



Tearfund's forTomorrow Enterprise Program

“ I am thankful to LEADS for helping us in many ways throughout these past years. Not only I but also the other people living in the surrounding villages also benefit especially from the (CSEB) yard that has been set up.”

Ratheesh's - (CSEB) Sri Lanka pg6

tearfund

tearfund.org.au/enterprise

About Tearfund

We're focused in places of great need, partnering with local Christian agencies to end poverty, challenge inequality and build sustainable communities.

Together, we act with courage, tackling injustice in order that all may experience fullness of life.

Tearfund Australia...



729,075
people
directly*
participate in



96
projects



through
53
Christian
partners



in
20
countries
across Africa,
Asia and the
Pacific

* For every person directly involved, we expect a further 4-5 people in their household to be indirectly reached.

tearfund.org.au/enterprise

New possibilities to address poverty

Over the past two decades the global community has made significant progress in eliminating extreme poverty. But we cannot stand still. Poverty and marginalisation remain prevalent across the globe.

Tearfund and our partners believe that more can be done to help us all achieve our God-given potential. We believe that along with grassroots community development initiatives, entrepreneurship and enterprise can unlock new opportunities for people facing poverty.

Since 2017, Tearfund has been exploring how social enterprise can complement our development initiatives to create opportunities for individuals and communities.

Tearfund's forTomorrow Enterprise Program helps create and grow entrepreneurial responses to global poverty.

Introducing the forTomorrow Enterprise Program

Tearfund's **forTomorrow** Enterprise Program allocates your tax-deductible gifts to help build, grow, and scale viable enterprises helping people to take steps out of poverty.

The power of enterprise

Investing today to see lives transformed so more people have a better tomorrow.

Tearfund's **forTomorrow** Enterprise Program has been developed on the understanding that employment and businesses with social and environmental purpose are powerful vehicles that can help people to live lives of value and dignity.

The Tearfund forTomorrow Enterprise Program provides training, seed funding and opportunities for entrepreneurs in developing countries to build viable businesses that have a positive social and/or environmental impact.

Tearfund's forTomorrow Enterprise Program

Our Mission

is to develop and strengthen faith and mission-aligned social entrepreneurs and enterprises to build sustainable and scalable enterprise approaches that intentionally support people experiencing poverty, marginalisation or injustice.

Our Vision

is to be a leading non-profit enterprise program that is releasing philanthropic capital at scale to support early stage social enterprises which will help people take steps out of poverty, care for the environment and make a positive contribution to communities.

Why an Enterprise Program?



1 Long-Term Relationships in communities around the globe

For over 50 years, Tearfund has partnered with local, national and international NGOs in more than 20 countries where we have long-term relationships. **forTomorrow** has been created in response to partners who are developing new initiatives that complement existing development work and help people overcome poverty. The Tearfund Enterprise Program leverages Tearfund's partner relationships and experience in developing leaders to help create relevant and sustainable enterprises of benefit to their communities.



2 Blended Finance

Tearfund's position as a well-established Non Government Organisation allows us to access grants and philanthropic capital to support social enterprises who have difficulty accessing traditional funding mechanisms. At the same time, the program aims to attract new capital that would otherwise not be available to these social enterprises.



3 Impact-focused

Tearfund has decades of experience in impact measurement across a variety of different programs. **forTomorrow** will leverage on Tearfund's strengths in establishing a holistic and robust impact generation and measurement approach as well as promoting financial sustainability.

The Tearfund Enterprise Program works in two ways



Stage	Create & Build	Grow & Scale
	<ul style="list-style-type: none">• Create new enterprise approaches within development work• Build pipeline of social enterprises	<ul style="list-style-type: none">• Support ventures with promising business models that face challenges accessing traditional financing mechanisms to grow• Develop strategic partnerships to leverage on to amplify impact of Tearfund's development work
Eligibility	• Existing Tearfund Partners and faith and mission-aligned social enterprises	
Funding Support	• Grants & Investments (equity, debt or hybrid)	
Funding Size	Up to \$50,000	Up to \$200,000
Other Support	<ul style="list-style-type: none">• Training opportunities to explore creative business models addressing social and environment challenges	<ul style="list-style-type: none">• Business advisory, financial analysis, impact measurement, board membership and other relevant initiatives as deemed fit
Advisors, partners and other funders	Brightlight, Seed	Brightlight, Philanthropic Funds, Impact Investors

Case study: Create + Build

Ark Bazar in Nepal

forTomorrow is working closely with Shining Nepal Multipurpose Company (SNMC), which was established by Tearfund's partner International Nepal Fellowship (INF). SNMC believes in the fullness of life and all their work is designed to achieve positive social and environmental impacts, while also being financially sustainable. The company is committed to supporting the development and relief work of INF Nepal.

One division of SNMC's work is Ark Bazar, which is a self service supermarket store for Nepali products including those sourced from various women participating in INF's community development program. Ark Bazar is making a direct link between farmers and customers in Pokhara, Nepal. A lot of the thinking and design behind Ark Bazar originated at a incubator workshop in February 2020, facilitated by Tearfund and Seed.

Compressed Stabilised Engineered Blocks In Sri Lanka.

Tearfund's forTomorrow Enterprise Program partners with LEADS. Through its social enterprise venture, LEADS has successfully established its Compressed Stabilised Engineered Block (CSEB) yard which produces soil blocks as an alternative building material. This venture provides employment and promotes sustainable and environmentally conscious practices. This initiative was launched in 2019 following LEADS' participation in an incubator workshop and facilitated by Tearfund and Seed.



Case study: Grow + Scale

Despite progress made in law enforcement and community awareness, human trafficking remains a key issue in many countries globally. Women who have been rescued or who are at risk face a real threat of being trapped in a harmful cycle without a clear path of restoration.

Regenesys BPO is a social enterprise in Cebu, Philippines and Kathmandu Nepal that provides business process outsourcing (BPO) services to companies globally, with a focus on digital media editing. They train, employ and support women who have been abused, rescued or are at risk of being trafficked. These technology-based jobs - when combined with life-skill training and support - are creating transformation in the lives of women

and a sustainable path to restoration. This strong and growing business has proven their social impact model with measurable positive changes.

In 2021 Tearfund collaborated with various impact investors including mission-aligned organisations to enable the expansion of their work into Nepal. This was Tearfund's first impact investment under its **forTomorrow** Enterprise Program.

At the beginning of 2023, Tearfund joined with other impact investors in investing into a Nepali professional cut and sew manufacturing service that has a positive impact on the lives of the people it employs. Many of the staff come from very marginalised backgrounds.

Our Staff + Advisors

Tearfund's forTomorrow Enterprise Program is governed by an Impact Investment Committee who advise Tearfund's Board on investment proposals. The Impact Investment Committee consists of individuals who bring a good understanding of Tearfund's operating history and values as well as experience in impact investing, business strategy and finance.



Head of Strategic Projects

Phil Wilkerson

Phil is Head of Strategic Projects at Tearfund Australia. He works alongside implementing partners who are interested in developing innovative social enterprises, and oversees Tearfund Australia's impact investing program. In addition, Phil's work involves contributing to the closer collaboration of the global Tearfund Family. From 2010 until June 2022, Phil was Tearfund Australia's International Program Director and has previously lived and worked in Vietnam and Myanmar. Central to Phil's work is that local organisations are best placed to understand, influence and respond to their communities.



Our Advisors + Partners



Brightlight Impact Advisory have been working with Tearfund since 2018 to develop a robust impact investment approach. Brightlight provide tailored investment consulting and management services to institutional clients across the private, philanthropic and government sectors. The mission of Brightlight Impact Advisory is to change the world by creating an environment in which long-term investing, human flourishing and environmental stewardship go hand in hand.



Seed is a design and innovation consultancy that helps organisations address the problems at the heart of their mission. Seed's distinctive approach to design is deeply embedded in the Christian story and focuses on achieving positive social change.

In partnership with Tearfund, Seed are working to help incubate viable business concepts in developing economies.

Frequently Asked Questions

Why is Tearfund doing this?

The Tearfund forTomorrow Enterprise Program is part of a broader strategy that Tearfund is pursuing that aims to unlock opportunities for people facing poverty and marginalization. While traditional donations mechanisms and aid funding arrangements are under increasing public and political pressure, this model can unlock new forms of capital that looks to solve social challenges in a sustainable way. By creating and growing social enterprises, Tearfund aims to enable new and sustainable ways of addressing some of the social and environmental challenges of our time. Our work requires philanthropic capital to be able to make it happen.

The program is an response to poverty that blends Tearfund's proud track record of good development practice with an increasing demand for investment vehicles that achieve positive social impact.

Is anyone else doing this?

forTomorrow is part of our funding commitment to broader work in the field of Impact Investing. Tearfund has been part of an International NGO Impact Investing Network which was formed in 2015 to gather and share knowledge about how INGOs are using private investment capital to advance their work in solving pressing global development challenges.

For more information we recommend reading the Amplify Impact Investing Report, which can be found at <https://humentum.org/blog-news/press-releases/amplify-impact-investing-next-mile-impact-investing-ingos>

Are you seeking tax-deductible gifts, or investments?

Tearfund is seeking tax-deductible gifts designated to fund grants or investments that can build and scale social enterprises. Funding will also enable robust monitoring and impact measurement strategies to help enterprises perform to plan.

What about exchange rates?

Most investments will be made in the local currency. Tearfund works with an external provider to manage foreign exchange risk consistent with our existing development work.

What happens to earnings from an investment?

Depending on the deal size and structure, Tearfund achieves a return on investment through loan interest. In each instance, the return on these investments is returned into the Impact Investing Program. In the future, Tearfund hopes to join with other Australian NGOs in the establishment of a separate vehicle to attract private impact investment capital that also provides a financial return to investors.

How does Tearfund manage the risk associated with this new program?

Tearfund recognises that this is a relatively new area of work and the importance of having a robust strategy and suitable resources to help manage risks.

Tearfund has appointed an Impact Investment Committee consisting of individuals with the relevant skills and expertise to advise and oversee Tearfund's impact investing activities. Tearfund continues to work with experienced advisors and will collaborate with other NGOs and mission-aligned organisations when pursuing impact investments opportunities.

How does Tearfund identify successful enterprises?

The **forTomorrow** Program consists of two pillars that aim to identify viable social enterprise and to provide funding to enable growth.

The 'Create and Build' pillar allows Tearfund to work with partners to learn, explore and build scalable enterprises with a proof of concept grant. Our long-term relationship with partners helps us identify trusted and capable partners with the capacity to participate in guided workshops and apply for a grant to start and prove their business model.

The 'Grow and Scale' pillar leverage blended capital to fund the growth of faith-aligned early stage social enterprises, who often face challenges accessing traditional financing models. In this phase, Tearfund's support would extend to strategy, business advisory and technical expertise. Tearfund may also be represented in the board of these enterprises.

Tearfund also works in close partnership with Brightlight, a highly experienced impact investing and advisory company, who supports and advises Tearfund in the areas of fundraising, deal sourcing, deal structuring, due diligence, risk and mitigation.

Does this replace Tearfund's development work?

No. Tearfund views the **forTomorrow** Program as an extension of our work to pursue a more just and compassionate world. **forTomorrow** is a creative response to poverty that seeks to leverage our significant relationships with our Christian partners around the globe and to source new forms of capital for work that reduces global poverty.

Does the program enable smaller investments?

The program uses designated donations to make grants usually up to \$50,000 and investments between \$50,000 and \$200,000.



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