Enterprise Challenge Fund
for the Pacific & South East Asia

“The ECF grants are just one way we can help improve the economies of Pacific Island countries in the long term, and through them the Australian Government is helping the private sector to play its part in alleviating poverty across our region,”
Hon Bob McMullan MP, Parliamentary Secretary for International Development Assistance
Enterprise Challenge Fund

- AusAID pilot program
- Competitive grants between A$100,000 – A$1.5 million
- Minimum 50% funded by business
- No quotas and no direct government involvement
- Assists commercially sustainable ‘innovative’ business projects with tangible benefits to the poor
Rationale

• ECF aims to stimulate **economic growth** by providing grants to commercial projects with pro-poor benefits

  ![Diagram](image)

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

• Economic growth helps **alleviate poverty** through improved access to goods/services and income earning opportunities
ECF Funding Results

- Three competitive bidding rounds
- Total 24 projects (A$13.4 m) funded in 8 countries
ECF Funding Results

24 Projects by Industry

- Agribusiness: 10 projects
- Energy: 2 projects
- Financial Services: 2 projects
- Tourism: 2 projects
- Other (e.g. fishing, manufacturing, shipping, education): 2 projects

Pacific: dark blue, Asia: light blue
Pacific Results

- 16 Pacific projects: $9.4 million
- Agribusiness, renewable energy, tourism
- Limitations on risk capital / acceptable collateral
- Higher risk profile than some Asian countries
Pacific Results

Breakdown of Pacific Projects

<table>
<thead>
<tr>
<th>Country</th>
<th>Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Timor</td>
<td>1</td>
<td>$0.58m</td>
</tr>
<tr>
<td>Fiji</td>
<td>3</td>
<td>$0.6m</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>4</td>
<td>$1.8m</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>5</td>
<td>$3.32m</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>4</td>
<td>$3.12</td>
</tr>
</tbody>
</table>
Current Phase of ECF – Project Impact Monitoring

• Monitoring the direct project impacts on beneficiaries

• Assisting and facilitating effective linkages

• Reviewing impacts on system and improvements in business enabling environments

• Communicating the results and lessons
Nature’s Way - Fiji

Grant A$ 263,321

Direct Benefits
• Increase in exports and employment
• Increased farmer incomes

Wider impacts –
• Support export expansion
• Good model
• Foundation for expansion of industry
Carnival Australia – Vanuatu

Grant A$ 805,000

Direct Benefits
• Increased incomes, skills, knowledge, access to goods and services
• More tourism income outside Port Vila

Wider impacts –
• Model for collaborative arrangements between cruise companies and communities
Photos - Carnival
Photos - Carnival
Photos - Carnival
Sarami Plantation – Vanuatu

Grant A$ 1.375 million

<table>
<thead>
<tr>
<th>Direct Benefits</th>
<th>Wider impacts –</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provision of genetically improved cattle to small holder farmers</td>
<td>• Beneficial arrangements model</td>
</tr>
<tr>
<td>• Increased incomes for small holder suppliers</td>
<td>• Silage and improved pasture model in Pacific</td>
</tr>
<tr>
<td></td>
<td>• Increased competition benefits small holders.</td>
</tr>
<tr>
<td></td>
<td>• Genetic improvements</td>
</tr>
</tbody>
</table>
Photos - Sarami
Reddy Farms - Fiji

Grant A$ 146,900.

Direct Benefits
• Diversified income for small sugar cane farmers
• Increased incomes for urban fringe households

Wider impacts –
• Import replacement
• Good supply model
• Model for local supply to hotels
Photos - Reddy
Future Forests Fiji (FFF)
Teak seedling nursery – foundation for larger project

Grant A$190,000

Direct Benefits
• Contractors and employees
• Communities and landowners involved – present incomes, future wealth

Wider impacts –
• Seedlings for plantations elsewhere
Photos - FFF
Photos - FFF
Didao – Solomon Islands

Grant A$ 680,000

Direct Benefits
• Increased incomes for beneficiaries in remote Lau Lagoon
• Material/technical support to beneficiaries

Wider impacts
• Addresses supply chain problems
• Export sales good demonstration model
Photos - Didao
Photos - Didao
Photos - Didao
Lessons

- Relevance to Pacific
- Agribusiness projects most likely to satisfy criteria
- Quality of bids improve as companies better understand assessment criteria and process
- Broad coverage makes due diligence and panel input more difficult
- Smaller companies need more assistance
Lessons continued

- M&E can be resource hungry
- Measurable outcomes tend to be longer term
- Approach does not fully address constraints to indigenous businesses and SMEs
- Some projects impacted by GFC but none fatally
- Most projects interesting models
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Further details at

WWW.ENTERPRISECALLENGEFUND.ORG