Results-Based Financing Through Social Enterprises

A White Paper for the Global Partnership for Results-Based Approaches, in Response to the Covid-19 Pandemic
This work is a product of the World Bank’s Global Partnership for Results-Based Approaches (GPRBA). GPRBA provides innovative financing solutions that link funding to achieved results. GPRBA’s results-based financing (RBF) approaches provide access to basic services like water and sanitation, energy, health and education for low-income families and communities that might otherwise go unserved. By bringing together public and private sector funders to maximize resources and designing effective incentives for service providers to reach underserved low-income communities, GPRBA gives people the chance for a better life.

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Maitreyi Bordia Das
Ibrahim Ali Khan
Elaine Tinsley
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ABBREVIATIONS & ACRONYMS

ANC  antenatal care
BPL  below poverty line
BRAC  Bangladesh Rural and Advancement Committee
CATI  computer-assisted telephone Interviewing
CBO  community-based organization
CDC  Centers for Disease Control
CHW  community health worker
CRM  Complaints and Response Mechanism
CSWS  Community Safe Water Scheme
CTR  Tunisian Refugee Council
FHIS  Fondo Hondureño de Inversion Social
GEMS  Geo-Enabling Initiative for Monitoring and Supervision
GPOBA  Global Partnership on Output Based Aid
GPPI  Global Public Policy Institute
GPRBA  Global Partnership for Results-Based Approaches
GPS  Global Positioning System
IBM  Iterative Beneficiary Monitoring
ICT  information and communications technology
IFC  International Finance Corporation
IO  intermediary organization
IVA  independent verification agent
LIC  low-income country
M&E  monitoring and evaluation
MoF  Ministry of Finance
MWC  Manila Water Company
NGO  non-governmental organization
OECD  Organisation for Economic Co-operation and Development
OPD  Outpatient Department
RBF  results-based financing
REACH  Rights, Empowerment and Cohesion (Project)
SE  social enterprise
SEIA  socio-economic impact assessment
SEWA  Self-Employed Women's Association
SWM  solid waste management
SWMTC  Solid Waste Management Technical Support Centre
TDF  Town Development Fund
TPSB  Tubig Para sa Barangay
UNDP  United National Development Programme
UNHCR  United Nations High Commissioner for Refugees
UNSCO  United Nations Special Coordinator for the Middle East Peace Process
URHVP  Uganda Reproductive Health Voucher Project
UV  ultraviolet (radiation)
V-OPD  Virtual Outpatient Department
WASH  water, sanitation and hygiene
WHIN  WaterHealth India
WHO  World Health Organization
Summary

The COVID-19 pandemic is wreaking havoc across the world, but its worst effects are in areas and among communities that are the least likely to be able to manage them. The measures governments, businesses and communities have taken to contain the pandemic are also affecting global supply chains engaged in sourcing and channelling essential goods and services to those communities most in need. Communities in regional hotspots are particularly vulnerable, but the pandemic’s cascading impacts extend well beyond hotspots. In short, it has triggered a global humanitarian crisis, putting both lives and livelihoods at risk. Informal workers in precarious jobs are at greater risk of contracting the virus because they often cannot afford to stay at home and risk losing their jobs. Overall, poverty rates are expected to rise.
In the initial stages of the pandemic – especially in contexts where the state machinery either was caught unawares, or lacked capacity, or both – communities and local enterprises stepped up to provide relief, typically through local businesses, neighborhood groups, non-governmental organizations (NGOs) and other community groups such as youth clubs and faith-based groups. Social enterprises (SEs) – socially-driven private enterprises – have also been active in the relief efforts. These organizations and enterprises will continue to be essential as the pandemic stretches out and as recovery is likely to be a long-drawn process. Given the fact that SEs are socially oriented and are known for their innovation, role in job creation, and deep links to the community, they are likely to be instrumental to an inclusive recovery. This said, SEs are themselves at risk during the pandemic, as liquidity dries up and their workload increases.

The Global Partnership for Results-Based Approaches (GPRBA) is a long-standing program dedicated to serving the poorest and most marginalized areas and peoples through results-based financing (RBF), technical assistance and knowledge dissemination. This mandate makes it incumbent on GPRBA to steer resources toward responding to the pandemic. GPRBA, additionally, has a history of working successfully with SEs and other non-state providers. As the Partnership prepares to draw upon its significant experience and the institutional capacity of its partners to respond to the new challenges posed by the pandemic, it also intends to build productive partnerships with numerous SEs.

This White Paper is intended as an approach and guidance for GPRBA partners, World Bank task teams, and other actors who engage in RBF. Because a major part of GPRBA’s mandate is to design and fund results that are related to better service delivery, the paper focuses on two overarching objectives that can be achieved by engaging SEs through an RBF approach:

- Helping reduce the spread of COVID-19 cases, and
- Helping minimize the socioeconomic impact of the pandemic, especially on poor and excluded groups.

These two objectives have been developed around interventions that are already being undertaken by SEs to support their clients and communities during the pandemic. The paper, however, expands on the objectives by defining the intermediate outcomes and result indicators that need to emerge/need to be realized if these goals are to be achieved.

Additionally, since the verification of results before disbursement of funds is a core part of GPRBA’s implementation modality, the paper explores tools and mechanisms that could be used to substantiate results, while taking into account the need to reduce in-person interactions in light of COVID-19. In particular, it illustrates how mobile phones and aerial imagery could be employed to supervise project performance and verify results remotely, based on practices developed in the context of insecure regional environments.

Building on the foundation of successful GPRBA projects, the paper furthermore provides an overview of the financing arrangements that can be utilized to collaborate with SEs. Since SEs can act both as a direct service provider and as an intermediary organization that coordinates the provision of services through multiple other SEs and non-governmental entities, the following two arrangements are deemed the most appropriate:

- **Financing through a single SE intervention.** The benefit of this arrangement is its simplicity. It is ideally suited for interventions that are urgently required to address the current crisis.

- **Financing through multiple SE interventions.** Though more complex, this approach enables an SE to act as an Intermediary Organization and mobilize the most effective and efficient organizations for a project.

Finally, because RBF approaches typically create a lag between the delivery of a service and receipt of payment by the service provider, project designs need to incorporate mechanisms that ensure that SEs have adequate resources to continue their development activities. The paper, therefore, provides an overview of the following two mechanisms:

- **Pre-financing.** This mechanism is especially important for smaller organizations that may not have access to adequate working capital to fund these operations. The paper offers examples of GPRBA projects that have included pre-financing mechanisms through a revolving fund and an “advances facility.”

- **Retroactive financing.** Though subject to legal review, this could be an essential means to help SEs weather the COVID-19 crisis and allow them to continue serving their low-income clients.
I. Responding to COVID-19 Using Results-Based Approaches: The Role of Social Enterprises

The COVID-19 pandemic is wreaking havoc across the world, but its worst effects are in areas and among communities that are the least likely to be able to manage the destruction. The measures governments, organizations, and businesses have taken to contain the pandemic are affecting global supply chains engaged in sourcing and providing essential goods and services to those communities most in need.

Services such as water and sanitation have never been more essential than they are now. Communities in regional hotspots are particularly vulnerable, but the pandemic’s cascading impacts extend well beyond hotspots. In short, it has triggered a global humanitarian crisis, putting both lives and livelihoods at risk. Informal workers in precarious jobs are at greater risk of contracting the virus as they often cannot afford to stay at home and risk losing their jobs.
Overall, poverty rates are expected to rise. The World Bank estimates that

*when compared with pre-crisis forecasts, COVID-19 could push 71 million people into extreme poverty in 2020 under the baseline scenario and 100 million under the downside scenario. As a result, the global extreme poverty rate would increase from 8.23 percent in 2019 to 8.82 percent under the baseline scenario or 9.18 percent under the downside scenario, representing the first increase in global extreme poverty since 1998, effectively wiping out progress made since 2017.*

The UN recently expressed concern that

*Before the COVID-19 outbreak, progress had been uneven, and more focused attention was needed in most areas. The pandemic abruptly disrupted implementation towards many of the SDGs and, in some cases, turned back decades of progress.*

The Global Partnership for Results-Based Approaches (GPRBA) is a long-standing program dedicated to serving the poorest and the most marginalized areas and peoples through results-based financing (RBF), technical assistance and knowledge dissemination. This mandate makes it incumbent on GPRBA to steer its resources and experience toward responding to the pandemic. Box 1 describes the Partnership in greater detail. While GPRBA was set up well before the SDGs were announced, its philosophy resonates with the “Leave No One Behind” theme of the SDGs.

GPRBA also has a history of working successfully with a range of non-state actors, especially socially-driven private enterprises, commonly referred to as social enterprises (SEs) – see box 2 for a definition. Indeed, a recent internal review of 44 projects in the GPRBA portfolio found that 14 used some variant of SEs to provide results, mainly in the water, health, energy, education and finance sectors. The Partnership’s deep experience therefore places it in an ideal position to work with SEs to mount an effective response to COVID-19. Section 3 lays out the mechanisms through which it intends to do so.

As GPRBA prepares to draw upon the significant experience and institutional capacity of its partners to respond to the challenges posed by the pandemic, it also intends to focus on partnering with SEs. This White Paper is meant as a guidance document for GPRBA partners, World Bank task teams, and other actors engaged in RBF.

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**Box 1: The Global Partnership for Results-Based Approaches**

Results-Based Financing (RBF) is an arrangement in which part of the payments are contingent upon the achievement of predefined and verified results. RBF agreements involve two central agents: the results funder and the incentivized agent.

The Global Partnership for Results-Based Approaches (GPRBA) provides innovative financing solutions to achieve results. GPRBA’s results-based financing (RBF) approaches provide low-income households and communities that might otherwise go unserved, with access to basic services such as water and sanitation, energy, health and education. By bringing together public- and private-sector funders to maximize resources, and by designing effective incentives for service providers to reach underserved low-income communities, GPRBA gives people the chance of a better life.

By linking payments to results achieved, and by maintaining an unwavering focus on the poor, GPRBA fosters inclusive development and helps address service delivery gaps arising from the challenge of increased urbanization in developing countries. Its approach to service delivery creates financial incentives for service providers to extend basic services specifically to low-income communities, while also providing members of these communities with incentives to access those services.

Note: For more information, see [www.gprba.org](http://www.gprba.org)

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**Box 2: Social Enterprise – A Definition**

A social enterprise is any private activity conducted in the public interest and organized around an entrepreneurial strategy, but whose main purpose is the attainment of a set of economic and social goals, balanced with the need for financial sustainability and profit, and which has the capacity to bring innovative solutions to the problems of social exclusion and unemployment.

— OECD/European Union, 2017
Why Focus on Social Enterprises?

In the initial stages of the pandemic – especially in contexts where the state machinery either was caught unawares, or lacked capacity, or both – communities and local enterprises stepped up to provide relief, typically through businesses, neighborhood groups, non-governmental organizations (NGOs) or other community organizations such as youth clubs. In particular, SEs have been active in the relief effort, for seven main reasons central to an inclusive recovery:

1. SEs have long-standing experience in providing community-centered solutions and directing critical resources to populations disproportionately affected by a crisis.

2. They have on-the-ground presence at the community level, with delivery systems already in place.

3. They usually have the trust of the community, the state and their investors because of their previous work.

4. Often working with limited resources and in risky environments, SEs are characteristically agile and innovative. This enables them to play the role of rapid responders in a crisis, especially where local government capacity is limited, or where the crisis is occurring in hard-to-reach areas such as informal settlements.

5. SEs tend to have strong networks. Though they are often smaller than local corporate entities, their networks can be more extensive and valuable during a crisis. Since SE operations – which combine a private sector structure with a social needs orientation – often interact with multiple stakeholders including private businesses, NGOs, donors, governments, and their customers and beneficiaries, they can move quickly to collaborate and coordinate with the stakeholders to react to a crisis. In the current pandemic, we are seeing this on the ground. Additionally, many SEs also have strong ties to international philanthropic groups and donor agencies, networks that have helped them mobilize international assistance during crises, including the current pandemic, for these communities.

6. SEs often generate jobs, especially for informal workers in low-income countries (LICs). Because informal jobs are among the most likely to be severely impacted during an economic crisis, any support offered to SEs during the current pandemic is likely to cascade down to informal workers.

7. SEs tend to be micro and small enterprises that are also reeling from the impacts of COVID-19. They are facing a crisis of liquidity and are struggling to stay afloat. In supporting them, the state, the private sector and international organizations are injecting funding. For instance, the World Bank recently announced its support to Government of India for $750 million "to support increased flow of finance into the hands of micro, small, and medium enterprises (MSMEs), severely impacted by the COVID-19 crisis."

For more about SEs, see annex 5. For examples of SE response to the pandemic, see the next section as well as annex 1.

This paper is divided into three sections. This first section focuses on the rationale for engagement with SEs, while section 2 describes ways in which SEs are responding during the pandemic. Section 3 discusses how SEs can be deployed using RBF mechanisms, including examples of results, collecting data and verifying results remotely and the types of financing mechanisms that can be used.

In sum, even as the pandemic further widens already substantial gaps in access to health care, sanitation, information and job opportunities, there are several emerging examples from all over the world that show how SEs are addressing these gaps and complementing governmental and multilateral initiatives to meet the needs of the poorest and most marginalized communities.
SEs are actively responding to the pandemic. Where the state and markets have been overwhelmed by the crisis, communities and SEs have stepped in. In most cases, they have worked alongside the state and markets to provide critical relief to communities and to the neediest households. They have used their existing base and networks to provide basic needs such as water, food, face coverings, health care, and transport. Table 1 is an illustrative list of activities that SEs all over the world are engaged in to support their client communities. Some activities are financed through foundations or in coordination with the government; others are collaborations with various state and non-state entities, and still others are adaptations of current business models. Most of their COVID-19-related work builds on their existing activities and presence in the communities.
Given the fact that SEs are socially oriented and are known for their innovations, role in job creation, and for their deep links to the community, they can be instrumental to an inclusive recovery. Many of the initiatives and innovations they are putting in place during the emergency response period are likely to be refined and institutionalized, either through their own expanded work, or through their partners or the government. This said, SEs are themselves at risk during the pandemic, as liquidity dries up and their workload increases. Annex 1 provides an extensive list of relief measures that have been initiated and led by SEs.

TABLE 1. EXAMPLES OF SOCIAL ENTERPRISE RESPONSES TO COVID-19

<table>
<thead>
<tr>
<th>Domain of Intervention</th>
<th>Social Enterprise Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Awareness</strong></td>
<td>In Pakistan, <strong>Connect Hear</strong>, a social start-up, is using sign language-enabled videos to help deaf people across the country to access the government's announcements about COVID-19.5</td>
</tr>
<tr>
<td><strong>Water, Sanitation &amp; Hygiene (WASH)</strong></td>
<td>Across informal settlements in Kenya, <strong>Shining Hope for Communities (SHOFCO)</strong> has setup handwashing stations and is providing soap and hand sanitizers. At the time of finalizing this paper, they had installed over 200 handwashing stations in 14 settlements and distributed over 250,000 soaps and hand sanitizers.6</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>With children out of school, the government of Jordan tasked <strong>Abwaab</strong>, an EdTech company, and <strong>Mawdoo3</strong>, an online Arabic content creator, to develop a platform that provides remote education to Jordanians. Within one week, they had come up with <strong>Darsak</strong>, an e-platform that offered daily online lectures to students across the country.7</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td><strong>MDaaS Global</strong>, after implementing strict safety measures, continued to provide affordable health care services to low-income populations in Nigeria. They are also collaborating with other organizations to expand Nigeria's testing capabilities and establishing multiple mass-testing sites. Furthermore, they have developed a free, downloadable &quot;playbook&quot; that provides instructions for setting up and managing a mass-testing site.8</td>
</tr>
<tr>
<td><strong>Humanitarian Assistance</strong></td>
<td><strong>Goonj</strong>, in India, mobilized its vast network of volunteers and partner organizations to set up community kitchens to provide food and ration kits to migrant workers on the roads and in cities. At the time of finalizing this paper, it had distributed more than 1.2 million kilograms of rations during the lockdown.9</td>
</tr>
<tr>
<td><strong>Cash Transfers</strong></td>
<td>The Bangladesh Rural and Advancement Committee (BRAC) has deployed its infrastructure to identify and target hard-to-reach households, a majority of whom were already active beneficiaries of its programs. Working in close coordination with the government and community-level organizations, BRAC initiated an emergency cash transfer program and at the time of finalizing this paper, had reached over 350,000 families.10</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td><strong>Mauqa.Online</strong> is a household services provider that employs former informal-sector workers as professional cleaners, caretakers and cooks. It pivoted its operations and is providing safe, cleaning services to help essential businesses in Islamabad fight COVID-19, ensuring job opportunities to those most impacted by the crisis.11</td>
</tr>
<tr>
<td><strong>Post-Pandemic Activities</strong></td>
<td>In India, the Self-Employed Women's Association (SEWA) has scaled up the procurement of farm produce from small and marginal farmers through its RUDI (Rural Distribution) network, so as to help both the farmers and consumers. It is also devising a strategy to enable the informal sector to incorporate remote working during future crises.12</td>
</tr>
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A. Defining the Results

Since results-based financing, as the name suggests, and as mentioned earlier, is a modality that makes payments based on pre-defined results, a first step is to define the desired results. This paper focuses on two higher-order objectives from which the definition of potential results will flow:

i. To help reduce the spread of the COVID-19, and

ii. To help minimize the socioeconomic impact on the poor.

Following from the previous section, this section categorizes various activities into potential results, develops illustrative results indicators, and gives examples of remote-verification methods. Ideally, verification should be quick and easy, particularly during a pandemic. For some interventions, this can be easily done: others may require more innovative and flexible tools, which are discussed in the next section.
1. Help Reduce the Spread of COVID-19

COVID-19 has wreaked countries, cities and communities, but in the absence of data and in the wake of the long-drawn nature of the pandemic, it is difficult to estimate how many cases would have been prevented or minimized, had something been or not been the case. However, it is possible to recognize good practices. The illustrative intermediate outcomes identified below can help the overall outcome of minimizing the number of cases of COVID-19, by contributing towards reduction and containment of the spread of the virus. These include, among others, raising awareness and community support for adopting precautionary measures; providing hygiene facilities and products; and testing, tracking and treating cases. Table 2 displays illustrative interventions and possible verification procedures.

### TABLE 2. ILLUSTRATIVE RESULTS-BASED INDICATORS AND VERIFICATION TOOLS TOWARDS HELPING MINIMIZE THE NUMBER OF COVID-19 CASES

<table>
<thead>
<tr>
<th>Intermediate Outcome</th>
<th>Indicators</th>
<th>Remote verification tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved hygiene</td>
<td>• Number of new handwashing stations</td>
<td><strong>Drones</strong></td>
</tr>
<tr>
<td></td>
<td>• Number of portable toilets deployed</td>
<td>Verify number of facilities installed (time- and GPS-stamped images)</td>
</tr>
<tr>
<td></td>
<td>• Number of people provided with soap, sanitizers and so on</td>
<td>Track community utilization through real-time videos of facility</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Mobile Phone</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Survey communities where facilities are installed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Undertake community verification through a feedback and complaints registering system</td>
</tr>
<tr>
<td>Increased Awareness</td>
<td>• Percentage that are aware of COVID-19 dangers</td>
<td><strong>Drones</strong></td>
</tr>
<tr>
<td></td>
<td>• Percentage that are aware of precautionary measures against COVID-19</td>
<td>Undertake aerial analysis of community behavior</td>
</tr>
<tr>
<td></td>
<td>• Prevalence of wearing face coverings</td>
<td><strong>Mobile Phone</strong></td>
</tr>
<tr>
<td></td>
<td>• Engagements with excluded groups (for example, disable people’s organizations)</td>
<td>Conduct a randomized survey of the targeted community</td>
</tr>
<tr>
<td></td>
<td>• Number of community health workers trained</td>
<td>Interview key informants</td>
</tr>
<tr>
<td>Containment</td>
<td>• Number of testing centers established or accredited</td>
<td><strong>Mobile Phones</strong></td>
</tr>
<tr>
<td></td>
<td>• Number of COVID-19 tests conducted</td>
<td>Verify calls to beneficiaries</td>
</tr>
<tr>
<td></td>
<td>• Number of medical assessments conducted and patients screened</td>
<td>Verify calls to project staff</td>
</tr>
<tr>
<td></td>
<td>• Establishment and usage of tracing system</td>
<td>Deploy feedback and complaints registering system</td>
</tr>
</tbody>
</table>
While these outcomes are structured specifically with COVID-19 in mind, their benefits can extend beyond the pandemic. Improved hygiene practices, for example, can reduce the prevalence of water-borne diseases such as diarrhea and cholera. Likewise, the deployment of a wide range of awareness strategies during this pandemic could also improve future campaigns. Containment strategies and improved diagnostic capabilities developed during the COVID-19 crisis could be used for other health needs. Additionally, SEs can incorporate lessons they learned in responding to the pandemic into improving their business operations (for example, developing better monitoring and evaluation (M&E) processes, more extensive client outreach, and so on).

2. Help Minimize the Socioeconomic Impact on the Poor

The second higher-order objective is to help minimize the pandemic’s social and economic impact, especially on impoverished communities and marginalized groups. SEs have been proactive in mitigating the impacts of the COVID-19 crisis, both in the short and the medium term. In the short term, many have focused on providing basic needs services such as food distribution and cash transfers. Other SEs have been engaged in preserving livelihoods, particularly in the more vulnerable rural areas. Still others have been providing school children with remote education and the sick with telemedicine remote consultations.

**TABLE 3. SE INTERVENTIONS TO HELP MINIMIZE COVID-19’S SOCIAL AND ECONOMIC IMPACT ON THE POOR**

<table>
<thead>
<tr>
<th>Intermediate Outcome</th>
<th>Potential Indicators</th>
<th>Remote Verification Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protecting financial health of families through cash transfers and other mechanisms</td>
<td>• New beneficiaries added, of which percentage that is female</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to beneficiaries</td>
</tr>
<tr>
<td>Food distribution</td>
<td>• Number of families or households served in area&lt;br&gt;• Number of food packets delivered&lt;br&gt;• Number of dry rations delivered&lt;br&gt;• Number of community kitchens set up&lt;br&gt;• Amount of prior agriculture produce loss that is now redirected</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Randomized survey of targeted area&lt;br&gt;<strong>Drones</strong>&lt;br&gt;Verification of community kitchen set-up and operations</td>
</tr>
<tr>
<td>Restoring and promoting livelihoods</td>
<td>• Number of individuals who gain access to micro grants, of which percentage that is female&lt;br&gt;• Number and percentage of beneficiaries or micro-entrepreneurs who develop a recovery plan&lt;br&gt;• Number of jobs provided in labor-intensive infrastructure activities</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to beneficiaries&lt;br&gt;<strong>Drones</strong>&lt;br&gt;Verification of infrastructure project progress</td>
</tr>
<tr>
<td>Offering access to stable pricing for agricultural products</td>
<td>• Number of farmers supported&lt;br&gt;• Volume purchased from farmers</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to beneficiaries</td>
</tr>
<tr>
<td>Ensuring continuity in education</td>
<td>• Number of unique users accessing content on a daily, bi-weekly, and weekly basis&lt;br&gt;• New geographical areas for remote learning</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to (parents of) beneficiaries&lt;br&gt;Data from providers of educational content&lt;br&gt;Feedback and complaints registering system</td>
</tr>
<tr>
<td>Ensuring access to health care</td>
<td>• Number of telemedicine consultations</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to beneficiaries&lt;br&gt;Telemedicine provider data</td>
</tr>
<tr>
<td>Expanding access to digital technology</td>
<td>• Number of households given access to mobile connectivity&lt;br&gt;• Number of women given access to smartphones</td>
<td><strong>Mobile Phone</strong>&lt;br&gt;Verification calls to beneficiaries&lt;br&gt;Mobile provider connection data</td>
</tr>
</tbody>
</table>
B. Data Collection and Remote Verification

1. Data Collection by Social Enterprises

Since social impact is a core objective of all SE operations, many have in place robust M&E systems. Some incorporate the use of real-time mobile applications to track results and help improve effectiveness and to leverage additional funds from various sources. While some deploy customized data collection processes that can be used both online and offline, some easy-to-use tools can be quickly integrated into the operations of SEs. Here are highlighted examples of Commcare, KoBoToolbox, and TaroWorks.

• **CommCare** is a software application developed by Dimagi, an SE that allows customers to design customized data collection applications. For COVID-19, the Commcare platform is being used for screening and triage protocols, surveillance and contact tracing, information dissemination, lab tracing and logistics.\(^\text{13}\)

• **KoBoToolbox**, developed by the Harvard Humanitarian Initiative, is a free, open-source digital data collection and analysis tool for organizations with a social mission. The platform has a user-friendly form builder, questions library, and integrated data-analysis software.\(^\text{14}\) Cisco, a KoBoToolbox partner notes “the platform has over 200,000 users in all 195 countries around the world, with an estimated 23 million individuals benefiting from the digital data collection tool. KoBoToolbox receives 5 million survey submissions every month and has been used to collect data after every significant humanitarian crisis since 2014.”\(^\text{15}\) The Geo-Enabling Initiative for Monitoring and Supervision (GEMS) at the World Bank also bases its systems and trainings on the application.

• **TaroWorks** is an SE launched by Grameen Foundation in 2013 to help nonprofits and businesses manage remote field operations, using their mobile field service app (online and offline capabilities) and cloud database. More than 100 SEs and NGOs have used TaroWorks in more than 40 countries across Africa, Asia, Latin America and the Caribbean to direct sales networks, manage inventory, monitor and evaluate programs, and collect and analyze data.\(^\text{16}\)

Annex 4 highlights some of the COVID-19 related uses of these data platforms.

Since GPRBA also focuses on the verification of results as being central to its implementation modality, it can work with SEs that have robust data-collection and M&E systems in place. The data can be independently verified, and the data mobility app can be audited for accuracy. Despite the high credibility most SEs already have, independent verification of their results will help enhance trust among stakeholders and create a feedback loop that enables them to fine-tune their implementation mechanisms.

2. Remote Verification

Verification protocols are the procedures used to certify whether a service meets agreed specifications. In most sectors, it includes on-site physical verification of claims made by the service provider. To do this, agents tasked by the World Bank undertake a statistical sampling of each agreed output or result.\(^\text{17}\) However, with the constraints currently posed by social distancing, verification should take into account the need to reduce in-person interactions while ensuring that the data are reliable and representative of the ground reality.

Each verification mechanism is unique to a project and will need to consider the implementing agency’s existing data-collection tools and pre-established indicators of success. For reference, the Global Public Policy Institute (GPPI) has identified technologies that it considers to be particularly helpful for development practitioners working in insecure environments. The two most relevant are the use of basic mobile phones and smartphones to collect and verify data from beneficiaries, and the use of remote-sensing technologies to gather information about physical assets. The information collected through these means can be triangulated with financial statements, government records, and other reliable documents the implementing agency may produce.

For COVID-19 related projects, the following pointers may be considered:

• Keep data collection exercises light.

• Project design and implementation manuals should incorporate the process of remote verification at inception.

• The verification mechanism should consider the education level of the beneficiaries and whether they have appropriate access to mobile phones or smartphones, as needed.

• A short pilot assessing the feasibility of the remote-verification tools and process should be considered.

• Risk-based verification, which adapts the frequency of verification to the accuracy of the data collected, should be considered.
• If there are travel restrictions, the verification agent should consider broadening the list of interviewees to include community-based organizations (CBOs) and other key informants.

**Mobile verification**

Mobile phones are one of the simplest technologies to adopt for M&E. In principle, they can be used for all monitoring tasks that would otherwise involve direct conversations with beneficiaries. They are suitable for confirming whether beneficiaries have received in-kind transfers, cash transfers, or services, and for gathering more qualitative information and beneficiary feedback. The 2014–2016 West African Ebola epidemic highlighted how mobile phones can be used to gather data and monitor inaccessible areas effectively. However, there are a few limitations to using mobile phones to verify outputs. The main ones are exclusionary factors surrounding the use of technology: for example, in insecure areas, women tend to have less access to cell phones than men. Beneficiary response rate may also be a challenge, though this can be addressed by offering incentives for participation.

The World Bank’s **Iterative Beneficiary Monitoring (IBM)** system provides a framework that GPRBA could use for the remote verification of its projects. The IBM facilitates timely analysis and rapid preparation of reports, and like the Independent Verification process used by GPRBA, creates a feedback loop through which periodic reports highlight implementation challenges. Data can be collected using face-to-face interviews, but where feasible, mobile phone interviews are used because they are less expensive and circumvent the need to travel to insecure places. IBM was designed as an approach to complement field supervision, while simultaneously reducing the field presence of World Bank staff. Furthermore, like the verification process for GPRBA projects, it is implemented by an independent entity that has no stakes in the project’s outcomes. Figure 2 depicts the workflow of the IBM system applied to a GPRBA project.

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**FIGURE 1. APPLYING THE IBM PROCESS TO A GPRBA PROJECT**

1. **Define Results Indicators**
2. **Develop short survey questions**
3. **Identify database from which sample will be drawn (Ideally implementing partners database)**
4. **Select beneficiary outreach system - Voice call, SMS or IVR**
5. **Reach out to beneficiaries (representative sample)**
6. **Compile and analyze data**
7. **Verify performance and disburse payment**
8. **Prepare report for project management**

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Designing data collection modality

Collecting data over fixed intervals
Other forms of simplified and rapid mobile verification include computer-assisted telephone interviews and SMS verification.

- **Computer-Assisted Telephone Interviewing (CATI).** A number of reputable organizations already use mobile-based interviews to conduct research or collect information. For instance, J-Pal transitioned to a work-from-home based CATI system in which an electronic device (a computer, tablet or mobile) displays questions on its screen, the interviewer reads them to a respondent over the phone, and then enters the respondent’s answers directly into the electronic device.21

- **SMS** is the least expensive way of collecting data through mobile phones. Respondents indicate their answers using the phone's keypad. Beneficiaries can respond to queries at their convenience, making it potentially less disruptive. However, SMS surveys may not be effective in gathering information from individuals with limited literacy and could leave out groups without access to mobile phones.22

**Verification through aerial imagery**

For verification of physical assets such as hand-washing stations and active testing facilities, aerial technologies such as drones can be employed. These are efficient and safe ways of accessing crowded areas or those that have challenges of safety and security. For instance, hand-washing stations have been set up in Kibera (Nairobi, Kenya) and at several bus stations in Rwanda. In another example, the United Nations High Commissioner for Refugees (UNHCR) in 2009 developed a Project Tracking Database, a web-based, remote project monitoring system in Iraq, which has a daunting security environment. The database collected pictures containing GPS information about houses being built, obtaining this information directly from project partners. It enabled remote monitoring of construction progress, costs, and deliveries before, after and during construction, with payments being tied to the photographic evidence.23

Similar systems could be used for COVID-19-related GPRBA operations, with drones capturing the (time- and GPS-stamped) images instead of a person. The technology, however, remains largely untested in development settings and may be subject to privacy concerns or regulatory challenges in certain settings.

**Social accountability mechanisms**

To incorporate another layer of performance verification, projects should include social accountability mechanisms that enable beneficiaries to register complaints and submit details on project performance. Complaints and Response Mechanism (CRM) systems are an effective tool that stimulates community participation, M&E, as well as learnings.24 A CRM creates an additional layer of verification that can supplement the activities of the verification agent. The most appropriate form of a CRM is to provide a phone number to a community through which residents can connect with the concerned government department or third-party monitoring agency to register complaints or highlight incidences of fraud or malpractice.

The CRM typically works through a marketing campaign consisting of radio ads, mass messages and so on that broadcast project details and information on how to connect with the CRM. In communities where many potential beneficiaries have smartphones, individuals could be incentivized to provide updates on project progress (photos, videos) and give more detailed feedback. For instance, in the Philippines, the United Nations Development Programme (UNDP) is developing DevLIVE, an application designed to serve as a monitoring and feedback tool for the public and government personnel for timely monitoring of government-funded infrastructure projects. Users of the application can take photographs or video clips of irregularities on infrastructure projects and send a feedback report to the government, all behind a veil of anonymity.25

**C. Financing Mechanisms**

As noted earlier, GPRBA projects have worked with SEs in the past, although often through an intermediary such as a foundation. Annex 2 illustrates the contractual arrangements and financing mechanisms for illustrative GPRBA projects. Ideally, such contractual arrangements should also involve local governments, which as elected bodies are accountable to the people. If the local government has limited experience in working with SEs, on the other hand, then the relationship could lead to initial delays. However, the end result is likely to be positive as local governments and SEs learn to leverage each other’s strengths toward realizing real impact. Once a local government partners successfully with an SE, it could open the door for other engagements and develop a new modality for governments to deploy.26
To contribute to the two high-level outcomes previously mentioned (helping minimize cases of COVID-19 and its impact on poor and excluded groups), the next steps are for the World Bank and the government to identify activities and interventions. These could be either activities already being undertaken by SEs, or new interventions. Depending on the sector and the intervention, the SE can act either as an enabler (particularly if it is a large umbrella SE), as an implementer, or even as a community organizer. This section explores various financing mechanisms for GPRBA and local governments seeking to partner with an SE.

Since most organizations are unlikely to have experience with an RBF modality, it is important for all three stakeholders – the World Bank, the government, and prospective implementation partners – to work together to identify appropriate payment mechanisms and results framework that sets adequate incentives for SEs to scale-up their operations and reach a larger number of affected communities. As previously mentioned, interventions could be grant payments for building water stations, cash transfers, hygiene awareness campaigns, or subsidizing the interest on loans to micro-entrepreneurs.

1. Financing through a Single SE Intervention

The actual contractual arrangements and flow of funds will vary based on country-specific institutional and sector arrangements. They are, however, likely to be similar to other GPRBA projects, where the World Bank enters into a grant agreement with a government entity, which in turn contracts with a service provider/NGO to implement the project. The benefit of this arrangement is its simplicity. A specific intermediate outcome is chosen, and an SE (or multiple SEs undertaking the same activity) provides the outputs, for example, handwashing stations. These are verified and outcome payments are disbursed, ideally to the SE, to avoid payment delays.

Case 2 in annex 2 offers an overview of Improved Access to Water Services in the East Zone of Metro Manila Project, in which the Manila Water Company provided low-income families with access to piped water. The project followed a similar model where a single non-governmental entity acted as the service provider. However, instead of funds flowing through the government, the Manila Water Company received funds directly from GPRBA after verification.
2. Financing through Multiple SE Interventions

Countries that have numerous and mature SEs (for example, Kenya, India, South Africa), can engage with multiple SEs to deliver broader outcomes. This can however, be a more complicated arrangement that may not be suitable during a pandemic. However, since many SEs have already organized themselves into coalitions to leverage preexisting umbrella SE enablers (BRAC, SEWA), this mechanism – compared to the single intervention approach – could be more effective in addressing the COVID-19 crisis. By using an intermediary organization (IO) to coordinate several different SEs, this approach allows the IO to select the most efficient or effective ones. In some situations, the local government can act as the IO, which can incentivize them to resolve bottlenecks that the SEs may face.

The Uganda Reproductive Health Voucher Project-II illustrates GPRBA’s capacity to employ an SE as an IO that coordinates the provision of services by multiple entities. Case 3 in annex 2 provides an overview of the project and its contractual arrangements.

3. Pre-Financing

Since the chain of activities from service delivery, verification of performance, and receipt of payment in RBF projects, may be long-drawn and SEs may not be able to cover the costs, especially during a pandemic, providing them with avenues for pre-financing their project activities is important. This is especially true for smaller organizations that may be even less likely to have the working capital to fund such operations. Pre-financing can be arranged through an “Advances Facility” that allows...
organizations to draw funds from the government but with a contingency that the grant provided by the World Bank will first be used to repay the amount drawn. Other options include the creation of a revolving fund that is replenished through the grants, raising funds through impact investors, or applying for working capital from private sector sources such as commercial banks. Annex 3 gives examples of GPRBA projects that provided pre-financing mechanisms, thereby addressing the need to arrange for working capital prior to receipt of the grant in the project design.

4. Retroactive Financing

Retroactive financing can be another important means to help SEs weather crises such as the current pandemic and continue serving their low-income clients. SEs, like other business ventures, have also been impacted severely by the economic repercussions of COVID-19, perhaps even more so. One reason is that the economic lockdown and mobility restrictions have been particularly hard on low-income urban households—the principal client base of many SEs. With client incomes falling, demand for SE goods and services has also declined. This puts pressure on SE operational income and can lead to cuts in service provision, sometimes reversing prior gains made towards poverty alleviation.

Covering costs that SEs may have incurred to produce results that GPRBA or another entity may honor, is likely to be especially important during COVID-19 response, and can help them continue or even expand their business operations. Based on the selected metrics (for example, new handwashing stations, clinics able to do COVID-19 testing, newly registered recipients for cash transfers), retroactive financing can be given to cover a specific period of time (for instance, activities undertaken since March 2020) with the condition that the results are documented and verifiable.

For SEs that are not active in COVID-19 relief efforts but play an important role in providing jobs and skills development opportunities to disadvantaged groups such as persons with disabilities, refugees, and survivors of sexual abuse, retroactive financing can be a vital lifeline to ensure that these enterprises stay afloat after the effects of the pandemic have subsided. SEs are often among the few employers or trainers of the disadvantaged, and without their assistance, there is a high likelihood that these groups may become even more marginalized.

D. Working with SEs Using RBF

Five Recommendations

1. Since SEs are already active in responding to the pandemic, RBF can assist them to scale up their work. If GPRBA funding is a possibility, SEs could also take on additional activities – the activity menu need not be limited to existing actions.

2. Many mature SEs already have robust M&E systems that they use to measure and track their impact, as well as improve their feedback loop. These systems can be audited and used for data collection and verification.

3. SEs with experience in working with the government should be utilized. For example, BRAC in Bangladesh, Life Bank in Nigeria, and Abwaab in Jordan have already been working with the government on COVID-19 relief measures.

4. The results and outcome indicators need to be simple and easily verifiable and should build on existing data-collection methods.

5. Interventions that are likely to have a longer-term impact, should be prioritized when possible—in particular, those that improve country systems and outcomes, allow for benefits to continue to accrue beyond the project funding cycle, and prepare the country for the next emergency.

Many of the initiatives and innovations SEs are putting in place during the emergency response period, should be refined and institutionalized, either through their own expanded work, or through their partners or the government. This will be critical to an inclusive recovery.
Annex 1.
Social Enterprise Responses to COVID-19

This section offers a concrete picture of the diversity and creativity of social enterprises. It looks at 30 SEs and summarizes the work each is doing in responding to the pandemic. The responses are organized under seven headings: Awareness; Water, Sanitation & Hygiene (WASH); Education; Health Care; Humanitarian Relief; Cash Transfers; and Jobs.

Information provided in this section has not been verified and has been sourced either from the SE websites or third party sources.
Awareness

Information and Communications Technology (ICT) solutions developed by social entrepreneurs are increasingly seen as key enablers to solving development challenges. These solutions can often deliver expertise and information to low-income consumers who lack physical or financial access to critical resources.\(^{29}\)

In the context of the present pandemic, the solutions have the potential of providing essential information – how to prevent the spread, how to identify symptoms, and so on – to marginalized communities, and combating misinformation campaigns that cause distrust between communities and towards institutions.

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**Opendream** (Thailand): Opendream, a Thai SE, draws on its expertise in digital technology to create tech-based social innovation in the areas of health, education and people’s livelihoods.

- **COVID-19 RESPONSE**: Opendream has created an anonymous data-collection tool to identify COVID-19 hotspots. Smartphone users can store information on their devices about their health and possible symptoms of illness. The app then forwards the data anonymously to the Thai disease control authority. When enough data is collected, an algorithm evaluates where a new COVID-19 hotspot might form.\(^{30}\)

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**ConnectHear** (Pakistan): ConnectHear is a social start-up led by aspirational youth working to promote sign-language accessibility and deaf inclusion in Pakistan.

- **COVID-19 RESPONSE**: ConnectHear is helping deaf people in Pakistan access the government’s advice regarding COVID-19 through videos featuring Pakistani sign language.\(^{31}\)

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**Arifu** (Kenya): Arifu is a Nairobi-based EdTech company that has developed a free-to-use, phone chat-based platform that works on any smartphone and, through its interactive educational content, can be used to learn new skills and access opportunities.

- **COVID-19 RESPONSE**: Arifu is creating a free-to-license COVID-19 learning content for their partners, NGOs, and governments to offer to their audiences in Kenya. Topics will focus on health, business, and financial skills for staying safe and adapting urban and rural livelihoods to cope with social distancing and lockdowns.\(^{32}\)
Water, Sanitation & Hygiene (WASH)

Access to safe water, sanitation, and hygienic conditions is essential to protecting human health from the COVID-19 outbreak. Tragically, 780 million people worldwide lack access to good-quality water sources and are therefore unable to adhere to basic infection prevention protocols such as washing one’s hands. To meet this challenge, several social-sector organizations have stepped up to provide access to mass sanitation tools.

Safe Hands (Kenya): A social impact-driven alliance of Kenyan technology firms, suppliers, manufacturers, ecommerce specialists, and micro-distribution specialists that have formed a coalition with the sole intent of delivering services and products to the neediest Kenyans in response to the pandemic, based, in their words, on “three key principles: (1) impact, not profit; (2) speed is critical because every day counts; and (3) last-mile saturation: we leave no-one behind.”

- **COVID-19 RESPONSE:** Immediate provision of free resources for rapid mass sanitation such as hand sanitizers, soap, face coverings, and surface disinfectants. Safe Hands has simultaneously launched a consumer education campaign called #TibaNiSisi (“We are the cure” in Kiswahili) to drive behavioral change toward widespread adoption of good hygiene practices, and to maximize public health benefits. To ensure transparency and the efficient use of funds, they have partnered with PricewaterhouseCoopers to provide financial and accounting services. They have access to more than 200,000 geolocated points of sale across Kenya and have built ‘a geospatial demand map’ to ensure the efficient and fair supply of essential products.

Sanivation (Kenya): Sanivation is an SE and a provider of WASH services that is dedicated to improving the overall health, dignity, and environment of urbanizing communities in East Africa through delivering clean, safe, and efficient sanitation services.

- **COVID-19 RESPONSE:** Provided accurate and reliable information to the communities they work in. Sanivation has also installed additional Water, Sanitation & Hygiene (WASH) access points and is encouraging safer behaviors through community trainings. They are also monitoring the impact of WASH interventions and supporting WASH utilities in their post pandemic recovery.
Education

With schools closed in 191 countries, at least 1.5 billion students and 63 million primary and secondary school teachers have been affected by the pandemic.38 To ensure educational continuity in the short term, countries around the world have had to identify ways of keeping their children engaged. That challenge is vastly amplified if it is accompanied by a lack of access to a computer or the internet. United Nations Special Coordinator for the Middle East Peace Process (UNSCO) estimates that about 826 million children have no access to a computer at home, and 706 million have no internet at home.39 Many SEs are ideally structured, connected, and positioned to develop creative solutions to reach these children who dwell on the other side of the Digital Divide.

Abwaab (Jordan): Abwaab is an EdTech company that provides online learning platforms for secondary school students in the Middle East and North Africa.

• COVID-19 RESPONSE: The government of Jordan tasked Abwaab and Mawdoo3, an online Arabic content creator, to develop a platform that could provide remote education to Jordanians. Within the span of a week, they had designed Darsak, an e-platform that offers daily online lectures to students across the country.40

Eneza Education (Tanzania): Eneza Education is an EdTech company that offers revision and learning material through basic phones.

• COVID-19 RESPONSE: Eneza Education’s Shupavu291 is a mobile platform that provides content through basic phones that support 1G or 2G networks. During the pandemic, they are offering class specific, curriculum-aligned content for students in Kenya and Côte d’Ivoire.41

40K PLUS (India and Cambodia): 40K PLUS is an SE with extensive experience in making high-quality learning accessible to children in low-resource environments.

• COVID-19 RESPONSE: 40K PLUS is using its technology platform to reach children who cannot access online learning resources. It has been designed for low-resource environments and can therefore make educational material accessible and available offline to all learners through low-cost android devices. Additionally, 40K PLUS is using podcasts to target specific learning outcomes. The podcasts provide an accessible learning medium for children who have access to smartphones at home but are restricted by low-bandwidth internet connectivity.42

Ubongo (Kenya, Rwanda and Tanzania): Ubongo, an SE based in Dar es Salaam, Tanzania, creates edutainment and educational children’s television series in Africa.

• COVID-19 RESPONSE: Ubongo has expanded the reach of its TV and radio educational shows by offering content to broadcasters for free. Their TV shows are now available in 17 countries and will launch soon in three countries. Ubongo also posts daily lessons on its Facebook and Instagram channels and had reached about 2,600,000 visitors until May 2020.43
Health Care

A number of SEs that stepped forward in the first several months of the pandemic to deliver health care services have the potential to support overburdened hospitals and health-care practitioners throughout the world. Their ability to quickly deploy their technology and other resources could help make health care more accessible to both COVID-19 and non-COVID-19 patients.

Karma Primary Healthcare (India): Karma Healthcare is a health care start-up with a mission to provide equitable access to good-quality primary health care in the three Indian states of Rajasthan, Haryana and Madhya Pradesh.

- **COVID-19 RESPONSE:** The lockdown that was implemented to contain COVID-19 affected access to, and delivery of, health care for pregnant women and children. Hence, Karma Primary upgraded and adapted its services to provide contactless audio-video consultations and referrals, a phone helpline, and awareness campaigns, reducing the need for in-person engagement.44

ARMMAN (India): ARMMAN leverages technology to create cost-effective, highly scalable solutions to improve the health and well-being of under-served mothers and children in India.

- **COVID-19 RESPONSE:** In response to hospitals reducing their OPD capacities, ARMMAN started a pan-India free Virtual OPD (V-OPD) with the help of volunteer doctors. Pregnant women and mothers of children can call a toll-free number to reach obstetricians and pediatricians from Monday to Saturday (11am – 3pm for antenatal queries and 3pm – 7pm for pediatric queries). Queries can be addressed in Hindi and English. They have been receiving around 250 calls a day. They are also leveraging partnerships with on-ground NGOs to spread awareness about the Virtual OPD and popularize the toll-free number.45

AITibbi (Jordan): AITibbi is a digital-health platform in the Middle East and North Africa region

- **COVID-19 RESPONSE:** In collaboration with the Jordanian ministry of health, and sponsored by Hikma Pharmaceuticals, AITibbi has launched a COVID-19 hotline that is accessible to all Jordanians. Users can get connected to certified doctors and obtain medical assessment from home (especially for individuals with flu-like symptoms).46

Hewatele (Kenya): Hewatele (“Plentiful air in Swahili”), is an SE focused on saving lives by addressing the shortage of affordable, accessible medical oxygen solutions at hospitals and other health-care facilities in East Africa.

- **COVID-19 RESPONSE:** Hewatele is providing medical-grade oxygen to Nairobi’s COVID-19 isolation hospital, with a set of cylinders dedicated solely to that facility.47

Erk Mead (Ethiopia): Erk Mead is an SE that focuses on mental health and education throughout Ethiopia by delivering programs via radio show and other media platforms.

- **COVID-19 RESPONSE:** Partnered with the Ministry of Education in Ethiopia to create programming directed at children that aims to calm anxieties and address rampant misinformation regarding COVID-19, through Kuncho, a cartoon character that Erk Mead developed.48
mPharma (Ghana and Nigeria): mPharma is an online prescription drug manager for providers and payers in Africa. They aim to provide drugs at low prices by aggregating and predicting demand across their network of providers.

- **COVID-19 RESPONSE:** mPharma is trying to preempt a worsening of drug supply shortages and price increases caused by COVID-related disruptions in the drug supply chains the world over. It has launched “Mutti Keep My Price,” a price control program that will enable patients on chronic medications to choose a 3-month or a 6-month price control plan. For the duration of the plan, the prices of their covered medications will not change regardless of what happens in the market. In collaboration with Standard Chartered Bank, mPharma is also equipping private labs with polymerase chain reaction machines and test kits for COVID-19.49

Living Goods (multiple countries): Living Goods recruits and trains community health workers (CHWs) to distribute essential medicines at affordable prices in Uganda, Kenya and Myanmar.

- **COVID-19 RESPONSE:** Living Goods is providing free health supplies through their CHWs across their catchment area. They have also trained affiliated CHWs in 'low and no-touch' protocols, provided them with PPE kits and increased their compensation.50

Sehat Kahani (Pakistan): Sehat Kahani is an all-female medical team providing low-cost, virtual care to low-income communities via video conference and a mobile application.

- **COVID-19 RESPONSE:** Sehat Kahani is offering COVID-19 telemedicine services free of charge, enabling patients to access care remotely.51

LifeBank (Nigeria): LifeBank is a medical distribution company that uses data, technology and smart logistics to supply essential medical products, such as blood and other blood-related products, as well as oxygen, to hospitals in Nigeria.

- **COVID-19 RESPONSE:** In partnership with the Nigerian Institute of Medical Research (NIMR), LifeBank has launched two drive-through mobile testing centers, in Lagos and Oyo, to boost COVID-19 testing rates in the country. They have received funding from stakeholders in Nigeria including Sterling Bank, UTL Trust, Rising Tide, and the Daystar Center, which has enabled LifeBank to provide the tests for free.52

Zipline (Ghana and Rwanda): Zipline is an American medical product delivery company headquartered in South San Francisco, California that designs, builds, and operates drone aircraft. The company has distribution centers in Rwanda and Ghana.

- **COVID-19 RESPONSE:** Zipline is using drones to deliver essential medicines and COVID-19-related supplies, such personal protective equipment, in Ghana and Rwanda.53

Kinnos: Kinnos, an infection prevention company founded by students at Columbia University, got its start by focusing on improving hygiene for health-care workers, patients and others by making it more effective for people to use disinfectants correctly.

- **COVID-19 RESPONSE:** Kinnos created Highlight, a colorized disinfectant that they claim "greatly improves visibility, coverage, and end-user compliance of disinfectant. As a result, Highlight claims to reduce human error from surface decontamination by providing real-time color-change feedback. Kinnos is now making Highlight, which can be added to any current liquid disinfectant to protect frontline workers from the COVID-19.54

Saral Designs (India): Saral Designs is a Mumbai-based start-up, providing access to high-quality, affordable feminine hygiene products using advanced product design, patented machine technology, and innovative distribution.

- **COVID-19 RESPONSE:** In response to COVID-19, Saral Designs has not only repurposed its sanitary pad production machines to create face coverings but is now building a highly automated machine capable of producing 60,000 face coverings per day for frontline workers and citizens.55
In large cities all over the world, millions of informal workers were adversely affected by nationwide lockdowns enforced to curtail the spread of the COVID-19. Already in a financially precarious situation, and now left without an income source, many were either stranded in cities, while others resorted to walking in some cases hundreds of miles to their home villages. To ensure they had access to the basics of food, water and shelter, civil society organizations, neighborhood groups, volunteer teams, and SEs launched mass mobilization initiatives to transfer resources to dislocated informal workers.

**Hasiru Dala (India).** *Hasiru Dala (the "Green Force") focuses on the rights of waste pickers through interventions co-created with waste pickers themselves.*

- **COVID-19 RESPONSE:** Hasiru Dala identified 2500 families of especially vulnerable waste pickers in six cities and towns in Karnataka and Andhra Pradesh who needed immediate support. The SE worked towards providing them with care kits consisting of long-shelf-life food and other essential items, such as soap.56

**LabourNet (India):** *LabourNet works towards promoting jobs and improving real income wages within the informal sector by improving workers’ skills and productivity.*

- **COVID-19 RESPONSE:** LabourNet repurposed its 100-person staff of worker trainers to serve free food and sanitation products to nearly 300,000 migrant workers who were stranded due to the nationwide lockdown in India and were without a source of income.57
Cash Transfers

Many organizations around the world acknowledge that provision of goods and services, while essential in the emergency phase, is not an adequate response to the economic distress. Several organizations have therefore turned to direct cash transfers. Besides replacing lost income, direct cash transfers often also help to ensure that poor households adhere rigorously to social distancing guidelines rather than going outside to try to find some temporary work.

**Shikilia (Kenya):** Shikilia is an organization created as a response to economic hardships caused by the COVID-19 outbreak.

- **COVID-19 RESPONSE:** Shikilia, in partnership with Givedirectly, is providing emergency cash transfers to low-income Kenyan communities that have been the hardest hit by COVID-19. Shikilia sends cash through mobile-money to low-income Kenyans to replace lost income.58

**Tugende (Uganda and Kenya):** Tugende is a for-profit SE that finances income-generating assets for entrepreneurs – specifically, boda bodas (motorcycle taxis).

- **COVID-19 RESPONSE:** Tugende disbursed an unconditional cash transfer to its 23,000 active clients in Uganda and Kenya. Additionally, the organization suspended non-payment penalties for two-months and also provided full-time support through their more than 460 staff, which was actively working from home.59
Jobs

SEs have been at the forefront of creating job opportunities for some of the most disadvantaged communities around the world. However, with the sharp, pandemic-generated decline in demand for their products and services, many of them have had to adapt their operations to ensure that their employees or members continue to have a dependable income stream.

**FoodFlow** (South Africa): FoodFlow, launched on March 20, 2020—just a week before South Africa’s lockdown began—is an SE that emerged to respond to breakdowns in food supply chains caused by the COVID-19 outbreak.

- **COVID-19 RESPONSE:** Financially managed by Oxfam South Africa, FoodFlow uses donor funding to purchase vegetables and other food products directly from small-scale farmers and producers who fall outside the big retail, supply-chain market. The SE then distributes fresh produce or cooked meals through community-based organizations. Their model aims to sustain livelihoods, by providing revenue to farmers despite the loss of restaurant, hotel and market clients, while also ensuring nutritious food reaches those most impacted by the pandemic. By June, more than 300 small-scale food producers from four South African provinces have become supply partners, and financial assistance has allowed them to provide nearly 9,000 bags (enough to feed a family of four for a week) of food to needy South Africans.

**Green Afro-Palms** (Ghana): Green Afro-Palms’ (GAP) primary activity is to assist farmers with technologies for palm oil cultivation and processing.

- **COVID-19 RESPONSE:** In response to Ghana’s lockdown, GAP has developed an e-commerce platform to enable 500 retailers—who sell GAP’s vegetables and palm oil in Ghanaian markets—to conduct online sales.

**Global Mamas** (Ghana): Global Mamas, a Ghana-based SE, employs women to make Fairtrade clothing and household products.

- **COVID-19 RESPONSE:** Responding to plummeting demand for their traditional products and increasing concern about global shortages of face coverings, the enterprise has shifted to producing washable and reusable African-print face coverings. By pivoting their production, they are trying to provide a steady income for their female employees. These cotton face coverings will also help to free up more medical-grade face coverings for hospitals, where they are most urgently needed.

**RangSutra** (India): RangSutra works with artisan cooperatives in rural villages to source textiles that are then turned into finished garments and sold to wholesale buyers and retailers.

- **COVID-19 RESPONSE:** With reduced demand for existing products, RangSutra and its coops are instead making and distributing face coverings. Within two weeks of starting production, RangSutra had distributed 26,000 face coverings.
Annex 2. 
GPRBA Project Engagements with SEs: 
Three Cases

Annex 2 examines past GPRBA projects that have high relevance for how to construct a contractual arrangement with an SE under the following scenarios:

Case 1. 
Using a social enterprise as an indirect service provider

Case 2. 
Using a single enterprise as a direct service provider

Case 3. 
Using a social enterprise as an intermediary organization
Case 1. Using a Social Enterprise as an Indirect Service Provider

**Project:** Rural Community Water, Andhra Pradesh, India (P102472)

**Implementing partners:** Naandi Foundation and WaterHealth

**Project overview:** The project was to develop 25 community safe water schemes (CSWSs) in 25 villages for a total population of 75,000. Each CSWS was structured as a public-private partnership involving four key actors: the community, represented by the village council or panchayat; Naandi Foundation; an NGO as grant recipient and project manager; and finally, WaterHealth India (WHIN), a technology provider and operator of community village water treatment facilities. The responsibility to manage the services rested with the village panchayat as the appropriate agency for village-level governance. The scheme provided a one-off subsidy linked to the provision of clean water, with subsidy payments made after the delivery of agreed outputs. The outputs included construction and installation of the CSWS, registration of at least 500 households into the scheme, and three months of billed user fee consumption.

**FIGURE A1. CONTRACTUAL ARRANGEMENT AND FLOW OF FUNDS: SE AS AN INDIRECT SERVICE PROVIDER**

Source: GPOBA commitment paper
Funds were disbursed from GPOBA (now GPRBA) to Naandi Foundation based on a direct request for withdrawal submitted by Naandi that included an outline of progress made, a summary invoice for each output, and the total amount to be reimbursed by GPOBA. These applications were accompanied by a report from the independent verification agent (IVA). The IVA contracted by Naandi would conduct an ex post review of the accuracy and authenticity of the documentation provided, and also undertake ex post physical spot checks. These audits were conducted every three months.

**Results:** The project supported the construction and installation of UV water purification plants in 25 villages in the Guntur, Krishna and West Godavari districts. By the end of the project, all water plants were fully operational and were serving a total of 16,104 households, 29 percent higher than the original target. A survey completed a few months after the closure of the grant closure found that 98 percent of the households reached by the project continued to use water from the new plants. This was attributed to the significant behavior change component devised by the implementing agency. The project was also cost-effective because the actual unit cost of installing the UV plant turned out to be 16 percent lower than what was estimated at appraisal.

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**Case 2. Using a Single Enterprise as a Direct Service Provider**

**Project:** Improved Access to Water Services in the East Zone of Metro Manila (P106775)

**Implementing Partner:** Manila Water Company

**Project Overview:** GPRBA provided a US$2,850,000 grant with the objective of increasing access to piped water supply services for poor households in Manila. To finance its part of the project, GPRBA drew on contributions from IFC. Manila Water Company (MWC), a publicly-listed company, was the implementing agency for the project and was solely responsible for the construction of works, the retaining of consultants, and the provision of services. The project was built on MWC's proven track record in instituting a number of programs in pursuit of its stated vision to "become the leader in the development and provision of water and wastewater services in ways that help build sustainable communities..." MWC's flagship program, launched in 1998, was the "Water for the Community" program, or the Tubig MWSS

**FIGURE A2. CONTRACTUAL ARRANGEMENT AND FLOW OF FUNDS: SE AS A DIRECT SERVICE PROVIDER**

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Source: Project Appraisal Document
Para sa Barangay (TPSB) program. At the project’s inception, it had provided more than 1.5 million urban poor with a regular supply of clean, safe, and affordable drinking water.

The GPRBA grant provided a subsidy covering about 80 percent of the connection fee that households were required to pay MWC for a piped-water connection that included pipe work to the meter and the meter itself. Without the subsidy, 30-50 percent of disposable household income would be required for the connection fee. The subsidy was paid directly to MWC as a single payment, conditional on the independent verification of three months’ satisfactory service delivery, as a result of which MWC pre-financed the entire cost of the project.

Figure A3 summarizes the contractual and institutional aspects of the scheme design. Although Manila Water Company appointed the independent verification agent, the terms of the appointment and actual procurement required GPRBA approval. GPRBA also explicitly funded the IVA through the grant agreement.

Results: The connection subsidy reduced the cost to the household from 38-60 percent of average monthly expenditure to less than 10 percent, greatly increasing their ability and incentive to connect. The recurrent costs for water expenditures dramatically declined for connected households, from 13 percent of monthly spending to as low as 1 percent for modest consumption. By project’s end, it had provided a connection to 28,500 households, surpassing its goal of 20,000 households.68

Case 3.
Using a Social Enterprise as an Intermediary Organization

Project: Uganda Reproductive Health Voucher Project -II (P144102)

Implementing Partner: Marie Stopes Uganda

Project overview: In 2015, GPRBA provided a grant of US$13.3 million to the Ministry of Health (MoH) in Uganda for the implementation of the second phase of the Uganda Reproductive Health Voucher Project (URHVP) over a period of four years. The objective of the project was to increase access to skilled and safe maternal health care during the pregnancy, delivery and postnatal stages among poor women living in rural and disadvantaged areas. It subsidized safe maternal health care by providing a voucher to poor and vulnerable pregnant women within selected districts in South Western and Eastern Uganda. The voucher could be used for receiving antenatal care (ANC), postnatal care, safe delivery, and family planning services at participating health care facilities.

The MoH contracted Marie Stopes to act as the primary implementation agency. Marie Stopes operates as a social business: they use business approaches to deliver social outcomes. They had extensive sector knowledge and had also managed the pilot project with the World Bank, as a result of which they had already built the necessary infrastructure and systems to efficiently implement the scale-up. In discharging its duties, Marie Stopes had to work under the guidance of the MoH and undertake the following tasks:

• Selecting and contracting health care facilities – including private for-profit, private not-for-profit, and public health care facilities
• Designing the voucher and ensuring its security
• Negotiating reimbursement costs with health care facilities
• Managing claims processing systems
• Marketing the scheme and distributing vouchers through community-based distributors
• Training health care facilities and voucher distributors
• Conducting quality assurance and monitoring and evaluation activities

Results: By the end of the project, 201 facilities (both public and private) were covered under the project. It surpassed its target of supporting the number of deliveries attended by skilled personnel. More than 230,000 vouchers were sold, out of which nearly 180,000 were used for deliveries, and almost 200,000 used for at least one antenatal care visit.
FIGURE A3. CONTRACTUAL ARRANGEMENT AND FLOW OF FUNDS: SE AS AN INTERMEDIARY ORGANIZATION

- **GPRBA**
  - Grant Agreement
  - Bi-annual IVA reports

- **Ministry of Health**
  - Project Implementation Agency

- **Independent Verification Agent**
  - Verification

- **Marie Stopes (Voucher Management Agency)**
  - Contract to deliver services
  - Contract for voucher distribution

- **Service Providers**
  - Provision of Services

- **Community Distributors**
  - Voucher for Sale

- **Voucher Clients**
Annex 3.
Pre-financing GPRBA projects

1. Project: National OBA Facility for Water and Sanitation Services in Honduras

Grant Recipient: Fondo Hondureño de Inversion Social (FHIS)

Total project costs: US$14,813,505

GPRBA grant: US$4,500,000

Scope: Develop an OBA facility aimed at improving access to water and sanitation services for low-income households in rural and peri-urban communities, including greenfield and brownfield projects.

Outputs: Number of connections to water or sewerage network.

Pre-financing mechanism: Fondo Hondureño de Inversion Social (FHIS), as the principal government agency for financing small-scale infrastructure in the social sector in Honduras, was responsible for administering the OBA facility. All sub-project implementers received 10 percent of the relevant OBA total award upon signing the contract. Besides the 10 percent advance, FHIS arranged pre-financing for the public sub-project implementers or municipalities through a US$1 million revolving fund. The fund provided bridge loans that were repaid by the municipalities through the OBA subsidy received from GPRBA. The revolving fund was continuously replenished through the repayments and could be utilized by multiple municipalities over the project period. If an implementer did not deliver the achieved output and failed to pay its bridge loan to FHIS, the funds were recovered through retentions of sector transfers for infrastructure projects from FHIS to the respective municipality.

2. Project Name: Nepal OBA Solid Waste Management Project

Grant Recipient: Town Development Fund (TDF)

Technical Implementing Partner: Solid Waste Management Technical Support Centre (SWMTSC)

GPRBA grant: US$4.3 million

Scope: To improve access to high-quality, financially sustainable SWM services in selected secondary cities in Nepal.

Outputs: Improvement in municipality performance through the following indicators:

- Number of households within the core city area receiving daily waste collection services on a door-to-door curbside basis
- Number of households outside the core city area receiving weekly waste collection services on a communal container or ‘bring-to-truck’ basis (that is, households carry their waste to a communal container, which is then collected on a weekly basis)
- Percentage of wards within a municipality’s area that are receiving regular SWM services, as per stated service levels
- Percentage of wards or zones with visibly clean public areas, main streets and secondary streets following a random visual inspection

Pre-financing Mechanism: Although the project did not envisage major upfront investments, a framework to pre-finance expenditures was established. The Ministry of Finance (MoF) provided conditional grant advances to participating municipalities. The mechanism, called an ‘Advances Facility,’ was managed by TDF and provided funds to the municipalities for expenditures they had to incur to trigger OBA disbursements. These funds were made available to the municipalities under the following terms:

1. OBA subsidies earned by a municipality would first refund any drawings from the Advances Facility;
2. The MoF would reduce future unconditional grants to a municipality if the amount of OBA subsidy earned by the municipality was insufficient to refund drawings from the advances facility.
Annex 4.
COVID-19: Using Data Collection Platforms

Several important COVID-19 relief efforts have used the data collection platforms mentioned in the White Paper. A few of them are summarized here:

**UNDP**: Working with a consortium of international NGOs in the Rights, Empowerment and Cohesion (REACH) Project, the UNDP has adapted the Household and Building Damage Assessment tool into a Household Socio-Economic Impact Assessment (SEIA) tool to measure the impact of the COVID-19 pandemic on families. "SEIA involves a questionnaire which is adaptable to various contexts, a mobile digital data collection tool using KoboToolbox, data analysis, and a visualization frame in Microsoft Power BI."69

**UNHCR**: Using KoBoToolbox, UNHCR and the Tunisian Refugee Council (CTR) have launched a country-wide verification and assessment exercise to confirm the presence of all displaced persons of concern to UNHCR on Tunisian territory, and to collect information on their current socio-economic situation and protection status. In working towards including them in Tunisia's national assistance program, the platform also aims to obtain their consent to share their personal information with the government. Furthermore, based on this verification, UNHCR will proceed with targeted cash assistance (initially for 1,300 individuals) for refugees affected by the crisis caused by the COVID-19 pandemic.70

**GiveDirectly**: A nonprofit organization launched in 2008 by four Economics students at Harvard and MIT who wanted to develop a model that directs donor funds directly and efficiently to beneficiaries, GiveDirectly, based in East Africa, uses the TaroWorks mobile field application to undertake a range of tasks including recording basic demographic information, capturing the GPS location of each field visit, and photographing personal documents (such as government-issued IDs, utility bills and mortgage statements) to verify individual identity.71 They are currently delivering cash to low-income Kenyans through Shikilia and SHOFCO and are using their data-collection capabilities to ensure effective targeting and to prevent fraud. Grameen Bank subsidiary TaroWorks, the mobile data platform SE, has also made their diagnostic systems available to any organization seeking to provide COVID-19 emergency cash payments.72

**Dimagi**: Dimagi is developing a collection of free templates of CommCare applications in support of its response to COVID-19. Working with the Directorate of Science Technology and Innovation (DSTI), Dimagi is using their CommCare platform to support the development of a contact tracing mobile application specifically for COVID-19 in Sierra Leone. The system will provide digital solutions for contact tracing to contain the spread of COVID-19 and for distribution of public health messages. DSTI believes "the solution will decentralize contact tracing, and increase efficiency in resource mobilization, information dissemination, and comprehensive data collection."73
Annex 5.
Just What are Social Enterprises?

Social enterprises (SEs), while not new, are a growing type of enterprise not solely driven for the pursuit of profit. SEs fill the business forms between charities and commercial enterprises, as illustrated in the below figure—as they balance social mission with financial sustainability.

Although there is no universally accepted definition for SEs, most approaches agree on the following characteristics of an SE that allow them to serve the poor and marginalized communities.

**FIGURE A4. SOCIAL ENTERPRISE SPECTRUM**

• **Public good objective.** The defining characteristic of an SE that sets them apart from other profit-driven enterprises is their pursuit of a social or environmental mission. This is often the centerpiece of their business model.

• **Financial sustainability.** SEs operate on business principles, using entrepreneurial activities to generate revenue and advance their social objectives. A key factor that distinguishes SEs from purely subsidy-dependent organizations is their pursuit of a business model and although it may or may not generate profits over time, strives for financial sustainability.

• **Inclusive innovation.** SEs purposely focus on underserved populations to strengthen their social impact. Since SEs operate in challenging, low-income markets, they are often required to think creatively, to make the best of a resource-deficient situation, and to innovate, whether in the products or services they deliver, or the means by which they do so.

• **Flexible organization status.** SEs can be either for-profit or non-profit entities. They can take the form of firms, cooperatives, NGOs, community-based organizations (CBOs), working alliances, associations, and so on. They are not limited to a specific legal structure. In many cases, SEs are classified as "hybrid" structures, combining for-profit and non-profit characteristics. The flexibility in status and lack of a specific legal structure does however lead to challenges in identifying SEs.

In sum, SEs often fill the gap between market and government failures: doing what profit-maximizing private enterprises and governments fail to do. They may achieve this through value chain integration, extension services, community-based development, engaging local populations in the design and delivery of innovative solutions adapted to the local context, and empowerment of local social entrepreneurs. In doing so, they increase social cohesion and bring economic benefits.

The **benefits of working with SEs**, in comparison to working with traditional commercial enterprises or even local governments, stem from a combination of six operating traits inherent to SEs:

- **Fills a need:** SEs fill an access gap to public services, or where there are services, improve their quality, affordability and equity.

- **Pro-poor:** SEs focus on underserved or marginalized groups – either as customers, producers, or employees.

- **Innovative:** It is typically easier for an SE to innovate, test out new ideas, and iterate on their models to find a solution that works. They are responsive to the needs and price points of their clients.

- **Sustainable:** SEs are mission-driven but market-disciplined because they need to provide value for money – otherwise there is no market. They tend to be highly cost efficient.

- **Inclusive jobs:** SEs are more invested in training and supporting local employment, particularly of marginalized groups such as women, youth, and persons with disability.

- **Socially and environmentally conscious:** SEs prioritize the larger picture of making an impact over focusing on maximizing their economic returns.
ENDNOTES


27 Needless to say, all GPRBA projects are in compliance with World Bank procedures promulgated by, among others, the Environment and Social Framework, and the relevant departments that handle procurement, financial management and legal matters.

28 Both pre-financing an retroactive financing will of course be subject t legal review, as all World Bank projects are.


35 To learn more about the innovative approach Safe Hands Kenya is taking to identifying, reaching, and serving Kenyans most in need, visit their website at https://www.safehandskenya.com.


37 Sanivation is one of key social enterprise partners of the international microfinance organization FINCA, and is collaborating with FINCA to adapt its services to meet the challenge of preventing the spread of the coronavirus. For more information about them, see FINCA, “FINCA Network Update: Social Enterprise Partners; Poverty with Microfinance and Social Enterprise (FINCA) international blog, May 29, 2020. https://finca.org/blogs/finca-network-update-social-enterprise-partners/.


46 To learn more about AlTibbi, visit the website of Global Innovation Exchange (GIE), a global development technology platform that coordinates the work of social enterprises such as AlTibbi: https://www.globalinnovationexchange.org/innovation/altibbi.


51 Sehat Kahani is profiled at https://acumen.org/COVID-19-response.


54 To learn more about Highlight and the innovative ways Kinnos is attempting to transform patient safety and hospital efficiency, visit the Kinnos website at https://www.kinnos.us/about-highlight.


58 To learn more about Shikilia, visit their website at https://shikilia.com.


60 To find out more about FoodFlow, see “Keeping the Food Flowing from Farmer to Community,” FoodFlow, accessed on June 29, 2020, https://www.foodflowza.com/our-approach.

FoodFlow, "Keeping the Food Flowing.

Green Afro-Palms is profiled at https://acumen.org/COVID-19-response.


For an illuminating profile of GiveDirectly, how it began, and how it approaches poverty alleviation, visit the TaroWorks website at https://taroworks.org/givedirectly.

