



Enterprise Challenge Fund for the Pacific & South East Asia

How innovative projects can support
the enabling environment



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Enterprise Challenge Fund

- AusAID Pilot program = A\$20.5 million over 6 years (\$14.5 million in grant funding)
- Competitive grants program for projects valued between A\$100,000 – A\$1.5 million to for-profit businesses in 9 countries in Asia Pacific
- Match funding ECF v private sector – at least 50% funded by business
- Focus on large companies – not SMEs
- No country / industry quotas
- Assists commercially sustainable ‘innovative’ private sector projects providing tangible benefits to the poor (e.g. increased income, access to markets, improved livelihoods)



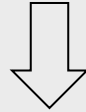
Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE

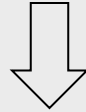


Why Private Sector Development?

- The Enterprise Challenge Fund aims to stimulate **economic growth** by providing grants to commercial for-profit companies to develop projects with pro-poor benefits



- Innovative projects have **systemic impacts** – good models improve conditions for doing business – support the **enabling environment**



- Economic growth can help **alleviate poverty** through the access to goods, services and income earning opportunities.



Australian Government

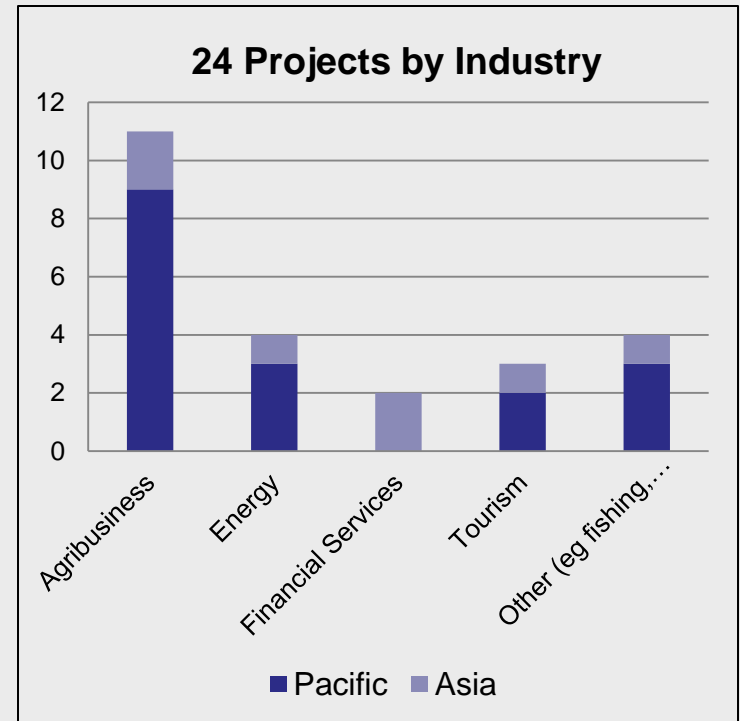
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



ECF Funding Results

- Three competitive bidding rounds - no further rounds expected
- Total 24 projects * (\$13.4 m) funded in 8 countries.
- 71% Pacific and 26% Asia
- Industry = agriculture, renewable energy, finance, tourism, education



* Note Bidding Round 3 will be publically launched soon



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE

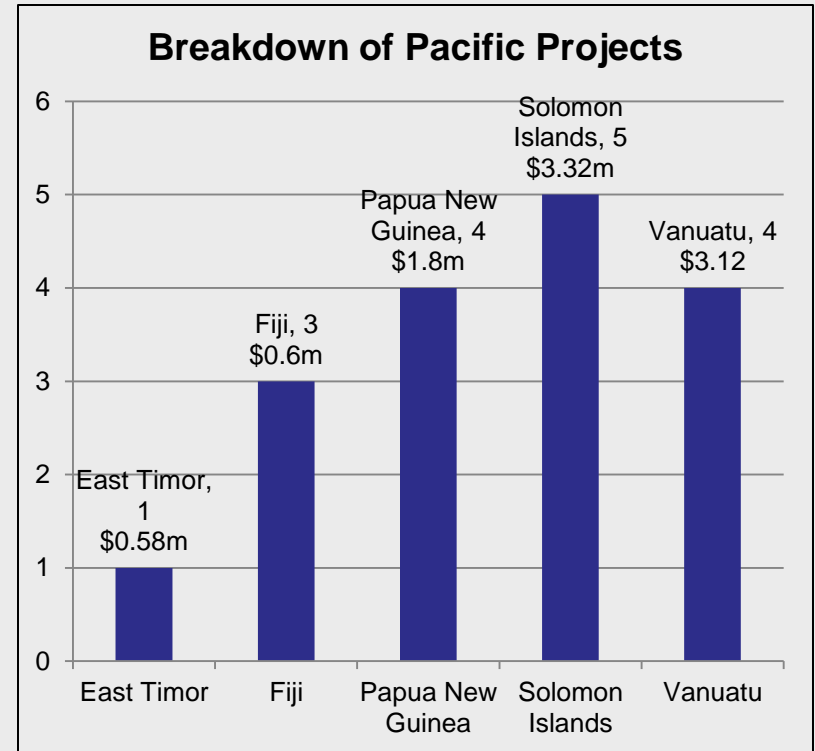


Pacific Results

- 71% Pacific projects = \$9.4million
- Industry = agriculture, renewable energy, finance, tourism
- Focus on export & import replacement projects

Why ECF was needed?

- Limitations on risk capital / acceptable collateral
- Higher risk profile than Asian countries



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Current Phase of ECF – Project Impact Monitoring

Successful projects will demonstrate that pro-poor commercial opportunities exist and are profitable.

- Monitoring the direct project impacts (employment, provision of goods and services) and impacts on beneficiaries
- Assisting and facilitating effective linkage with other agencies / programs
- Reviewing impacts on system and improvements in enabling environment
(e.g. replication, new businesses crowding in, new infrastructure)
- Communicating the results and lessons



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Nature's Way - Fiji



A Fiji Cooperative company with 120 (farmer) shareholders
ECF Grant of A\$ 263,321 will support to

1. Double Fiji quarantine treatment capacity for export of fruit and vegetables
2. Create an industry outreach program to increase quality and quantity of export fruit.

Direct Benefits of the project –

- Increase in export value and employment
- Increase farmer incomes and opportunities to develop local and international markets

Wider impacts –

- Support export development in Fiji
- Good model providing inclusive arrangements with suppliers



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Didao – Solomon Islands



Didao is a 100% locally owned company exporting fish from the Solomon Islands for the past 13 years.

An ECF Grant of A\$ 680,000 will support

1. Operate a carrier boat to collect fish from suppliers in Malaita
2. Undertake processing in a new facility compliant with HACCP regulations for exportation to Australia

Direct Benefits of the project –

- Increase access to fishing market for beneficiaries in Lau Lagoon
- Material and technical support in form of boats and public awareness

Wider impacts –

- Addresses supply chain and quality assurance of Solomon fishing industry
- Export sales will be a good demonstration model



Australian Government

AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Sarami Plantation – Vanuatu



Sarami Plantation in Santo, Vanuatu has been operating over 30 years and has developed a 2000 ha fattening property.

An ECF Grant of A\$ 1.375 million will support

1. Small holder farming improvements through competitive purchasing agreements and provision of genetic improvements
2. Developing silage model to improve quality of cattle

Direct Benefits of the project –

- Provision of genetically improved cattle to small holder farmer to improve offspring of Vanuatu cattle to secure longer term livelihoods
- Increased beef exports in Vanuatu

Wider impacts –

- Mutually beneficial arrangements with suppliers
- First silage model in Pacific
- Sarami has agreed to share lessons learned and technical information to relevant companies, agricultural bodies and other parties.



Australian Government

AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



Puritau – Papua New Guinea



Puritau Ltd is a family run company that has been involved in the agricultural sector in PNG since 1987 and exporting vanilla beans for 10 years.

An ECF Grant of A\$ 170,000 will support

1. Establish of a solvent extraction plant facility in Port Moresby to provide a larger and more reliable market for farmers in remote areas of the country
2. Support the attainment of international quality standard certification for greater export opportunities.

Direct Benefits of the project –

- Providing over 2000 beneficiaries with more reliable consistent market for vanilla and other spices
- Training opportunities for farmers

Wider impacts –

- First vanilla processing model in PNG
- Addresses supply chain impediments and inclusive arrangements with suppliers to enhance quality and incomes.



Australian Government

AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE



How ECF type projects support Pacific enabling environment

Improvements in the business enabling environment will support the expansion of small domestic markets

- Supply chain and logistic improvements
- Training of workers
- Access to technology and competitive production processes
- Access to appropriate and affordable finance



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE

**ENTERPRISE
CHALLENGE
FUND**
for the Pacific and
South East Asia
GROWING BUSINESS TO REDUCE POVERTY



Enterprise Challenge Fund for the Pacific & South East Asia

Further details at

WWW.ENTERPRISECHALLENGEFUND.ORG



Australian Government
AusAID

AN AUSTRALIAN GOVERNMENT, AUSAID INITIATIVE

