



# NESsT Venture Fund

Nonprofit Enterprise and Self-sustainability Team

## About NESsT

NESsT is an international nonprofit organization that works to solve critical social problems in emerging market countries by developing and supporting social enterprises that strengthen civil society organizations'<sup>1</sup> financial sustainability and maximize their social impact.

NESsT has developed a firm conviction about the potential of social enterprises to both directly promote the social missions of the CSOs and to be able to generate their own resources. This allows the CSOs to increase their long-term sustainability, complementing the support received from other sources.

## NESsT's main initiatives

NESsT works with three initiatives: **NESsT Venture Fund**, which provides technical and financial assistance to selected CSOs in Latin America and Central Europe (Argentina, Brazil, Chile, Ecuador, Peru, , Croatia, Czech Republic, Hungary, Romania, and Slovakia.); **NESsT University**, which promotes innovation, accountability, and leadership in the field of social enterprise, and **NESsT Consulting**, which provides professional training and consulting services in social enterprise development to clients worldwide.

## NESsT Venture Fund

The NESsT Venture Fund provides technical and financial assistance (on a case-by-case basis) to selected CSOs in Latin America and Central Europe in order to assess, plan, launch, and develop their social enterprises. NESsT uses the term "social enterprise" to refer to self-financing activities that are designed by a CSO to significantly strengthen the financial sustainability and the mission impact of the CSO.

These activities also generate untied resources for the CSOs and demonstrate potential to provide innovative models that can be replicated for maximum impact.

## Goals of the NESsT Venture Fund:

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The NESsT Venture Fund is designed to demonstrate that:

- CSOs can strengthen their organizational sustainability and mission impact through social enterprise.
- CSOs can promote an alternative economy through social enterprise, thereby participating in a movement that drives social change.
- Donors can have a long-term impact on a CSOs financial sustainability.

## The NESsT Venture Fund process:

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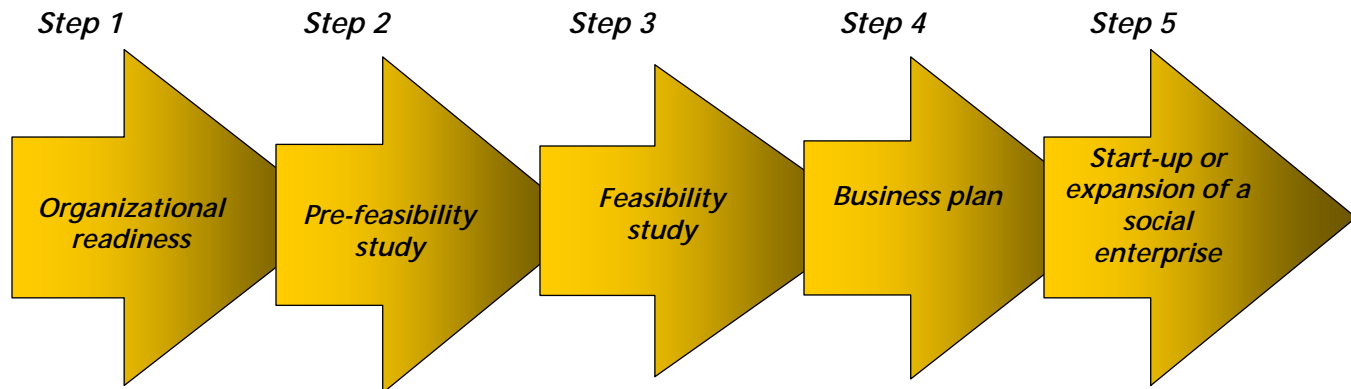
The process consists of two distinct, sequential stages:

### 1. Early stage (assessment and planning of the social enterprise)

Over the course of 10 to 12 months of intense cooperative work, the NESsT Venture Fund provides on-going tailored technical assistance and consulting advice to guide CSOs through the evaluation of their prospective social enterprises. The amount of assistance provided is approximately 30 direct consulting days. Each step in the process builds upon the previous one to deepen the level of analysis. CSOs are expected to take the initiative to push the process along and are assessed by the NESsT Venture Fund at the end of each stage to determine if they are ready to advance to the next.

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<sup>1</sup> NESsT uses the term "civil society organization" (CSO) to refer to a wide range of formally registered nonprofit, non-state organizations or community-based associations and groups that fall outside the realm of the government and business sectors.



## 2. Later stage (launch and implementation of the social enterprise)

Organizations that are selected to join the NVF later-stage portfolio receive tailored technical and financial support for their social enterprise, both from NESsT and from its collaborating team of business experts and partner institutions. This assistance, which can last from 3 to 5 years, varies according to the needs of each organization and depends on the levels of human and financial resources available from NESsT each year. Typical amounts of yearly financial support can range from US\$1000 to US\$10,000, with an average of US\$5000 per organization. NESsT works with each portfolio organization to ensure that it meets its social, financial and organizational goals established in the business planning process. Over the period of time that CSOs are in the NVF, they develop the ability to operate their social enterprises independently and in a sustainable and responsible manner.

### General selection criteria used by the NESsT Venture Fund<sup>2</sup>:

CSOs that participate in the process must:

1. Be legally incorporated as a non-profit organization in the respective country where they operate.
2. Focus on addressing issues at their roots and working towards systemic social change through long-term processes.

3. Work in one or more of the following fields: community/economic development, environment, education, health, culture, human rights, disabilities, citizenship/volunteerism, poverty, children/youth.
4. Be committed to pursuing a well-planned social enterprise that sells a product or service.
5. Propose a social enterprise with the potential to demonstrate high social impact and/or generate significant untied revenues for the organization.
6. Have at least two years history working as an organization with the same core team.<sup>3</sup>
7. Have an annual budget that does not exceed US\$1,000,000 a year.<sup>4</sup>
8. Be financially stable, with at least one year of operational funding in place.<sup>5</sup>
9. Have at least one full-time paid person on staff, as well as active volunteers with sustained commitment to the CSO.
10. Be committed to the NVF methodology and in conditions for NESsT to add significant value.
11. Where possible, have a strategic document about the organization, potentially describing the social enterprise's role in overall organizational vision.

We invite you to get to know NESsT in greater detail by visiting our web site, <http://www.nesst.org>, where you can find more information about the NESsT Venture Fund and the types of organizations that NESsT is assisting.

<sup>2</sup> The following types of organizations will not be considered for the NESsT Venture Fund: proselytizing religious organizations, solely grant-making foundations, non-autonomous branches of international organizations, organizations tied to political parties, political campaigns, political candidates, tobacco, alcohol, military arms, racism, or organizations that in some other way conflict with NESsT's core values.

<sup>3</sup> Organizations with less experience may exceptionally be eligible, provided that operational funding is secured for at least the next two fiscal years.

<sup>4</sup> Excluding infrastructural investments that may lead to a one-time outstanding budget size.

<sup>5</sup> Organizations younger than two years should have at least two years of operational funding in place.