

Hasanah Social Enterprise Fund 2024 (“HSEF2024”)

Frequently Asked Questions (FAQ)

Have a question about the fund? Read on to find your answer. If our FAQ section does not answer your question, ask us at yh.socialenterprise@hasanah.org.my

1. What is the Hasanah Social Enterprise Fund 2024 (“HSEF2024”)?

The HSEF2024 is a funding programme by the Ministry of Finance of Malaysia to empower and support the growth of businesses in Malaysia aiming to scale their innovative solutions and achieve its financial as well as social and/or environmental objectives.

2. Who is behind the HSEF2024?

The funding is provided by the Ministry of Finance (MOF) Malaysia to Yayasan Hasanah to manage and disburse the fund.

Ministry of Finance (MOF): The Ministry of Finance (MOF) is a ministry of the Government of Malaysia that is charged with the responsibility for government expenditure and revenue raising. The ministry's role is to develop economic policy and prepare the Malaysian federal budget. The Ministry of Finance also oversees financial legislation and regulation.

Yayasan Hasanah: Yayasan Hasanah (Hasanah) is a foundation set up with the aim of creating greater social and environmental impact to complement Khazanah Nasional Berhad's efforts in contributing to developing Malaysia into a globally competitive nation.

As a convenor, collaborator, and catalyst of change, Hasanah focuses on the country's pressing community and social issues, bringing together policymakers, civil society organisations, corporations, and local communities to enable collective impact for the people and environment.

3. What is the difference between HSEF 2023 and HSEF2024?

- HSEF2024 will deploy funding through outright grants and conditional grants,
- The terms of the Conditional Grants for HSEF 2024 are as follows:
 - An initial Grant of up to RM100,000 is awarded to build capacity and attain financial stability; and
 - Only upon successful completion of (i), the balance of the grant awarded to be disbursed in tranches and repaid over a stipulated period without interest.

4. What are the targeted impact areas of HSEF2024?

We are open to companies that are providing innovative solutions in the following targeted impact areas:

- Education
- Community Development
- Environment
- Arts & Public Spaces

5. What are the scope of funding?

The scope of the HSEF2024 include, but is not limited to, the following:

- 5.1. **Product or Service Development:** To develop or improve products or services. This may involve investing in research, design, testing, and iteration to create offerings that effectively address social or environmental challenges while meeting market demand.
- 5.2. **Scaling and Expansion:** To scale impact and reach more beneficiaries or customers. This can include expanding operations to new locations, increasing production capacity, hiring additional staff, or investing in technology, machinery and infrastructure.
- 5.3. **Impact Measurement and Evaluation:** To assess and track social or environmental impact, and may involve developing metrics, collecting data, conducting evaluations, and reporting findings to stakeholders and beneficiaries.
- 5.4. **Capacity Building and Training:** To build skills and capacity of team members, volunteers, or partners. This can include receiving training, upskilling , coaching, mentoring, professional development opportunities as well as organizational development initiatives.
- 5.5. **Market Access and Distribution:** To access new markets, establish distribution channels, or strengthen partnerships with retailers, distributors, or other organizations, in order to increase sales, reach underserved communities, and expand the customer base.
- 5.6. **Financial Sustainability:** Seek funding to achieve financial sustainability and reduce dependence on external sources of support. This may involve generating revenue through sales, fees, or contracts, as well as exploring innovative financing mechanisms such as social impact bonds or earned income strategies.
- 5.7. **Partnerships and Collaboration:** To establish and maintain partnerships with other organizations, including nonprofits, government agencies, businesses, and academic institutions. Collaborative initiatives can leverage resources, expertise, and networks to maximize impact and scale.
- 5.8. **Resilience and Adaptation:** Funding to weather challenges such as economic downturns, natural disasters, or changes in the regulatory environment. This can involve building financial reserves, diversifying revenue streams, or implementing contingency plans.
- 5.9. **Community Engagement and Advocacy:** Engagement with communities, to raise awareness about social or environmental issues, and advocate for policy change. This can support grassroots organizing, public education campaigns, and lobbying efforts to address systemic challenges.

6. What are the requirements?

The applicants will be early-stage businesses in Peninsular Malaysia, Sabah and Sarawak, preferably those with the capability, interest, and potential to expand and develop their organisation to benefit targeted beneficiaries under Hasanah’s priority areas.

6.1 Applicants will be able to apply for the HSEF2024 amounts, based on the following:

Category	Criteria	Funding Amount	Instrument
Category I	<ul style="list-style-type: none"> Seeding Path 	Up to RM100,000	Grant
Category II	<ul style="list-style-type: none"> Growth & Scale Path 	Up to RM500,000	Conditional Grant*
Category III	<ul style="list-style-type: none"> Growth & Scale Path with SE.AC Accreditation 	Up to RM750,000	Conditional Grant*

* Grant plus Zero Interest loan

6.2 For Category I, the following needs to be compiled with:

- At least six (6) months in operations
- Clear and measurable social and/or environmental goals
- More than 30% of annual revenue is commercially earned as opposed to via contribution, donation and grant funding

6.3 For Category II, the following needs to be compiled with:

- At least two (2) years in operations
- Clear and measurable social and/or environmental goals
- More than 50% of annual revenue is commercially earned as opposed to via contribution, donation and grant funding
- Fulfil one of the following:
 - at least 30% of the workforce from the target beneficiary group(s)
 - minimum 15% of annual business expenditure delivers and meets the environmental mission or social purpose/objective
 - at least 25% of annual net profits (after tax) distributed back to business operations to achieve the social/environmental mission(s)

6.4 For Category III, the applicant must have the Accredited Social Enterprise (SE.AC) accreditation from the Ministry of Entrepreneur and Cooperatives Development (KUSKOP).

6.5 In addition to the above, applicants must:

- Be directly responsible for the preparation, implementation and management of the proposal and not be acting as an intermediary;
- Possess track record of working or partnering with the target communities;
- Demonstrate capacity and structures in place to immediately commence the proposal and sustain the impact post-grant utilisation.

7. Is it mandatory to have the Ministry of Entrepreneur and Cooperatives Development (KUSKOP) SE Accreditation to apply for HSEF2024?

- For Category I and II, the Budding Social Enterprise (Aspiring SE) accreditation is required to apply for HSEF2024.
- For Category III, the SE Accredited (SE.AC) accreditation is required to apply for HSEF2024.

8. What approach does Hasanah expect in terms of impact measurement?

- Firstly, applicants are expected to already have a process of collecting and measuring data on social and/or environmental indicators as part of its business processes.
- Secondly, Hasanah will endeavour to provide feedback on these impact indicators during the due-diligence stage.
- Hasanah may require impact reports where relevant.

9. How is the funding awarded?

The HSEF2024 will be offered through three pathways:

Seeding path:

- The funding will be offered in the form of a grant funding to support the developmental purposes of the organisation, in line with the targeted impact areas of funds provided.

Growth & Scale path (Category II):

- Funding provided will be in the form of a conditional grant, with disbursements based on set milestones, no interest rate charged, as well as Social Enterprises' repayments based on financial and impact targets met. The funding is to support the developmental purposes of the organisation, in line with the scope of funds.

Growth & Scale path with Accreditation (Category III):

- Funding provided to selected enterprises that have the SE.AC accreditation from KUSKOP, and in the form of a conditional grant, with disbursements based on set milestones, no interest rate charged, as well as Social Enterprises' repayments based on financial and impact targets met. The funding is to support the developmental purposes of the organisation, in line with the scope of funds.

Repayment Amount (Category II and III):

- The proposed amount is as per the table below upon achieving agreed upon targets:

Repayment Terms
<ul style="list-style-type: none">• Pay back of 90% of total approved loan• Repayment tenure and frequency of payment to be stipulated in the respective Grant agreements.

What are the implications of a default in repayment of the loan?

- In the event that the funding recipient defaults in repayment of the loan, the recipient is required to repay to Hasanah the total disbursed amount, together with a sum ("**Premium**") equivalent to the

rate of five (5%) per annum thereon, calculated from the date of first disbursement of the Funding Amount by Hasanah until full settlement of the disbursed amount and all Premium thereon.

10. How do I apply for the HSEF2024?

Yayasan Hasanah is accepting submissions starting from 22nd April 2024 on an on-going basis until 30 June 2024. The next application cycle shall be subject to availability of funding.

Complete information must be submitted online and will go through three (3) stages:

Stage 1: Apply

Stage 2: Due Diligence

Stage 3: Award

To begin your application, please refer to the HSEF2024 website.

Selected applicants will be invited into Stage 2 via written communication, once Yayasan Hasanah has completed reviewing the submissions.

11. On application submission

- Selected applicants who passed the first screening will be contacted by Yayasan Hasanah to submit the due diligence questionnaire and relevant documents.
- For the full application submission, the selected applicant will include their business plan with a detailed breakdown of utilisation of proceeds, cash flow projections, cost incurred and other relevant information for satisfactory evaluation and a detailed implementation plan including but not limited to timeline, tracking mechanism of impact and milestones.
- Applications which are not selected will be notified in due time.
- If the organisation has problems accessing or submitting through the website, please contact us directly through our email at yh.socialenterprise@hasanah.org.my

12. When do successful applicants receive the funds?

- Successful applicants will be offered a contract based on Hasanah's Agreement template and will include the applicant's proposal, work plan, disbursement schedule, milestones, and reporting schedules.
- The fund disbursements to successful applicants will be done based on the agreed-upon disbursement schedule and agreed milestones between applicants and Hasanah.
- As a conditional fund, subsequent fund disbursement will be made subject to the HSEF2024 team's evaluation and satisfaction of the applicant's progress report.

13. What are the monitoring and reporting requirements?

- To determine the efficient and well utilisation of the funds, successful applicants must provide the following within their progress report every 3-6 months with interventions to close any gaps:
 - Implementation plan: to be illustrated by quarters of the total duration of the funding period depicting an execution plan, targeted milestones to achieve and expected cost in tranches.

- Funding utilisation plan: to reflect breakdown of the revenue and expenses according to the set timeline for each quarter.
- Impact monitoring sheet: to convey impact narrative, how impact is measured and targeted impact/beneficiaries per impact indicator.
- Any variation request from the successful applicant on their timeline, milestone or schedule disbursement must be submitted at least 1 month, prior to deadline, and approval is subject to internal review and consideration.
- All progress updates must be submitted online via a YH portal.

14. Do I need to continue reporting to Hasanah after the grant is completed?

- The duration for the post-grant/funding reporting period will be stated in the funding agreement during the award stage.

15. Who will set up the KPIs/Milestones?

- The applicant is able to propose the KPIs/milestones during the application stage and the HSEF team will further refine the KPIs/milestones together with the applicant during the due diligence stage.

16. What happens if I am unable to meet the KPI/milestones set?

- In the event that Hasanah believes that any of the KPI/Milestone is not fulfilled to its satisfaction Hasanah may exercise its discretion, including but not limited to, withholding the disbursement of any Milestone Funding up to twenty-one (21) days or such other extended period as may be extended by Hasanah as well as instituting a clawback process.

17. Can I apply for both Hasanah Grant 2024 and the HSEF2024?

- Applicants are not allowed to apply for both Hasanah Grant 2024 and the HSEF2024.

18. Can I reapply if I did not get selected for HSEF2022 and HSEF2023?

- Yes, you are able to submit a new application for HSEF2024.
- Successful recipients of HSEF2023 are not allowed to apply for HSEF2024.

19. Will there be more HSEF in the future?

- The next application cycle shall be subject to the availability of funding from MOF.
- Please check out Yayasan Hasanah's website and social media platforms from time to time for the latest updates for future HSEF.

20. If I am not a registered business entity or a Sdn Bhd, can I apply?

- You may apply IF you are a legally registered business entity under Registrar of Business (ROB), Suruhanjaya Syarikat Malaysia (SSM) and/or Sabah Trade Licensing Ordinance 1948.

21. If I have an idea but has not been proven can I apply?

- We do not accept applications from companies that have not established a product, market and customer base.
- HSEF2024 is looking for companies with traction and scalable business and impact models.

22. If I have received grants from other organisations in the past, can I apply for HSEF2024?

- Yes, you are able to apply. However, you need to ensure that more than 30% of your annual revenue is commercially earned as opposed to contribution, donation and grant funding.

23. If I get rejected, can I appeal?

- You can appeal if your application is rejected by Yayasan Hasanah. However, the result of your appeal is subject to the discretion of Hasanah.
- You can submit your appeal via yh.socialenterprise@hasanah.org.my

24. Where do I go if I have more questions about HSEF2024?

- Kindly email yh.socialenterprise@hasanah.org.my and our team will get back to you within 2 working days.
- We will be organising AMA sessions for HSEF2024. Please join our AMA session to ask us questions directly.