



Social Enterprise Ecosystem  
Country Profile  
**MALDIVES**



**WORLD BANK GROUP**

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# MALDIVES

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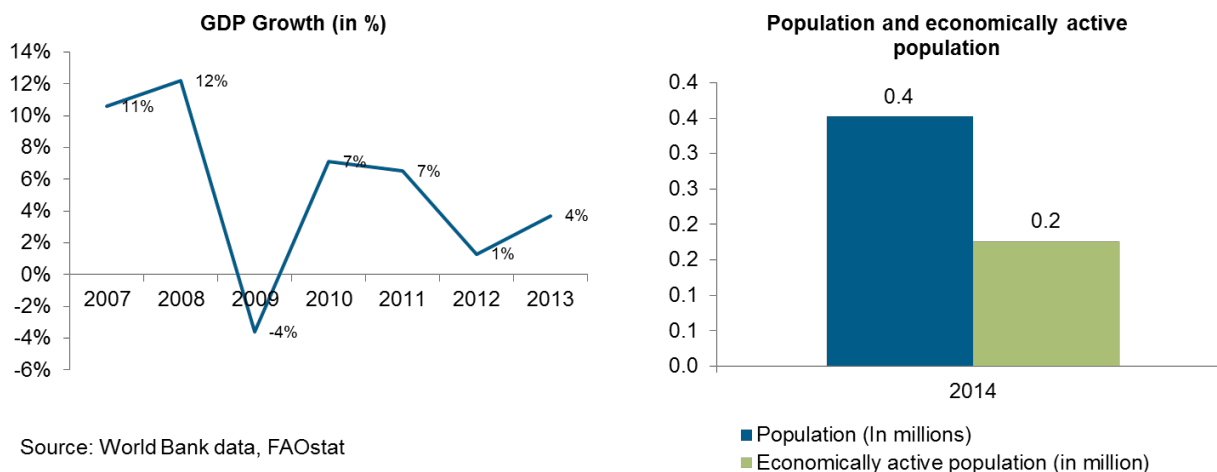
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# 1. Introduction

Maldives is an island nation in the Indian Ocean consisting of a double chain of twenty-six atolls. It is the smallest Asian country in terms of land area and has a population of nearly 0.35 million.<sup>1</sup> The per capita GDP of Maldives of USD 6,665 is much higher compared to the South Asian average of USD1417.<sup>2</sup> The services sector, consisting primarily of hospitality and tourism, accounts for nearly 80 percent of the GDP, industry accounts for about 17 percent, agriculture and fisheries sector accounts for only 3 percent of the GDP.<sup>3</sup> Agriculture sector is largely concentrated on the ocean capture fisheries with approximately 13 percent of the economically active population employed in the fisheries segment.

Maldives held its first multiparty elections in 2008, following decades of monocratic rule; however, it still faces challenges in terms of political stability. Maldives has a better human development index rank of 103 of 187 countries when compared to other SAARC countries.<sup>4</sup> The Government and state owned enterprises dominate the social sectors in the country while private sector activity is seen most in the hospitality and fishery segment. Private sector enterprises can play a key role in expanding the economic activities of the country into other sectors and reduce the country's dependency on tourism.

Figure 1. GDP growth and population



<sup>1</sup> World Bank indicators 2013

<sup>2</sup> World Bank data 2013

<sup>3</sup> CIA World Fact Book, 2012 estimates

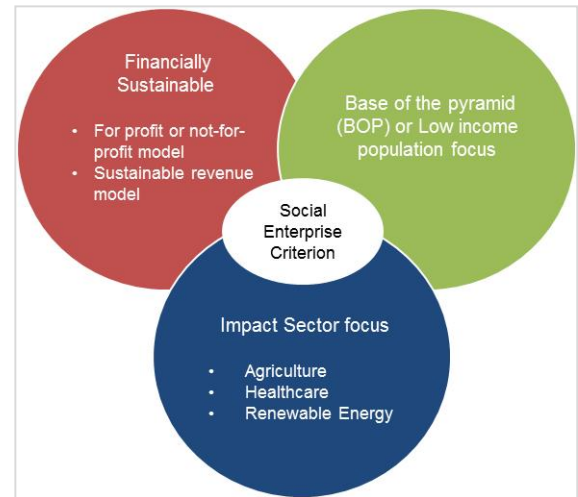
<sup>4</sup> UNDP data 2013

## 2. Methodology for Analysis of the SE Sector

While being cognizant of these challenges on definition and perception, this report aims to cover all the enterprises that meet the following criterion:

- **Financially sustainable:** The social enterprise (SE) operates as an independent registered business and can be either for-profit or a not-for-profit established on a financially sustainable revenue model.
- **Focus on social impact at base of the pyramid (BOP) or Low-income population:** Empower population at BOP as producers or providers of income-generating commodities, products or services, as consumers of affordable goods and services, and as independent entrepreneurs.
- **Impact Sector focus:** They operate in one or more sectors that have a direct impact on the lives and livelihoods of the BOP population: agriculture, healthcare and renewable energy.

Figure 2. Criterion for SEs



Registered charities and trusts operating purely as charitable organizations delivering a public good/service with no inherent model for financial or revenue sustainability are not considered in the SE criterion for this report. Given the SE definition is still evolving in many countries under study, many private businesses with clear laid out social or environmental goals and that engages with low income communities as customers or as key suppliers has been included in the study.

The research for the study was conducted in two phases. In the first phase an overall SE ecosystem analysis was conducted base on the key dimensions of the SE ecosystem. In the second phase, a sector level assessment was conducted to capture the current state of sector value chains as relevant for creating an impact at the BOP. A firm level assessment to map the presence of SEs in various stages of enterprise development was also completed in the first phase of the study.

The ecosystem in which SEs operate refers to interdependent networks of individuals and organizations (actors) and the influencing enterprise environment that act upon those networks, leading to a variety of actors. To this extent, the ecosystem is comprised of enabling or constraints conditions setting the parameters by which SEs operative. Many of these ecosystem conditions result from the decision or behavior of actors or from interactions of actors within the ecosystem and are indeed critical as these can shape the creation, sustainability and scale of SEs. The SE ecosystem was analyzed using framework covering four key dimensions: a) Market landscape, b) Policy, c) Enablers/Intermediaries and d) Capital that are important for promoting social entrepreneurship. The framework was designed to bring out nuanced and actionable insights on market drivers, need-gaps, challenges and opportunities for SEs as seen across each country.

Figure 3. Dimensions for analysis in this report



This sector-level assessment was completed to discuss the presence of SEs across the sector's value chain and the critical needs that these enterprises are trying to address to create impact on low-income populations. The level of organized activity was rated as high, medium or low depending on the number of SEs active in the sector/sub-sector. For instance, a sub sector was rated as 'High' if  $\geq 50$  percent of the total SEs in the sector fell within this category. Similarly 25-50 percent was rated as 'Medium' and less than 25 percent was 'Low'. This classification was modified based on information collected for the study from each country.

The framework covers the value chain for the agriculture sector consisting of: provision of inputs (pre-harvest), cultivation and plantation (harvest) and process/packaging and warehousing/distribution (post-harvest) across various critical needs and impact areas for the BOP. Similar value chain analysis for other two sectors have been developed and used across the seven selected countries to identify high potential sub-sectors for SE development.

Based on key findings of the ecosystem assessment, sector- and firm-level assessment, key insights and recommendations have been developed and reviewed with ecosystem stakeholders, social entrepreneurs and sector experts. The main study ("Social Enterprise Ecosystems in South Asian Association for Regional Cooperation Countries") and the associated country profiles provide an overview of opportunities in the SE space across the SAARC region and deeper insights across the three focus sectors of agriculture, renewable energy and healthcare.

*Note on Limitations of the Methodology:*

The report is constrained by limited availability of consistent data on SEs active across the three sectors in the seven SAARC countries. In the absence of readily available data on the number of SEs in some sectors, the report relies on data from the field and insights from various stakeholders. The SE activity and its representation across the impact areas are based on interviews with sector experts and social entrepreneurs across the SAARC countries. It must also be noted that the report does not extensively cover all of the critical needs of the BOP and impact areas in a sector, but only the promising, potentially high-impact areas for SEs.

### 3. SEs in Maldives—An Overview

Currently, the SE activity in Maldives is limited to a few private sector enterprises that can be classified as SEs. However, there is a good opportunity for SE development across a few impact sectors. For instance, SEs in the agriculture sector can engage in processed fisheries sector targeted at export markets. SEs in the healthcare space can aim to provide technology enabled solutions such as telemedicine for covering remote areas. In the renewable energy sector, SEs can provide solar products such as rooftop solar PV panels to increase accessibility and reduce the cost of electricity for low income households. SEs with innovative business models can provide livelihood opportunities for youth and also diversify employment opportunities in Maldives.

As the concept of SEs is very new in Maldives, there is no available trend to highlight the progress of SEs across their life cycle.

### 4. Ecosystem Assessment

**The concept of SE is new in Maldives with the majority of businesses started with a ‘for-profit’ focus. A few enterprises engage actively with low income population in fishery and tourism sector.**

Landscape	Policy
Capital	Enablers

Concept of SEs in Maldives is very new and a majority of businesses have been started with a for-profit commercial focus with little clarity on social goals. However, a few of these businesses can potentially be classified as SEs as they provide employment opportunities for low income population groups and aim to reduce income disparity across various regions in the country. Currently, most of the private activity is concentrated in tourism and fisheries and in urban areas such as Male; however, there is some recent activity in businesses related to information and communication technology and renewable energy. Besides public and private sector enterprises, various foundations such as International Pole and Line Foundation (IPLF) in the fisheries segment, Society for health education (SHE) in healthcare segment offer services to the low income population.

Limited land area for cultivations, high inter-island transport costs and the lack of skilled and low cost workforce pose challenges for small businesses in Maldives especially in the smaller atolls. Further limited access to capital due to underdeveloped PE/VC networks, insufficient technical capacity for business expansion and the heavy presence of the public sector in commercial activities are some of the challenges faced by small businesses in Maldives.<sup>5</sup>

**The government of Maldives is directing its effort towards building the private sector to increase livelihood opportunities for the local population.**

Landscape	Policy
Capital	Enablers

Given that the concept of SEs is not recognized in Maldives, there are no SE focused policies in the country. The government is taking initiatives to promote the development of small businesses across the impact sectors to reduce poverty and develop a broad-based livelihood platform to diversify means to economic growth. The government is providing access to capital through commercial banks and various programs such as the youth-focused startup business challenge, where the winner can

<sup>5</sup> ADB, 2012, Inclusive Micro, Small, and Medium-Sized Enterprises Development Project

get a loan of up to USD 52000.<sup>6</sup> The government is also partnering with development agencies such as ADB for financial support to develop the MSME sector in the country. The government of Maldives envisions establishing the required mechanisms and infrastructure to restructure and consolidate activities of small businesses to improve efficiency of operations.

**Access to capital is a challenge for many enterprises in Maldives with high dependency on personal networks and loans from banks to scale their operations.**

Landscape	Policy
Capital	Enablers

There are no specific sources of raising capital for SEs in Maldives, given that the concept is very new to the country. Small businesses in the country have faced challenges in raising capital with most of the credit being channeled to the larger firms. SEs (and small enterprises) are faced with challenges related to lack of collateral, inadequate viable qualitative information, and lack of financial statements that makes it difficult for them to raise capital. In general, Maldives ranks 116<sup>th</sup> worldwide<sup>7</sup> on comparative ease of getting credit, which is lower than the other South Asian countries. The poor ranking is largely due to the complete absence of a public or private credit registry to facilitate the exchange of credit information amongst lenders. The Commonwealth Development Corporation (CDC) is the most prominent DFI active in the country and primarily operates in capital Male.

Table 1. Capital infrastructure in Maldives for SEs<sup>8</sup>

Investor type	Enterprise
DFI <sup>9</sup>	<ul style="list-style-type: none"> <li>CDC Group</li> </ul>
Banks <sup>10</sup>	<ul style="list-style-type: none"> <li>Bank of Maldives, State Bank of India, Habib Bank Ltd., Bank of Ceylon, HSBC, The Mauritius Commercial Bank, Maldives Islamic Bank Pvt. Ltd</li> </ul>

**There is very limited access to non-financial and technical support available for start-ups and small businesses in Maldives.**

Landscape	Policy
Capital	Enablers

There are limited avenues of government support available to SEs or small businesses in the country in terms of technical and non-financial support. Business Development Service Centre (BDSC) is one of the few organizations providing advisory and business support to small businesses in Maldives. They provide assistance to existing and prospective entrepreneurs to help them [start](#), [grow](#) and compete in domestic and global markets by offering quality [training](#), [counseling](#) and access to [resources](#).<sup>11</sup>

## 5. Sector-Level Assessment

This section covers sector level assessment of SE activity in Maldives across agriculture, healthcare and renewable energy sectors. Each sector assessment study includes a description of the presence of SEs or private enterprises across the sector's value chain and the critical needs that the private sector can address in order to create an impact on the low income population group in the country.

<sup>6</sup> In Maldives, a country-led youth entrepreneurship movement blooms, 2015, available at <https://www.devex.com/news/in-maldives-a-country-led-youth-entrepreneurship-movement-blooms-85602>

<sup>7</sup> World Bank data, 2015

<sup>8</sup> Note- The sources of finance are not exclusively for SEs

<sup>9</sup> CDC Group website available at <http://www.cdccgroup.com/how-we-do-it/types-of-capital/funds-asia/>

<sup>10</sup> GFA, SME Development Project Report available at <http://www.adb.org/sites/default/files/project-document/64324/37405-reg-dpta.pdf>

<sup>11</sup> Business Development Service Centre website



### 5.1. Agriculture Sector

Agriculture sector in Maldives is largely dominated by marine capture fisheries. The country has adopted a policy that permits only hook and line fishing to protect the productivity of the resource. Limited availability of cultivable land for farming of crops limits the agriculture sector in Maldives. As a result, the country is dependent on imports to meet its food requirements. Close to 90 percent of food items except coconut and fresh tuna are imported from other countries.

Cultivation is carried out on “agriculture islands” which are generally leased out to private entrepreneurs.<sup>12</sup> Whereas, crops like millet, corn, pumpkins, sweet potatoes, pineapples, sugarcane, almonds, and other tropical vegetables and fruits are grown largely in smallholding gardens. Farming inputs such as fertilizers are largely imported from other countries like India. In the livestock sector, demand for goat and poultry is increasing due to demand of goats for cultural events and demand for eggs for consumption especially from the high-end resort islands.<sup>13</sup>

**SEs have limited activity in the agriculture sector in Maldives. However, potential opportunities could exist in training for sustainable fishing and improving market linkages to benefit the low-income population especially fishermen.**

The SE activity in the agriculture sector is very limited, with a few enterprises active in the post-harvest segment of processing and packaging by providing jobs and income security to the low income population segment in the country. Private companies such as Ensis Fisheries and Bigfish Company are engaged in processing of fish for local and international markets. Shaneez International also purchases required fishing products from local fisherman besides operating their own vessels. There is a significant private sector activity across fishing, processing, canneries, cold storages, and ice facilities business in Maldives however; these enterprises do not have a clearly defined social focus.<sup>14</sup>

Besides commercial activities, few institutions and enterprises also provide various training and support services for fisherman in the country. For instance, Fishermen’s Community and Training Centre (FCTC) opened by the retail group, Migros, and the International Pole and Line Foundation, offers a number of short-courses covering a wide range of topics from sea safety, marine engine repair and maintenance, marine ecology and bait management. The curriculum designed by FCTC is aimed at improving the sustainability and efficiency of the Maldives’ pole-and-line tuna fishery to ensure sustainability of the fish stock.<sup>15</sup>

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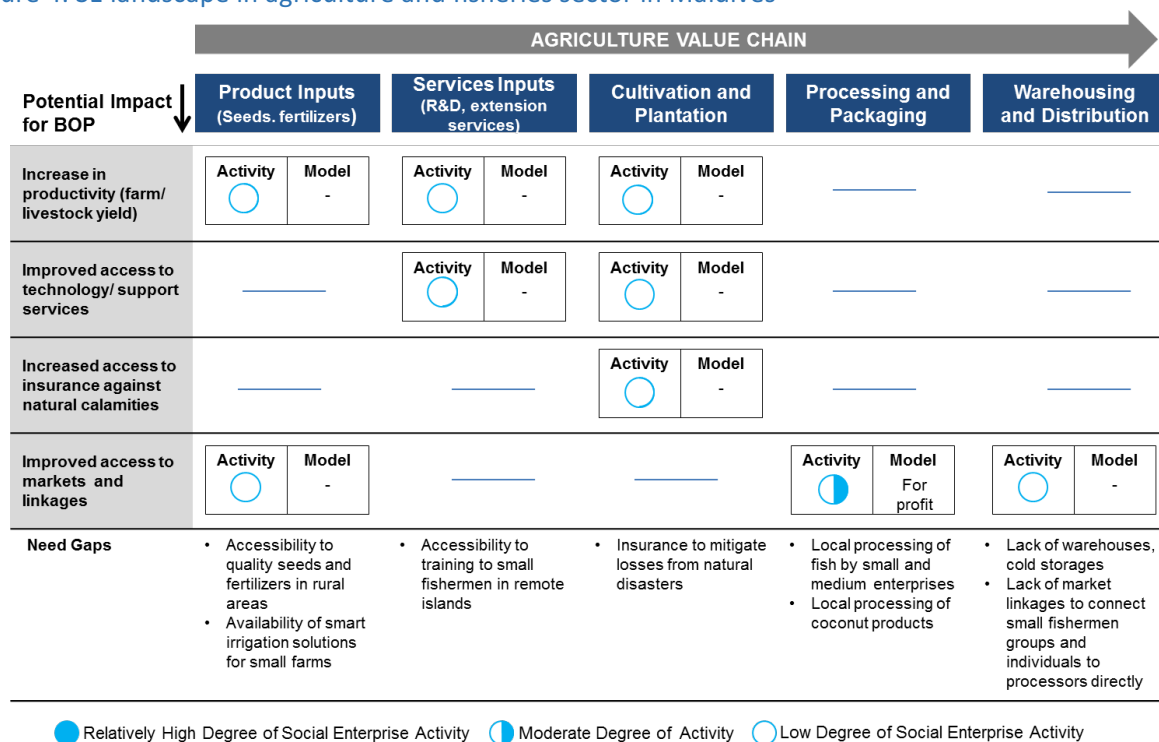
<sup>12</sup> Maldives and FAO Achievements and success stories available at <http://www.fao.org/3/a-at010e.pdf>

<sup>13</sup> Maldives and FAO Achievements and success stories available at <http://www.fao.org/3/a-at010e.pdf>

<sup>14</sup> GIZ and NRI, (2011), Financial Services for the Fisheries Sector Maldives Case study

<sup>15</sup> International Pole and Line foundation website, available at <http://ipnlf.org/new-maldivian-fishing-school-supports-coastal-communities/>

Figure 4. SE landscape in agriculture and fisheries sector in Maldives



Source: Insights from relevant stakeholders, Intellect analysis

Potential opportunities for SE development in Maldives can be investigated in providing market linkages to small fishermen and individuals engaged in manufacturing of coconut oil or soaps. Developing the fish and food processing segment will provide employment opportunities, improve local livelihoods, and contribute to food security and improved nutrition.

## 5.2. Healthcare Sector

Healthcare services are largely provided by the government of Maldives under a universal healthcare system. The delivery system of Maldives is organized into a four-tier referral system, including island level health facilities and higher level health facilities in the atolls, regions and central level.<sup>16</sup> After facing challenges on the divided and corporatized health care delivery initiated in 2009, the government has brought health facilities under the leadership of the Ministry of Health and Gender.<sup>17</sup> Further, all citizens are covered by a universal health insurance scheme “Aasandha”, which is fully financed by the government. Maldives has witnessed a significant improvement in its health indicators due to improved access to quality healthcare services. However, emerging lifestyle changes associated with increasing incidence of chronic non-communicable diseases have emerged as the main cause of illness and deaths in Maldives.<sup>18</sup>

**Healthcare sector is largely dominated by the government, with limited scope for private players offering affordable healthcare services.**

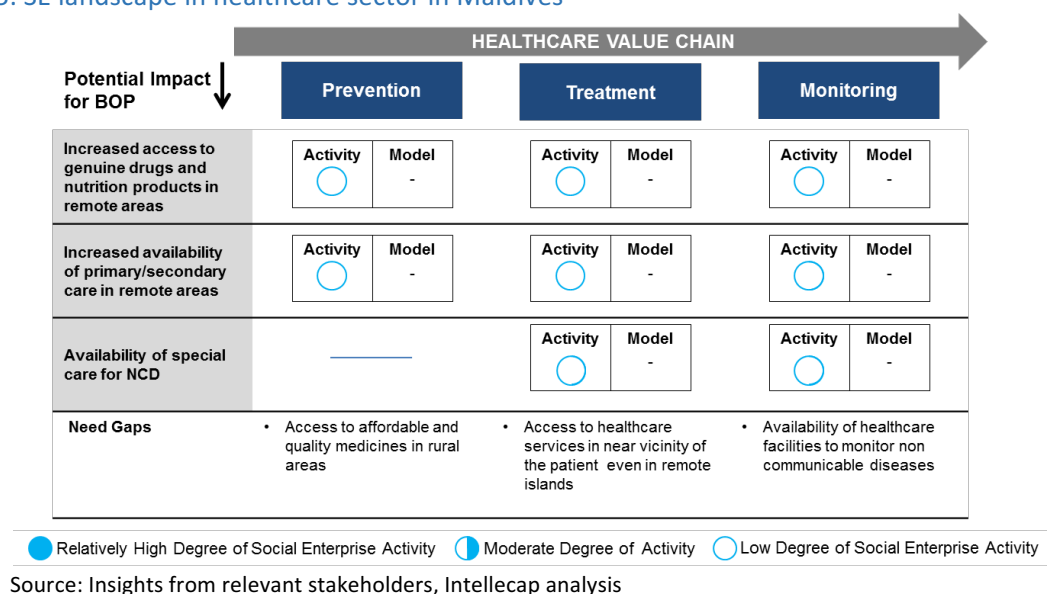
<sup>16</sup> Maldives health profile 2014 available at <http://www.indiaenvironmentportal.org.in/content/389732/maldives-health-profile-2014/>

<sup>17</sup> Maldives health profile 2014 available at <http://www.indiaenvironmentportal.org.in/content/389732/maldives-health-profile-2014/>

<sup>18</sup> WHO, Priority non-communicable diseases and conditions, available at [http://www.wpro.who.int/health\\_research/documents/dhs\\_hr\\_health\\_in\\_asia\\_and\\_the\\_pacific\\_13\\_chapter\\_8\\_priority\\_noncommunicable\\_diseases\\_and\\_disorders.pdf](http://www.wpro.who.int/health_research/documents/dhs_hr_health_in_asia_and_the_pacific_13_chapter_8_priority_noncommunicable_diseases_and_disorders.pdf)

Healthcare services are primarily provided by the government. The government has also come up with innovative models such as Community Pharmacy Scheme. Under this scheme, pharmacy is to be set up in communities of less than 1000 population, with the government providing USD 3,250 seed money and half of pharmacist's salary. The community needs to direct efforts to sustain these pharmacies post set up.<sup>19</sup> Private sector hospitals such as the International Medical & Diagnostic Centre and ADK hospital primarily serve the high-end customer base. There are no private healthcare providers focused on targeting the low income communities in the country. However NGOs such as SHE engage in addressing issues concerning women, thalassemia, HIV/aids, psychosocial counseling and reproductive health. The figure below highlights the lack of SEs across healthcare sector and the areas with potential opportunities to create an impact on the low income population

Figure 5. SE landscape in healthcare sector in Maldives



SEs could have opportunities in providing healthcare services to remote islands by using technological solutions. The government is trying to improve accessibility of healthcare services in remote areas, but the dispersed nature of the population in very small islands leads to dis-economies of scale for operating physical infrastructure.

### 5.3. Renewable Energy (RE) Sector

Nearly 100 percent of the population of Maldives has access to electricity. However the country has no conventional energy resources like oil and gas and utilizes imported fuels to meet all of its energy needs. Cost of electricity is the highest in Maldives among the SAARC regions at USD 0.15 per unit<sup>20</sup>, due to the high reliance on expensive diesel generators for power generation. Maldives spends close to 20 percent of its GDP on import of fossil fuels.<sup>21</sup> Firewood is a key source of cooking fuel in most of the outer islands but most urban households use LPG and kerosene for cooking. However, the energy usage pattern point towards the negative impact on health due to the sources of energy used for cooking purposes especially in the outer islands.

<sup>19</sup> WHO, 2011, Pharmaceuticals in healthcare delivery- Maldives

<sup>20</sup> STELCO Data, Maldives

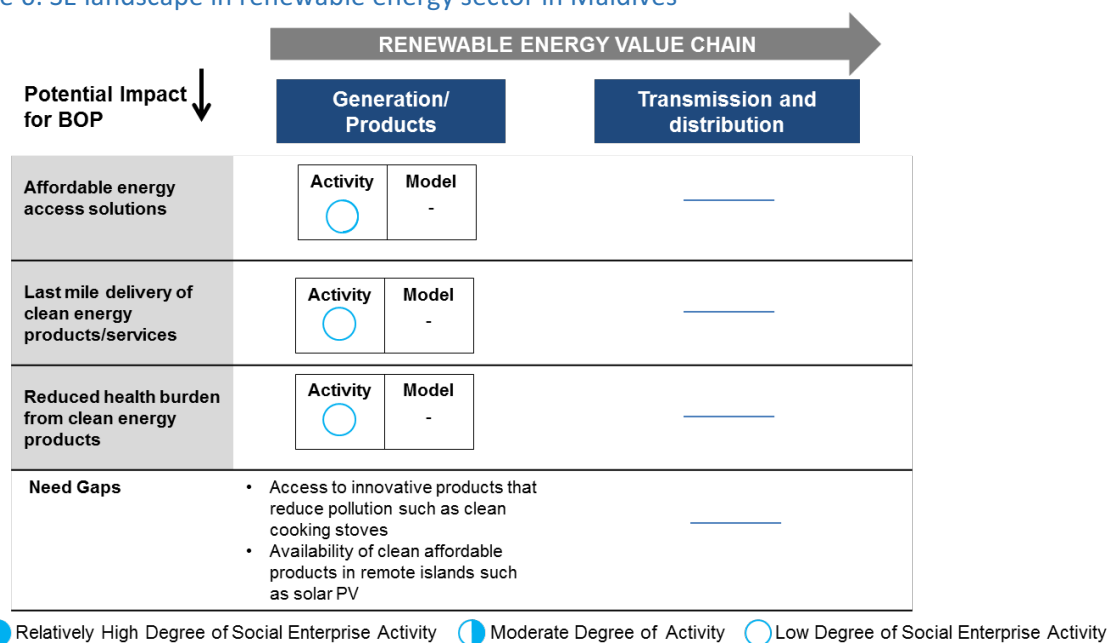
<sup>21</sup> World Bank, 2014, Maldives Country Snapshot

Besides the conventional sources, renewable energy such as solar power has also started gaining popularity in Maldives. For instance, the telecommunication company of Maldives is the single biggest user of solar energy.<sup>22</sup> In Maldives, solar energy is also used by the fishing industry to power navigational lights for marking the reefs and communication transceivers on fishing boats.<sup>23</sup> Further, solar energy is also used to ensure power supply at the remote installations on the national telecommunication network. Solar energy is also used on a small scale for producing hot water for homes and in the tourism industry. Currently only one private sector company REL has entered into a public private partnership with the government and is supplying power. Remaining energy requirement is met by the public sector companies aided by capital provided by the government or by development financial institutions.

### SEs can look for opportunities in improving affordability of the energy supply in both urban and remote islands of the country.

Potential opportunities for SEs in the renewable energy sector exist in the clean cooking stoves and solar PV segment. Such solutions are crucial for Maldives given the high cost of grid electricity and usage of energy sources such as diesel for electricity and firewood for cooking purposes. SEs can also look at opportunities for local manufacturing of components, capacity building for after sales service and devise innovative payment mechanisms such as pay as you go models to make the services affordable. World Bank has been actively involved in promoting renewable energy in Maldives through projects such as the Maldives Environmental Management Project, Additional Financing and Accelerating Sustainable Private Investment in Renewable Energy Project. World Bank has also created security packages including escrow structures for delayed payments to encourage private sector participation in renewable energy.<sup>24</sup> The figure below highlights the lack of SEs across the renewable energy sector and the areas with potential opportunities to create an impact on the low income population.

Figure 6. SE landscape in renewable energy sector in Maldives



Source: Insights from relevant stakeholders, Intellecrap analysis

<sup>22</sup> USAID, South Asia Regional Initiative for Energy Integration available at [http://www.sari-energy.org/pagefiles/countries/maldives\\_energy\\_detail.asp](http://www.sari-energy.org/pagefiles/countries/maldives_energy_detail.asp)

<sup>23</sup> USAID, South Asia Regional Initiative for Energy Integration available at [http://www.sari-energy.org/pagefiles/countries/maldives\\_energy\\_detail.asp](http://www.sari-energy.org/pagefiles/countries/maldives_energy_detail.asp)




<sup>24</sup> Intellecrap Primaries with relevant stakeholders

## 6. Conclusions and Recommendations

There is negligible SE activity in the Maldives, with the majority of enterprises established with a profit focus. Most of the needs of the BOP and the low income population, especially in the healthcare sector, are catered to by the Government or NGOs. However, a few enterprises engaged in processing tuna and other types of fish can provide sustainable source of income for the low income population.

As it is the case in Bhutan, SE activity is very nascent in Maldives. Out of all countries studies, Maldives is the only country which presents low assessment for all four parameters considered, these are SE activity level, SE ecosystem, stage of growth of SEs and impact potential, which indicates that SEs are seen as having the most limited comparative potential in Maldives.

Table 2. Summary of findings of the SE ecosystem in Maldives

 <div>Landscape</div> <ul style="list-style-type: none"><li>No clear definition for social enterprises in Maldives</li><li>Many small businesses can potentially be classified as SEs and can play a key role in economic development</li><li>Currently most of the private activity is concentrated in tourism and fishery business in urban areas such as Male</li></ul>	 <div>Policy</div> <ul style="list-style-type: none"><li>Government is taking initiatives to promote development of small businesses across the impact sectors to reduce poverty and diversify means to economic growth</li><li>Government is providing access to capital through its commercial banks and programs like the youth-focused startup business challenge</li><li>Government is partnering with development agencies such as ADB for financial support to develop the small business sector</li></ul>	
<div>Capital</div> <ul style="list-style-type: none"><li>No differentiated sources of raising capital for SEs</li><li>Historically, most of the credit in the Maldives has been channeled to larger firms</li><li>Institutions such as CDC aim to develop the private sector in Maldives but no significant capital is raised</li><li>There are 7 scheduled banks that lend to SMEs</li></ul>	 <div>Enablers</div> <ul style="list-style-type: none"><li>Currently the government does not provide support for non-financial services to the SEs or SMEs</li><li>Business Development Service Centre (BDSC) is one of the few organizations providing support to small businesses in Maldives<ul style="list-style-type: none"><li>They provide quality training, counseling and access to resources</li></ul></li></ul>	
<div>Policy</div> <div>Small business loans</div>	<div>Capital</div> <div>Banks/family</div>	<div>Enablers</div> <div>Limited availability</div>

There following recommendations have been identified to promote and develop the SE ecosystem in Maldives:

- Development agencies and funds to channel financial and managerial support to the large companies engaged in the fishery businesses.** Relevant organizations could conduct capacity building activities to impart training to low income fishermen. This would help in resolving issues related to unemployment and seasonality in employment.
- Support the potential role that SE can play in improving Maldives' environmental footprint through reduced usage of fossil fuels for generation of electricity.** Possible intervention may be investigated to promote rooftop solar PV products for providing affordable and reliable electricity supply for low income households.

## 7. Annex

### 7.1. List of Interviewees

Person	Organization
<b>Afghanistan</b>	
Farzad Pouya	Business Innovation Hub
Riffat Manasia	MRA Associates
<b>Bangladesh</b>	
Anwar Faruk	Ministry of Agriculture
Mehedi Sajjad	BRAC Social innovation lab
Ujal Ibrahim	Yunus Centre
Nazmul Haque	IDCOL
Shahab Khan and Parvez A	Bangladesh Enterprise Institute
Mridul Chowdry	m-Power Health
Sanchayan Chakraborty	Aavishkaar fund
<b>Bhutan</b>	
Dorji Tashi	Loden foundation
Daniel Spitzer and Johannes Olejnik	Mountain Hazelnuts
<b>Maldives</b>	
Sandeep Kohli and Somil Nagpal	World Bank
Adam Sack	International Finance Corporation
<b>Nepal*</b>	
Aditi Shrestha	International Finance Corporation
Luna Thankur	Change Fusion Nepal
Shabda Gyawali	Dolma Impact Fund
Moushumi Shrestha	Practical Action
Shrawan Pradhan	Gham Power
Bishal Dhakal	Health at Home
*Note: Data for Nepal from Intellectap's database on a similar study conducted from March to July 2014	
<b>Pakistan</b>	
Saima Irtiza and Noor Ullah	Acumen Fund
Fiza Farhan	Buksh Foundation
Kalsoom Lakhani	impact2innovate
Farhad Hasan	HealthOne
Saim Siddiqui	ProCheck
Yasir Ashfaq	Poverty Alleviation Fund
Humza Khan	Insitor Fund
<b>Sri Lanka</b>	
Niroshan Kurera	Etimos Lanka Pvt. Ltd
Eranada Ginige	British Council
Amanda Kiesen	Good Market
Chamindra Gamage	Bimpu Finance
German Mueller	GIZ

## 7.2. Interview Guide

### **SE (SE) EcoSystem Assessment**

#### **Market Landscape**

- What does the broad SE ecosystem (SEs, investors, supporters, regulators etc.) look like in the country? Which sectors have high potential and scope of development for SEs in the country?
- What is the preferred business model for SEs operating in the country: 'for-profit' model or 'not-for-profit' model? Why is one model preferred over the other? Do the not-for-profit' models have sustainable revenue streams?
- Are there discrete SE-focused support institutions? To what degree does SE support overlap with mainstream SME support?
- What are critical unmet needs of the base-of-the-pyramid population? Are there any on-going efforts to address these needs? What types of market infrastructure does the SEs demand – across stages and sectors?
- What types of technical assistance support are available for SE? Who provides this support?
- Is enabling infrastructure such as industry associations, market intelligence data available for SEs

#### **Policy Environment**

- What are the policy catalysts for SEs? Is there policy-level recognition of SEs? How is the policy landscape expected to evolve for SEs?
- Are there policies across the three focus sectors that benefit or inhibit SE growth? (e.g. priority sector in financing, budgetary allocation, enabling healthcare policy)
- What are the implications of the current Foreign Investment Policy in the Sector
  - Rules & policies for the sector / sub-sector for foreign investment
  - Attractiveness of the Sector for Foreign Investment

#### **Capital Infrastructure**

- What is the state of capital markets and banking infrastructure? How does access to capital differ across enterprise legal structure (cooperatives, joint stock companies etc.), stage, and focus sector?
- How open & transparent are the SEs in the sector to disclose the financial details for effective evaluation?
- What are the main barriers to financing (assess to finance)
  - Requirement of Collateral, security
  - Limited Knowledge or awareness of the industry operations by the finance providers
  - Lack of market information on the sector to make informed decision making
  - Any other reason

### **Sector Specific Questions**

#### **Agriculture**

##### **Sector Structure and Value Chain**

- How would you classify the Sub-Sectors in the Agriculture sector in the country?
  - Crops and Cereals: Cash Crops / Export Crops or Fruits and Vegetables, Floriculture
  - Livestock based : Processed Meat, Eggs and Fishery products
  - Timber based forest products (such as herbal plants, furniture wood)
- Which of the above sub-sectors presently has seen maximum activity in terms of SE level (profit and not-for profit)? Which of the sectors is likely to see significant SE activity in the next 2-3 years
- What are the most critical unmet needs for the low income population groups in the country that could have the maximum impact :
  - Increase in productivity (farm yield, livestock yield)

- Improved access to technology/ support services
  - Increased access to capital
  - Improved access to market linkages
  - Improve access to post-harvest infrastructure
  - Any other?
- What are the business models of various SEs operating in the sector
  - What is the preferred business model ('for profit' or 'not-for-profit') and why?
  - What are the key challenges that companies face that severely affect their profitability and in-turn investments from external sources.

#### **Market Landscape and Regulatory Framework**

- What are the key segments with significant SE level activity (profit and not-for profit) in the country at present across the Agri value chain for key product categories
- Who are the important players in the Key sub-sectors across the Agri value chain?
  - Locally developed enterprises
  - Subsidiaries of foreign companies
  - Govt. or state owned players
- What are the key customer segments for the enterprises in the Agri Sector (retail vs wholesale vs international customers) across the sub-sectors
- What are the implications of the regulatory framework in the sector
  - Key drivers for the regulatory framework in the sector / sub-sectors. How often are these regulations modified / updated?
  - What are the present Government Subsidies in the sector / sub-sectors? Are these subsidies required to compete and remain profitable in the sector?

#### **Growth Drivers and Challenges**

- What are the key growth drivers for the Agri sector in the country (indicative list of drivers)
  - Increased local demand due to higher GDP per capita growth and increasing urbanization
  - Improvement in land laws and holding patterns improving accessibility to larger tracts of land in future for cultivation
  - Government spending as a result of higher GDP growth
  - Increased demand from international markets for export oriented products
  - Improved access to finance and credit facilitating private and public investments
- What are the main challenges in the Sub-Sectors in the Agri domain (indicative list of challenges)
  - Inefficient supply chain with number of intermediaries. Lack of market linkage options linking producers with the end wholesale buyers
  - Poor post harvesting infrastructure
  - Increased competition and low productivity due to high fragmentation in land holding
  - Political instability leading to lack of reforms / access to finance to the sector

### **Healthcare**

#### **Sector Structure and value chain**

- How would you classify the key Sub-Sectors in the Healthcare sector in the country?
- What is the geographic presence of healthcare services in various regions?
- What is the urban versus rural concentration of each sub sectors?
- Which of the above sub-sectors presently has seen maximum activity in terms of SE level (profit and not-for profit)? Which of the sectors is likely to see significant SE activity in the next 2-3 years
- What are the most critical unmet needs for the low income population groups in the country that could have the maximum impact :
  - Reduced maternal and child mortality rate
  - Increased access to genuine drugs and nutrition products



- Increased availability of primary/secondary care in near vicinity
  - Affordable out-of-pocket health expense
  - Availability of precision diagnosis and targeted /special care
  - Any other?
- What are the business models of various SEs operating in the sector
  - What is the preferred business model ('for profit' or 'not-for-profit') and why?
  - What are the key challenges that companies face that severely affect their profitability and in-turn investments from external sources.

#### **Market Landscape and Regulatory Framework**

- Who are the important players in the key Sub-Sectors?
- What are the key segments with significant enterprise level activity in the country at present across
- What are the implications of the regulatory framework in the sector
  - Key drivers for the regulatory framework in the sector / sub-sectors. How often are these regulations modified / updated?
- What are the present Government Subsidies in the sector / sub-sectors? Are these subsidies required to compete and remain profitable in the sector?
  - What are the current dependencies on Aid Programs for supply of technology/infrastructure?
    - Engagement models of aid programs?

#### **Growth Drivers and Challenges**

- What are the key growth drivers
  - Government spending
  - Improved access to finance through private/public investments
  - Increased aid activity
  - Improvement in infrastructure
  - What are the main challenges in the Sub-Sectors? - access to finance, access to markets, access to technology, access to skilled doctors/trained paramedic staff, taxation, regulation, infrastructure: road, electricity, transport, corruption
- What are the implications of the current Foreign Investment Policy in the Sector

### **Renewable Energy (RE) / Clean Energy (CE)**

#### **Sector Structure**

- What are the key sources of energy for majority of the population in the country? What is the key reason for using a particular source of energy? - Fuel Wood, Bio Mass / Bio Fuel, Petroleum products such as Kerosene / LPG, Electricity, others
- How would you segment the key Sub-Sectors across the Renewable Energy in the country:
  - Grid Power using Hydro, Solar or geothermal energy
  - Products Category: Solar Home Systems, Lighting Systems, Clean Cook Stoves
- Which of the above sub-sectors presently has seen maximum SE activity (profit and not-for profit)? Which of the sectors is likely to see significant SE activity in the next 2-3 years
- What are the most critical unmet needs for the low income population groups in the country that could have the maximum impact :
  - Accessibility to products/services and last mile delivery
  - Quality and reliability of power supply
  - Affordability of the product and the service
  - Increased availability of after sales support
  - Reduced health burden by use of clean energy products
  - Any other?
- What are the business models of various SEs operating in the sector

- What is the preferred business model ('for profit' or 'not-for-profit') and why?
- What are the key challenges that companies face that severely affect their profitability and in-turn investments from external sources.

### **Market Landscape and Regulatory Framework**

- What are the key segments with significant SE level activity in the country at present across the Renewable Energy sector
  - Grid Power: Hydro Energy, Solar Energy, Geo Thermal energy
  - Off-Grid Power / Mini /Micro Grids: Solar Energy, Hydro Energy
  - Products: Solar Home Systems/ Solar products/ Clean Cook Stoves
  - Legal Structures / Business Structures: Public sector/ State dominated, private sector dominated or not for profit dominated
- Who are the important players in the Key Sub-Sectors?
  - Locally developed enterprises
  - Subsidiaries of foreign companies
  - Govt. or state owned players
- What are the business models of various SEs operating in the sector
  - What is the preferred business model and why?
  - What are the key challenges that companies face that severely affect their profitability and in-turn investments from external sources.
- What are the implications of the regulatory framework in the sector
  - Regulatory landscape for grid power across generation , transmission and distribution
  - Key drivers for the regulatory framework in the sector / sub-sectors. How often are these regulations modified / updated?
  - What are the present Government Subsidies in the sector / sub-sectors? Are these subsidies required to compete and remain profitable in the sector?

### **Growth Drivers and Challenges**

- What are the key growth drivers for the Renewable Energy sector in the country
  - Assess to grid electricity is very low across major geographic regions in the country, use of CE / RE products would be critical
  - Increasing customer demand for reliable sources of energy with rise in the IT and mobile communication penetration in the country and in general increased customer awareness
  - Government focus on the sector with increased spending due to higher GDP growth
- What are the main challenges in the Sub-Sectors in the Renewable Energy sector
  - Absence of manufacturing facility within the country for major RE / CE equipment's. High dependency on imported products
  - Less presence of research facilities to develop new product designs suited for the country
  - Assess to finance for developing new products/ promoting products and services focusing on RE/CE technologies