



# Enterprise Challenge Fund

for the Pacific & South East Asia

Overview of the ECF

Lessons learned workshop

October 2013



# About the Enterprise Challenge Fund (ECF)

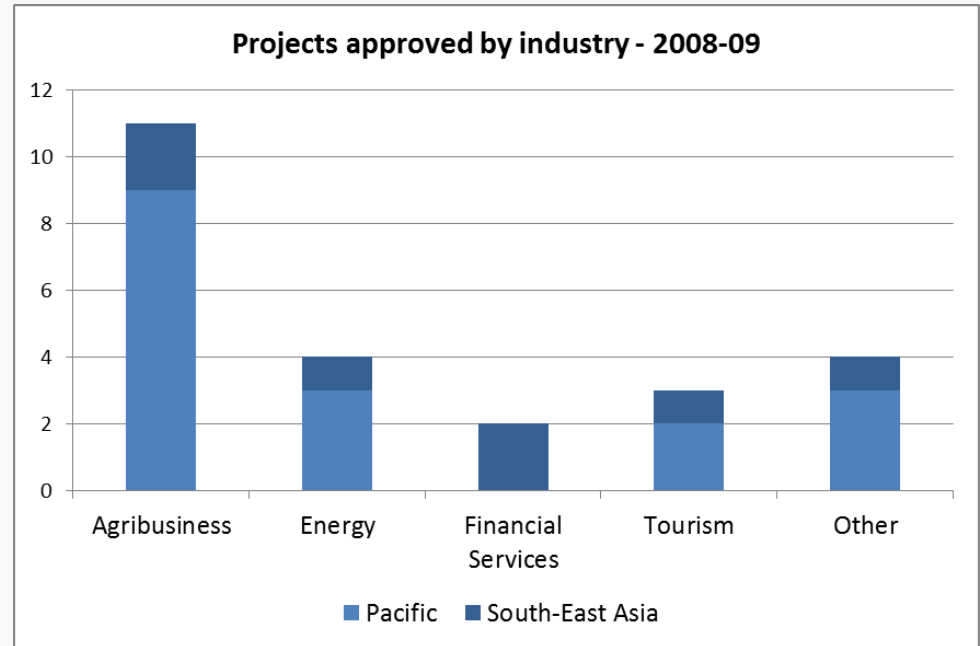
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- ECF is a fund of A\$14.5 million of public money funded by AusAID available to the private sector on a competitive basis
- Objective - to contribute to poverty alleviation by creating income generating opportunities and access to goods and services 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



# ECF projects selected

- From 2007-2009 ECF held three bidding rounds
- 24 projects funded in 8 countries.
- 71% Pacific and 26% Asia
- Projects funded in industry where poor people are working or lack access = agriculture, renewable energy, finance, tourism, education
- 21 projects in operation 2013, total grant funds of \$11.012 million spent – total program costs \$17.421 million



# Why fund business in South East Asia?

- Large scale economic growth across South East Asia
- Need for the economic growth to filter to all communities in the region
  - Lack of information, education, banking, living standards
- Barriers exist for private sector (access to finance, government regulations, skilled labourers)
- 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*



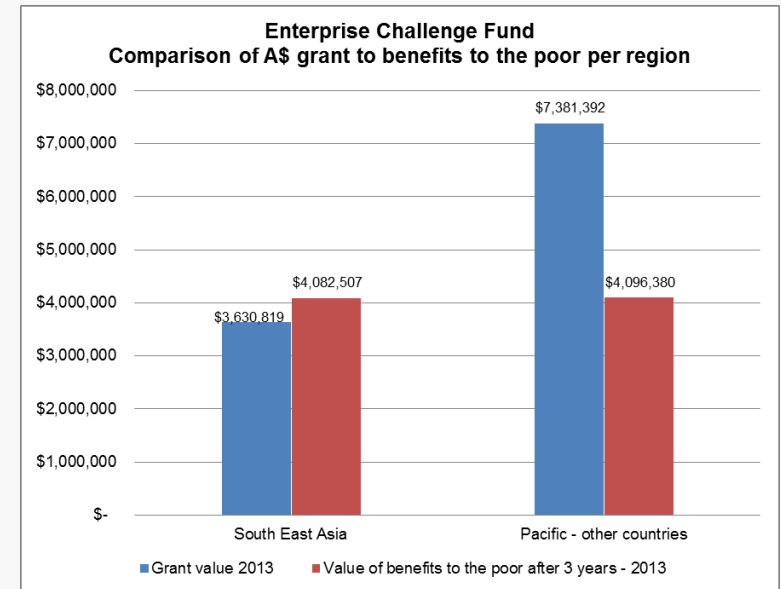
# Results in South East Asia

- 7 companies funded in Cambodia, Laos, Philippines with A\$3.6 million – the companies contributed \$6.7 million
- Companies grow and employ people
- Developed new infrastructure – agriculture, education, energy, roads and developed supply chains
- Challenges faced by companies
  - Timing for permits and licenses
  - 2008 financial crisis and exchange rates
  - Natural disasters in region – flooding, typhoons



# Results in South East Asia

- Companies benefit the communities
- Focus on supply chain development and providing new goods and services to rural markets
- Increased incomes for 74,780 people of A\$4.083 million in three years
  - Customers for financial products
  - Households with electricity
  - Small tourism businesses with new international clients
  - Tertiary school students
  - Farmers selling goods and benefiting from new inputs



# Success in one company improves the wider market system

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Improvements in the wider business environment (market system) have occurred as companies scale up or alter their strategy. This leads to additional employment and new incomes for people and sustainability of the business.

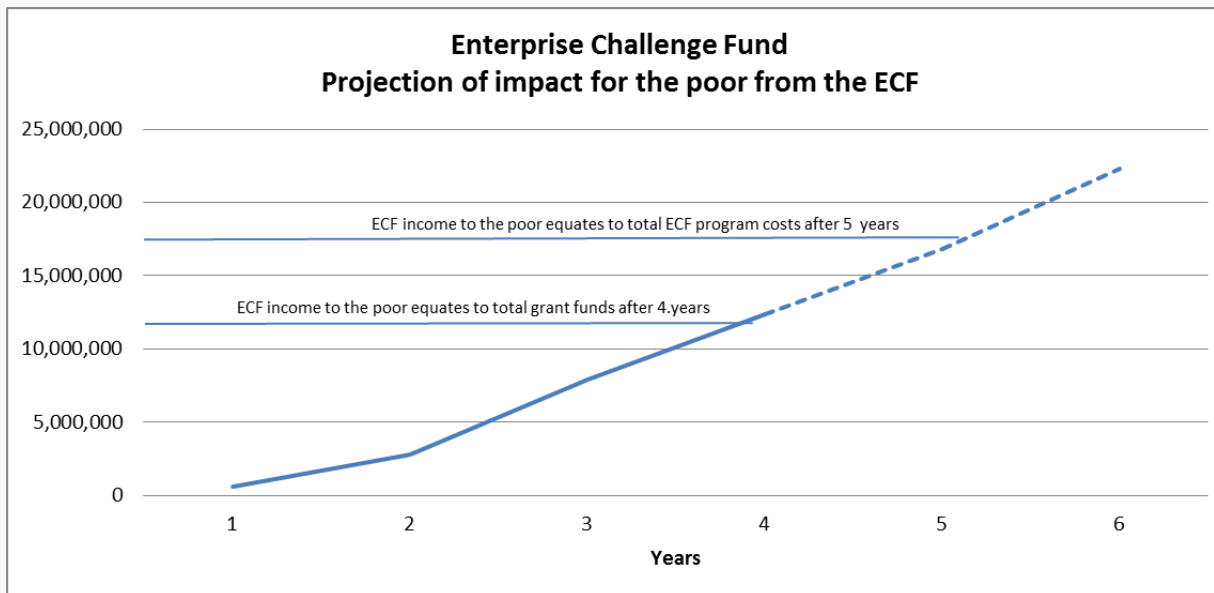
- Scaling up of projects – new markets or products
- Other businesses enter the same market (competitors, new suppliers)
- Wider market changes to improve overall business conditions
  - Supply chain and logistic improvements
  - Access to new technology and competitive production processes
  - Access 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)

