Enterprise Challenge Fund
for the Pacific & South East Asia
Overview of the ECF
Lessons learned workshop
October 2013
About the Enterprise Challenge Fund (ECF)

- 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 = $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

Enterprise Challenge Fund
ECF grant funds spent per beneficiary

- Pacific: $1,642
- Asia: $120

- Expected cost per beneficiary (from ECF Project Design 2006)
- Actual grant cost per beneficiary in 2013
Wider impacts

• 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.
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Further details at
www.enterprisechallengefund.org