



# Enterprise Challenge Fund

for the Pacific & South East Asia

Overview of the ECF

Lessons learned workshop

October 2013



# About the Enterprise Challenge Fund (ECF)

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- ECF is a fund of A\$14.5 million of public money funded by AusAID available to the private sector on a competitive basis
- Objective - to contribute to poverty alleviation by creating income generating opportunities and access to goods and services for the poor
- Grants valued between A\$100,000 – A\$1.5 million were allocated to private sector in 9 countries in South East Asia and the Pacific
  - At least 50% of project funded by private sector company
  - Project must have scale of pro-poor outcomes and potential for systemic impact
- Fund manager role - marketing of the fund, facilitating bidding rounds, grant drawdowns, results measurement and dissemination



# Why would donors fund business?

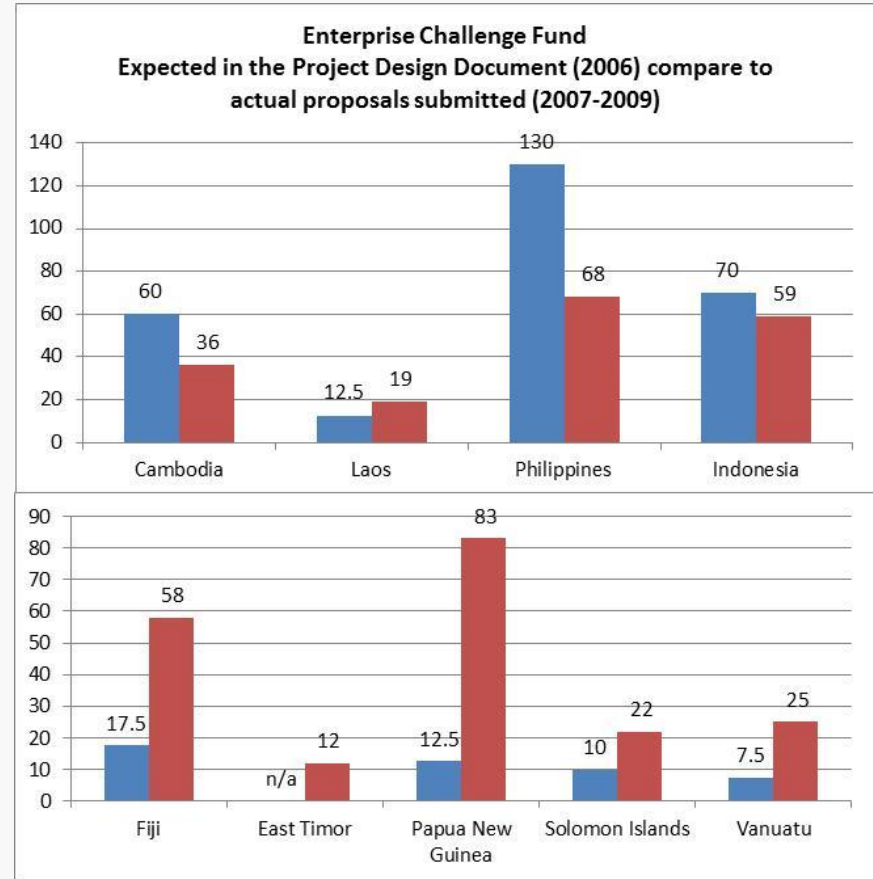
- Need for economic growth to filter to all communities in the region
  - Lack of jobs, information, education, banking, living standards
- Barriers exist for private sector
  - Access to finance, government regulations, skilled labourers, infrastructure
- The ECF aims to stimulate **economic growth** by providing grants to the private sector to develop projects that have pro-poor benefits

*ECF helps the poorest communities realise economic growth - connecting businesses to communities*



# ECF projects selected

- 2007-2009 – 3 bidding rounds
- Total 24 projects approved in 8 countries
- 71% Pacific and 26% Asia
- Funded industry where poor people working or lack access = agriculture, renewable energy, finance, tourism, education
- At completion, 21 projects in operation
  - \$11.012 million spent in grants
  - \$17.421 million total program costs



# Results by region

## Pacific

- 14 companies in PNG, Solomon Islands, Fiji, Vanuatu and Timor
- Grant = \$7.4 m
- Bidder contribution = \$11.2m

Total benefits to the poor (2013)  
\$4.096 million



- Total 4,495 beneficiaries
- Employment
- Supply chain in cocoa, vanilla, ducks, cattle

## South-East Asia

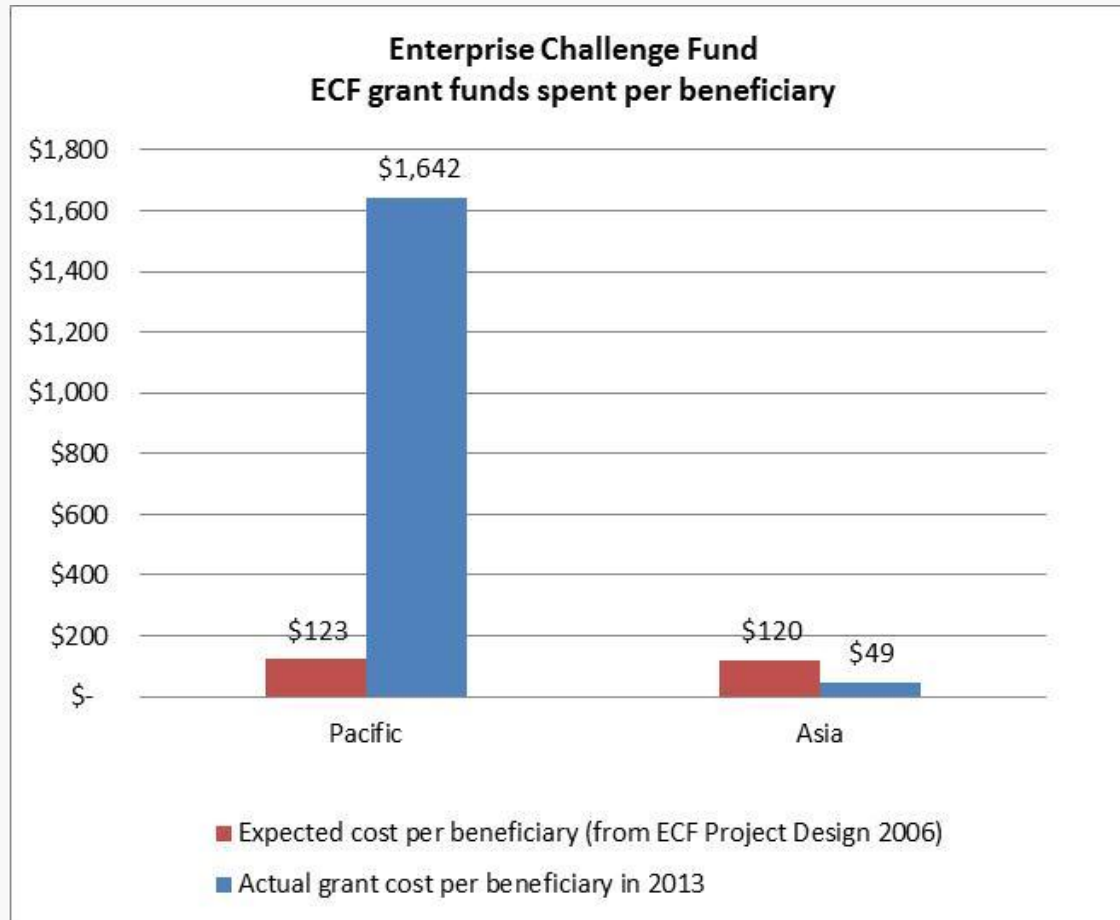
- 7 companies in Cambodia, Laos, Philippines
- Grant = A\$3.6 m
- Bidder contribution = \$6.7 m

Total benefits to the poor (2013)  
\$4.082 million



- Total 74,780 beneficiaries
- Supply chain for abaca, financial services
- Access to goods and services in banking, education, energy

# Cost of grant funds per beneficiary



# Wider impacts

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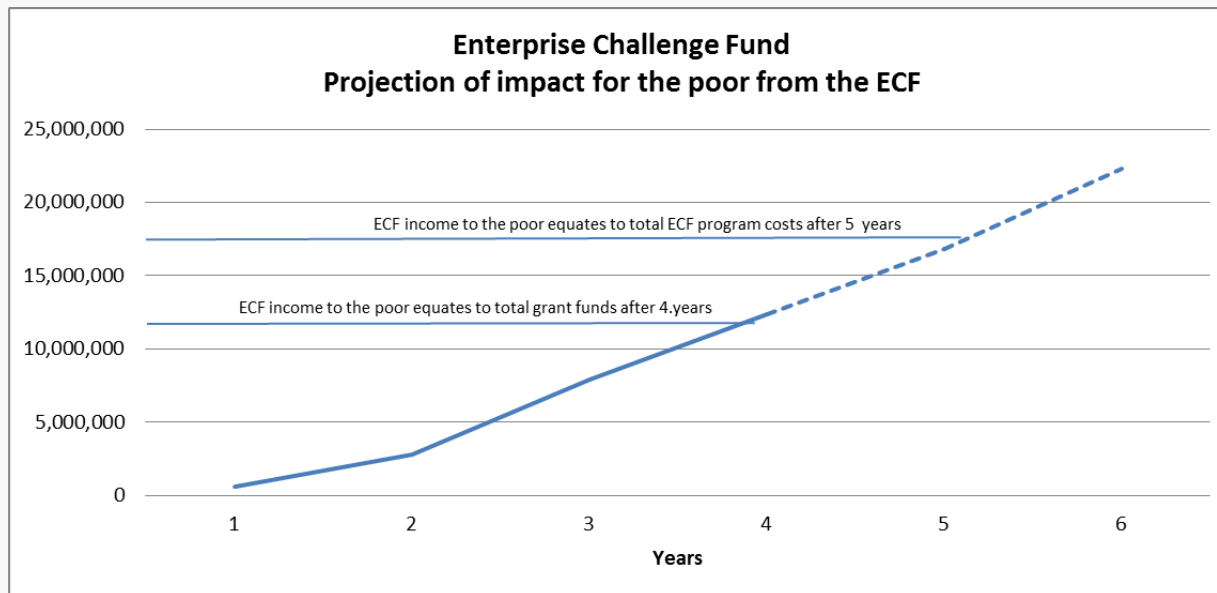
- Scaling up of projects – new markets or products
- Other businesses enter the same market (competitors, new suppliers)
- Wider market changes to improve overall business conditions
  - Supply chain and logistic improvements
  - Access to new technology and competitive production processes
  - Access to appropriate and affordable financial services
  - National reputation and brands
  - New laws and regulations



# Overall fund results

From 2010-2013 the ECF funded businesses have benefited over 78,000 people by an estimated A\$8.179 million in additional income. This equates to 50% of Australian Government funds spent on the A\$17.4 million program.

By 2015, the full spend of the program will have been converted into income for the poor – a full return on total investment.







# Enterprise Challenge Fund for the Pacific & South East Asia

Further details at

[www.enterprisechallengefund.org](http://www.enterprisechallengefund.org)

