

# EXECUTIVE SUMMARY

SOCIAL INVESTMENT LANDSCAPE IN ASIA



Published by AVPN in May 2019.

Copyright @ AVPN 2019

Email [knowledge@avpn.asia](mailto:knowledge@avpn.asia)

Website [www.avpn.asia](http://www.avpn.asia)

Authors Nguyen Le Phuong Anh, Sangeetha  
Watson and Bradley Wo

Editors Roshini Prakash, Kevin Teo

Design and Typesetting [Ideasutra.in](http://Ideasutra.in)

This work is licensed under the Attribution-  
NonCommercial-ShareAlike 4.0 International  
License:



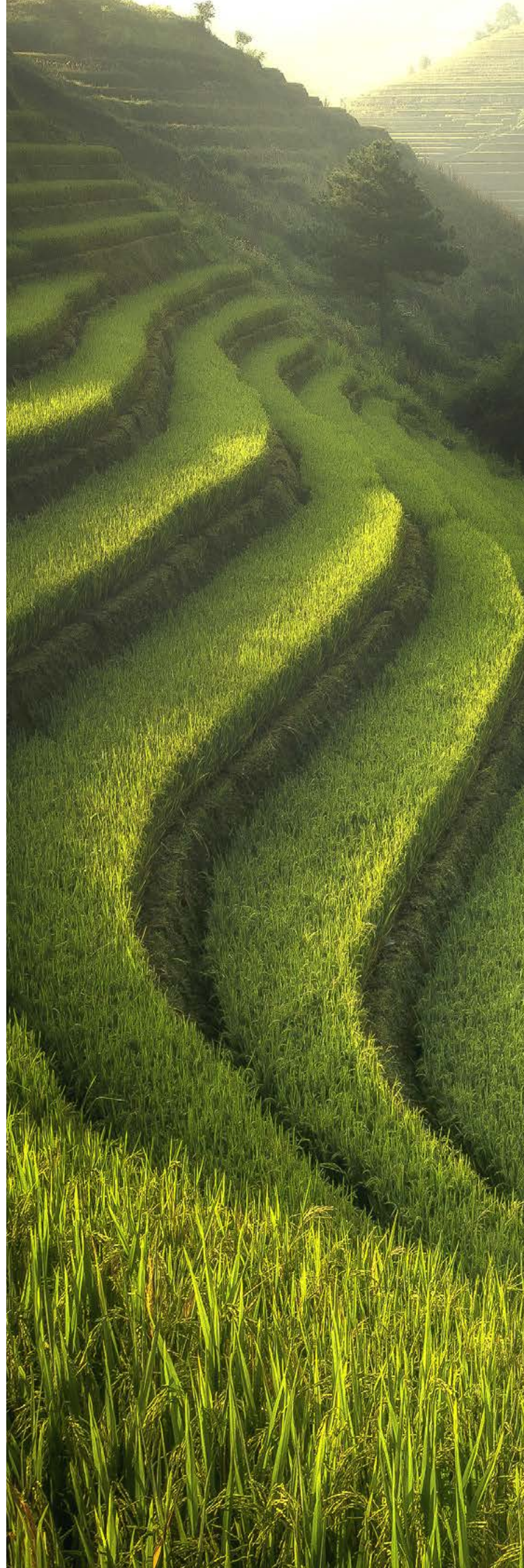
**Attribution** — You must give appropriate credit, provide a link to the license, and indicate if changes were made.



**NonCommercial** — You may not use the material for commercial purposes.



**ShareAlike** — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.





## ABOUT THE REPORT

Now in its second edition, the Social Investment Landscape in Asia serves as a resource for funders and resource providers to assess the opportunities and challenges for social investment in 14 markets in North, South and Southeast Asia. It is designed to be a guide for new social investors and intermediaries looking to enter the Asian market and existing actors exploring partnerships as well as cross-border or cross-sector opportunities.

Each market report provides a holistic overview of the current and emerging trends in the social economy, including:

- Fact File: key demographic, economic and social investment indicators,
- Development Context: progress towards the Sustainable Development Goals and government initiatives to address development gaps,
- The Social Investment Landscape: key trends and notable actors,
- Social Economy Development: an assessment of the current landscape relative to the other 13 Asian markets, and
- Opportunities, challenges and recommendations for social investors and intermediaries.

An online decision-making tool and a detailed mapping of key actors are available at:  
[www.avpn.asia/si-landscape](http://www.avpn.asia/si-landscape).



## EXECUTIVE SUMMARY

Asia is in the middle of a historic transformation. The Asian Development Bank (ADB) has posited that: “If [Asia] continues to follow its recent trajectory, by 2050 its per capita income could rise 6-fold in purchasing power parity (PPP) terms.”<sup>1</sup> This trajectory requires balancing the demands of economic growth with reducing inequalities and ensuring environmental sustainability. The United Nations Sustainable Development Goals (SDGs) adopted by 193 countries in 2015 highlight the scale and urgency of social, environmental and economic issues globally.<sup>2</sup>

Against this backdrop, social investment — a broad area wherein various forms of capital are structured in ways that consider and value both financial performance and social value creation<sup>3</sup> — is gaining momentum globally. The social economies — the ecosystem of social purpose organisations (SPOs), investors, intermediaries and enablers collectively pursuing social impact — around the world and

especially in Asia have seen significant engagement and innovation in recent years. Although the size of the global social economy is widely contested,<sup>4</sup> its contours are coming into focus through more recent surveys, indicating substantial growth:

- A 2018 survey by the European Venture Philanthropy Association (EVPA) finds that the European social investment sector continues to grow with EUR 767 million (USD 862 million) invested in close to 12,000 SPOs in 2018.<sup>5</sup>
- According to the 2018 Global Philanthropy Report published by Harvard University, philanthropic assets have grown significantly in the last 25 years to reach more than USD 1.5 trillion from over 260,000 foundations across 38 countries.<sup>6</sup>
- The 2018 Landscape for Impact Investing in Southeast Asia report by the Global Impact Investing Network (GIIN) found that investment activity in Southeast Asia has increased over time, with USD 904 million deployed through 223 direct

1. ADB, 2011, Asia 2050 – Realising the Asian Century

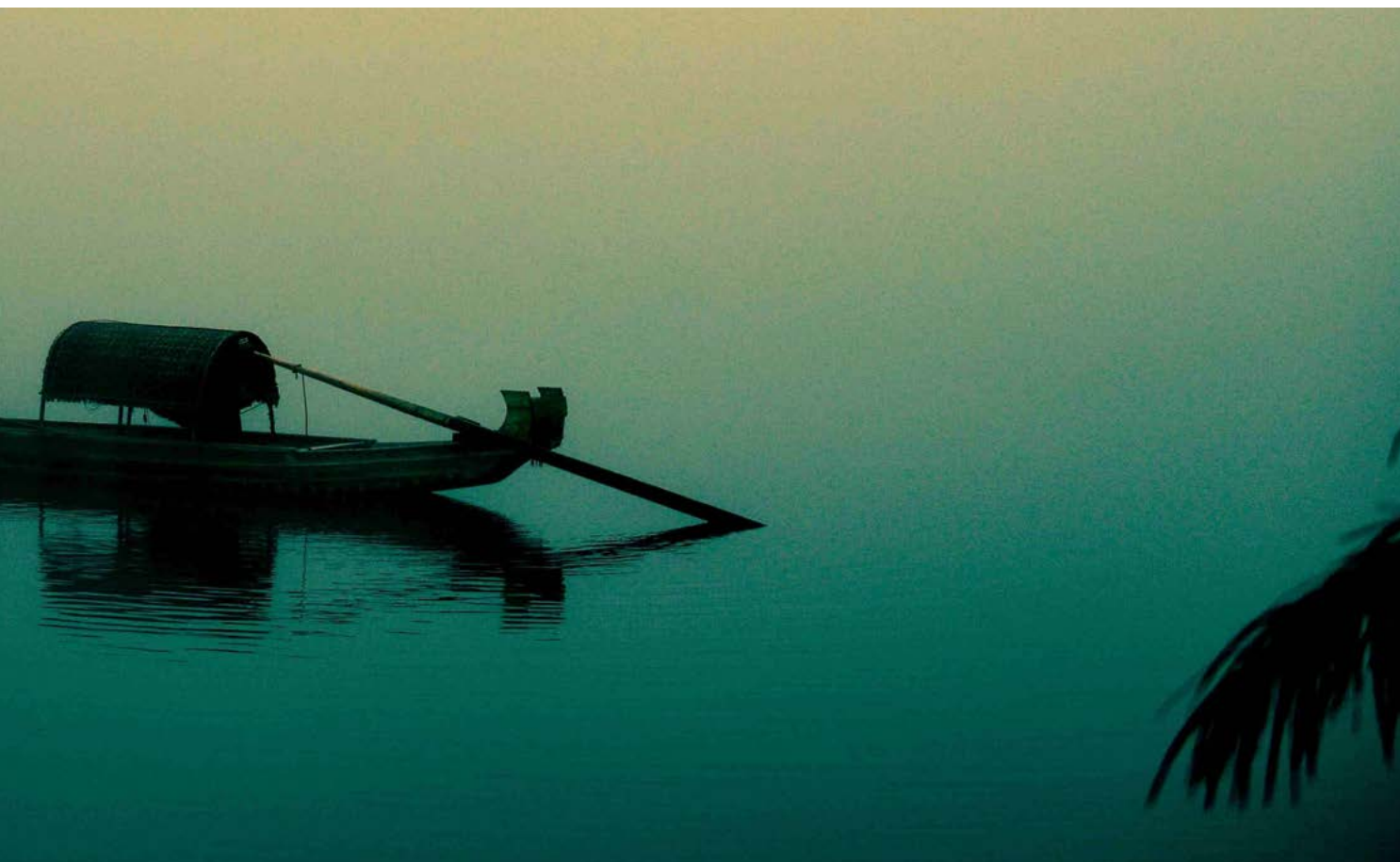
2. UN, 2018, World Economic Situation and Prospects 2018

3. AVPN, 2019, AVPN Myanmar Social Investment Forum Programme

4. ImpactAlpha, 2017, How much money is there in impact investing?

5. EVPA, 2018, Investing for Impact | The EVPA Survey 2017/2018

6. Harvard University, 2018, The Global Philanthropy Report: Perspectives on the Global Foundation Sector



deals by private impact investors and an additional USD 11.3 billion deployed through 289 direct deals by development finance institutions in the past decade.<sup>7</sup>

Creating social impact requires engagement from a spectrum of stakeholders, including but not limited to the government, high net worth individuals (HNWIs), foundations, family offices, impact funds, corporates, financial institutions, development finance institutions, incubators, accelerators, capacity builders, higher education institutes and others.

With this second edition of the Social Investment Landscape in Asia, we provide a snapshot of activities, with an emphasis on new developments between 2017 and 2019, in different segments of 14 social economies in North, South and Southeast Asia: Cambodia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Myanmar, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

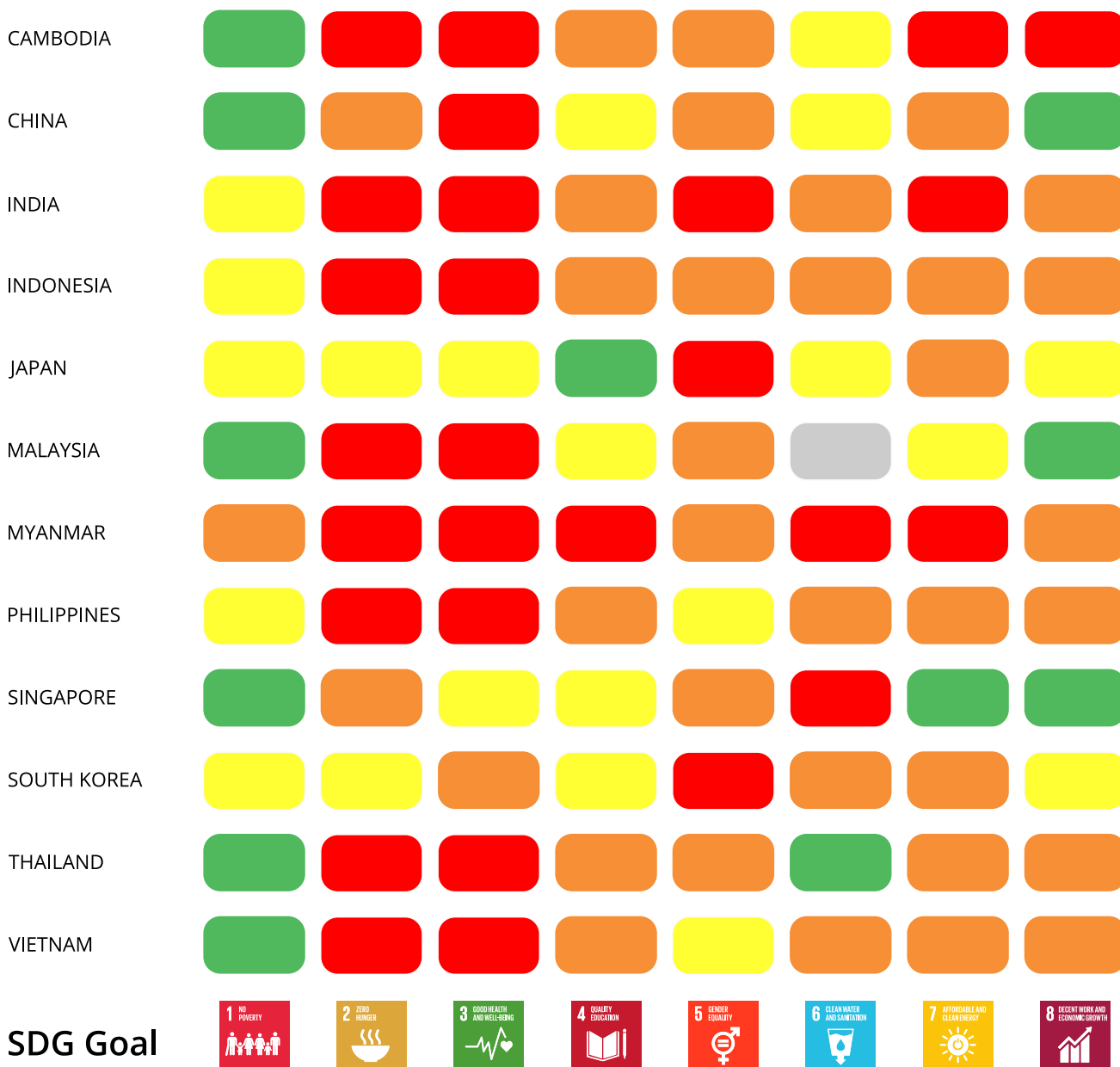
We present key insights from qualitative research while outlining the essential characteristics of these social economies including:

- Fact File: key demographic, economic and social investment indicators,
- Development Context: progress towards the Sustainable Development Goals and government initiatives to address development gaps,
- The Social Investment Landscape: key trends and notable actors,
- Social Economy Development: an assessment of the current landscape relative to the other 13 Asian markets, and
- Opportunities, challenges and recommendations for social investors and intermediaries.

7. GIIN, 2018, The landscape for impact investing in Southeast Asia

## COUNTRY

## SDG Rating



Source: sdgindex.org

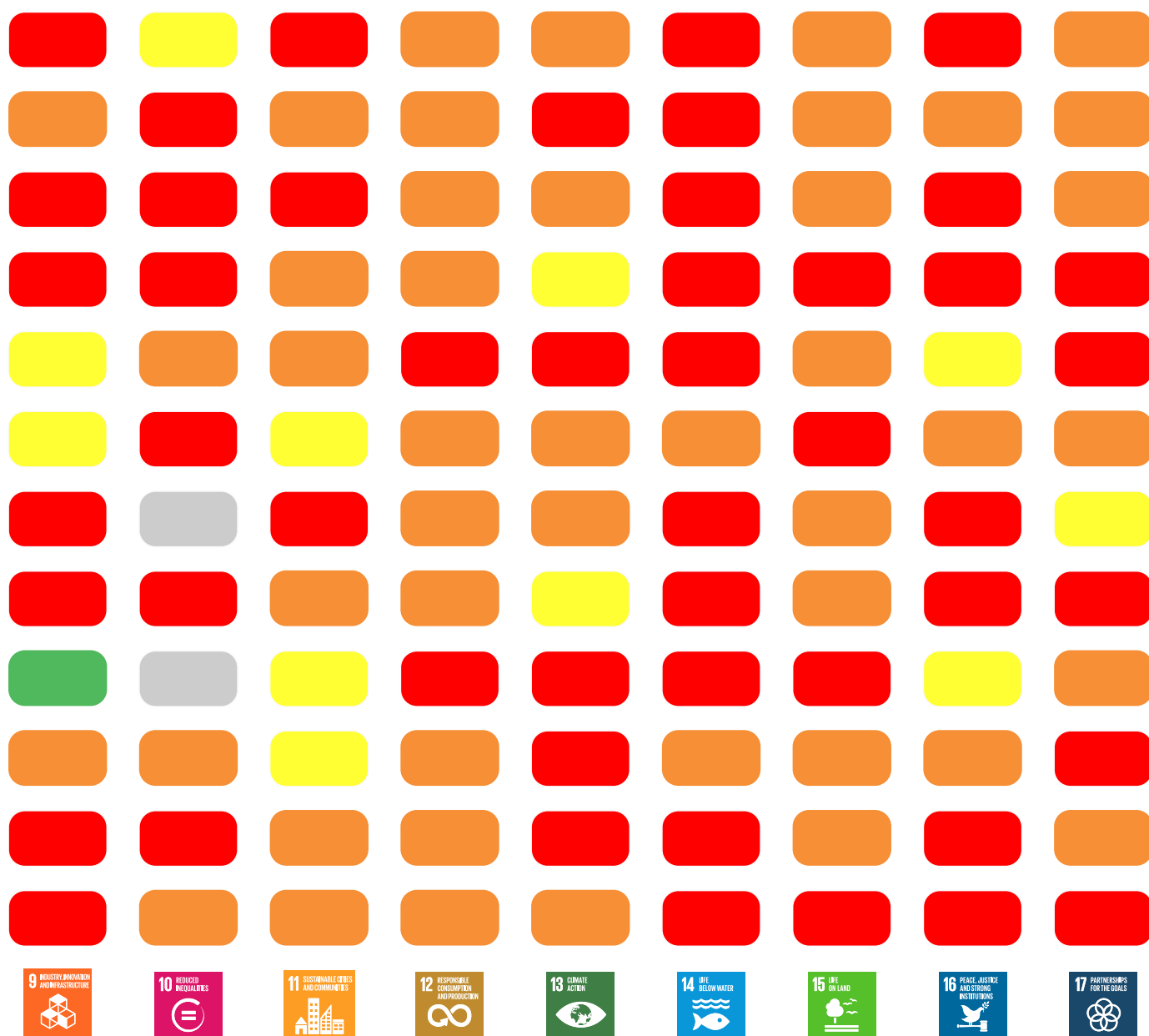
Note: The "traffic light" colour scheme (green, yellow, orange and red) illustrates how far a country is from achieving a particular goal. Grey indicates insufficient data. SDG dashboards are not published separately for Hong Kong and Taiwan and are therefore not reflected in this table.

## DEVELOPMENT CONTEXT

Poverty reduction across most of the 14 markets has been impressive, but India and Myanmar still have about 20% and 30% of the population living below the national poverty line, respectively. While emerging economies such as Cambodia, India, Indonesia, Myanmar, the Philippines and Vietnam

have to address pressing social challenges in key social services including education, health care, water and sanitation, developed economies such as Hong Kong, Japan, South Korea and Taiwan are tackling ageing, growing inequalities, declining workforce, labour productivity and gender equality. Environmental

## SDG Rating



issues are uniformly orange or red on the dashboard across countries, from issues of energy access and infrastructure in emerging economies, to climate risk mitigation and natural resources management in other countries.

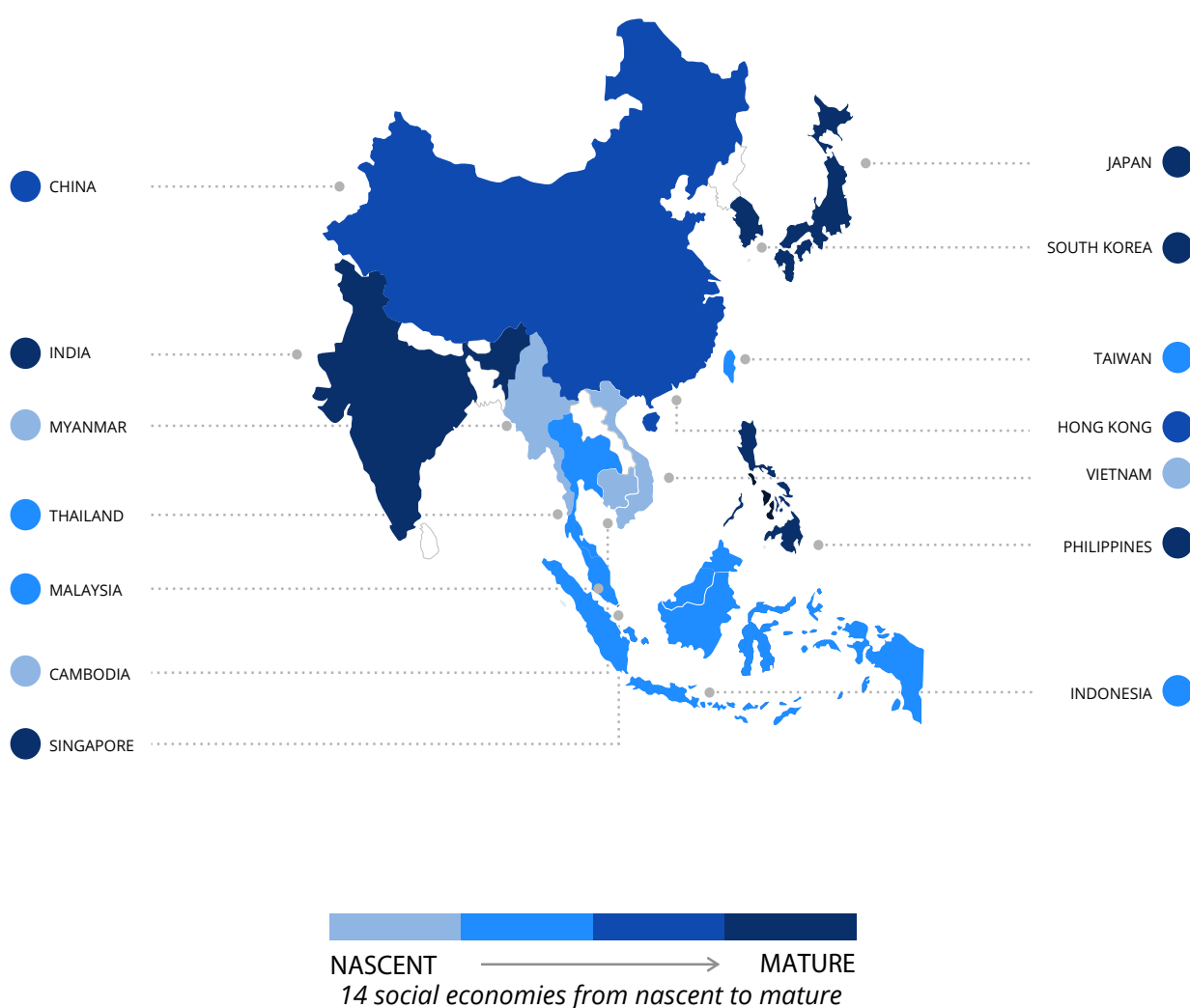
## INSIGHTS FROM THE 14 SOCIAL ECONOMIES

### 1. Ecosystem is maturing, but growth is uneven

The growth stage of a social economy is characterised by the presence, contribution and maturity of all actors in the ecosystem — the government, SPOs, social investors and intermediaries. In 2017, we rated this on a scale from early-stage to mature. While some economies such as Japan and the Philippines have recorded significant developments from 2017 to 2019,

others like Cambodia, Myanmar and Vietnam have been comparatively stable with few new changes.

Taking this into account, we see the spectrum of social economy development from early-stage to mature as follows:



## 2. Intermediaries are critical catalysts for sustained ecosystem growth

Intermediaries, including incubators, accelerators, capacity builders, and higher education institutions, are critical catalysts and play a key role in building the pipeline of investible SPOs, championing partnerships for social impact, building a knowledge and evidence base and cementing the movement towards systemic change across the region. Local intermediaries support both SPOs and funders, facilitate collaborations and build the ecosystem through:<sup>8</sup>

- Leveraging sector expertise to help funders and SPOs make better decisions
- Acting as local partners for international and cross-border funders
- Advocating for policy change
- Formalising the social enterprise (SE) sector through certification.

International institutions can provide additional support to intermediaries, especially in less-developed social economies, to further enhance overall SE development as evidenced by the following examples from Cambodia, Myanmar and the Philippines. The Regional Investment Support for Entrepreneurs (RISE) facility was launched in Cambodia by Swiss Foundation for Technical Cooperation (Swisscontact) in 2018 in partnership with Uberis Capital and funded by USAID.<sup>9</sup> In August 2018, the Philippine Development Foundation (PhilDev) launched a 3-year Innovation for Social Impact Partnership (ISIP) with the Australian government and UNDP to provide technical support and mentorship to social start-ups.<sup>10</sup> In Myanmar, the Yangon Innovation Centre was established by Thura Swiss, a market research company, and Seedstars, an international start-up builder focusing on emerging markets, in March 2019 and consists of a co-working space and acceleration programme.<sup>11</sup> Across the region, AVPN's Deal Share Platform bridges the gap between demand and supply, helping prospective funders identify suitable pipelines across markets and causes as well as supporting SPOs to scale and be investment ready.

Knowledge and research institutions bolster the SE sector through various means. For example, China

Global Philanthropy Institute and Cheung Kong Graduate School of Business both have training programmes for philanthropists, corporate and non-profit leaders; local universities in Hong Kong have been offering social innovation and social entrepreneurship courses to MBA and undergraduate students; and the Indian Institute of Management organises events and competitions to increase awareness of noteworthy and high potential SEs.

## 3. Increasing government recognition and support for the social economy

There are growing efforts by policymakers to put in place policies and initiatives to mobilise private capital for social impact and foster development of a vibrant social economy. Although South Korea, Thailand and Vietnam are the only 3 economies that legally recognise SEs, governments in the Philippines and Myanmar have undertaken legislative approaches to building their social economies. On the other hand, China, Hong Kong, Japan, Taiwan and Singapore have focused their efforts on unlocking private capital for social innovations. Despite these differences in approach, the policy environment across Asia is generally friendly to the growth of the social economy.

The Philippines government introduced the Inclusive Business Accreditation in 2018,<sup>12</sup> which defines an Inclusive Business (IB) as one which provides goods, services and livelihoods on a commercially viable basis to people at the base of the pyramid and incorporates them along the value chain.<sup>13</sup> This has had the effect of encouraging businesses to develop their IB models and provided a platform through which IBs can exchange knowledge and grow the IB industry. In a similar vein, the Myanmar Young Entrepreneurs Association formed a Social Enterprise and Inclusive Business Committee to coordinate efforts to promote business solutions to development challenges.<sup>14</sup>

In Hong Kong, the Social Innovation and Entrepreneurship Development (SIE) Fund launched a multi-sectoral programme to develop a gerontechnology ecosystem to address challenges rising from the city's rapidly ageing population. This programme was established in partnership with the

8. AVPN, 2018, The Continuum of Capital in Asia: Highlights across the Full Spectrum of Social Investment

9. Swisscontact, Regional Investment Support for Entrepreneurs (RISE)

10. Next Billion, 2018, Press release: Australia, UNDP, PhilDev launch mentorship for Filipino social enterprises

11. Seedstars, 2019, Yangon, Myanmar: Seedstars announces its first hub in Southeast Asia

12. Business World, 2018, Bol preparing province-level push for inclusive business models

13. Board of Investments, 2016, Inclusive Business in the Philippines

14. DaNa Facility, 2018, Inclusive Business in Myanmar: An Agenda to Catalyse Social Impact



Hong Kong Council of Social Service and Our Hong Kong Foundation in June 2018.<sup>15</sup> In a similar move, the Taiwanese government opened the Social Innovation Lab in 2017 and announced a NT\$8.8 billion (USD 290 million) 5 year Social Innovation Action Plan.<sup>16</sup> Thailand followed suit with the Social Enterprises Promotion Act, which was passed in 2019. This act embedded SEs in a legal framework and also established a SE promotion fund committed to increasing access to loan and tax exemptions for SEs. These initiatives have had the effect of showing a strong financial, administrative and legislative commitment to support SEs.

In South Korea, the government partnered with KB Bank Social Investment Fund, the Happiness Foundation and KEB Hana Bank and fund managers IBK Investment Securities, Crevisse and Lime Investment Management to establish a “Growth Ladder Fund”.<sup>17</sup> This is the country's first government-led impact investment fund to support SEs and it hopes to allocate a total of KRW 135 billion (USD 120 million) to SEs by 2022.

4	 Strong support in the form of legislation, incentives, incubation and acceleration	South Korea
3	 Enabling policy environment with multiple incentives	China Hong Kong Japan Singapore Taiwan
2	 Friendly policy environment with basic recognition and support	Cambodia India Malaysia Philippines Thailand Vietnam
1	 Neutral policy environment with no recognition or targeted support	Indonesia Myanmar

### *Policy environments across 14 social economies*

15. SIE Fund, 2018, Sharing Session on the Current Landscape and Latest Development of the Gerontechnology in Hong Kong  
 16. Financial Supervisory Commission Republic of China (Taiwan), 2017, Executive Yuan Approves the Green Finance Action Plan

17. The Bell, 2017, IBK Security Co., Ltd. establish the first Social Enterprise PEF in South Korea

## 4. Managed funds invest in a range of social ventures

Given that the majority of the 14 social economies are in their growth phase and viable pipelines are still small, impact investing plays a critical role in growing and scaling SEs and impact businesses. In this regard, India has one of the most vibrant impact investing markets in Asia with over 50 active investors who fund SEs from seed to growth and expansion stages. Within the region, Singapore is a popular hub for international impact funds investing across markets.

A key development in Asian economies has been the emergence of local impact funds. One example is Ehong Capital which set up China's first Social Impact Growth Fund 'Yuhe' in 2018, focusing on supporting organisations with social and environmental impact.<sup>18</sup> 2 of its first investments in SEs were RMB 16 million (USD 2.4 million) for Qinjin Muyu and RMB 15 million (USD 2.3 million) for Celefish.<sup>19</sup> In Vietnam, Lotus Impact funds seed-stage SEs and provides them with a range of incubation support.<sup>20</sup> It also set up Lotus Hub in partnership with USAID and Villgro to invest in enterprises in agriculture- and food-related value chains with a gender equality lens.<sup>21</sup> The club funding model utilised by B Current Impact Investment, a

pioneering impact fund in Taiwan, encourages sharing resources and risk among co-investors. As of 2018, B Current had supported 10 SEs with NT\$125 million (USD 4 million) of financing<sup>22</sup> and was preparing to launch a 3rd fund.<sup>23</sup>

In addition, some Asian funds have started to invest in SEs and impact businesses in less developed Asian social economies. Japan's Sasakawa Peace Foundation allocated USD 100 million from its endowment in 2017 to set up the Asia Women Impact Fund (AWIF) focusing on women's empowerment in Southeast Asia.<sup>24</sup> AWIF invests in funds that aim to improve gender equality, as well as provides investment, assistance and mentorship to early-stage women entrepreneurs. In 2018, Crevisse Partners and Merry Year Social Company (MYSC), 2 South Korean impact funds, launched Remake City, a global impact accelerating programme, in Jakarta, Hanoi and Ho Chi Minh City.<sup>25</sup> Crevisse and MYSC make follow-on equity investments into successful ventures with strong market traction after the programme. In Singapore, Temasek Trust launched an impact investing fund, ABC World Asia, in June 2019. The fund will invest in companies that funnel their efforts towards South Asia, Southeast Asia and China with a positive social and environmental impact in the region.<sup>26</sup>



*Managed funds' contribution across 14 social economies*

18. China Philanthropy Times, 2018, Social Enterprises are Beginning to be Favoured by Government and Social Forces

19. China Philanthropy Times, 2018, 2018 China Social Enterprise and Social Investment Forum held in Shenzhen

20. Lotus Impact, 2019, What we do

21. Lotus Impact, 2019, Lotus Hub

22. B Current Impact Investment, 2019, Annual Report 2018

23. Interview with B Current Impact Investment on 3 May 2019

24. AWIF, About us

25. AVPN, 2018, Crevisse Ventures

26. Straits Times, 2019, Temasek's philanthropy arm sets up Asia-focused private equity fund for impact investing

## 5. Sustainable finance is moving closer to the mainstream

While ESG investment in Asia still trails behind other regions such as the US and Europe, many developed as well as emerging markets have seen it moving closer to the mainstream.<sup>27</sup> In many markets, the 2 main enablers of this transition have been government and financial institutions.

In 2017, Japan's Government Pension Investment Fund (GPIF), the world's largest pension fund, announced that it would allocate 3% of its equity portfolio, or USD 8.9 billion, to 3 ESG indices with the intention to further expand this to 10%.<sup>28</sup> Similar commitments for ESG-aligned passive investment strategies have been made by other government institutions. For instance, Taiwan's Bureau of Labour Funds (BLF) placed USD 1.4 billion in a 5-year passive mandate in an ESG index in February 2018.<sup>29</sup> Also in 2018, the Government Pension Fund in Thailand, the country's largest institutional investor, launched a THB 1 billion (USD 30 million) ESG-focused portfolio, which invests in 33 companies listed on the Thailand Sustainability Investment Index.<sup>30</sup>

Financial institutions are also crucial channels for more widespread adoption. In 2016, the Cambodian Sustainable Finance Initiative was launched through a partnership between the Association of Banks in Cambodia, the National Bank of Cambodia and the Ministry of Environment to integrate national environmental and social standards into banks' lending decisions.<sup>31</sup> In 2017, Bank Negara Malaysia (Central Bank of Malaysia) and 9 Islamic banking institutions introduced Value-based Intermediation (VBI) as a new strategy to align trends in ESG and sustainable investing with Islamic legal principles.<sup>32</sup> In Indonesia, 8 national banks with assets accounting for 46% of the country's total banking assets launched the Indonesia Sustainable Finance Initiative with World Wide Fund-Indonesia in May 2018.<sup>33</sup>

## 6. Green finance is growing, propelled by technology and religion

In the last few years, green finance and green bonds have swelled in response to the growing evidence and recognition of environmental and climate change. China's green bond market has grown to be the world's second-largest<sup>34</sup> with cumulative issuances exceeding USD 80 billion in mid-2018.<sup>35</sup> The ChinaBond CIB Green Bond Index and Shanghai Stock Exchange Green Corporate Bond Index were both established in 2017<sup>36</sup> underscoring the growing options presented by the prevalence of green bonds. Islamic finance has become more aligned with green finance through the increasing issuance of green sukuk, which are bonds that conform to Islamic finance norms. Malaysia issued the world's first green sukuk in 2017, and as of 2019, 6 of its 7 green bonds were sukuk.<sup>37</sup> Similarly, Indonesia issued the first sovereign green sukuk in February 2018,<sup>38</sup> followed by a second in January 2019 totalling USD 2 billion.<sup>39</sup>

The green finance trend is also backed by innovative financing tools like South Korea's renewable energy impact funds. Both the Shinhan Financial Group and the KB Financial Group have created renewable energy funds of KRW 100 billion (USD 88 million) and KRW 150 billion (USD 132 million).<sup>40</sup> In the same spirit, the State Bank of Vietnam introduced the Green Bank Development Scheme in 2018 which requires banks to gradually increase their ratios of total lending to green projects and implement environment and social risk management in lending activities by 2025.<sup>41</sup>

Conservation finance has been led through Singapore, with a recent example being the establishment of the New Forest's Tropical Asia Forest Fund (TAFF), a forestry fund with a value of USD 170 million. The TAFF was initially launched in 2012 with investments in Laos and Indonesia and expanded to include a eucalyptus plantation in Sabah, Malaysia in 2018.<sup>42</sup> In October 2018, Singapore-based Lestari Capital launched its Sustainable Commodities Conservation Mechanism, a pilot platform to facilitate corporate financing for conservation initiatives in Indonesia and verify sustainability standards.<sup>43</sup>

27. FSG and AVPN, 2019, Financing the Future of Asia

28. Financial Times, 2018, Emerging markets: change in the air for responsible investment

29. FTSE Russell, 2018, Taiwan Bureau of Labor Funds selects FTSE4Good TIP Taiwan ESG Index for \$1.4 billion mandate

30. The Nation, 2018, GPF launches environmentally and socially-focused portfolio

31. Association of Banks in Cambodia, 2016, Cambodian Banks Commit to Developing Sustainable Financing Principles

32. The Edge Weekly, 2017, VBI to take Islamic finance to next level of growth

33. World Wide Fund-Indonesia, 2018, Eight National Banks and WWF-Indonesia Launch the 'Indonesia Sustainable Finance Initiative' (ISFI)

34. HKEX, 2018, The Green Bond Trend: Global, Mainland China and Hong Kong

35. HKEX, 2018, The Green Bond Trend: Global, Mainland China and Hong Kong

36. Climate Bonds Initiative, 2018, China Green Bond Market Annual Report 2017

37. Climate Bonds Initiative, 2019, ASEAN Green Finance State of the Market, The Star, 2019, Danajamin guarantees tranche one of Pasukhas's green sukuk

38. Financial Times, 2018, Indonesia issues world's first green sukuk bond

39. The Asset, 2019, Republic of Indonesia, prints green sukuk

40. Construction Economy News, 2017, Financial sector actively created new and renewable energy fund

41. Vietnamnet, 2018, Green banking aims push forward

42. New Forests, 2017, New Forests Completes Investment in Hardwood Plantation in Laos

43. Lestari Capital, Our Purpose, Vision and Values

## 7. Philanthropy is growing, increasingly structured and institutionalised

An analysis of Asian philanthropy provides evidence of multiple motivations to give: religious and ethical traditions, preserving family traditions, supporting hometowns in times of crisis or providing for lesser endowed communities. Developed economies with generations of wealth accumulation such as Hong Kong, India, Japan and Singapore have well-established cultures of institutional philanthropy. In less developed economies however, philanthropy is predominantly characterised by traditional charitable giving.

Philanthropic funding from private individuals in India recorded a 6-fold increase from approximately USD 934 million in 2011 to USD 5.6 billion in 2016.<sup>44</sup> In 2017, a total of HKD 875 million (USD 110 million) was given by just 47 Hong Kong donors.<sup>45</sup> In the past 15 years, contributions by Chinese family foundations have grown significantly, with 268 family foundations established as of 2018 and total charitable expenditure of RMB 3.7 billion (USD 555 million) in 2017 exponentially larger than RMB 8.7 million (USD

1.3 million) in 2005.<sup>46</sup> In Indonesia, a country noted for its charitable heritage, the Tanoto Foundation and JAPFA Foundation were named leaders of philanthropy clusters under Filantropi Indonesia in 2018 to encourage knowledge sharing among philanthropic organisations.<sup>47</sup> Meanwhile, sustained and well-managed institutional philanthropy have recently started to take hold in Cambodia and Myanmar.

Many foundations such as Tata Trusts (India), the SK Happiness Foundation (South Korea) and Narada Foundation (China) are making forays into impact investing and offering a range of financing instruments and support for social ventures of different stages.<sup>48</sup> This is becoming especially important as next generation philanthropists become involved with family foundations and engaged with strategic philanthropy. For example, India expects to see an estimated wealth transfer of USD 128 billion from one generation to the next in the coming decade.<sup>49</sup> Financial institutions, such as UBS, Credit Suisse, Standard Chartered and BNP Paribas, are increasingly providing philanthropy consulting services to respond to this interest.



*Philanthropic contribution across 14 social economies*

44. Bain & Company, 2017, India Philanthropy Report 2017

45. Hong Kong Tatler, 2019, How Foundations In Asia Are Being Passed Down To The Next Generation

46. CGPI, 2019, China Family Foundation Development Report (2018) Launched in Beijing

47. Filantropi Indonesia, 2018, Living Environment and Conservation Cluster

48. AVPN, 2018, Leveraging the full spectrum of philanthropic capital towards impact: Case studies from Asia Pacific and the US

49. Dasra and Synergos, 2018, A Generation Ahead: Helping India's next-generation philanthropists succeed

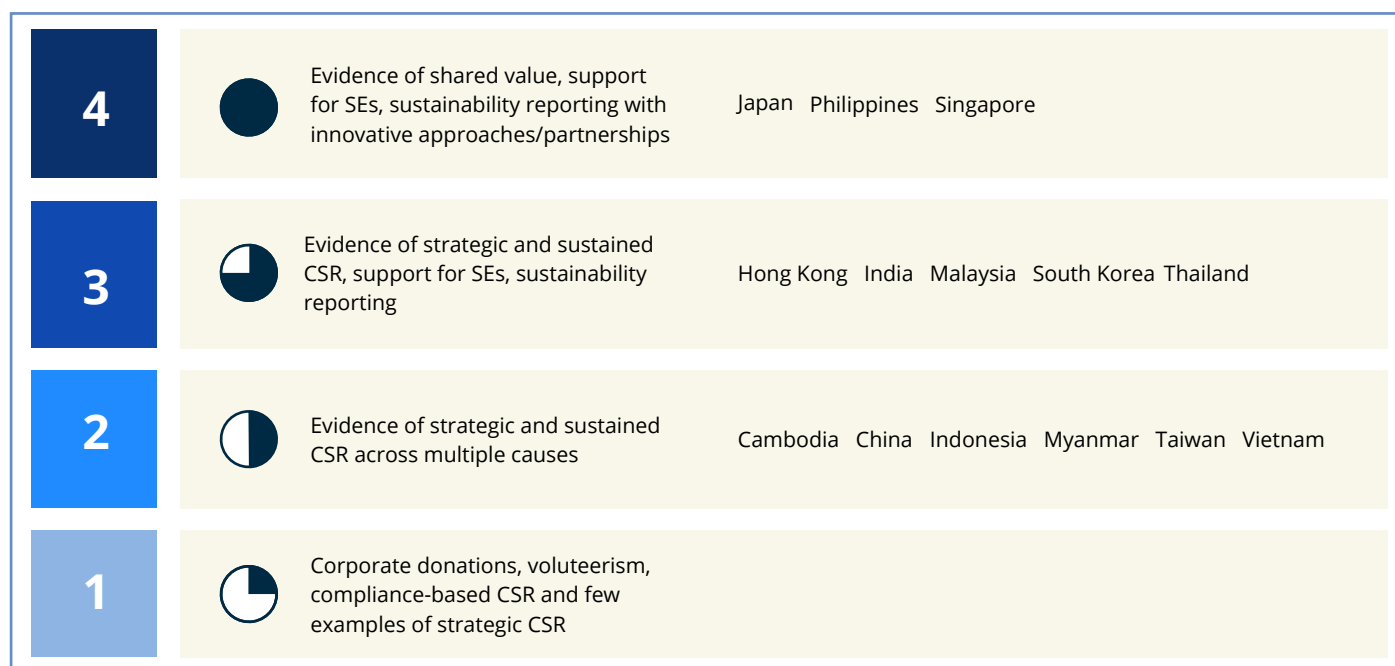
## 8. Corporates' commitment to sustainability and strategic CSR is growing

Corporates' growing commitment to sustainability is noticeable across the region. In Singapore, the first sustainability-linked loan in Asia's real estate sector of SGD 300 million (USD 220 million) was issued to Capitaland by DBS Bank in October 2018.<sup>50</sup> The Myanmar Centre for Responsible Business (MCRB) published a report scoring firms on corporate governance, sustainability reporting and sustainability management in April 2019 to encourage a more strategic approach to CSR.<sup>51</sup>

Multinational and large local corporations continue to lead in strategic CSR and sustainability reporting despite limited awareness of CSR among SMEs. Petroliaam Nasional Berhad (PETRONAS), Malaysia's oil and gas company, created its foundation Yayasan Petronas in March 2019 to develop a targeted CSR programme focusing on education, community well-being and development, and the environment.<sup>52</sup>

Thailand's largest retail conglomerate, the Central Group, has implemented projects to support MSMEs, low-income groups and farmers, encouraging community entrepreneurship.

In the Philippines and Cambodia, corporates are playing a key role in integrating information technology and sustainability in the SE sector. Initiatives like the Globe Future Makers Programme launched by Globe Telecom in 2017 promote technology that can address various social and environmental issues in the Philippines.<sup>53</sup> Similarly, Cambodian company Smart Axiata established a USD 5 million Smart Axiata Digital Innovation Fund in 2017 to invest in digital start-ups in education, healthcare and other sectors.<sup>54</sup> Japanese corporates Fujitsu, Rakuten and Mitsubishi have expressed interest in investing in technology-based social innovations. Indonesia, Vietnam and Myanmar are also becoming enabling environments for marrying technology and social good based on their vibrant technology start-up ecosystems.



*Corporate sector contribution across 14 social economies*

50. Capitaland, 2018, Capitaland secures first and largest S\$300 million sustainability-linked loan in Asia's real estate sector

51. Myanmar Centre for Responsible Business, 2019, Pwint Thit Sa - Transparency in Myanmar Enterprises Fifth Report

52. Malay Mail, 2019, Petronas' new foundation to centralise CSR work

53. Globe Telecom, 2017, Globe Future Makers Program Attracts 135 Startups and Individuals Who Want to Solve Poverty in PH

54. The Cambodia Daily, 2017, Smart Axiata Supports Startups with \$5M Investment Fund



## 9. Innovative multi-sectoral partnerships provide blueprints for collaborative social impact

Several successful experiments with innovative multi-sectoral partnerships have been conducted in many Asian social economies, garnering significant interest from not only social investors but also mainstream financial institutions. In particular, Asia's first social impact bonds (SIBs) and development impact bonds (DIBs) serve as models for further collaborations between the government, foundations, intermediaries, service providers and financial institutions to drive positive change. Some recent examples include the following:

- 2 health-related SIBs were launched in Japan in 2017, one in Hachioji and the other in Kobe city. Both engage private companies as service providers and the Japan Social Impact Investment Foundation (SIIF) as one of the investors.
- India's, and the world's, first DIB called Educate Girls closed in 2018 having exceeded its 3-year enrolment target by 16% and corresponding learning target by 60%.<sup>55</sup> Building on its success, UBS Optimus Foundation invested USD 3 million in the Quality Education India DIB in September 2018, which aims to improve literacy and numeracy for over 300,000 primary school children in Gujarat and Delhi and has a total outcome fund of USD 11 million.<sup>56</sup> This initiative involves supporters and implementing organisations such as Kaivalya Education Foundation, Dalberg, Hogan Lovells and British Asian Trust.<sup>57</sup>
- The Social Outcome Fund established by the Agensi Inovasi Malaysia (AIM) in 2018 aims to catalyse social investments through its RM3 million (USD 725,000) Social Outcome Fund (SOF) based on a SIB model.<sup>58</sup> The fund has seen 2 tranches in 2017 and 2019, which seek to mobilise the private sector to finance social service delivery across 40 high priority social issues.<sup>59</sup>

55. CIFF, 2018, Educate Girls Development Impact Bond Delivers Impressive Results, Surpassing Both Target Outcomes

56. Brookings Institute, 2018, A landmark month for impact bonds in education

57. Quality Education India Development Impact Bond, 2018, QUALITY EDUCATION INDIA Development Impact Bond

58. Pioneers Post, 2017, Malaysia launches Social Outcome Fund to grow its social economy  
59. E-mail correspondence with AIM on 22 May 2019



- The Thailand Development Research Institute (TDRI) is looking to implement a Social Impact Partnership Model (SPIM) initiative. Similar to a SIB, the SPIM pilot programme is being prepared with the potential target of impacting persons with disabilities, people living with HIV/AIDS and the children of migrant workers.<sup>60</sup>

The region has also seen a growing number of platforms for collaboration around social impact.

- Colabs, launched in 2018 by the Community Foundation of Singapore (CFS) and the National Volunteer & Philanthropy Centre (NVPC), seeks to catalyse collaborations among stakeholders from the public, private and social sectors. It currently has 3 networks for the target groups of children and youth, the elderly and persons with disabilities.
- In 2018, the Indonesian Chamber of Commerce (KADIN), Filantropi Indonesia, Indonesia Business Council for Sustainable Development and Indonesia Global Compact Network jointly established Filantropi dan Bisnis Indonesia SDGs (FBI4SDGs – Philanthropy and Business for

SDGs). FBI4SDGs is an emerging platform where corporates can collectively support government social programmes and includes approximately 500 corporates and philanthropy organisations.<sup>61</sup>

- In 2019, Hong Kong Council of Social Service's Social Enterprise Business Centre (HKCSS-SEBC) kicked off a project to improve care food provision for the growing elderly population. By engaging AVPN's APFx platform, a digital platform for AVPN members to identify collaboration opportunities across sectors, HKCSS-SEBC was able to identify relevant stakeholders and convened experts, funders and intermediaries to identify existing gaps and challenges, enable knowledge exchange and develop possible solutions.

These partnerships provide blueprints for collaborative social impact that can be emulated across the region. Partnerships are critical to fill gaps in the social economy and provide new means of accessing capital and expertise, providing evidence of successful social investments and catalysing impact at scale.

60. Interview with Thailand Development Research Institute on 9 May 2019

61. Filantropi Indonesia, 2018, The launch of Philanthropy and Business for SDGs (FBI4SDGs) Platform

## IN CONCLUSION

Asia is at a critical juncture grappling with diverse social and environmental challenges associated with rapid economic growth. New developments in Asia's social economies between 2017 and 2019 have shown significant potential in bringing together multiple stakeholders to work towards creating lasting social impact. In order for these social economies to continue growing, some common foundational elements have to be in place:

- Intermediaries to catalyse and sustain ecosystem growth
- Government recognition and support for the social economy
- Active local and international funds to drive impact investing
- Committed government and financial institutions for sustainable finance adoption
- Innovative tools for green and conservation finance
- Structured and strategic philanthropy
- Corporates which look beyond CSR to holistic sustainability
- Strong multi-sectoral partnerships to foster collaboration.

An impactful social economy can only be realised if every stakeholder is open to new perspectives, strives to adopt best practices and collaborates effectively with one another. The different stages and characteristics of social economies in Asia can be a source of synergy that catalyses such partnerships, be it within the same market and sector, cross-border or cross-sector. For new investors and investors already present in the region, exciting developments are on the horizon.



## ABOUT AVPN

AVPN is a unique funders' network based in Singapore committed to building a vibrant and high impact social investment community across Asia. As an advocate, capacity builder, and platform that cuts across private, public and social sectors, AVPN embraces all types of engagement to improve the effectiveness of members across the Asia Pacific region.

## OUR MISSION

The core mission of AVPN is to increase the flow of financial, human and intellectual capital to the social sector by connecting and empowering key stakeholders from funders to the social purpose organizations they support.

With over 500 members across 32 countries, AVPN is catalysing the movement towards a more strategic, collaborative and outcome focused approach to social investing, ensuring that resources are deployed as effectively as possible to address key social challenges facing Asia today and in the future.

Visit us at: [www.avpn.asia](http://www.avpn.asia)  
Reach us on: [knowledge@avpn.asia](mailto:knowledge@avpn.asia)  
Follow us on: **Twitter** @avpn\_asia  
**Facebook** @asianvp  
**LinkedIn** @AVPN







AVPN is a unique Pan-Asian funders' network catalysing the movement toward a more strategic and collaborative approach to social investment to address key social challenges facing Asia today and in the future.

**Email address:**  
knowledge@avpn.asia

**Address:**  
Union Building, 171 Tras Street, #10-179,  
Singapore 079025

