA DATUASHVILI**  
Social Entrepreneurship  
Development Program  
Manager



**ANA EKATERINE  
ILURIDZE**  
Portfolio Lead



**NINI KHUGASHVILI**  
Impact Fund  
Communication Manager



# #ACT FOR IMPACT

THE MANAGING ORGANISATION OF THE IMPACT FUND  
THE CENTER FOR STRATEGIC RESEARCH AND DEVELOPMENT OF GEORGIA (CSR DG)



#5 level Jebashvili I exit, 0177, Tbilisi, Georgia



+(995)32-239-90-19



office@csrdg.ge, actio.impactfund@gmail.com



<https://actio.ge/>, <https://csrdg.ge/>



<https://www.facebook.com/CSR DG>, <https://www.facebook.com/impactfundactio>



**CSR DG**

საქართველოს სტრატეგიული  
კვლევებისა და განვითარების ცენტრი