



# TOWARDS INCLUSIVE AND SUSTAINABLE GROWTH IN THE ASEAN ECONOMIC COMMUNITY

SEPTEMBER 2017



Funded by:



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## *About the ASEAN Advisory Business Council (ASEAN-BAC)*

Launched in April 2003, ASEAN-BAC was set up with the mandate to provide private sector feedback and guidance to boost ASEAN's efforts towards economic integration. Aside from providing private sector feedback on the implementation of ASEAN economic cooperation, the Council also identifies priority areas for consideration of the ASEAN Leaders. Accordingly, ASEAN-BAC's activities are primarily focused on reviewing and identifying issues to facilitate and promote economic cooperation and integration. The Council also submits recommendations for the consideration of the Leaders and the ASEAN Economic Ministers (AEM). Since 2013, ASEAN-BAC also pursues additional Dialogue at the Senior Economic Officials Meeting (SEOM). This year, ASEAN-BAC had a formal engagement with ASEAN Finance and Central Bank Deputies during the annual ASEAN Finance Ministers Meeting, where a proposal was made for ASEAN-BAC to be accorded regular consultation with ASEAN Finance Ministers in the future. In addition to these activities, ASEAN-BAC also extensively engages the private sector on matters relating to the AEC, both within and beyond ASEAN.

For more information, please visit [www.asean-bac.org](http://www.asean-bac.org)

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For more information, please visit [www.oxfam.org](http://www.oxfam.org)

## *About the ASEAN CSR Network (ACN)*

ACN is an ASEAN Entity acting as the regional network of CSR networks in ASEAN Member States. It was formed in Dec 2010 with the vision to have "a responsible business community that makes ASEAN a better place to live for all". Its mandate is to have corporate social responsibility (CSR) incorporated in the corporate agenda and contribute towards sustainable socio-economic development in ASEAN Member States. The ACN provides a platform for networking and cooperation, supports capacity-building and training activities, helps catalyse collective action on key issues, and provides a link with regional and international bodies in supporting the advancement of CSR in the region. It is accredited as an ASEAN entity under Annex 2 of the ASEAN Charter.

For more information, please visit [www.asean-csr-network.org](http://www.asean-csr-network.org)

## *About the Asian Venture Philanthropy Network (AVPN)*

AVPN is a unique funders' network based in Singapore committed to building a vibrant and high impact philanthropy and 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.

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 350 members across 29 countries, AVPN is catalysing the movement towards a more strategic, collaborative and outcome focused approach to philanthropy and social investing, ensuring that resources are deployed as effectively as possible to address key social challenges facing Asia today and in the future.

A Member Directory and listing of Events can be found at [www.avpn.asia](http://www.avpn.asia)

## Preface

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With 622 million people, ASEAN is currently the third largest market in the world. As the economic powerhouse surges ahead, it is vital to ensure that inclusivity remains at the core of its development. Micro, Small and Medium Enterprises (MSMEs) currently make up 88.8-99.9% of total establishments and 51.7-97.2% of total employment in ASEAN. Thus, the successful establishment of the ASEAN Economic Community (AEC) as set out in the ASEAN 2025 Blueprint necessitates growth and prosperity for all – especially the MSME sector.

To this end, the study is a joint project by the ASEAN Business Advisory Council (ASEAN-BAC), ASEAN CSR Network (ACN), Oxfam and the Asian Venture Philanthropy Network (AVPN), funded by the Rockefeller Foundation and the Government of Sweden. Its objectives are (1) to comprehensively assess the opportunities and challenges faced by micro, small and medium-sized enterprises (MSMEs) in ASEAN, particularly those with inclusive and responsible business practices, with regards to access to finance, technical support and an enabling environment for their sustainability and growth, and (2) to propose recommendations to enable their growth in order to foster inclusive and sustainable growth in ASEAN.

This report was the result of a 12-month study including primary and secondary research. Phase I started from September 2016 with comprehensive secondary research undertaken through reviews of academic literature, practitioner reports, news providers and organisational websites. This was followed by Phase II which consisted of in-person interviews and stakeholder consultations. From April to June 2017, three stakeholder consultations were held in Manila, Jakarta and Bangkok to engage a total of 40 individuals from 34 organisations, including investors, foundations, farmer groups, business associations, women entrepreneur networks, ASEAN bodies and other groups. In-person interviews were also conducted with social investors, incubators, accelerators and government agencies.

One of the key findings is that MSMEs continue to face barriers in accessing finance. Their uptake of available financing options has generally been low due to the lack of technical capacity. Women entrepreneurs, in particular, face more formidable financial hurdles than their male counterparts. Finally, larger companies are also in a position to influence and support MSMEs in their supply chain, for example by offering supply chain financing.

The key recommendations of the report are as follows:

1. Strengthen responsible and inclusive conduct
2. Deepen technical support for MSMEs to improve access to finance
3. Promote alternative finance with an emphasis on inclusive financing options
4. Provide targeted support to improve women's access to finance
5. Promote responsible finance

The next phase of the project will focus on disseminating the above recommendations among key stakeholders in ASEAN. This will include face-to-face meetings and technical consultations – both at a national and regional level – with stakeholders such as ASEAN bodies, national governments, businesses, business associations, chambers of commerce, stock exchanges and civil society organisations.

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## EXECUTIVE SUMMARY

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The study aims to comprehensively assess the opportunities and challenges that SMEs, particularly those with inclusive and responsible business practices in ASEAN face with regards to access to finance, technical support, and an enabling environment for their sustainability and growth.

To this end, the report provides a comprehensive overview of the SME financing and technical support landscape in 10 ASEAN Member States (AMS). It takes stock of the financing and technical support options currently available to SMEs in the region along the spectrum ranging from traditional finance, such as bank loans, to alternative finance such as crowdfunding and social investing. An in-depth analysis is conducted on the 'missing middle' phenomenon in SME financing as well as responsible and inclusive financing in ASEAN. An assessment of the uptake of available financing and brief case studies on bridging the financing chasm are also discussed. Finally, policy and initiative proposals are presented to foster effective financing mechanisms to fill the 'missing middle' in SME financing as well as to spur the growth of SMEs in ASEAN.

### Key Findings

- SME development has been recognised as one of the key pillars of growth in the 10 AMS in light of the sector's important contribution to national output and employment. However, the social enterprise (SE) sector has not been a significant policy focus in ASEAN. Currently, Vietnam is the only ASEAN member state that legally recognises SEs as part of the Enterprise Law. For the remaining AMS, an SE may be legally registered as either a for-profit company or a non-profit entity.
- While AMS have been active in formulating and implementing policies and programmes aimed at improving financial accessibility for SMEs, the breadth and depth of such policies and programmes appear to be a function of levels of economic development. More mature ASEAN economies such as Singapore, Malaysia, Thailand, and Indonesia have taken steps to endorse and/or regulate alternative financing mechanisms beyond bank loans, but such initiatives remain generally lacking in the less developed countries.
- Own savings, family and friends are still the most dominant sources of SME financing, followed by bank loans. Even in advanced AMS such as Singapore and Malaysia, more than 50% of SMEs surveyed cited bank loans as one of their primary means of financing.
- While there remains a strong reliance on traditional bank loans among SMEs in ASEAN, angel investing, venture capital, and private equity have started to gain traction, albeit to varying extents in accordance with stages of economic and financial development.
- Singapore and Malaysia have actively partnered with private sector investors to nurture local start-ups and early-stage enterprises via government schemes administered by SPRING Singapore and the state-owned Malaysia Venture Capital Management Bhd (MAVCAP) and Cradle Fund Sdn Bhd, respectively.

- In the space of social investment, Singapore and Malaysia have established dedicated government agencies that provide seed funding and incubation support to social start-ups and early-stage social ventures, namely the Singapore Centre for Social Enterprise (raiSE) and the Malaysian Global Innovation & Creativity Centre (MaGIC). Malaysia also launched the Social Outcome Fund in March 2017 aimed at leveraging private capital to address social issues.
- Simultaneously, the emergence of international and local venture philanthropy organisations and impact funds has opened up a new financing avenue for high-potential SEs in the region, albeit still at a nascent stage.
- There has been a proliferation of incubators and accelerators in the region focusing primarily on the high technology sectors. However, incubators and accelerators dedicated to SEs are few and far between.
- As with other emerging economies, there exists a sizeable SME financing gap in ASEAN, especially among the lower-middle-income and low-income economies. Existing literature points to a relatively wide financing gap for early- to growth-stage SMEs from as low as USD5,000<sup>1</sup> to up to USD2 million.<sup>2</sup> Nonetheless, this range may differ among the AMS.
- The uptake of available financing options has generally been low. Incomplete financial records, small size, non-participation in production networks, and lack of collateral, business track records and a sound business plan have been cited as common challenges in accessing external finance among SMEs.
- Women entrepreneurs tend to face more formidable financial hurdles than their male counterparts. In general, women do not receive the same level of resources as men to tackle financial challenges. In some cases, land titling process is more cumbersome for women, which hinders their ability to secure collateral for bank loans.
- In terms of responsible and inclusive financing, there exists a sizeable gap for ticket sizes of USD200,000 and below as most investors wish to invest above USD200,000. Interviews with members of the Asian Venture Philanthropy Network (AVPN) suggest that funding of up to USD500,000 is generally deficient.
- Investment readiness among SEs in ASEAN is generally low. There appear to be silos of technical support providers as well as forms of technical support across different stages of SEs. Existing forms of technical support provided to seed and early-stage SEs seem inadequate to build up their capability to absorb larger investments.

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<sup>1</sup> Intelicap (2010, p.1)

<sup>2</sup> Benink and Winters (2016, p.9)

## Policy and Initiative Proposals

### **1. Responsible and Inclusive Conduct at the Core of the Business**

Beyond charity and philanthropy, CSR has to be promoted as an integral component of every business model. Responsibility and inclusivity should form the core of the business. While governments play a critical role in increasing awareness around CSR and inclusivity, especially in relation to the rule of law and stakeholder rights, businesses need to be more active in diffusing and strengthening fair operating practices along their respective supply chains.

### **2. Technical Support Deepening for MSMEs**

Limited technical competencies are one of the major barriers MSMEs face in accessing external finance. While AMS have extended technical support to MSMEs primarily in the form of advisory centres, such effort needs to be reinforced to equip MSMEs with hard business skills. One-to-one consultations should also be provided at MSME advisory centres. Cross-sector collaboration between the public, private, and civil society sectors could prove effective in deepening technical support for MSMEs.

### **3. Financial Infrastructure for Improving Lending Efficiency for SMEs**

There is a need to establish a dynamic financial infrastructure specifically tailored to SMEs. SME credit rating infrastructure could go a long way in mitigating information asymmetry and thereby improving SMEs' access to credit. Credit guarantees are playing an important role in addressing the SME credit gap in ASEAN with Indonesia, Philippines, Thailand and Vietnam adopting this policy tool to various extents. Legalising the use of moveable assets as collateral as well as establishing collateral registries also help to improve SMEs' access to bank loans.

### **4. Responsible Finance**

Banking associations have an important role to play in raising awareness about responsible finance among their members. At the same time, governments should promote the enforcement of fair labour practices; consumer rights; human rights; ethical, environmentally friendly, and inclusive practices through banks' lending process. Regional efforts should also be in place, in partnership with civil society organisations (CSOs), to promote responsible finance among the wider financial sector in ASEAN.

### **5. Alternative Finance**

As there remains a strong dependence on bank loans among MSMEs in ASEAN, the need to explore and promote alternative finance for MSMEs has become increasingly imperative. Regulators' guidelines that encourage and allow experimentation of innovative financial products and services within the existing regulatory framework can be the crucial first step towards designing enabling regulations for alternative finance to flourish in the region. Improving the investment climate and removing barriers facing venture capitalists as well as MSMEs in receiving foreign capital will help to increase financial capital channelled towards high-potential SEs.

## **6. Access to Microfinance Services and Technical Assistance for Microfinance Borrowers**

As microfinance plays an important role in financing micro and small entrepreneurs, especially women, there is a need for greater transparency around microfinance schemes to mitigate risks for existing and potential borrowers. Equally crucial is the provision of technical assistance to strengthen microfinance borrowers' ability to sustain and grow their businesses, thereby pre-empting the vicious circle of indebtedness and minimising the occurrence of microfinance crises.

## **7. Targeted Support to Improve Women's Access to Finance**

Targeted government support programmes should be in place to enhance women's entrepreneurial capabilities including securing external finance. Such programmes could include: (i) designing and delivering entrepreneurship development programmes in partnership with women entrepreneur associations and CSOs focusing on women empowerment, (ii) creating national marketing programmes targeting women-owned and women-led MSMEs and (iii) creating and supporting formal networks dedicated to capacity building for women entrepreneurs. Sensitising financial institutions to women entrepreneurs' financing needs is also paramount.

## **8. Value Chain Finance and Contract Farming**

Value chain finance allows the flows of funds among the various links within a value chain to address the needs and constraints of those involved in that chain, thereby filling in the gap in rural finance where formal financial institutions are reluctant to enter. Agricultural value chain interventions should be in place to ensure contract farming benefits smallholder farmers and farmer-led agribusinesses. The development of sustainable value chain finance requires deeper engagement of enterprises along the chain towards adopting an inclusive business model.

## **9. State Support for the Social Entrepreneurship Ecosystem**

Tax incentives for philanthropic foundations and social investors could help to stimulate philanthropic capital and investment into early-stage inclusive businesses. Legal and other institutional barriers should be removed to foster philanthropy and social investment as market-based solutions to societal problems. Government leverage funds and pay-for-success models could serve as a catalyst for private social investment. On the demand side, formal recognition of inclusive businesses could enhance public awareness and signal accountability to potential investors. Tax incentives could help to increase the uptake of inclusive and responsible practices among SMEs in light of their limited resources.

## **10. Venture Philanthropy as Catalytic First-Loss Capital**

The Social Impact Investment Taskforce set up by the G8 contends that "venture philanthropy seems poised to play a more significant role in social sector organisations, helping prepare them to put impact investment capital to work." While governments and corporates may provide technical assistance in various forms, philanthropic organisations that adopt venture philanthropy are best suited to take the lead in helping high-potential SEs achieve investment readiness.

# 1. Introduction

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## 1.1. Background

Established in 1967 initially as a security grouping, the presently ten-member Association of Southeast Asian Nations (ASEAN) has evolved to become the seventh largest economy in the world with a combined Gross Domestic Product (GDP) of USD2.4 trillion as of 2014.<sup>3</sup> In recent decades, the regional bloc has increasingly driven the economic transformation in Asia with remarkable growth and collective resilience through the Asian Financial Crisis of 1997-1998 and the Global Financial Crisis of 2008-2009. The year 2015 marked a significant milestone in the history of ASEAN as the ASEAN Community was established on 31 December, consisting of the ASEAN Economic Community (AEC), the ASEAN Political-Security Community (APSC) and the ASEAN Socio-Cultural Community (ASCC).

The AEC, in particular, envisages the formation of “a single market and production base” with lower trade barriers, enhanced regional connectivity, harmonised policy frameworks, deeper integration into the global economy, narrower development gaps among the member states and a competitive small- and medium-sized enterprise (SME) sector. Such initiatives would allow AMS to complement each other in an intra-regional production network, exploit economies of scale and tap into the enormous regional market of more than 600 million people. With such an ambitious agenda, the realisation of an economic community, in fact, does not end with the official formation of the AEC but remains a work-in-progress.<sup>4</sup> The AEC has since been progressing towards its next 10-year phase with the launch of the ASEAN 2025 blueprint titled “ASEAN 2025: Forging Ahead Together” in November 2015.<sup>5</sup>

The SME sector has been identified as one of the significant pillars of growth and economic integration in the ASEAN 2025 blueprint. Under the AEC blueprint, the third pillar envisages the achievement of equitable economic development by strengthening the role of MSMEs and through their development and integration into regional and global value chains. An ASEAN Strategic Action Plan for SME Development (2016-2025) was also launched, setting out five strategic goals and action lines for its implementation. This includes goals to increase access to finance, enhance market access and internationalisation and to enhance the policy and regulatory environment.<sup>6</sup> The ASEAN Business Advisory Council's (ASEAN-BAC) has also echoed these goals, calling out MSME development as one of their priority recommendations in 2016.

In addition, the ASEAN 2025 blueprint recognises the importance of the continuous and proactive promotion of corporate social responsibility (CSR) initiatives as a prerequisite in business practices in ASEAN.<sup>7</sup> The ASEAN 2025 blueprint also places special emphasis on sustainable growth through the use of and support for green technology and energy.<sup>8</sup>

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<sup>3</sup> McKinsey Global Institute (2014, p.1)

<sup>4</sup> See, for instance, ASEAN Secretariat (2015a), Lim (2015), Ong (2014).

<sup>5</sup> ASEAN Secretariat (2015b)

<sup>6</sup> ASEAN Secretariat (2015c)

<sup>7</sup> ASEAN Secretariat (2009, p.93)

<sup>8</sup> ASEAN Secretariat (2015b, p.60)

## 1.2. Research Objectives and Methodology

Against this backdrop, this study aims to comprehensively assess the opportunities and challenges SMEs, particularly those with inclusive and responsible business practices, in ASEAN face with regards to access to finance, technical support, and an enabling environment for its sustainability and growth. These are defined as follows:

- Access to finance: Dedicated traditional and non-traditional financial access for SMEs including, inter alia, banks, capital markets, venture capitalists and angel investors, venture philanthropy and impact investors.
- Technical support: Incubation, Acceleration services and other relevant services.
- Enabling environment: Conduciveness of policy landscape, incentives for public investment and other relevant factors.

In addition, the study looks into the extent to which responsible and inclusive business models factor into the disbursement of funds to SMEs by traditional and non-traditional financiers. The intention is to investigate if the current sources of finance drive SMEs towards responsible and inclusive business practices as well as the level of uptake of these financing options. Emphasis will be placed on social entrepreneurs, women entrepreneurs as well as agricultural entrepreneurs. The findings are then distilled into actionable policy recommendations for relevant stakeholders.

Within the scope of this study, we adopt the following working definitions of responsible and inclusive business:

- Responsible business: Beyond charity and philanthropy, 'responsible business' is about how businesses make money, rather than how they spend money. The principles that socially-responsible businesses adopt include: respect for the law and the rule of law, accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for international norms of behaviour and respect for human rights. The subject areas covered by responsible businesses include: governance, human rights, labour practices, consumer rights, the environment, fair operating practices and community involvement and development.
- Inclusive business: 'Inclusive business' refer to business initiatives to ensure that the business applies non-discrimination principles in its operations, and contributes to poverty reduction through the inclusion of lower income groups in its value chain

Findings are derived from primary and secondary research. Primary research was conducted through consultations with various stakeholders in the SME financing landscape in ASEAN conducted in Manila, Jakarta and Bangkok, as well as interviews with members of the Asian Venture Philanthropy Network (AVPN) and government agencies. Secondary research was undertaken through reviews of academic literature, practitioner reports, news providers and organisational websites.

Following this Introduction, Section 2 outlines the overall landscape of SMEs in 10 AMS including SME definitions, sources of support and social enterprise legislation. Section 3 assesses the level of uptake of responsible and inclusive business practices among SMEs at the regional and national levels. Section 4 discusses available financing mechanisms and technical support providers available to SMEs. Section 5 dissects the 'missing middle'

phenomenon. Section 6 puts forth policy and initiative proposals aimed at relevant stakeholders. This is followed by a directory annex with details on individual financing and technical support options.

## 2. SME Macro Enabling Landscape

### 2.1. Definitions of SMEs

AMS typically define SMEs according to net or total assets, annual sales turnover, and/or number of employees (see Table 1). Malaysia, Myanmar, Thailand and Vietnam further define (M)SMEs by economic sectors.

**Table 1: Definitions of (M)SMEs in 10 ASEAN Member States**

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Brunei		All	Number of employees between 1-5 people	Number of employees between 6-50 people	Number of employees between 51-100 people	There is no legal definition of SMEs in Brunei. However, in January 2016, the government set up Darussalam Enterprise (DARe), a statutory body dedicated to the development of local MSMEs.
Cambodia		All	Number of employees not exceeding 10 or total assets (excluding land) not exceeding USD50,000	Number of employees between 11-50 or total assets (excluding land) from USD50,000 to less than USD250,000	Number of employees between 51-100 or total assets (excluding land) from USD250,000 to less than USD500,000	There is no legal definition of SMEs in Cambodia but the Small and Medium Enterprise Development Framework 2005, developed by the SME Sub-Committee, proposed a workable SME definition in terms of employment and assets excluding land.

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Indonesia	Law No.20/2008 on Micro, Small and Medium-sized Enterprises	All	Net assets (excluding land and buildings) not exceeding IDR50 million (USD3,700), and total annual turnover not exceeding IDR300 million (USD22,400).	Net assets (excluding land and buildings) between IDR50 million (USD3,700) and IDR500 million (USD37,000), and total annual turnover between IDR300 million (USD22,400) and IDR2.5 billion (USD187,000)	Net assets (excluding land and buildings) between IDR500 million (USD37,000) and IDR10 billion (USD748,000), and total annual turnover between IDR2.5 billion (USD187,000) and IDR50 billion (USD3.7 billion).	Excluding a subsidiary firm or branch office directly or indirectly owned and/or controlled or being a part of a larger firm. Foreign owned and/or invested firms are not regarded as MSMEs.
Laos	Article 2, Decree 42/PM (2004) on the Promotion and Development of Small and Medium Sized Enterprises	All		Annual average number of employees not exceeding 19 or total assets not exceeding LAK250 million (USD30,160) or an annual turnover not exceeding LAK400 million (USD48,250)	Annual average number of employees not exceeding 99 persons or total assets not exceeding LAK1.2 billion (USD144,760) or an annual turnover not exceeding LAK1 billion (USD120,630)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Malaysia	Circular on New Definition of SMEs BNM/RH/CIR 028-1	Manu- -cturing	Number of employees not exceeding 5 or annual sales turnover not exceeding MYR300,000 (USD67,000)	Number of employees from 5 to fewer than 74 or annual sales turnover from MYR300,000 (USD67,000) to less than MYR15 million (USD3.3 million)	Number of employees from 75 to fewer than 200 or annual sales turnover from MYR15 million (USD3.3 million) to less than MYR50 million (USD11.2 million)	
		Service s and others		Number of employees from 5 to fewer than 29 or annual sales turnover from MYR300,000 (USD67,000) to less than MYR3 million (USD670,000)	Number of employees from 30 to fewer than 75 or annual sales turnover from MYR3 million (USD670,000) to less than MYR20 million (USD4.4 million)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Myanmar	SME Development Law (enacted 9 April 2015)	Manu- facturing		Number of employees not exceeding 50 and/or capital not exceeding MMK 500 million (USD360,000)	Number of employees between 51-300 and/or capital between MMK500 million (USD360,000) and MMK1,000 million (USD720,000)	
		Labour-intensive manu- facturing		Number of employees not exceeding 300 and/or capital not exceeding MMK500 million (USD360,000)	Number of employees between 301-600 and/or capital between MMK500 million (USD360,000) and MMK1,000 million (USD720,000)	
		Wholesa- -le Business		Number of employees not exceeding 30 and/or annual sales turnover not exceeding MMK100 million (USD720,000)	Number of employees between 31-60 and/or annual sales turnover between MMK100 million (USD720,000) and MMK==300 million (USD210,000)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Myanmar (cont'd)		Retail Business		Number of employees not exceeding 30 and/or annual sales turnover not exceeding MMK50 million (USD36,000)	Number of employees between 31-60 and/or annual sales turnover between MMK50 million (USD36,000) and MMK100 million (USD72,000)	
		Services		Number of employees not exceeding 50 and/or annual sales turnover not exceeding MMK100 million (USD72,000)	Number of employees between 51-100 and/or annual sales turnover between MMK100 million (USD72,000) and MMK200 million (USD145,000)	
		Others		Number of employees not exceeding 30 and/or annual sales turnover not exceeding MMK50 million (USD36,000)	Number of employees between 31-60 and/or annual sales turnover between MMK50 million (USD36,000) and MMK100 million (USD72,000)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Philippines	Magna Carta for MSMEs (Republic Act 9501)	All	Total assets (excluding land) not exceeding PHP3 million (USD59,000)	Total assets (excluding land) exceeding PHP3 million (USD59,000) to PHP15 million (USD290,000)	Total assets (excluding land) exceeding PHP15 million (USD59,000) to PHP100 million (USD1.9 million)	The National Statistics Office further defines micro enterprises as having 1-9 employees, small enterprises as having 10-99 employees, and medium enterprises as having 100-199 employees
Singapore		All		Annual sales turnover not exceeding SGD100 million (USD70 million) or number of employees not exceeding 200		Definition adopted by the Ministry of Trade and Industry since April 2011
Thailand	Ministry of Industry's Ministerial Regulations (enacted 11 September 2002)	Manufacturing		Number of employees not exceeding 50 or fixed assets (excluding land) not exceeding THB50 million (USD1.4 million)	Number of employees between 51-200 or fixed assets (excluding land) exceeding THB50 million (USD1.4 million) to less than THB200 million (USD5.6 million)	
		Services		Number of employees not exceeding 50 or fixed assets (excluding land) not exceeding THB50 million (USD1.4 million)	Number of employees between 51-200 or fixed assets (excluding land) exceeding THB50 million (USD1.4 million) to less than THB200 million (USD5.6 million)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Thailand (cont'd)		Wholesale Trading		Number of employees not exceeding 25 or fixed assets (excluding land) not exceeding THB50 million (USD1.4 million)	Number of employees between 26-50 or fixed assets (excluding land) exceeding THB50 million (USD1.4 million) to less than THB200 million (USD5.6 million)	
		Retail Trading		Number of employees not exceeding 15 or fixed assets (excluding land) not exceeding THB30 million (USD850,000)	Number of employees between 16-30 or fixed assets (excluding land) exceeding THB30 million (USD850,000) to less than THB60 million (USD1.7 million)	

<u>Country</u>	<u>(M)SMEs Law</u>	<u>Sector</u>	<u>Definition of (M)SMEs</u>			<u>Notes</u>
			<u>Micro</u>	<u>Small</u>	<u>Medium</u>	
Vietnam	Decree No.56/2009/ND-CP	Agriculture, Forestry and Fishery	Number of employees not exceeding 10	Number of employees between 11-200 and total capital not exceeding VND20 billion (USD870,000)	Number of employees between 201-300 and total capital exceeding VND20 billion (USD870,000) to VND100 billion (USD4.3 million)	Vietnam's Ministry of Planning and Investing submitted a new law on SME development, including new guidelines for SME definitions, to the National Assembly on 8 November 2016.
		Manufacturing and Construction		Number of employees between 11-200 and total capital not exceeding VND20 billion (USD870,000)	Number of employees between 201-300 and total capital exceeding VND20 billion (USD870,000) to VND100 billion (USD4.3 million)	
		Commerce and services		Number of employees between 11-50 and total capital not exceeding VND10 billion (USD430,000)	Number of employees between 51-100 and total capital exceeding VND10 billion (USD430,000) to VND50 billion (USD2.1 million)	

Source: ADB (2015), ASEAN Secretariat (2015c), Iqbal and Rahman (2015, p.259), Laos' Small and Medium-sized Enterprise Promotion and Development Office (SMEPDO), Yahya et al. (2016)

Note: USD equivalents are based on the exchange rates as of March 15<sup>th</sup>, 2017.

## 2.2. Sources of Support for SMEs

### Regional Overview

On average SMEs account for more than 88.8-99.9% of all enterprises in ASEAN, and 51.7-97.2% of total employment<sup>9</sup>, and contribute about 30%-53% to GDP and 19%-31% of exports.<sup>10</sup> Given such significant contributions to national output, employment and exports, the SME sector has been identified as one of the key pillars of growth and economic integration in the ASEAN 2025 blueprint. The AEC blueprint underscores the importance of developing and integrating SMEs into regional and global value chains. The ASEAN 2025 blueprint further emphasises the development and promotion of MSMEs as part of ASEAN's integration efforts. Key strategic measures targeting MSMEs include:<sup>11</sup>

- (i) Increase access to finance by strengthening traditional financing infrastructure and fostering alternative and non-traditional financing,
- (ii) Create a conducive environment for entrepreneurship and enhance human capital development for SMEs, in particular youth and women,
- (iii) Engage development donors to provide technical and financial assistance for MSMEs to allow them to participate in regional and global value chain activities effectively

The ASEAN Strategic Action Plan for SME Development 2016-2025 outlines concrete policy objectives aimed at enabling SMEs in the region to better compete in the global stage. The priority for the first five years 2016-2020 is to seamlessly integrate SMEs with the AEC and the regional value chains, and for the subsequent five years, 2021-2025, the priority is for ASEAN SMEs to become globally competitive, innovative, inclusive, and resilient. Strategic goals and corresponding desired outcomes are outlined as follows:<sup>12</sup>

- A. Promote productivity, technology and innovation
  - A1. Productivity will be enhanced
  - A2. Industry clusters will be enhanced
  - A3. Innovation will be promoted as a key competitive advantage
- B. Increase access to finance
  - B1. Institutional framework for access to finance will be developed and enhanced
  - B2. Financial inclusion and literacy will be promoted, and the ability of SMEs to engage in the financial system will be enhanced
- C. Enhance market access and internationalisation
  - C1. Support schemes for market access and integration into the global supply chain will be further developed
  - C2. Export capacity will be promoted
- D. Enhance policy and regulatory environment
  - D1. Inter- and intra-government cooperation in terms of policy and regulation will be enhanced

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<sup>9</sup> ASEAN Secretariat (2015c)

<sup>10</sup> ASEAN Secretariat (2015d, p.1)

<sup>11</sup> ASEAN Secretariat (2015b)

<sup>12</sup> ASEAN Secretariat (2015e, p.7)

- D2. SMEs' interests will be promoted, and involvement in the decision-making processes will be enhanced
- D3. Obtaining of permits and business registration will be streamlined
- E. Promote entrepreneurship and human capital development
  - E1. Entrepreneurial education and learning programmes will be instituted
  - E2. Human capital development for SMEs will be enhanced, especially for women and youth

## **Brunei**

In Brunei, SMEs account for about 98.5% of total enterprises registered<sup>13</sup> and more than 60% of the private sector workforce.<sup>14</sup> While Brunei's economy remains heavily reliant on its oil and gas industry, which accounts for over 59% of its GDP and approximately 93% of its total exports,<sup>15</sup> in recent years, there has been greater support given to MSMEs from government institutions and agencies.

In an effort to move away from the reliance on oil and gas and develop its private sector and stimulate economic growth, the government initiated Wawasan Brunei 2035 or Brunei Vision 2035 in 2007. Wawasan Brunei 2035 is a national economic development strategy to accelerate growth by promoting a friendlier business environment, enhancing productivity, improving enterprises' access to financing, providing assistance in the form of training to local enterprises, and reducing the cost of doing business in the country.<sup>16</sup>

In line with Wawasan Brunei 2035, the Bruneian government set up Darussalam Enterprise (DARe) in January 2016, a statutory body with a mission to develop local MSMEs and bolster private sector development. DARe aims to work closely with government and non-governmental agencies both locally and abroad to improve access to funding for MSMEs and increase their contribution to Brunei's GDP.<sup>17</sup> Through DARe, a common and unified approach is taken to develop the growth of local enterprises under a single body represented and driven by the private sector.<sup>18</sup> Additionally, DARe is developing a database that would provide comprehensive and detailed information on all SMEs in the country.<sup>19</sup> This easily accessible database would have stored information such as company profiles, types of business, scale of the enterprises, investment, exports, revenues and loans among others.

The Brunei Economic Development Board (BEDB) also supports local SME development by expanding the local market for local SMEs through the creation of new industries and business clusters, facilitating new business opportunities for local SMEs to partner with foreign investors, and developing new facilities to enhance local SME competitiveness and development.<sup>20</sup>

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<sup>13</sup> Iqbal and Rahman, (2015, p.259)

<sup>14</sup> <http://asiaincforum.com/better-support-systems-needed-to-develop-smes/>

<sup>15</sup> Monetary Authority of Brunei Darussalam (2016, p.11)

<sup>16</sup> OECD (2013, p.2-3)

<sup>17</sup> <http://dare.gov.bn/SitePages/Home.aspx>

<sup>18</sup> <http://dare.gov.bn/SitePages/Home.aspx>

<sup>19</sup> <http://modasys.net/3g/index.php/news-events/around-brunei/local-news/23550-dare-to-set-up-sme-database.html>

<sup>20</sup> Pussadee Polsaram et al. (2011)

## Cambodia

Cambodia has more than 500,000 SMEs, accounting for 99% of all enterprises operating in the country as of 2011.<sup>21</sup> Promotion of SMEs was one of key strategies outlined in the Rectangular Strategy for Growth, Employment, Equity and Efficiency – Phase III. Policy measures pertaining to SMEs include: investment promotion including modernising SMEs; enhancing SMEs' capacity to link with large enterprises and form a cluster; promoting entrepreneurship, productivity and innovation; increased access to finance; establishing business development counselling centres and improving regulatory framework and institutional coordination.<sup>22</sup>

In 2015, the Ministry of Industry and Handicraft put in place the SME Promotion Policy aimed at providing a national framework to regulate and develop SMEs, simplifying tax regulations and improving technological capabilities for SMEs.<sup>23</sup>

## Indonesia

MSMEs in Indonesia totalled 57.9 million or 99.99% of all business enterprises and employed 117.68 million people or 97% of the workforce in 2013.<sup>24</sup> SMEs' share of GDP was about 59.08%.<sup>25</sup> It should be noted that although occurring to be minuscule, there are surveys indicating the existence of informal SMEs which do not possess a business permit and have yet to register themselves due to administration formalities, high fees and lack of incentives in registering. This may mean that there are more SMEs in Indonesia than the recorded data above. The government has shown an initiative in onboarding informal enterprises by simplifying the registration process and abolishing the minimum capital requirement for SMEs, which may result in an increase in the number of SMEs on record.

The Ministry of Cooperatives and SMEs is tasked with implementing and coordinating policies and support programmes for SMEs in the country. Indonesia's current SME development strategy is guided by the Master Plan for Acceleration and Expansion of Indonesia Economic Development 2011-2025 (MP3EI) published in 2011. Key measures for supporting SMEs include:<sup>26</sup>

- (i) Revitalise PUSPIPTK as a science and technology park to foster innovation-based SMEs,
- (ii) Evaluate the level of local content and guidance for domestic industries including for SMEs,
- (iii) Increase business partnerships between industry, cooperatives and SMEs to promote higher productivity in cocoa production,
- (iv) Provide technical assistance to SMEs in fishery and PNPM Mandiri microcredit schemes through fishing cooperatives,

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<sup>21</sup> <http://www.phnompenhpost.com/business/sme-policy-roll-out-2015>

<sup>22</sup> Royal Government of Cambodia (2014, p.167)

<sup>23</sup> <http://www.phnompenhpost.com/business/sme-policy-roll-out-2015>,  
<http://www.phnompenhpost.com/business/sme-policy-still-needs-work>

<sup>24</sup> ASEAN Secretariat (2015b, p.16)

<sup>25</sup> ASEAN Secretariat (2015b, p.16)

<sup>26</sup> Republic of Indonesia (2011)

- (v) Deregulation SME credit provision and microcredit institutions.

The Ministry of Cooperatives and SMEs have also established the Small and Medium Enterprise and Cooperatives (SMESCO) agency, which aims to increase the marketing capacity of cooperatives and SMEs.<sup>27</sup> Local governments also organise expos that feature SMEs within the region in order to gain exposure such as the Jawa Barat Expo (West Java Expo), as well as more thematic ones such as Indonesia Fashion Week and the International Handicraft Trade Fair (INACRAFT).<sup>28</sup>

In June 2016, Indonesia launched a government-backed initiative, led by Kibar, a tech startup ecosystem builder and supported by the Ministry of Communication and Information Technology, called the “1,000 start-ups movement” which aims to grow 1,000 high-quality start-ups by 2020 amounting to a valuation of USD10 billion.<sup>29</sup> The movement is designed as a roadshow consisting of a series of workshops, hackathons, boot camps and incubation programmes in ten large Indonesian cities in 2016-2017.

### **Malaysia**

According to the Economic Consensus of 2011, there was a total of 662,939 SMEs, accounting for 97.3% of total enterprises in Malaysia, employing 65.5% of the labour force, and contributing 36.3% of the country's GDP (as of 2015).<sup>30</sup> Current policy thrusts on SME development are the SME Masterplan 2012-2020, the 2017 budget and the Eleventh Malaysia Plan 2016-2020.

#### *SME Masterplan 2012-2020*

The SME Masterplan,<sup>31</sup> published in 2012, is part of the “game changer” plan for Malaysia to achieve high-income status by 2020. It aims to provide SMEs with new opportunities for growth in order to propel the recalibration of activities towards higher value-added ones. A successful implementation of the Masterplan will lead to an increase in the contribution of SMEs to the Malaysian economy as follows:

- (i) GDP: 41% (2010: 32%);
- (ii) Employment: 62% (2010: 59%); and
- (iii) Exports: 25% (2010: 19%)

The Masterplan proposes that SMEs will be able to benefit from the National Key Economic Areas (NKEAs) announced by the Government. This is because 60% of the Entry Point Projects – high impact projects meant to spur the growth of NKEAs – proposed are also expected to benefit SMEs in all sectors.

The plan outlines 32 initiatives, including 6 High Impact Programmes and 4 thematic measures. In particular, Inclusive Innovation (the sixth High Impact Programme) is specifically designed to empower the bottom 40% of the income group in Malaysia by leveraging on innovation. Currently, a majority of governmental innovation support programmes are largely targeted at developing sophisticated technology for the middle and high-income groups, and little attention is being given to simple grassroots level innovation. The Programme thus aims to promote the transformation of rural

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<sup>27</sup> <http://smescoindonesia.com/about-us/>

<sup>28</sup> IFC (2016)

<sup>29</sup> <https://www.techinasia.com/indonesia-plans-grow-1000-startups-money>, [www.1000startupdigital.id/i/](http://www.1000startupdigital.id/i/).

<sup>30</sup> SME Corporation Malaysia (2015)

<sup>31</sup> SME Corporation Malaysia (2012)

communities through microenterprise by providing financial, technical and management support.

### 2017 Budget

The Malaysian government has declared 2017 to be the Start-up and SME Promotion Year, in line with the growing role of SMEs in significantly contributing to the nation's growth and labour market.<sup>32</sup> The 2017 Budget, announced in October 2016, proposed several programmes as proof of commitment to this declaration. These include an MYR75 million allocation for programmes under the SME Master Plan and MYR15 billion for the Syarikat Jaminan Pembiayaan Perniagaan, a company wholly owned by the Ministry of Finance that administers the Working Capital Guarantee Scheme and Industry Restructuring Financing Guarantee Scheme.<sup>33</sup> Further, the Working Capital Guarantee Scheme will also allocate MYR200 million for the invigoration of local start-ups.<sup>34</sup>

Since the goods and services tax was implemented for SMEs in 2016, SMEs have seen their incomes fall by about 20% due to the increase in production costs.<sup>35</sup> The 2017 Budget attempts to address this problem of decline in revenue. Currently, SMEs are taxed at a flat rate of 24%.<sup>36</sup> With effect from the year of assessment 2017, corporate income tax rates will be reduced based on the percentage increase in the chargeable income of a company compared to the chargeable income for the immediate preceding year of assessment, as set out below:<sup>37</sup>

Percentage Increase In Chargeable Income Compared To The Immediate Preceding Year of Assessment	Percentage Reduction	Corporate Income Tax Rate on Additional Chargeable Income After Reduction
Less than 5%	Not available	24%
5% - 9.99%	1%	23%
10% - 14.99%	2%	22%
15% - 19.99%	3%	21%
20% and above	4%	20%

Further, the corporate income tax rate for the chargeable income up to MYR500,000 will be reduced by 1%, from 19% to 18% in order to ensure that SMEs remain competitive.<sup>38</sup>

### Eleventh Malaysia Plan 2016-2020

<sup>32</sup> <http://english.astroawani.com/malaysia-news/government-declares-2017-startup-and-sme-promotion-year-120130>.

<sup>33</sup> <http://english.astroawani.com/malaysia-news/government-declares-2017-startup-and-sme-promotion-year-120130>.

<sup>34</sup> <http://english.astroawani.com/malaysia-news/government-declares-2017-startup-and-sme-promotion-year-120130>.

<sup>35</sup> <http://www.themalaymailonline.com/malaysia/article/gst-has-not-helped-says-smes-association#sthash.mrghlCdg.dpuf>.

<sup>36</sup> Baker & McKenzie (2016, p.1)

<sup>37</sup> Baker & McKenzie (2016, pp.1-2)

<sup>38</sup> Baker & McKenzie (2016, p.1)

The latest five-year strategic development plan for 2016-2020 features numerous initiatives to help SMEs grow. Under the Plan, the SME sector is expected to provide 9.5 million jobs by 2020.<sup>39</sup> Notable initiatives under this plan include:<sup>40</sup>

- (i) Increasing SME contribution to exports to 25% by 2020 from 19% in 2015.
- (ii) Establishing smart partnerships with research and development (R&D) institutions to assist SMEs in improving product quality, enhancing compliance to standards, and increasing market access. SME Corporation Malaysia, for example, will introduce integrated entrepreneurship development packages, from start-up to market product placement activities. In addition, Urban Transformation Centre and Rural Transformation Centre facilities will be utilised to facilitate entrepreneur training programmes.
- (iii) Expanding the coverage of the Human Resources Development Fund (HRDF) Act to include more subsectors under the services and agriculture sectors. This will increase the number of employees that will be eligible for training under the Act from 1.77 million in 2014 to 2.8 million in 2020 (an increase of 58%). HRDF will also collaborate with SME Corp to provide training to SMEs not covered under the HRDF Act. 50,000 SME employees are projected to benefit from these training programmes.
- (iv) Providing SMEs owned by the bottom 40% households with better opportunities to improve business capacity through financing options and business facilitation. Partnerships with large firms will be initiated to provide more business opportunities for SMEs. SME Corporation Malaysia, SME Bank, and Malaysia Technology Development Corporation pledge to continue providing entrepreneurial training relevant to market needs.

## Myanmar

As of March 2015, there were 39,062 companies registered as SMEs with the Central Department of SMEs, accounting for 87.4% of total enterprises in Myanmar.<sup>41</sup> However, this data is typically incomplete as SMEs can register with other government departments and agencies such as the Small Scale Industries Department of the Ministry of Cooperatives and the Directorate of Investment and Company Registration. Estimates by other sources range from 80,000 to 126,237 registered SMEs across the country.<sup>42</sup> One source contends that SMEs account for 99% of all enterprises and employ 70% of the total workforce.<sup>43</sup> The enactment of the 2015 SME Law further complicates the discrepancies in SME records in the country as SMEs are now defined differently across 6 different sectors by employee size and/or amount of capital.

The Ministry of Industry is tasked with formulating policies for supporting and promoting SMEs. In 2013, the Central Committee for Development of SMEs was established under

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<sup>39</sup> Economic Planning Unit (2015, p.14)

<sup>40</sup> Economic Planning Unit (2015)

<sup>41</sup> Bernhardt, Kanay De and Dickenson-Jones (2016, p.26)

<sup>42</sup> Bernhardt, Kanay De and Dickenson-Jones (2016, p.27)

<sup>43</sup> Sanyal and Eisinger (2016, p.4)

the Ministry of Industry with a mandate to foster the development of and offer guidance to SMEs.<sup>44</sup> The Committee also provides consultation on efficient energy use.

The Small and Medium Enterprise Development Law enacted in 2015 details the formation and missions of various government committees responsible for supporting and researching on SMEs in the country.<sup>45</sup> In the same year, the Small and Medium Enterprise Development Policy was announced. Its aims are five-fold: (i) to alleviate constraints faced by start-ups, (ii) to promote a free flow of capital, (iii) to enhance entrepreneurship, (iv) to facilitate dissemination of information and (v) to create a conducive business environment.<sup>46</sup>

## Philippines

According to the Philippine Statistics Authority, as of 2014, there were 942,925 MSMEs, accounting for 99.6% of all enterprises in the country, employing 62.8% of the total labour force and contributing 25% of export revenues.<sup>47</sup> National support systems for SMEs in the Philippines have been guided by the Magna Carta for MSMEs, a landmark legislation enacted in 1991 that aims to foster the Filipino entrepreneurial spirit through a unified institutional framework of policies and programmes. Notable provisions under the Magna Carta are: (i) establishment of the Small and Medium Enterprise Development Council to formulate MSME development policies and consolidate and administer incentives for MSMEs, (ii) creation of the Small Business Guarantee and Finance Corporation to enhance MSMEs' access to finance, and (iii) mandating all financial institutions to set aside 10% of their loan portfolio for SMEs (8% for micro and small enterprises and 2% for medium enterprises).<sup>48</sup>

In 2011, the government released the Micro, Small and Medium Enterprise Development Plan for 2011-2016 that seeks to address key challenges and constraints that the MSME sector faced and boost the country's industrial growth. Four major outcomes were identified as part of the Plan, namely: (i) business environment, defined as a culture of governance that fosters the establishment, development and sustainability of socially responsible and environmentally friendly MSMEs, (ii) access to finance, defined as the sustained availability of affordable, socially responsible and environmentally friendly financial products, services and support programmes designed for MSMEs that MSMEs can conveniently access, (iii) access to markets, defined as the sustained ability of MSMEs to be competitive in selling their products and services, and (iv) productivity and efficiency, defined as the production and delivery of competitive, socially responsible, and environmentally friendly products and services that generate optimal economic returns.<sup>49</sup>

In addition, the Republic Act No. 10000, also referred to as the Agri-Agra Reform Credit Act of 2009, mandates banks to allocate 25% of their loanable funds for lending to the agricultural sector. Activities eligible for loans allocated under this Act include:

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<sup>44</sup> Sanyal and Eisinger (2016, p.7)

<sup>45</sup> [http://www.smedevelopmentcenter.gov.mm/sites/default/files/Law%20Minibook%28Eng%2BMyan%29%2823.11.2015%29\\_0.pdf](http://www.smedevelopmentcenter.gov.mm/sites/default/files/Law%20Minibook%28Eng%2BMyan%29%2823.11.2015%29_0.pdf)

<sup>46</sup> <http://www.smedevelopmentcenter.gov.mm/sites/default/files/Policy%20Minibook.pdf>

<sup>47</sup> <http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-statistics>

<sup>48</sup> <http://philippines.smetoolkit.org/philippine/en/file/content/6887/en/magnacartaformicrosmallandmediumenterprises.pdf>

<sup>49</sup> <https://drive.google.com/file/d/0B0iLL7KAK3i5MEozZWpHcHq2TIU/edit>

agricultural and fisheries production, agribusinesses and agricultural export, acquisition of farm and fishery equipment and machinery, acquisition of land and other agricultural inputs, among others.<sup>50</sup> The Act is expected to benefit micro and small-scaled agribusinesses and fishery businesses in rural Philippines.

In 2014, the government enacted the Go Negosyo Act which aims to promote inclusive growth and alleviate poverty by fostering the establishment of MSMEs. The Act stipulates: (i) the creation of Negosyo Centres in all provinces, cities and municipalities to improve ease of doing business and facilitate MSMEs' access to services, (ii) the establishment of the Philippine Business Registry Databank under the Department of Trade and Industry, and (iii) the launch of a Start-up Fund for MSMEs in priority sectors.<sup>51</sup>

In February 2017, the draft of the Philippine Development Plan 2017-2022 was completed and submitted to President Duterte. The Plan outlines strategies for reducing inequality by increasing access to economic opportunities for the MSMEs and cooperatives. Key policy measures include:

- (i) Strengthening linkages between MSMEs and large corporations to facilitate increased participation of MSMEs in global value chains,
- (ii) Establishing an innovation centre to provide support for the creation of incubation centres for SMEs and start-ups and broadening access of MSMEs to innovative and cost-effective technologies,
- (iii) Improving backbone services including financial services, telecommunication, logistics, etc. to link MSMEs to markets domestically and globally,
- (iv) Streamlining and simplifying loan processes for MSMEs and providing financial products, services and support programmes for start-ups and MSMEs, especially in rural areas.

## **Singapore**

As of 2016, there were approximately 180,000 SMEs in Singapore making up 99% of all enterprises, employing 70% of the workforce and contributing nearly half of the country's GDP.<sup>52</sup> Although SMEs continue to play an ever-important role, they are not the main driver of Singapore's economic development. Instead, Singapore's economy has been largely driven by multinational companies (MNCs) and government-linked companies (GLCs), with SMEs providing ancillary and support services. These services provided by SMEs are necessary to boost innovation and enhance productivity within the economy. Singapore's restructuring success and longer-term economic prosperity will ultimately depend on the ability of SMEs to transform their business models and become more productive.<sup>53</sup> SPRING Singapore, an agency under the Ministry of Trade and Industry, is responsible for administering support packages and funding for SMEs.

### *Economic Strategies Committee's Recommendations for 2020*

Singapore has been performing well in terms of cross-country per capita income and employment growth; however, with respect to labour productivity, it has fallen short

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<sup>50</sup> [http://www.bsp.gov.ph/regulations/laws/RA10000\\_IRR.pdf](http://www.bsp.gov.ph/regulations/laws/RA10000_IRR.pdf)

<sup>51</sup> <http://www.dti.gov.ph/programs-projects/negosyo-center/go-negosyo-act>

<sup>52</sup> SPRING Singapore (2016, p.1)

<sup>53</sup> Yahya et al. (2016)

compared to other high-income economies, particularly among SMEs.<sup>54</sup> In 2014, the average labour productivity of a non-SME was twice as high as that of an SME.<sup>55</sup> Following the financial crisis, the Economic Strategies Committee (ESC) was set up by the Prime Minister in May 2009 to examine issues affecting SMEs and make policy recommendations to boost productivity.<sup>56</sup> In their key recommendations for 2020, the ESC aims to increase the skills, expertise and innovation of Singapore's people and businesses whilst promoting inclusive growth within the sectors. Specifically, a target of long-term annual productivity growth of 2-3% was set by 2020.<sup>57</sup>

#### *The Committee on the Future Economy's Proposed Strategies*

Building on the work of the Economic Strategies Committee in 2010, in February 2017, the Committee on the Future Economy (CFE), which was convened in January 2016, published its strategy proposal for propelling Singapore to new heights amidst rapid technological change and subdued global growth. The proposal comprises 7 key strategies, and SMEs are featured prominently as part of Strategy 3 (Strengthen enterprise capabilities to innovate and scale up), Strategy 4 (Build strong digital capabilities) and Strategy 7 (Partner Each other to Enable Innovation and Growth). Specifically, recommendations for nurturing SMEs include:<sup>58</sup>

- (i) Strengthening the innovation ecosystem with an emphasis on facilitating commercialisation of intellectual property,
- (ii) Promoting tighter collaboration between large enterprises and SMEs,
- (iii) Encouraging a variety of private sector funding including from banks, venture capital (VC) and private equity (PE) funds,
- (iv) Building SMEs' capabilities in harnessing digital technologies,
- (v) Expanding accreditation schemes to support promising and innovative start-ups and SMEs to overcome the lack of track record.

#### **Thailand**

In 2013, it was estimated that there were 2.7 million SMEs in Thailand.<sup>59</sup> The Thai SMEs are valued at 41.1% of the GDP and employ about 80.44% of the labour force.<sup>60</sup> The Office of SMEs Promotion (OSMEP), established in 2000, was one of the earliest bodies to formulate SME development proposals and plans, create a SME knowledge database and administer the SMEs Promotion Fund. The most recent SME development plans are the Third SME Promotional Master Plan 2012-2016 and the Thailand Country Strategy 2012.

#### *Third SME Promotional Master Plan 2012-2016*

The OSMEP formulates SME Promotional Master Plans every five years. Main policy thrusts of the Third Master Plan of 2012-2016 are:<sup>61</sup>

- (i) Developing enabling factors and conducive business environment for Thai SMEs
- (ii) Building and strengthening the competitiveness of Thai SMEs

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<sup>54</sup> Ministry of Finance (2015, p.4)

<sup>55</sup> Yahya et al. (2016, p.20)

<sup>56</sup> Tan and Tan (2014)

<sup>57</sup> Yahya et al. (2016, p.8)

<sup>58</sup> Committee on the Future Economy (2017)

<sup>59</sup> ADB (2015, p.227)

<sup>60</sup> OSMEP (2016, p.1)

<sup>61</sup> ADB (2014, p.13)

- (iii) Promoting balanced regional growth
- (iv) Promoting international economic integration by building and strengthening the business capabilities of Thai SMEs

#### *Thailand Country Strategy 2012*

In 2012, the Office of National Economic and Social Development Board launched the Thailand Country Strategy to aid in the growth and development of SMEs.<sup>62</sup> While the SME Promotion Master Plan is exclusive to only SMEs, the Thailand Country Strategy 2012 integrates SMEs in its policy proposals for the country's economic development. It maps out an inclusive growth strategy for increasing the contribution of SMEs to at least 40% of GDP with an emphasis on green growth.<sup>63</sup>

#### **Vietnam**

According to the Vietnam Association of Small and Medium Enterprises (VINASME), by the end of 2014 there were over 500,000 SMEs across the country, accounting for 97.5% of the total number of enterprises in operation, employing about 51% of the labour force and contributing 40% of GDP.<sup>64</sup> In recent years, the SME sector has received renewed focus with the amendment of the Enterprise Law in 2015 and Decree No. 56/2009/ND-CP which emphasises the need to support SMEs as an engine of sustainable growth. The first 5-year SME Development Plan for the period 2011-2015 promulgated in September 2012 (Decision No. 1231/QD-TTg) specifies various policies for strengthening the SME sector across 5 major themes: (i) finance and credit support, (ii) enabling legal environment and administrative reform, (iii) technology investment and human resources development, (iv) information and consulting services and (v) promotion and market expansion support. The State Bank of Vietnam stipulated in the same year that SMEs would enjoy 1-2% lower interest rates on short-term VND loans.<sup>65</sup>

The Vietnam Chamber of Commerce and Industry (VCCI) and the VINASME have played a pivotal role in facilitating public-private partnership in SME development and extending assistance programmes to SMEs. Specifically, the SME Promotion Centre under the VCCI has organised numerous trade promotion programmes, business plan competitions, training courses, workshops and dialogues between policy-makers and SMEs.<sup>66</sup> VINASME, consisting of about 32,000 SME members, represents and promotes members' interest in policy consultations with the government, in addition to providing technical support to members with regard to legislation, trade promotion, access to finance, human resource development and sustainability.<sup>67</sup>

Recent efforts on SME development centre upon Vietnam's ambition to become a "startup nation". In 2016, the Vietnamese government announced their goal of having 1 million new businesses by 2020. To this end, Vietnam's Ministry of Planning and Investment (MPI) is drafting a circular which encourages commercial banks to allocate at least 30% of their loan portfolio to SMEs and offers a fixed percentage of public

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<sup>62</sup> ADB (2014, p.14)

<sup>63</sup> ADB (2014, p.14)

<sup>64</sup> Quy (2016, p.227)

<sup>65</sup> Quy (2016, p.228)

<sup>66</sup> [http://www.vccinews.com/news\\_detail.asp?news\\_id=14487](http://www.vccinews.com/news_detail.asp?news_id=14487)

<sup>67</sup> <http://vinasme.vn/Lich-su-va-ket-qua-hoat-dong-cua-Hiep-hoi-doanh-nghiep-nho-va-vua-Viet-Nam-1907-473.htm>

procurement contracts to SMEs annually.<sup>68</sup> A proposal to reduce corporate tax for SMEs to 15-17% from 20% until 2020 were submitted to the National Assembly in October 2016. The MPI is also considering deeper tax cuts to just 10% for the first 15 years and a 50% tax rebate for the next 9 years directed at technology and manufacturing start-ups in remote areas.<sup>69</sup>

### 2.3. Social Enterprise Legislation

Currently Vietnam is the only ASEAN Member State that legally recognises SEs as part of the Enterprise Law (Law No.68/2014/QH13). For the remaining AMS, an SE may be legally registered as either a for-profit company or a non-profit entity.

#### Brunei

There is currently no specific law regulating SEs in Brunei. In general, there are laws related to business conducts such as laws on income tax, labour, business registration, and miscellaneous business licenses which are also applicable to SEs.<sup>70</sup> SEs can be set up in Brunei Darussalam under a for-profit<sup>71</sup> or non-profit legal structure:<sup>72</sup>

For-profit structures:

- Sole Proprietorship: A business owned by one person. Foreigners are generally not eligible to register.
- Partnership: A partnership is a business firm or organisation of two or more business partners. Applications by foreign individuals are subject to prior clearance by the Immigration Department before they are registered. The Contracts Act governs partnership laws in Brunei.
- Private Limited Company (Sendirian Berhad or Sdn Bhd): No minimum share capital is required. Private Company has at least two shareholders and a maximum of 50 shareholders. Shareholders need not be a citizen or permanent resident of Brunei Darussalam. Duration of registration is usually 1-2 months.
- Public Company (Berhad or Bhd): No minimum share capital is required. A Public Company has at least seven shareholders/members. Shareholders need not be a citizen or permanent resident of Brunei Darussalam. However, half of the directors in a company must be citizens or permanent resident of Brunei Darussalam. A public company may issue freely transferable shares to the public. Duration of registration is usually 1-2 months.
- Branch of Foreign Company: No minimum share capital is required.

Non-profit structures:

- Society: Society includes any club, company, partnership or association of 10 or more persons, whatever be its nature or object, and every branch of such club, company, partnership or association, except the following:

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<sup>68</sup> <https://www.techinasia.com/talk/vietnams-startup-nation-ambitions-require-lawyers-accountants-consultants>

<sup>69</sup> <http://www.ithanhnieenews.com/business/vietnam-to-offer-tax-breaks-to-smes-startups-63370.html>

<sup>70</sup> Polsaram et al. (2011, p.10)

<sup>71</sup> Polsaram et al. (2011, p.11), <http://www.mof.gov.bn/index.php/types-of-business>

<sup>72</sup> <http://www.agc.gov.bn/AGC%20Images/LOB/PDF/Chp.66.pdf>

- a) any company, association or partnership registered under the law for the time being relating to companies or formed and maintained for the sole purpose of carrying on any lawful business;
- b) any trade union registered under any written law for the time being regulating trade unions;
- c) any government or school, or committee management of a school, registered under the law for the time being regulating schools.

## **Cambodia**

SEs are currently not legally recognised in Cambodia and therefore must be registered as a private company or an NGO. An NGO may undertake commercial activities without being taxed so long as these activities are directly linked to its mission.<sup>73</sup>

For-profit structures:

The Law on Commercial Enterprise promulgated in 2005 governs the establishment of partnership and private limited company as follows:<sup>74</sup>

- Partnership: A partnership is a contract between 2 or more persons
  - General partnership: Each partner shares in the profits and losses of the partnership (Article 23) and all partners are jointly and severally liable for obligations.
  - Limited partnership: A limited partnership is a contract of partnership between one or more general partners who are the sole persons authorized to administer and bind the partnership, and one or more limited partners, who are bound to contribute to the capital of the partnership. Each limited partner is entitled to receive his share of the profits and liable only to the extent of the sum of money or value of the property he agrees to contribute (Article 71 and 72). The general partners are jointly and severally liable for the debts of the partnership to third parties (Article 75).
- Private limited company: A private limited company may have between 2-30 shareholders. The company shall issue a minimum of 1,000 shares with a par value of not less than KHR4,000 (approximately USD1 ) per share and has only one class of shares and the right of the holders of these shares is equal, unless otherwise provided in the Articles (Article 144). The shareholder's liability to the company is limited to the price of the shareholder's subscription (Article 147).

Non-profit structures:

The Law on Associations and Non-Governmental Organisations which was passed in July 2015, sets forth the following definitions of associations and NGOs:

<sup>75</sup>

<sup>73</sup> <http://socialenterprisecambodia.org/#faq>.

<sup>74</sup> <http://www.cambodiainvestment.gov.kh/investors-information/company.html>.

<sup>75</sup> [http://cambodia.ohchr.org/~cambodiaohchr/sites/default/files/Unofficial Translation of 5th LANGO ENG .pdf](http://cambodia.ohchr.org/~cambodiaohchr/sites/default/files/Unofficial%20Translation%20of%205th%20LANGO%20ENG.pdf)

- Association: An association is a membership organisation representing and protecting the interests of their members without generating or sharing profits. A domestic association shall be established by a minimum of 3 members.
- NGO: An NGO is a non-membership organisation, including foundations, aiming at providing funds and services in one or several sectors for the public interest without generating or sharing profits. A domestic NGO shall be established by a minimum of 3 members of Khmer nationality.

## Indonesia

Since there is no specific law in Indonesia that regulates SEs, most SEs are established in the legal form of private limited company or cooperative.<sup>76</sup> Alternatively, they can register as foundations or associations regulated under Law No.17/2013. Societal organisations without a legal entity are formally recognised upon the issuance of a Registration Certificate from the Ministry of Home Affairs and must be established by 3 or more Indonesian citizens.<sup>77</sup>

For-profit structures:

- Limited Liability Company: Governed under Law No.40/2007,<sup>78</sup> a limited liability company is a legal entity which constitutes an alliance of capital established pursuant to a contract in order to carry on business activities with an authorised capital, all of which are divided into shares. It must be established by 2 or more persons by a notarial deed in the Indonesian language. Shareholders are not personally liable for the company's losses in excess of the shares they own.
- Cooperative: According to Law No.25/2002 regarding Cooperatives,<sup>79</sup> a cooperative is a business unit which bases its activities on the principle of cooperatives and aims at improving the welfare of members as well as the public. Primary cooperative shall be established by at least 20 people, while secondary cooperatives consist of at least 3 primary cooperatives. Cooperatives may raise capital from: bequest, participation share, loan capital (from cooperative's member, other cooperative and/or its cooperative, bank or other financial institution, issuance of bonds or other debt letter, and/or central government and regional government) and other legitimate source.<sup>80</sup>

Non-profit structures:<sup>81</sup>

- Foundation: A foundation is defined as a non-membership legal entity established based on the separation of assets and intended as a vehicle for attaining certain purposes in the social, religious or humanitarian fields.

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<sup>76</sup> Radyati and Rosaline (n.d.)

<sup>77</sup> <http://www.cof.org/content/indonesia>

<sup>78</sup> <http://irmadevita.com/wp-content/uploads/2008/04/company-law-uu-40-2007.pdf>

<sup>79</sup> <http://faolex.fao.org/docs/pdf/ins3953.pdf>

<sup>80</sup> <http://www.lekslawyer.com/cooperative-law-in-indonesia>

<sup>81</sup> <http://www.cof.org/content/indonesia>

- Association: There are 2 types of associations: incorporated associations which possess a legal personality, and ordinary associations, both of which are membership-based organisations and must be formed by at least three Indonesian citizens. Individuals wishing to create an incorporated association must submit articles of association containing the association's statutory purposes to the Minister of Law and Human Rights.

## Laos

SE is yet to be legally recognised in Laos. SEs therefore usually opt for either a for-profit or a non-profit legal structure.

For-profit structures:<sup>82</sup>

- Sole-trader: A form of enterprise owned by an individual which operates under the name of its owner who holds unlimited liability for the debts of the enterprise.
- Partnership: A form of enterprise established on the basis of a contract between at least two investors who contribute capital to joint business operations for the purpose of sharing profits.
- General partnership : A form of partnership enterprise which is jointly operated by the partners primarily based on mutual trust and where all partners have joint and unlimited liability for the debts of the enterprise.
- Limited partnership: A form of partnership enterprise in which some of the partners have unlimited liability for the debts of the enterprise and are referred to as "general partners", and the other partners have limited liability and are referred to as "limited partners".
- Company: A form of enterprise established through the division of its capital into shares, each share having equal value. A shareholder is only liable for the company's debts up to an amount not exceeding the unpaid portion of [such shareholder's] shares.
- Limited company: A form of company with at least 2 and no more than 30 shareholders. A limited company with a single shareholder is called a "one-person limited company."
- Public company: A form of company with at least 9 shareholders who are the promoters, and the company's shares can be freely transferred and openly offered to the public. There are no known public company that self identifies as an SE in Laos.

Non-profit structures:

- Association:<sup>83</sup> A non-profit civil organization set up on a voluntary basis and operating on a permanent basis to protect the rights and legitimate interest of the association, its members or communities.
- Foundation:<sup>84</sup> A non-profit seeking social organization registered as a legal entity with its own capital and assets working for public interest in cultural, educational,

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<sup>82</sup> Government of Laos (2005)

<sup>83</sup> Government of Laos (2009)

<sup>84</sup> Government of Laos (2011)

environmental, health, sports, scientific, charity, humanitarian and other purposes.

### **Malaysia<sup>85</sup>**

Similar to the majority of AMS, there is no specific legislation governing SEs in Malaysia. Consequently, SEs in Malaysia may choose from a range of for-profit and non-profit structures:

For-profit legal structures:

- Sole Proprietorship: This is a business wholly owned by a single individual who is personally responsible for the company's liabilities. It's the simplest form of business organisation with minimal legal requirements governed by the Registration of Business Act 1956.
- Partnership: Governed by Partnership Act 1961, partners are personally liable and responsible for the business's liabilities. Partnerships should be registered under the Registration of Business Act 1956.
- Limited Liability Partnership (LLP): LLPs combine the characteristics of a company and a partnership. As stipulated by the Limited Liability Partnership Act 2012, debts and obligations of the LLP will be borne by the assets of the LLP's and not that of the partners'.
- Private Company Limited by Shares (Sdn Bhd): Stipulated under the Companies Act 1965, a private limited company's shares are closed to public participation and is a separate legal personality from its shareholders. Shareholders' liability is limited to the amount of capital held by the shareholders.

Non-profit legal structures:

- Company Limited by Guarantee (Bhd): Governed by the Companies Act 1965, this is the most popular structure adopted by NPOs. A company limited by guarantee is formed on the principle of having the liability of its members limited by the memorandum of association of the company. The limit is set at an amount that each member agrees to contribute to the company's assets.
- Society: A society is inclusive of any club, partnership or association of 7 or more people. Governed by Societies Act 1966, societies are accountable to the Registrar of Societies.
- Trust: Governed by Trustees (Incorporation) Act 1952, a trust is a legal arrangement where asset ownership is transferred from the settlor who set up the trust to the trustee for the benefit of one or more beneficiaries. Trustees shall be chargeable for all property they are responsible for.
- Co-operative Societies: A co-operative society is an organisation whose objective is to increase the economic significance of its members in accordance with cooperative principles. Co-operatives are governed by

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<sup>85</sup> This section draws on Malaysian Global Innovation & Creativity Centre (MaGIC) (2016).

the Co-operative Societies Act 1993 and regulated by the Malaysia Co-operative Societies Commission.

## Myanmar

As there is no legislation governing SEs in Myanmar, such enterprises can be legally registered as a private company, a cooperative society which is for-profit with a social mission or a non-profit association. The Association Registration Law (No.31/2014) introduces a revised legal framework for the establishment of both local and international associations/NGOs.<sup>86</sup>

For-profit structures:

- Partnership:<sup>87</sup> Governed by the Partnership Act of 1932, a partnership consists of not more than 20 partners and is of unlimited type.
- Private limited liability company: As stipulated in the Myanmar Companies Act 1914,<sup>88</sup> a private limited liability company is required to have at least 2 but no more than 50 shareholders.
- Cooperative society: Governed by Law No.9/92,<sup>89</sup> a cooperative society may carry out economic and social activities and net profits accrued from the business of the cooperative are to be apportioned according to the decision of members. A minimum of 5 members are required for the registration of primary cooperative societies.

Non-profit structures:

- Association: A domestic non-profit association may be formed by 5 or more persons and registered at any level of the registration system under the Ministry of Home Affairs, based on their intended geographical focus.

## Philippines

Currently there is no SE specific legislation in the Philippines. The Social Value Bill and the Poverty Reduction through Social Enterprise (PRESENT) Bill are being debated which could potentially create significant impact on the SE landscape in the country.<sup>90</sup> Consequently, SEs in the Philippines can be established as a for-profit entity or a “non-stock, non-profit corporation or organisation” defined in the Implementing Republic Act No. 8424.

For-profit structures:<sup>91</sup>

- Single proprietorship: In the simplest form of business, a single proprietorship is owned by an individual who has full control of its assets as well as personally liable for all its liabilities. This is registered through the Bureau of Trade Regulation and Consumer Protection of the Department of Trade and Industry.

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<sup>86</sup> <http://www.icnl.org/research/monitor/Myanmar.html>

<sup>87</sup> <http://www.asean-china-center.org/english/download/MyanmarInvestmentGuide.pdf>

<sup>88</sup> [http://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanamr\\_companies\\_act\\_1914.pdf](http://www.dica.gov.mm/sites/dica.gov.mm/files/document-files/myanamr_companies_act_1914.pdf)

<sup>89</sup> <http://www.ilo.org/dyn/natlex/docs/ELECTRONIC/72891/74312/F2060811910/MMR72891.pdf>

<sup>90</sup> British Council (2015, p.11)

<sup>91</sup> <http://ilp-law.com/blog/forms-of-business-sole-proprietorship-partnership-corporation/>

- General partnership: Partners have unlimited liability for the debts and obligation of the partnership.
- Limited partnership: One or more general partners have unlimited liability and the limited partners have liability up to the amount of their capital contributions.
- Corporation: A corporation is a juridical entity established under the Corporation Code and registered with the Securities and Exchange Commission (SEC). It must be created by at least 5 persons and up to a maximum of 15. The liability of the shareholders of a corporation is limited to the amount of their capital contribution.

Non-profit structures:<sup>92</sup>

- Non-stock, non-profit corporation or organisation: A non-stock, non-profit corporation or organisation is a corporation, organisation or association created under Philippine laws exclusively for one or more of the following purposes: religious, charitable, scientific, athletic, cultural, rehabilitation of veterans, and social welfare. No part of the net income or asset shall belong to or inure to the benefit of any member, organiser, officer or any specific person.
- Non-governmental organisation: This refers to a non-stock, non-profit domestic corporation or organisation operated exclusively for scientific, research, educational, character-building and youth and sports development, health, social welfare, cultural or charitable purposes, or a combination thereof, no part of the net income of which inures to the benefit of any private individual.

## Singapore

While there is no legal entity that is a hybrid between a charity and a traditional commercial entity in Singapore, SEs in Singapore can be registered in different legal forms. One may choose to set up a purely for-profit structure whereby profits earned are channelled into a separate charity or non-profit organisation (NPO) set up by the same founder(s) of the commercial business.

For-profit structures:<sup>93</sup>

- Sole-Proprietorships: A sole-proprietorship is the simplest and most flexible business structure. Owned by one person, the sole-proprietorship has no partners and administrative requirements are minimal. This structure is suitable for small individually owned enterprises whose business carry minimal risks.
- General Partnership: A partnership is a business formed by more than one individual. All general partnerships must be registered with the Accounting and Corporate Regulatory Authority (ACRA) and the maximum number of partners in a partnership is capped at 20. Partnerships with more than 20 partners must be registered as a company under the Companies Act (Chapter 50).

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<sup>92</sup> <http://www.icnl.org/research/library/files/Philippines/amending.pdf>.

<sup>93</sup> Law Society of Singapore (2016, pp.38-43).

- Limited Partnership: In a limited partnership, the liabilities of limited partners are limited to their individual contributions to the venture in accordance with what had been agreed at the outset. Such partners forego their rights to be involved in the management of the business in return for their limited liability protection. Limited Partnerships Act (Chapter 163B) stipulates the establishment and registration of limited partnerships.
- Limited Liability Partnership (LLP): Governed by the Limited Liability Partnership Act (Chapter 163A), an LLP gives partners the flexibility of operating as a partnership while protecting their investment in similar ways to private limited companies.
- Private Limited Company: Stipulated under the Companies Act (Chapter 50), a private limited company has a separate legal personality from its owners. The liability of its members is confined to individual capital contributions towards the company.

#### Non-profit structures:

- Company Limited by Guarantee (CLG): The majority of charities and NPOs in Singapore are established in this form, i.e. the liability of its members is limited by its constitutional documents to such amount as the members undertake to guarantee. While a CLG can accept donations and grants, it is unable to receive funding in the form of equity as it does not have share capital. However, a CLG may accept debt funding insofar as it does not contravene the provisions of its constitutional documents although the receipt of debt funding may have implications under the Securities and Futures Act.<sup>94</sup>
- Society: Governed by the Societies Act (Chapter 311), while members of societies may be required to contribute to the funds of the society by way of subscription or annual fees, many societies generate funds through donations from the public and fund-raising activities. A society would have to submit its proposed constitution to the Registry of Societies for approval before the society may be formed.
- Charitable trust: A charitable trust is a popular legal structure where a person would like to set aside certain assets for certain charitable causes. Although a trust is not a separate legal entity and trustees are consequently liable for any liabilities incurred by the trust, the Trustees Act (Chapter 337) provides that a trustee shall be chargeable only for money and securities actually received by him. Funding in the forms of donations, grants and debt can be accepted insofar as such acceptance does not breach the terms of the trust instrument or the purpose of the trust.<sup>95</sup>
- Co-operative: A co-operative is a business entity underpinned by a social mission that aims to address social issues and remain economically viable at the same time. A co-operative is governed by the Co-operatives Societies Act (Chapter 62) and the Co-operative Societies Rules 2009 of Singapore and has to be registered with the Registry of Co-operative Societies. There are generally

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<sup>94</sup> AVPN (2014, p.9)

<sup>95</sup> AVPN (2014, p.17)

two pre-requisites: (i) members of a co-operative get together to undertake feasibility study of the society including its objects, constitution and by-laws; and (ii) they have to submit a business plan of the co-operative to the Registrar.<sup>96</sup>

## Thailand

In Thailand, an SE can be registered as either a for-profit or non-profit legal entity, both of which are governed under the Thai Civil and Commercial Code, Title XXII "Partnerships and Companies."<sup>97</sup>

For-profit structures:

- Unregistered ordinary partnership: Partners are jointly and wholly liable for all obligations of the partnership. This form of partnership is not a juristic entity and is treated as an individual for tax purposes.
- Registered ordinary partnership: Registered with the Commercial Registrar, these are legal entities that are separate and distinct from the individual partners.
- Limited partnerships: Individual liability is restricted to the amount of capital contributed by each partner to the partnership, or one or more partners are jointly liable without any limitation for all obligations of the partnership.
- Private limited company: A private limited company is formed by any three or more persons through a process that leads to the registration of a Memorandum of Association (Articles of Incorporation) and Articles of Association as its constitutive documents. The liability of the company's shareholders is limited to the par value of the authorised capital.

Non-profit structures:

- Association: An association is a legal entity conducting any activity which is to be done continuously and collectively by persons other than that of sharing profits or incomes earned.
- Foundation: A foundation consists of property specially appropriated to public charity, religions, art, science, education or other purpose for the public benefit and not for sharing profit. Registration of a foundation requires at least a committee consisting of 3 members.

## Vietnam

Vietnam is the only ASEAN Member State that legally recognises SEs. Under the Enterprise Law No.68/2014/QH13,<sup>98</sup> an SE is defined as a registered enterprise that aims to address social and environmental issues for community benefits and reinvests at least 51% of their annual surpluses into registered social and environmental goals.<sup>99</sup> SEs may raise and receive funding in various forms from individuals, enterprises, NGOs and other Vietnamese and foreign organisations. SEs may be registered as partnerships, private

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<sup>96</sup> The Law Society of Singapore (2016, p.47)

<sup>97</sup> <http://library.siam-legal.com/thai-civil-and-commercial-code/>

<sup>98</sup> <http://www.hcmiu.edu.vn/Portals/1/Docs/vanbanphapluat/english/68-2014-QH13-Luat%20Doanh%20Nghiep.pdf>

<sup>99</sup> Pham, Nguyen and Nguyen (2016, p.6)

limited liability companies or shareholding companies. In addition, Decree No. 116/2013/ND-CP<sup>100</sup> and Decree No.30/2012/ND-CP<sup>101</sup> set forth the definitions of NPOs and social/charity funds, respectively.

For-profit structures:

- Partnership: Partnership must be formed by a minimum of 2 members. In addition to unlimited liability partners who shall be liable for all the company's obligations to the extent of all of their assets, there may be limited liability partners who shall only be liable for the company's debts to the extent of the amount of their capital contributions.
- Limited liability company: A limited liability company may be formed by a maximum of 50 members. Members are liable for the company's debts and obligations up to the amount of their capital contributions.
- Shareholding company: A shareholding company may be established by 3 or more shareholders who are liable for the company's debts and obligations to the extent of their capital contributions.

Non-profit structures:

- NPO: An NPO is defined as an organisation which mobilises and allocates capital for charitable, religious, education, societal or similar purposes and not for the purpose of profit.
- Social/charity fund: A social/charity fund is a fund organised and operated on a not-for-profit basis for the purpose of supporting and promoting the development of culture, education, healthcare, physical training, sports, science, charitable and humanitarian activities and community development. A fund must be founded by a minimum of 3 Vietnamese citizens although foreigners and foreign organisations may also contribute their assets.

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<sup>100</sup> [http://www.moit.gov.vn/Images/FileVanBan/\\_ND116-2013-CPeng.pdf](http://www.moit.gov.vn/Images/FileVanBan/_ND116-2013-CPeng.pdf)

<sup>101</sup> <http://hpvn-law.com/en/0/1813/news/detail/decree-no-302012ndcp-date-april-12-2012-on-the-organization-and-operation-of-social-funds-and-charity-funds/27388>

## 3. Level of Uptake of Responsible and Inclusive Business Practices among SMEs

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### Regional Overview

#### *Responsible Practices*

Although governments of most AMS have initiated various corporate social responsibility (CSR) initiatives since around 2005,<sup>102</sup> CSR was brought to the forefront at the regional level in 2009 with the launch of the ASEAN Blueprint for 2009-2015 at the 14<sup>th</sup> ASEAN Summit. One of the strategic objectives highlighted in the ASCC blueprint was to “ensure that CSR is incorporated in the corporate agenda and to contribute towards sustainable socio-economic development in AMS.”<sup>103</sup> The ASEAN 2025 Blueprint published in 2015 reiterated the significance of CSR as a strategic measure for engaging stakeholders in regional integration efforts.<sup>104</sup>

Nonetheless, the extent of CSR practices is diverse among the AMS, largely owing to the heterogeneity in levels of development and thus socio-economic priorities. Overall, while SMEs are increasingly active in regional and global value chains, CSR activities in ASEAN have been primarily driven by MNCs, large local companies and national business/industry networks.<sup>105</sup> In export-oriented, relatively less developed AMS, namely Cambodia, Indonesia, Thailand and Vietnam, the government is a key player in promoting CSR as a tool to attract foreign investors and benefit from trade, given growing demands among most developed countries that imports have to be ethically and sustainably sourced.<sup>106</sup>

Singapore has an advanced CSR landscape in the region with globalisation being the principal driving force. The city-state’s strong reliance on trade and investments, and integration into the international system demand that corporations act in a socially responsible manner. Organisations such as the Global Compact Network Singapore take the lead in promoting CSR and have attracted a diverse membership comprising large corporations, SMEs, NGOs and youth.<sup>107</sup> While MNCs and a number of government-linked companies still lead in CSR practices with the primary aim towards being recognised as world-class companies, many home-grown Singaporean companies are included in the Dow Jones Sustainability Index in recognition of their practices.<sup>108</sup> Furthermore, as Singapore’s SMEs are relatively more entrenched in the global value chain, they are more obliged to comply with international CSR standards to a comparatively larger extent than their regional counterparts.<sup>109</sup> For Brunei, the remaining high-income economy in ASEAN, instances of responsible and inclusive business conduct remain underreported. Nonetheless, there are a few examples of SMEs working with marginalised and rural communities to foster community

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<sup>102</sup> Shaba and Meuter (2013, p.4)

<sup>103</sup> ASEAN Secretariat (2009, p.13)

<sup>104</sup> ASEAN Secretariat (2015, p.35)

<sup>105</sup> Thomas and Chandra (2014)

<sup>106</sup> del Rosario (2011)

<sup>107</sup> Global Compact Network Singapore (2015, p.15)

<sup>108</sup> Thomas and Chandra (2014, p.14)

<sup>109</sup> del Rosario (2011, p.30)

development and environment sustainability. Others aim to tackle youth unemployment by establishing online education platforms.

In the middle-income group consisting of Indonesia, Malaysia, the Philippines, Thailand and Vietnam, CSR largely takes the form of corporate philanthropy. Strong presence of family-owned businesses has given rise to philanthropic CSR in the form of donations.<sup>110</sup> Additionally, governments in these countries look to large corporates/conglomerates as funding partners in national poverty alleviation programmes.<sup>111</sup> Beyond corporate philanthropy, MNCs, and, to a lesser extent, large local companies, typically lead the way in integrating social responsibility and/or inclusivity into their business models to the benefit of disadvantaged population. For instance, Nestle and Coca Cola have been incorporating the Bottom of the Pyramid (BoP) population, particularly women, into their value chains. National business/industry associations and networks have also been increasingly active in promoting and raising awareness about CSR, often with financial and/or technical support from international development agencies with a focus on environment, labour rights and welfare and workplace health and safety.<sup>112</sup> However, in a recent report published by the ASEAN CSR Network (ACN), Thailand was found to top the charts in a study which compares the rate and comprehensiveness of sustainability reporting by companies in Singapore, Malaysia, Indonesia and Thailand. The report attributes Thailand's success to the strong emphasis on compliance in its business culture.<sup>113</sup>

For the low-income group which includes Cambodia, Laos, and Myanmar, CSR remains in nascent stages. Nonetheless, with the formation of various grassroots initiatives, especially in the 2010s, CSR is expected to take off and develop rapidly in these countries in years to come. For instance, the Cambodian Women Entrepreneur Association was established in July 2011 to foster a business environment where women are constructively involved as well as to support women-owned businesses.<sup>114</sup> The Myanmar Women's Entrepreneurs Association was formed in 1995 with a dual objective of supporting women entrepreneurs and promoting environmentally-friendly and culturally-sensitive business practices.<sup>115</sup> International development agencies have been instrumental in nurturing grassroots CSR initiatives in this group of countries. For example, the Myanmar Centre for Responsible Business, established in 2013, is funded by the UK, Denmark, Norway, Switzerland, Netherlands and Ireland based on a collaboration between the UK-based Institute of Human Rights and Business and the Danish Institute for Human Rights.<sup>116</sup>

### *Inclusive Practices*

Local inclusive businesses have gained notable traction in ASEAN over the last decade or so. These are for-profit entities that pursue a dual objective of making reasonable profits and creating social and/or environmental impact through the provision of

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<sup>110</sup> Thomas and Chandra (2014, p.15)

<sup>111</sup> Thomas and Chandra (2014, p.14)

<sup>112</sup> del Rosario (2011). See, for instance, the European Union's SWITCH-Asia Programme: [http://www.switch-asia.eu/fileadmin/user\\_upload/Publications/2016/FactSheet\\_2016\\_72dpi\\_DoublePages.pdf](http://www.switch-asia.eu/fileadmin/user_upload/Publications/2016/FactSheet_2016_72dpi_DoublePages.pdf).

<sup>113</sup> ASEAN CSR Network and NUS (2016)

<sup>114</sup> [www.cweacambodia.com/en/objective-and-value](http://www.cweacambodia.com/en/objective-and-value)

<sup>115</sup> [www.asean-sme-academy.org/resource/myanmar-women-entrepreneurs-association-mwea/](http://www.asean-sme-academy.org/resource/myanmar-women-entrepreneurs-association-mwea/)

<sup>116</sup> [www.myanmar-responsiblebusiness.org/pdf/trifold/en.pdf](http://www.myanmar-responsiblebusiness.org/pdf/trifold/en.pdf)

sustainable income opportunities and services for the poor. SEs, which are businesses which provide innovative solutions to social and/or environmental issues while being commercially viable, can be seen as a subset of inclusive businesses.

While there is no official statistics on the number of inclusive businesses in AMS, it has been estimated that these businesses account for less than 3% of total registered enterprises in South and Southeast Asia.<sup>117</sup> Mature and commercially sustainable inclusive businesses are scarce and not well documented in the region, while early-stage SEs are facing significant challenges from shortage of financing to limited access of technical assistance and business advisory services that may enable them to scale up and become financially sustainable.<sup>118</sup> That said, opportunities also abound, as evident in the budding microfinance industry increasingly driven by the private sector as well as the range of sectors in which inclusive businesses operate across the region.

Microfinance has played a pivotal role in fostering inclusive growth in ASEAN, particularly in terms of women empowerment, in part thanks to government initiatives and backing in the majority of developing AMS. Some prominent national players in the microfinance space are: ACLEDA Bank (Cambodia), Bank Perkreditan Rakyat (Indonesia), Amanah Ikhtiar Malaysia, Myanmar Agricultural Development Bank, CARD MRI (Philippines), Thailand Village and Urban Revolving Fund and Vietnam Women's Union and Vietnam Farmers' Union.

It has also been observed that inclusive businesses operate across a range of other sectors.<sup>119</sup> Agriculture and agribusiness form the bulk of inclusive business activity as a significant portion of the Bottom of the Pyramid (or BoP) population work in agriculture. Examples of such businesses include Syarikat Wira Bina (Brunei), Bali Oil (Philippines, palm oil), Shan Maw Myae Co Ltd (Myanmar, organic agricultural inputs), Urmatt (Thailand, organic rice), Green Energy Biomass (Vietnam, biofuel feedstock).

Vocational education and training is among the sectors that have seen relatively substantial inclusive business activity. A common approach adopted by educational inclusive businesses in ASEAN is training disadvantaged youth from poor or marginalised communities in professional hospitality skills with the intention to integrate them into the hospitality and food and beverages industries.<sup>120</sup> Hagar International (Cambodia, Myanmar, Vietnam), Oyori (Thailand), BagoSphere (Philippines), Yangon Bakehouse (Myanmar) and KOTO (Vietnam) are examples of such enterprises.

Handicraft-based retail model is also commonly employed by a number of inclusive businesses in the region. This model typically consists of two key components, (i) training disadvantaged communities, particularly poor women, to produce the handicrafts and (ii) supporting them in areas of branding, marketing and sometimes export. Rags2riches (Philippines), The Batik Boutique (Indonesia), Kanchana The Beauty of Lao Silk (Laos) and Zo Project (Vietnam) are some of the enterprises operating in this sector.

Water and sanitation and sustainable waste management remain relatively nascent across ASEAN. Enterprises operating in water predominantly provide purification technologies such as WaterROAM (Singapore), Hydrologic (Cambodia). World Toilet

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<sup>117</sup> ADB (2016, p.14)

<sup>118</sup> ADB (2012, p.25)

<sup>119</sup> ADB (2015, pp.15-22)

<sup>120</sup> ADB (2016, p.20)

Organisation (Singapore) and SaniShop (Cambodia) are among the very few adopting a market-based approach to improve sanitation in rural areas. In the area of sustainable waste management, the Garbage Premium Insurance Clinic (Indonesia) combines micro health insurance and garbage collection. Another example is Fargreen (Vietnam) which produces high-quality mushrooms from rice straw from paddy fields.

## **Brunei**

### *SMEs and Social Entrepreneurs*

While SMEs make up about 98.5% of Brunei's enterprises,<sup>121</sup> responsible and inclusive business practices among SMEs in Brunei remain underreported. The available literature that investigates this topic is relatively narrow in focus, and is mostly specific to a sector, a village or community. Examples of responsible and inclusive SMEs in Brunei include: Borneoguide, Syarikat Wira Bina, Syarikat Tasbee Meliponiculture, Teachmeguru and Bru InnovEdu.

In the area of community development and environmental sustainability, some SMEs are applying commercial models to address community issues. Borneoguide, for instance, has transformed a local village tribe from illegally hunting wildlife for income to becoming a self-sustaining community that provides local communal tours of their hometown to tourists.<sup>122</sup> Another example is Syarikat Wira Bina, an enterprise located within a village in Brunei that produces virgin coconut oil products. The enterprise employs the local villagers, while simultaneously providing them access to agricultural training.<sup>123</sup> On the environmental side, Syarikat Tasbee Meliponiculture aims to conserve bees in Brunei's ecosystem by running a stingless bee farm and its goods producer.<sup>124</sup>

With an observed rising unemployment rate in the last couple of years,<sup>125</sup> of which 18% are graduates,<sup>126</sup> Bru InnovEdu and Teachmeguru attempt to tackle this issue through their online education platforms. Bru InnovEdu provides financial education to Bruneian youths in order to increase their employability skills,<sup>127</sup> while Teachmeguru seeks to reduce youth unemployment by hiring graduate students to teach.<sup>128</sup>

While there are few examples of responsible and inclusive SMEs in Brunei, the Bruneian government is actively involved in promoting, legislating, and instituting laws and policies govern business activities. For example, Brunei has strong laws against corruption and unethical business practices.<sup>129</sup> In line with Wawasan Brunei 2035, which emphasises sustainable development, several legal measures have been implemented to promote environmental sustainability in Brunei.<sup>130</sup> These measures are expected to encourage responsible and inclusive business practices in the country.

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<sup>121</sup> Iqbal and Rahman (2015, p.259)

<sup>122</sup> <http://www.dare.gov.bn/Lists/Success%20Stories/NewDisplayForm.aspx?ID=19>

<sup>123</sup> <http://www.dare.gov.bn/Lists/Success%20Stories/NewDisplayForm.aspx?ID=24>

<sup>124</sup> <http://www.dare.gov.bn/Lists/Success%20Stories/NewDisplayForm.aspx?ID=23>

<sup>125</sup> [http://www.theglobaleconomy.com/Brunei/Unemployment\\_rate/](http://www.theglobaleconomy.com/Brunei/Unemployment_rate/)

<sup>126</sup> <http://www.bizbrunei.com/i-ready-providing-graduates-real-world-experience/>

<sup>127</sup> [http://icentre.biz/BackupOldWebsite20-01-2015/?page\\_id=24&page\\_type=list](http://icentre.biz/BackupOldWebsite20-01-2015/?page_id=24&page_type=list)

<sup>128</sup> <http://www.dare.gov.bn/Lists/Success%20Stories/NewDisplayForm.aspx?ID=17>

<sup>129</sup> <http://www.nortonrosefulbright.com/knowledge/publications/121089/business-ethics-and-anti-corruption-laws-brunei-darussalam>

<sup>130</sup> [https://asianjournaloflegalstudies.wordpress.com/2016/08/31/brunei-moving-forward-bruneis-sustainable-measures-for-a-successful-environmental-development/#\\_ftn25](https://asianjournaloflegalstudies.wordpress.com/2016/08/31/brunei-moving-forward-bruneis-sustainable-measures-for-a-successful-environmental-development/#_ftn25)

## **Cambodia**

### *SMEs*

The literature on the uptake of CSR and inclusive practices in Cambodia remains very scarce, even more so for SMEs. A discussion paper by CSRWorks International published in 2008 contended that CSR was still a new concept and most local enterprises, NGOs and public sector agencies did not seem to have a clear understanding of what it means. According to CSRWorks International, CSR in Cambodia has typically taken the forms of corporate philanthropy such as charity donations, sponsoring sports events, scholarships. There have been a few CSR initiatives led by international development agencies and MNCs. However, it is unclear to what extent SMEs partake in them.

The Better Factories Cambodia initiative managed by ILO is one of the largest CSR campaigns in the country that has produced visible impact in the textile and garment industry. The program grew out of a bilateral trade agreement between the US and Cambodia in 2001 under which Cambodia was granted better access to the US market for its garment exports in exchange for improved working conditions in garment factories.<sup>131</sup>

The Cambodian Federation of Employers and Business Associations has actively mobilised employers against child labour with the technical and financial support from ILO since 2006. A code of conduct has been developed and adopted by all of its over 2,000 employer members.

Other notable initiatives are the Clean Business Initiative supported by Pact Cambodia and USAID and the Cambodia Business Initiative in Rural Development supported by ADB. The former focuses on promoting fair competition and a corruption-free business environment while the latter involves recruiting companies to transfer business skills to village communities with a view to creating more income generating activities in rural areas.

### *Social Entrepreneurs*

Similar to CSR, the understanding and adoption of SE model have been more advanced among foreign actors, mostly NGOs, than among local entrepreneurs.<sup>132</sup> While Cambodia has seen the emergence of commercially viable SEs such as Hydrologic, Sanishop, Hagar International, a mapping exercise has yet to be conducted and thus SE data is practically non-existent.

Nonetheless, a qualitative study by Lyne, Khieng and Ngin (2015) shows that the majority of Cambodia SEs are NGOs/NPOs seeking to diversify their funding sources. The second largest group are "work integration" SEs with a mission to enhance employability among disadvantaged groups, especially women and street children. Other types include: non-profit cooperatives, non-profit and for-profit partnerships, and community development enterprises. Most common sectors are education, health, child welfare and rights, community development, agriculture, and women and gender issues.

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<sup>131</sup> Chhabara (2008, p.22)

<sup>132</sup> Lyne, Khieng and Ngin (2015, p.5)

## Indonesia

### SMEs

It has been found that Indonesia lacks research that specifically looks into inclusive and responsible practices amongst SMEs. The available literature that investigates this topic are relatively narrow in focus, usually specific to a sector in a region or even as small as village-level. Sari et al (2014) conducted a study on batik SMEs in Yogyakarta and found that out of 93 enterprises, 26% did not understand the term CSR, 15% defined it as donations, and only 37% and 22% defined it as activities that are related to environmental conservation and giving attention to people who support the business, respectively. This limited understanding of CSR could explain the low interest amongst SMEs in social responsibility and inclusivity.

One way of gauging the extent to which SMEs in Indonesia are engaged in responsible and inclusive practices is by examining fundraising campaigns in crowdfunding platforms dedicated to impact-driven SMEs. One such crowdfunding site is GandengTangan which features 80 different MSME projects, 20 of which have met their fundraising target.<sup>133</sup> The majority of these funded projects aim to improve the livelihood of the rural poor, especially women, working in agriculture and agricultural retail. Assalam Agro Industri, for instance, is an enterprise that aims to reduce unemployment and increase the welfare of ex-domestic worker women and young people without a high education degree by providing them with free training in processing oyster mushrooms.<sup>134</sup> Du'Anyam is a creative goods enterprise that sells palm fruit webbing crafts made by pregnant and breastfeeding women in an effort to reduce infant mortality rate.<sup>135</sup> Cora Uleng Women Farmers Group trains women farm labourers to grow vegetables, thereby increasing their incomes. This shows that inclusive practices are taking root in the country, albeit at a small scale.<sup>136</sup>

### Social Entrepreneurs

The Indonesian government has yet to invest in social entrepreneurship as evident in the lack of a government agency that focuses on this area.<sup>137</sup> However, NGOs and businesses, both local and international, have been active in supporting social entrepreneurs by creating dedicated educational programmes in the social impact sphere such as the relatively well-known Ashoka Indonesia, which has been operating in the country since 1983, and British Council, which launched the Skills for Social Entrepreneurs programmed in 2009.<sup>138</sup> Newer organisations which provide similar programmes include: UnLtd Indonesia, the first incubator for social enterprises founded in 2014; the Social Entrepreneur Academy, launched by Dompot Dhuafa, a local disaster relief NGO;<sup>139</sup> and Jolkona, an organisation based in Seattle which has trained 8 social entrepreneurs from Indonesia in 2016.<sup>140</sup>

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<sup>133</sup> <https://www.gandengtangan.org/browse>

<sup>134</sup> <https://www.gandengtangan.org/assalam-agro-industri>

<sup>135</sup> <https://www.gandengtangan.org/duanyam>

<sup>136</sup> <https://www.gandengtangan.org/pemberdayaan-kelompok-wanita-tani-dan-kegiatan-home-industri>

<sup>137</sup> <http://www.forbes.com/sites/meehyoekoo/2013/09/30/understanding-the-social-entrepreneurship-field-in-indonesia>

<sup>138</sup> <https://www.britishcouncil.id/en/programmes/society/social-entrepreneurs>

<sup>139</sup> <http://sea-dd.com/category/program>

<sup>140</sup> <http://www.jolkona.org/social-enterprise-in-indonesia>

Assessing the uptake of social entrepreneurship in Indonesia is currently difficult as there is no database dedicated to the community, nor is there any mapping exercise conducted on the topic. By assessing long-standing social entrepreneurship programmes such as Ashoka, it is found that there has been 151 Ashoka Fellows since the organisation's landing in Indonesia in 1983.<sup>141</sup> One of Ashoka's most well-known fellows is Tri Mumpuni who created IBEKA, an enterprise that partners with rural communities to build and operate micro-scale hydro power plants,<sup>142</sup> and who was invited to the US Presidential Summit on Entrepreneurship in Washington DC in late 2010 along with 8 other Indonesian social entrepreneurs.<sup>143</sup> This evidently shows a growing interest in social entrepreneurship in the country.

## Laos

### SMEs

The extent that SMEs integrate responsible and inclusive practices in their businesses is not well-documented. Reports have shown that CSR in Laos is largely driven by religious reasons – where traditional philanthropic giving is dominant.<sup>144</sup> Similarly, a 2016 study shows that there is low awareness of other forms of CSR amongst governmental actors and local and regional companies.<sup>145</sup> An article in 2008 posited that high public debt levels in Laos are posing constraints to allocating higher financial resources towards environmental facilities and infrastructure, and to enforcing environmental laws,<sup>146</sup> which might partially explain the limited adoption of inclusive and responsible business practices in the country.

However, one organisation that stands apart from the rest is Fair Trade Laos, which is a network dedicated to strengthening SMEs through the development of value chains in accordance with the principles and standards of fair trade. It is one of the most active pioneers in promoting social responsibility and inclusivity in Laos. The organisation has made it one of its priorities to empower women as well, citing that 63% of the labour employed by its members are women.

### Social Entrepreneurs

Social entrepreneurship has yet to gain the same traction in Laos as it has in other AMS. Nonetheless, several prominent SEs have emerged primarily focusing on agriculture, clean energy, community development and handicrafts. For example, the coffee exporter McCullagh Laos aims to maximise social and environmental impact for village communities and farmers in Laos and has received accreditation for using environmentally sustainable farming techniques.<sup>147</sup> Sunlabob is a local SE which sells solar energy lanterns recruits from women-focused NGO.<sup>148</sup> Other notable SEs include fruitfriend<sup>149</sup> Law and Development Partnership,<sup>150</sup> Click Laos<sup>151</sup> Xaoban, Meraki, Saoban, Poppy Pharmacy, Benoni Coffee, and Kanchana The Beauty of Lao Silk.

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<sup>141</sup> <https://www.ashoka.org/en/our-network>

<sup>142</sup> <http://www.schwabfound.org/content/tri-mumpuni>, <https://www.ashoka.org/en/fellow/tri-mumpuni>

<sup>143</sup> [https://www.bbc.com/indonesia/berita\\_indonesia/2010/05/100525\\_tokohmeitrimumpuni](https://www.bbc.com/indonesia/berita_indonesia/2010/05/100525_tokohmeitrimumpuni)

<sup>144</sup> GIZ (2015, p. 1)

<sup>145</sup> GIZ (2015, p. 6)

<sup>146</sup> Pimpa (2013, p. 38)

<sup>147</sup> <https://www.mccullaghcoffee.com/pages/sustainability>

<sup>148</sup> Pimpa (2013, p. 50)

<sup>149</sup> <http://www.fruitfriendslaos.org/>

<sup>150</sup> <http://www.ldplao.com/>

<sup>151</sup> <http://www.clicklaos.org/index.php/en/our-social-services>

## Malaysia

### SMEs

One of the most recent studies on CSR by Amran and Nejati (2011) investigated the status of CSR practices among 132 SMEs. They found that on average Malaysian SMEs practiced CSR, particularly towards key stakeholders, but most regarded CSR as a cost. According to their mean score estimates, SMEs were more likely to be responsible towards customers, suppliers followed by employees and shareholders. Environment and community were the least salient areas SMEs were conscious about. The authors also found that the primary motivation for engaging in CSR for SMEs was the improvement in company image and reputation.

These results are supported by 2 other surveys conducted by the same authors and Hossain et al in 2009. Hossain et al (2009) interviewed 63 SME managers and concluded that the main motivational factors for practicing CSR were customers and suppliers, followed by employees. The authors hypothesised that firms would pay more attention to stakeholders who control organisational resources than those who do not control vital resources. This hypothesis seems to dovetail findings by Nejati and Amran (2009) in which Malaysian SMEs cited consumers and suppliers as the most significant stakeholders in incentivising them to engage in environmental friendly practices, as well as applying for environmental certificates. It is, however, important to note that Nejati and Amran (2009) surveyed only 10 SMEs.

In a much larger survey of 500 companies, 375 of which were SMEs, Siwar and Harizan (2008) showed that SMEs were lagging behind other groups of investigated enterprises (multinational corporations, government-linked corporations, and local large corporations) in their commitment towards CSR. It can therefore be inferred from the limited literature that the uptake of responsible and inclusive business practices in the Malaysia SME sector remains low.

### *Social Entrepreneurs*

The Malaysian Global Innovation & Creativity Centre (MaGIC) estimated that there were only over 100 SEs as of 2015, a significantly lower figure compared to some of the neighbouring AMS. The dearth of SEs in Malaysia makes it difficult to chart the landscape of responsible and inclusive business practices within this sector. This also implies that the Malaysian SE sector is still nascent.

A more robust support ecosystem is required for the sector to take off. In 2015, the British Council, in collaboration with the Social Enterprise Academy in the UK and MaGIC, identified a gap in quality intermediary organisations in the Malaysian SE ecosystem. In particular, existing incubation programmes mainly support SEs in the ideation or start-up stage, but at the same time alienate semi-established enterprises that are looking to scale up.<sup>152</sup>

Further, it has been suggested that more than two-thirds of Malaysian SEs are struggling to break even.<sup>153</sup> Raising capital, both in early seed and growth stages, remains a pressing challenge for social entrepreneurs with 21% indicating they lacked adequate

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<sup>152</sup> <https://www.britishcouncil.my/programmes/society/news-and-updates/promoting-growth-malaysian-social-enterprise-sector>

<sup>153</sup> <http://asiafoundation.org/2015/08/26/challenges-in-the-malaysian-social-enterprise-scene>

funding according to MaGIC. An increase in quality incubator and accelerator programmes may thus be key in fostering the SE sector in Malaysia.

## **Myanmar**

### *SMEs*

There has been scant understanding of CSR in Myanmar where it is largely understood as a philanthropic concept, cemented by the country's vibrant donation culture.<sup>154</sup> The business community generally sees CSR as the right thing to do but its strategic alignment to the core business remains obscure to them. Nonetheless, private sector initiatives have emerged towards enhancing enterprises' understanding and incorporation of CSR practices in the country. Examples of such initiatives include the Myanmar Business Coalition on Aid (MBCA), a network of 300 corporate members who are engaged in various impact projects ranging from disaster relief to HIV prevention, and the Myanmar Centre for Responsible Business (MCRB),<sup>155</sup> a joint initiative by the Institute for Human Rights and Business and the Danish Institute of Human Rights.<sup>156</sup>

In 2014, MBCA and MCRB partnered in a survey on business interest in CSR in 7 townships in Myanmar.<sup>157</sup> Out of 128 enterprises, mostly SMEs, participating in the survey, 23% indicated they were engaged in employee relations aspects of CSR, especially in terms of taking care of employee welfare including accommodation and finance. 16% said they donated to charities, clinics, monasteries and orphanages. 14% were mindful about workplace safety and ensured employees' health and safety. 10% said they endeavoured to protect the environment. Respondents cited lack of capital (9%), lack of access to information and technology (7.8%), shortage of skilled labour (7%) and poor knowledge of health and safety (7%) as principal challenges that hindered them from engaging in responsible business practices.

### *Social Entrepreneurs*

A mapping report published by the British Council in 2013 indicates that there are very few organisations recognised as SEs or identify themselves as SEs in Myanmar, although "informal" SEs have emerged and typically originate from NGOs and non-profit associations that have explored revenue generation activities to supplement donations, and cooperatives and impact-driven private SMEs.<sup>158</sup> Domestic foundations were considered by the study to be related to SEs in light of their engagement in multiple social initiatives owing to their ability to leverage on their parent entity's resources. This sets Myanmar apart from other AMS such as Cambodia, Philippines and Thailand where NGOs tend to dominate the SE space. The majority of financially sustainable SEs are concentrated in: livelihood enhancement, vocational training and microfinance. Nonetheless, the report stops short of providing an estimate of the number of SEs operating in the country.

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<sup>154</sup> Welford and Zieger (2013, p.7)

<sup>155</sup> <http://www.mbconaid.org/index.php/en/about-us/letter-from-chairman>

<sup>156</sup> <http://www.myanmar-responsiblebusiness.org>

<sup>157</sup> <http://www.myanmar-responsiblebusiness.org/pdf/2014-09-15-Survey-of-Myanmar-Business-Interest-in-CSR.pdf>

<sup>158</sup> British Council (2013)

## Philippines

### SMEs

As with the majority of AMS, corporate CSR has historically taken the form of charitable philanthropy in the Philippines. Economic stagnation, rising poverty and civil unrest in the early 1970s marked a significant shift among the country's business community as corporate leaders realised that community engagement was vital to company survival and growth.<sup>159</sup> The Philippines Business for Social Progress (PBSP) was established and remains the nation's largest private sector-led foundation with over 260 members that aims to increase corporate involvement in social development. Another example of corporate-led social initiatives is the League of Corporate Foundations, a network of over 80 corporate grant-makers, corporations and civil society organisations that promotes CSR with a particular emphasis on multi-sectoral approaches to social development.<sup>160</sup>

While the literature on CSR engagement among SMEs in the Philippines remains virtually non-existent, Newsbreak, an online current affairs magazine, provided a glimpse into the topic through an SME survey in 2008. The survey results show that although SMEs remain unfamiliar with the concept of CSR, they are actively engaged with the communities they operate in, especially in areas such as livelihood training for disadvantaged youths and households and catering to the needs of indigenous tribes.<sup>161</sup> Workplace safety and elimination of child labour are two other aspects that SMEs also embrace.<sup>162</sup> Respondents cited positive reputation and employee satisfaction as chief driving forces of their CSR practices.<sup>163</sup>

The Philippine government has been active in promoting inclusive businesses as a vehicle for achieving inclusive growth. The country hosted the High Level Dialogue on Inclusive Business as part of APEC 2015 which concluded that inclusive business is the most important private sector approach towards sustainably addressing various social issues from income inequality to quality healthcare, education and housing.<sup>164</sup> While there is no data on the number of inclusive businesses in the country, there is some evidence that the sub-sector is growing rapidly, especially in agriculture where such businesses have delivered impact on thousands of households.<sup>165</sup> It has also been noted that many SMEs have smaller initiatives which are potentially scalable.<sup>166</sup>

### Social Entrepreneurs

It has been estimated that there are around 30,000 SEs in the Philippines which comprise cooperatives, NGOs, profit-driven enterprises, microfinance providers and fair trade groups.<sup>167</sup> Agriculture, retail (including handicraft-based retail) and vocational training are sectors where most SEs are found.<sup>168</sup> While SEs are typically small in scale and focus

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<sup>159</sup> Sharma (2010, p.30)

<sup>160</sup> <http://www.lcf.org.ph/aboutthelcf>

<sup>161</sup> Sharma (2010, p.31)

<sup>162</sup> Sharma (2010, p.31)

<sup>163</sup> Sharma (2010, p.31)

<sup>164</sup> Briones (2016, p.7)

<sup>165</sup> Briones (2016), *Grow Asia* (2015)

<sup>166</sup> Briones (2016, p.9)

<sup>167</sup> <https://www.adb.org/news/speeches/catalyzing-business-social-good-philippines>

<sup>168</sup> British Council (2015), ADB (2016), <https://www.adb.org/news/speeches/catalyzing-business-social-good-philippines>

on the communities they operate in, several Philippine SEs have achieved national impact.<sup>169</sup> Human Nature, for instance, is a cosmetics SE that has become one of the fastest growing brands in the country. Hapinoy, the initiative of Senator Bam Aquino who has been instrumental in proposing the PRESENT Bill, has empowered about 3,000 women micro-entrepreneurs by providing them with capital and training them to operate neighbourhood convenience (sari-sari) stores. Rags2Riches, a handicraft-based fashion retail SE using recycled rugs and cloth, has trained over 800 artisans across 21 communities in the Metro Manila area.

## **Singapore**

### *SMEs*

There is some evidence that SMEs in Singapore are engaged in CSR although the extent is not clear. According to Lee et al (2012) that surveyed 113 senior executives from top 500 SMEs, there was relatively high awareness of CSR but understanding of CSR remained obscure. In particular, respondents mainly associated CSR with corporate philanthropy and caring for the environment. Those who practiced CSR engaged in CSR activities with direct impact on their primary stakeholders, i.e. employees, customers, and business partners. The study also showed that certain segments of SMEs might adopt CSR unintentionally, which was an indirect consequence of stringent government regulations, particularly those pertaining to safety standards and employee benefits.

A more comprehensive survey of 507 Singapore-based enterprises, 70% of which were SMEs, by the Ministry of Trade and Industry, at the request of Singapore Compact for CSR – a national society responsible for promoting CSR - shed light on the extent to which SMEs practice CSR compared to other groups.<sup>170</sup> Overall, large enterprises were found to be twice as likely to be aware of CSR relative to SMEs. Foreign-owned enterprises were also more likely to be aware of CSR than their local counterparts. Companies that did not engage in CSR cited budget constraints, lack of time and know-how and their perception of CSR as being neither relevant to their business nor financially worthwhile.<sup>171</sup>

### *Social Entrepreneurs*

In one of the few mapping studies on SEs in Singapore, the Asia Centre for Social Entrepreneurship & Philanthropy pointed out that the sector remained small. As of end 2013 there were about 200 organisations that self-identified as SEs, accounting for an estimated 0.12% of SMEs.<sup>172</sup> The study also identified 3 main types of SEs in Singapore:

- (i) Profit plough back SEs: Profit plough back SEs contribute a portion of their profits generated through profit-driven business to their social mission.
- (ii) Work integration SEs: Work integration SEs provide training and employment opportunities as means to reintegrate marginalised groups into society.
- (iii) Cooperatives: Cooperatives are organisations owned and run for the benefit of their members, e.g. NTUC Fairprice Cooperative Ltd whose social

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<sup>169</sup> British Council (2015, p.7)

<sup>170</sup> Tan (2011, p.39)

<sup>171</sup> Sim (2013, p.8)

<sup>172</sup> Prakash and Tan (2014, p.20)

mission is to moderate the cost of living in Singapore generally and especially for its members.

## **Thailand**

### *SMEs*

A 2010 study conducted by Eua-anant, Ayuwat and Promphakping in North-eastern Thailand among 262 SMEs concluded that Thai SMEs did not fully understand CSR and most adopted an “informal” style of CSR. The authors also found that medium enterprises had a relatively better understanding of CSR and showed more concern about communities and environment than small enterprises. Further, SMEs that were part of social or business organisations such as chambers of commerce or other executive committees were more active in promoting CSR activities. They tended to focus on CSR practices directly related to their customers and employees such that it promoted their brand image and boosted their employee morale.

A more recent study by Suriyankeitkaew and Avery (2016) investigated the adoption of sustainable leadership practices across 439 SMEs in Thailand. They found that SME owners were oftentimes too preoccupied with running the business to care about social responsibility or sustainability. They also observed that SMEs may be more likely to comply with, but not be willing to go beyond, environmental regulations. The study highlights cultural differences that shape leadership practices: some practices may be significant drivers of corporate performance in the more developed Western countries but may not fit well with other cultural contexts, particularly in developing nations of the Eastern world such as Thailand. It can then be implied that the uptake of social responsibility and sustainability will be higher if SME owners and managers see those as drivers of long-term economic gains.

### *Social Entrepreneurs*

While there has been no mapping exercise for SEs in Thailand, it is estimated that there are about 116,000 SEs in the country with many in their early stages.<sup>173</sup> Compared to the remaining AMS, the social enterprise sector in Thailand has enjoyed relatively strong government backing. Guided by His Majesty King Bhumibol's Philosophy of Sufficiency Economy that encourages moderation, reasonableness, and self-immunity led to the inclusion of social responsibility into the National Development Plans.<sup>174</sup> The National Social Enterprise Committee was formed by the Thai government in 2009 to promote funding and awareness for SEs followed by the formation of the Thai Social Enterprise Office (TSEO) in 2011 with a funding of USD3.2 million.<sup>175</sup> The TSEO is tasked with organising workshops, providing consultations and formulating and implementing policies towards promoting the SE sector.

Due the involvement of the youth and social media, there is a high level of enthusiasm and awareness about SEs in Thailand.<sup>176</sup> There has been a surge in the number of local SEs in recent years led by a new batch of young entrepreneurs that look to address

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<sup>173</sup> [www.theguardian.com/social-enterprise-network/2012/sep/07/social-enterprise-thailand-strong-government](http://www.theguardian.com/social-enterprise-network/2012/sep/07/social-enterprise-thailand-strong-government)

<sup>174</sup> <https://www.oxfordbusinessgroup.com/overview/middle-way-applying-king%E2%80%99s-philosophy-sufficiency-economy-long-term-sustainable-development>

<sup>175</sup> <https://www.theguardian.com/social-enterprise-network/2012/sep/07/social-enterprise-thailand-strong-government>

<sup>176</sup> GIZ (2014, p.116)

social issues. Private initiatives have also proliferated to nurture new ventures through competitive grants and incubation programmes. Notable examples of such initiatives are ChangeFusion Institute, BANPU Champions for Change, Thai Young Philanthropist Network (TYPN).

## **Vietnam**

### **SMEs**

One of the few empirical surveys of responsible business practices among Vietnamese SMEs is Jeppesen, Kothuis and Tran's (2012), which investigated the extent of CSR engagements among 60 enterprises in 3 sectors, namely agro-processing, textiles, garment and footwear and tourism. The study found that medium-sized enterprises were more energy efficient and produced less waste than small enterprises, which suggests that firms of larger size may have more resources and technical know-how. Small firms, which tend to rely more heavily on management-workers relations for survival and growth, adopted informal CSR practices in terms of working conditions. Overall, informal CSR practices were predominant and, to some degree, important to SMEs in Vietnam.

In the agro-processing sector, most medium-sized companies implemented certain formal dimensions of CSR, particularly with regard to food safety and labour standards. Managers in these companies attributed the extent of their CSR practices to other stakeholders such as suppliers, customers, workers and labour unions who assisted their daily production and services. Nonetheless, even for these medium-sized firms, water and energy efficiency left much to be desired.

For textiles, garment and footwear, only 35% surveyed enterprises were certified in CSR codes of conduct. Most of them cited low subcontracting prices from the contracting MNCs, minimal control over inputs and delivery and quality pressure as reasons for low CSR compliance. Furthermore, they operated near the bottom of the value chain and most did not receive any support from MNCs or suppliers to engage in CSR practices. However, compare to the other 2 sectors, companies in this sector were more efficient in water and energy usage.

In the tourism sector, the majority engaged in informal CSR in relation to labour relations, for example providing short-term loans and flexible working hours. Nonetheless, most hotel workers were women who cleaned the rooms and were thus exposed to hazardous waste and very few hotels seemed to pay attention to ensuring labour standards on this front. Furthermore, the hotel sector was the least satisfactory in terms of waste management.

In 2015, Tran and Jeppesen published another journal article on CSR among 165 SMEs in the textiles, garment and footwear industries in Vietnam. The study confirmed the dominance of informal CSR practices pertaining to labour relations and working conditions in Vietnam. Furthermore, the authors found that the power imbalance between MNCs and SMEs meant that SMEs absorbed the entire costs of implementing CSR with no support from MNCs, which increased SMEs' costs of doing business. Most managers of SMEs in the third or fourth tier of the global value chains were aware of CSR but stated that they could not afford it.

In 2013 the Asia Foundation, VCCI and the Centre for Community Support and Development Studies conducted a survey on a random sample of over 500 Vietnamese companies. While the focus was not on SMEs, the survey contributes a comprehensive picture of CSR practices in Vietnam. Corporate philanthropy in the form of donations was found to be the most popular CSR practice. Interestingly, 81% of companies in manufacturing were philanthropically active compared to only two thirds in agriculture, forestry and aquaculture. Company size and awareness were the two key drivers of CSR in general and corporate philanthropy in particular. However, according to Filip Graovac, Vietnam Deputy Country Representative of the Asia Foundation, understanding of CSR among businesses in Vietnam, particularly SMEs, remains limited with many engaging in philanthropic giving while continuing harmful practices to the society and/or the environment.<sup>177</sup>

### *Social Entrepreneurs*

As with the remaining AMS, there is no official statistics of inclusive businesses/SEs in Vietnam. An ADB study published in 2016 estimated a total of 165,000 potential SEs across the country,<sup>178</sup> while a mapping exercise conducted by the British Council, CSIP and Spark in 2011 identified 167 SEs among 503 potential SEs and 2,000 having characteristics similar to an SE.<sup>179</sup> It is important to note that different organisations may have different definitions of SEs and therefore, arrive at different estimates.

As of 2014, the online database of Vietnamese SEs established by CSIP listed 209 organisations. According to Pham et al (2016), the number of SEs has been growing significantly since 2011 including new incubated SEs and local NGOs transitioning towards a commercially viable model. In fact, the number of SEs in Vietnam may be significantly higher than CSIP's database indicates, as many may incorporate social impact in their business models without being formally registered as SEs or aware of the concept. Also, traditionally, cooperatives have played an important role in creating social impact through engaging in inclusive commercial activities.

The mapping survey conducted by the British Council, CSIP and Spark in 2011 shows that 68% of all SEs in Vietnam aim to contribute to hunger and poverty reduction through education and vocational training. Correspondingly, 56% of these enterprises are active in the education and training sector while another 38% engage in handicrafts. 20% operate in health care and elderly care, followed by HIV/AIDS prevention (9%), environment protection (7%), engineering and ICT (4%) and tourism (3%).<sup>180</sup> Among cooperatives, 50% of cooperatives are active in agriculture and agribusiness incorporating smallholder farmers into the agricultural value chains, while another 14% employ people with disabilities and other disadvantaged groups.<sup>181</sup>

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<sup>177</sup> <http://www.aseannews.net/vietnam-csr-picking-slowly-surely>

<sup>178</sup> ADB (2016, p.15)

<sup>179</sup> British Council, CSIP and Spark (2011, p.9)

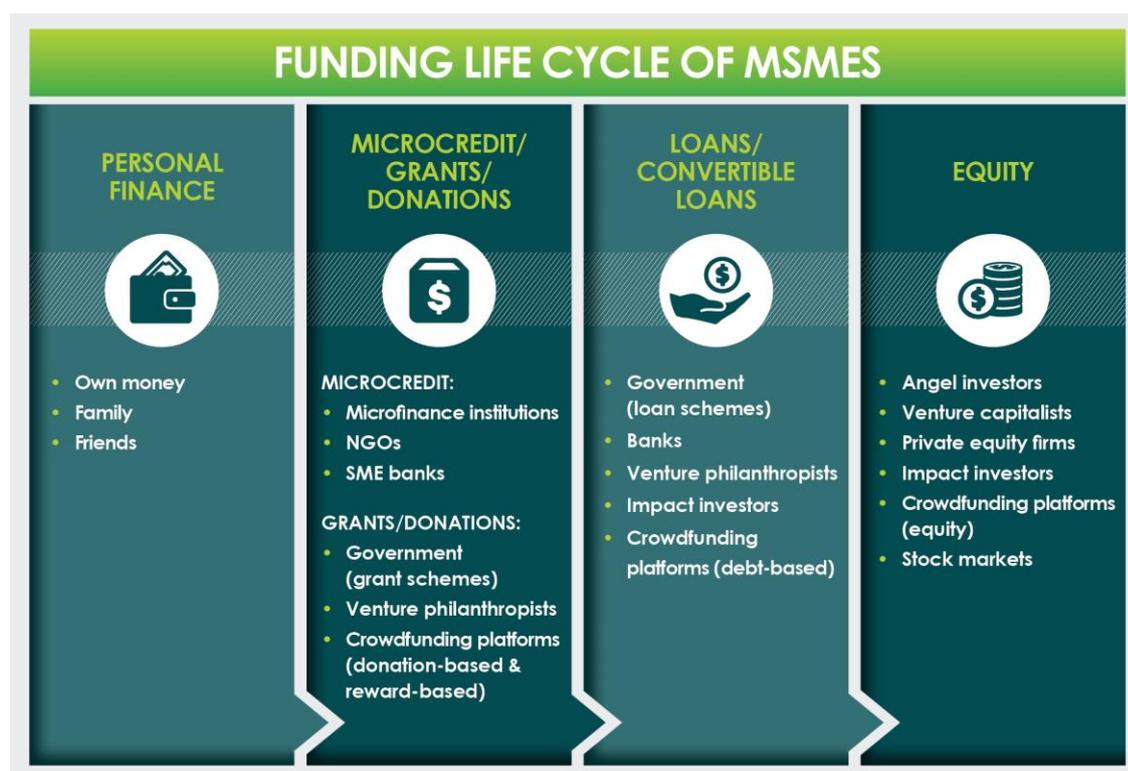
<sup>180</sup> British Council, CSIP and Spark (2011, pp.18-20)

<sup>181</sup> Pham, Nguyen and Nguyen (2016, p.8)

## 4. SME Financing and Technical Support Landscape

This section provides an overarching landscape of MSME financing policies and financing and technical support options available for start-ups, early-stage enterprises and MSMEs in each respective 8 focus country, with a focus on women entrepreneurs and agribusinesses. As and when information is available, different financing mechanisms and corresponding funders along the typical funding life cycle of MSMEs will be discussed in Sections 4.2 and 4.3 (see Figure 1). For early-stage ventures, grants and donations could provide the pivotal patient capital needed to develop and pilot their products and services, build up their capacity and initiate commercialisation. Microcredit has proved to be a critical financing facility for micro and small enterprises in low- and lower-middle income countries, particularly among women-owned and agricultural businesses. As enterprises grow, loans and equity investments become important vehicles for expanding and achieving scale. Relevant policies and regulations pertaining to the different financing mechanisms will be outlined in Section 4.1. Finally, a directory annex of notable financing and technical support options is incorporated with detailed information such as background, financing instruments, forms of technical support and contact details.

**Figure 1: Funding Life Cycle of MSMEs**



Source: AVPN

MSMEs

While there is a dearth of data on funding sources for MSMEs across the 10 AMS, various surveys indicate that own savings, family and friends remain dominant, followed by

bank loans.<sup>182</sup> Even in advanced AMS such as Singapore and Malaysia, more than 50% of surveyed SMEs cited bank loans as one of their primary means of financing.<sup>183</sup> One of the key challenges faced by SMEs in accessing funding is that their financial needs are often too small to be effectively served by financial institutions. Further, SMEs are generally considered risky and costly customers, resulting in their underrepresentation in the financing landscape across ASEAN, even more so for those that are located in secondary cities and rural areas.

Given SMEs' significant contribution to total employment and national output, the governments in the 8 focus countries have played a relatively active role in formulating policies and instituting regulatory frameworks and programmes aimed at improving financial accessibility for SMEs, albeit to varying extents in accordance with their levels of economic development. More mature ASEAN economies have implemented or are contemplating policies for promoting alternative financing mechanisms beyond bank loans.<sup>184</sup> Malaysia, for instance, is the first ASEAN Member State that legislated equity crowdfunding, paving the way for 6 pioneer licensed platforms to offer equity investments. Singapore is looking to ease current restrictions on equity crowdfunding as well as simplify regulations for venture capital (VC) funds so as to boost funding into start-ups and early-stage ventures in the country.<sup>185</sup> Thailand and Indonesia have taken steps to endorse and regulate crowdfunding in response to the rapid growth of financial technology (fintech) ventures locally.

Simultaneously, venture capitalists and angel investors are forming national networks across the region. In November 2016, angel networks in 7 AMS – Cambodia (Cambodia Investors Corporation), Indonesia (Angel Investment Network Indonesia or ANGIN), Malaysia (Malaysia Business Angel Network or MBAN), Philippines (1000 Angels of the Philippines), Thailand (Bangkok Venture Club), Singapore (Business Angel Network of Southeast Asia or BANSEA) and Vietnam (HATCH Ventures) – formed the ASEAN Angel Alliance to facilitate sharing of market intelligence and cross-border deal-making.<sup>186</sup> This private sector partnership will likely increase market penetration of angel investors and VC funds in ASEAN, thereby providing another viable financing option for start-ups and early-stage enterprises.

Nonetheless as there remains a strong reliance on loans among SMEs in ASEAN, enhancing accessibility of bank loans and, in some cases, microfinance, forms the centrepiece of most SME financing policy frameworks in the region. Most focus countries establish policy banks and/or dedicated agencies that coordinate financing incentives for MSMEs, often in partnership with commercial financial institutions. Recognising the significance of bank loans, international development agencies such as IFC, ADB, Japan International Cooperation Agency (JICA) have invested in major local banks and microfinance institutions (MFIs) in Indonesia, Cambodia, Myanmar and Vietnam to increase lending to MSMEs, usually with an emphasis on agribusinesses,

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<sup>182</sup> Deloitte (2015, p.11)

<sup>183</sup> Deloitte (2015, p.11)

<sup>184</sup> Within the scope of this report, alternative finance is defined as non-bank, non-capital markets sources of external finance.

<sup>185</sup> <http://www.mas.gov.sg/News-and-Publications/Media-Releases/2016/MAS-to-Improve-Access-to-Crowdfunding-for-Startups-and-SMEs.aspx>, <https://www.techinasia.com/mas-vc-regulations-relax>

<sup>186</sup> <http://www.dealstreetasia.com/stories/asean-alliance-for-angel-investing-launched-with-7-countries-56790/>

gender equity or green financing. Credit guarantee is another policy tool adopted by Indonesia, Myanmar, the Philippines, Thailand and Vietnam although its effectiveness and sustainability are in many cases unclear owing to its strong public nature.<sup>187</sup> SME credit rating infrastructure remains partially developed in ASEAN with the exception of Singapore and Malaysia.<sup>188</sup>

### *Social enterprises*

As social enterprises increasingly gain traction as a viable mechanism for furthering societal impact, Singapore and Malaysia established dedicated government agencies that provide seed funding and incubation support to social start-ups and early-stage social ventures, namely the Singapore Centre for Social Enterprise (raiSE) and the Malaysian Global Innovation & Creativity Centre (MaGIC). In Thailand, the Cabinet approved a bill in 2016 that proposed the launch of a Social Enterprise Fund that aims to increase the amount of loans channelled to SEs and fund state and private agencies that support SEs. In the same year, Agensi Inovasi Malaysia, a statutory body set up by the Malaysian government tasked with stimulating the innovation ecosystem in the country, proposed the establishment of the Social Outcome Fund, a public-private partnership vehicle whereby successful privately-funded impact projects are eligible for reimbursement by the government.

Further, the emergence of international and local venture philanthropy organisations and impact investors has opened up a new financing avenue for high-potential SEs in the region. Besides funding, these organisations provide critical technical assistance that help SEs become ready for the next stages of investments. Notable international impact investors include: LGT Impact Ventures (LGT IV), Unitus, Insitor, Omidyar, Accion International, East Ventures. LGT IV, in particular, promotes women entrepreneurship through allocating one-third of its investment portfolio in Asia to women-owned and women-led SEs.<sup>189</sup> Local homegrown grant-makers and impact investors are also growing their footprint in ASEAN such as: PBMT Social Ventures, YCAB Ventures, UnLtd Indonesia (Indonesia); ARISE Inc., Foundation for a Sustainable Society Inc. (FSSI), Gawad Kalinga, Peace and Equity Foundation (PEF) (Philippines); Khon Thai Foundation, ChangeFusion Institute, Thai Young Philanthropist Network (TYPN) (Thailand); Lotus Impact, the Centre for Social Initiatives Promotion (CSIP), Spark Centre for Social Entrepreneurship Development (Vietnam). Additionally, numerous incubators and accelerators have set up shop across the region, resulting in a rise in various public-private partnership initiatives in entrepreneurship development as more ASEAN economies place emphasis on nurturing their respective start-up ecosystems.

### *Women entrepreneurs*

The report identifies several SME financing and support options targeting women beneficiaries in 10 AMS, about a third of which have been found to also focus on the agriculture sector. Most of these women-focused financing and support options exist in the form of microfinance, with notable examples such as Amarthia (Indonesia), ASA Foundation (Philippines), Baba's Foundation (Philippines), Vietnam Bank for Social Policies (VBSP)'s Microfinance Programme, M7-MFI and TYM Fund (Vietnam). Grants

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<sup>187</sup> ADB and OECD (2014, p.91)

<sup>188</sup> ASEAN Secretariat (2015e, p.65)

<sup>189</sup> Interview with LGT IV, January 11<sup>th</sup> 2017

make up for the second most available financing mechanism, although in the less developed AMS these are mainly provided by international development agencies such as United Nations Capital Development Fund (UNCDF)'s SHIFT Challenge Fund and Global Fund for Women. Other forms of support available to women entrepreneurs range from incubation services (SHE Investments in Cambodia, CRIB Pte Ltd in Singapore), angel investing (ANGIN's Women Fund) to non-financial support (Women Exporters Development Programme and Project 1Nita, an e-business platform for women-led SMEs in Malaysia).

A number of funding options in less developed AMS target women working in agriculture. For example, the Livelihood and Food Security Trust Fund in Myanmar provides grants for smallholder farmers with a focus on women, and Oxfam's Inclusive Impact Investments fund enterprises which benefit smallholder farmers and/or women living in poverty. For several other options, the focus on women is less explicit. For example, Cambodia's PRASAC Microfinance Institution provides microloans for agribusinesses, and more than 80% of their borrowers are women. In May 2016, ACLEDA, one of Cambodia's largest MFIs, signed an agreement with IFC and the Goldman Sachs 10,000 Women initiative for a USD70 million long-term loan for on-lending to Cambodia's women-owned SMEs.

#### 4.1. SME Financing Policies

##### **Brunei**

Both the public and private sector play a crucial role in financing MSMEs in Brunei. However, Bruneian MSMEs have argued that bank rules on SME financing are time-consuming, resulting in unnecessary costs for business owners and that such regulations are more of a hindrance to accessing finance for SMEs. As such, with the implementation of Wawasan Brunei 2035, fostering the growth of the MSME sector has become a priority with the government working with financial intermediaries seeking to improve financial access and support facilities to eligible MSMEs.

Government policies aimed at improving MSMEs' access to finance have centred on improving credit efficiency through revised property law and by setting up a collateral registry. In 2016, the Monetary Authority of Brunei Darussalam (AMDB) enacted the Secured Transactions Order (STO) and the accompanying Secured Transactions Regulations (STR). These regulations constitute a comprehensive reform of personal property law that introduces a single approach to dealing with movable assets. More importantly, this legal framework aims to improve standards of disclosure by borrowers and lenders and provide a credit enforcement framework whereby borrowers can utilise their personal properties as collateral to access bank loans. This allows AMDB to establish a collateral registry that lists out security interests over personal properties. The registry centralises all movable assets, subsequently facilitating and encouraging the flow of credit. Consequently, banks will be more encouraged to give out loans that will be secured against the assets, which can be enforced in cases of non-payment according to AMDB.

##### **Cambodia**

While the banking sector remains dominant in Cambodia's financing landscape, banks mainly target large corporations, leaving MSMEs to the burgeoning MFI sector.

Recognising this, the Cambodian government has taken steps in regulating and fostering the microfinance sector as a key policy to improve financial accessibility for MSMEs and alleviate poverty. The Prakas on Registration and Licensing of Microfinance Institutions was enacted in 2002, stipulating that licensing with the National Bank of Cambodia (NBC) was compulsory for MFIs with outstanding loan portfolios of more than KHR1 billion or 1,000 borrowers, while registration with NBC is required for those with outstanding loan portfolio of more than KHR100 million.<sup>190</sup> In 2007 the Prakas on Licensing of Microfinance Deposit-Taking Institutions was promulgated, requiring MFIs to apply for a separate license for taking deposits.<sup>191</sup>

In 2012, the Cambodia Credit Bureau (CCB) was officially launched as a joint venture between the Association of Banks in Cambodia, the Cambodia Microfinance Association and Veda Advantage, a private company specialised in data analytics and risk management tools.<sup>192</sup> With strong backing from the NBC, the CCB aims to reduce credit risks and improve access to credit by providing corporate information, analytical tools and credit reporting services to organisations and consumers in the country. It services both the banking and the MFI sectors. The CCB is developing the Khmer Score (K-Score) which lenders can use to assess customers' credit risks, and customers can leverage on to bargain for cheaper loans.<sup>193</sup>

## Indonesia

The Coordinating Ministry for Economic Affairs administers the People's Business Credit programme (*Kredit Usaha Rakyat*) established in 2007 that aims to develop MSMEs through providing credit guarantee to participating banks.<sup>194</sup> The programme specifically targets MSMEs that have difficulties in accessing financing options due to lacking sufficient loan collaterals and therefore cannot apply for a long-term loan.<sup>195</sup> Bank Indonesia also mandates financial institutions to allocate at least 20% of their total loan portfolio to SMEs by 2018 in stages of 5% increments annually starting 2015, as banks are still the frontrunners of the financial sector in Indonesia.<sup>196</sup>

In December 2016, the Indonesian Financial Services Authority inaugurated new policies for regulating peer-to-peer lending in light of the rapid growth of such ventures in the country.<sup>197</sup> Key regulations include: (i) foreign ownership cannot exceed more than 85% and that foreign investors cannot register as borrowers, (ii) capital ownership must be at least IDR1 billion at the time of registration, and IDR2.5 billion for license application, (iii) lenders may lend a maximum of IDR2 billion, and (iv) platforms must use escrow and virtual accounts in order to prevent unwanted access of the loaned capital.<sup>198</sup> The Indonesian Chambers of Commerce and Industry (KADIN) predicted that the fintech industry will see up to USD8 billion of investments by 2018, and the Indonesian

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<sup>190</sup> ADB (2015, p.162)

<sup>191</sup> ADB (2015, p.162)

<sup>192</sup> <http://www.microcapital.org/microcapital-brief-cambodian-credit-bureau-ccb-begins-operations-in-phnom-penh-after-four-years-of-planning>

<sup>193</sup> Chang (2017, p.53)

<sup>194</sup> <http://kur.ekon.go.id/maksud-dan-tujuan>

<sup>195</sup> <http://www.oxfordbusinessgroup.com/news/indonesia-targets-sme-growth>

<sup>196</sup> <http://www.thejakartapost.com/news/2015/09/18/new-stimulus-will-help-boost-micro-sme-loans-ojk.html>

<sup>197</sup> <https://blog.crowdo.com/2017/01/09/ojk-resmikan-aturan-terkait-p2p-lending/>

<sup>198</sup> <https://id.techinasia.com/4-aturan-ojk-tentang-bisnis-peer-to-peer-lending-yang-harus-diketahui>

government seems ambitiously invested for fintech to become a key driver and help achieve Indonesia's USD130 billion digital economy goal by 2020.<sup>199</sup>

Also in 2016, the Financial Services Authority (OJK) was reported to finalise regulations that will allow SMEs to conduct initial public offerings and have their shares traded on a secondary board that is separate from the main board.<sup>200</sup> The OJK was also said to contemplate establishing a wide range of supporting infrastructures including a rating agency and an SME research facility.<sup>201</sup> The special SME board is expected to simplify listing requirements and process as well as ensure liquidity of SME stocks. Since SMEs were allowed to enter the stock market in 2003, only 7 SMEs have listed themselves on the Indonesia Stock Exchange as of 2015.<sup>202</sup>

## Laos

The Lao government has made concerted efforts in supporting MSME financing in the country. As mentioned earlier, the government has set up the SME Promotion Fund, managed by SMEPDO, to provide lines of credit to commercial banks, financial institutions and credit programmes concerned with expanding SMEs credit. While multiple agencies and government funds have been pledged to the fund,<sup>203</sup> there is little data available on the availability of the fund and how much have been disbursed to SMEs. According to a technical report published by World Bank in 2014, the fund received USD2 million and all funds have been expended.<sup>204</sup> Alongside this fund, the government has also transformed Lao Development Bank's (LDB) into a bank focused on providing credit to SMEs.<sup>205</sup> Additionally, most of the state-owned banks have at least one credit line allocated to SMEs.<sup>206</sup>

Apart from the SME Promotion Fund, a host of other policy measures have been implemented to improve lending efficiency for MSMEs. In 2010, the Bank of Lao PDR launched the online Credit Information Bureau (CIB) with an aim to enable financial institutions to assess credit risk and expand lending to consumers and MSMEs. The bureau covered 10.9% of the adult population in Laos as of June 2016.<sup>207</sup> The Ministry of Finance also established a centralised registry system for moveable property that allows businesses to use movable assets such as vehicles, inventories and crops as collateral.<sup>208</sup>

Another key set of financing policies in Laos relate to microfinance. As with many other low-income countries, microfinance remains a key source of credit for MSMEs. Since 2008, the government has passed numerous laws, decree, and implementation guidelines to consolidate the regulatory space for MFIs operating in Laos. Legally, a microfinance loan is defined as less than LAK 50 million (USD8,320) and MFIs are categorised into three groups: deposit-taking MFIs, non-deposit-taking MFIs, and credit and savings unions.

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<sup>199</sup> <http://www.dealstreetasia.com/stories/indonesia-launches-highly-anticipated-new-rules-for-fintech-62056/>

<sup>200</sup> <http://www.thejakartapost.com/news/2016/01/23/smes-soon-access-capital-markets.html>

<sup>201</sup> <http://www.theinsiderstories.com/ojk-idx-teaming-up-to-establish-special-board-for-smes>

<sup>202</sup> <http://www.thejakartapost.com/news/2015/12/31/only-7-indonesian-smes-listed-idx-2003.html>

<sup>203</sup> <http://www.worldbank.org/en/news/press-release/2014/06/09/lao-pdr-small-medium-enterprises-benefit-new-world-bank-financing>

<sup>204</sup> ADB (2014, p. 2)

<sup>205</sup> ADB (2015, p. 184)

<sup>206</sup> For a detailed breakdown, see Section 4.2

<sup>207</sup> <http://www.doingbusiness.org/data/exploreeconomies/lao%20pdr/getting-credit>

<sup>208</sup> [http://www.mof.gov.la/str/en\\_index.html](http://www.mof.gov.la/str/en_index.html)

## Malaysia

As fintech is gaining traction globally, in 2015 Malaysia became the first ASEAN Member State and the third country in the world to legislate equity crowdfunding through passing amendments to its Capital Markets and Services Bill 2015. The Securities Commission Malaysia awarded official licenses to a pioneer group of 6 equity crowdfunding platforms, namely: Alix Global, Ata Plus, Crowdonomic, Eureeca, PitchIn and Propellar CrowdPlus. According to the new legislation, companies may raise up to MYR3 million in any 12-month period and MYR5 million in total through equity crowdfunding platforms. Investors are subject to an investment limit of MYR5,000 in one company and an aggregate of MYR50,000 annually.<sup>209</sup> In April 2016, the Securities Commission Malaysia announced a regulatory framework for peer-to-peer lending platforms which is expected to enhance access to market-based financing particularly for sole proprietorships, partnerships and limited liability partnerships.<sup>210</sup>

Recognising the potential of VC and PE as a financing vehicle for start-ups and early-stage SMEs, the Securities Commission Malaysia issued the revised VC/PE Guidelines which came into effect in March 2015. The new Guidelines seek to facilitate an orderly development of these sectors by introducing 2 additional types of registered corporations, namely PE management corporations and PE corporations.<sup>211</sup> Further, VC firms may be eligible for tax incentives as stipulated in the 2014 amended VC Tax Incentives Guidelines. VC firms that invest at least 70% of their funds in the form of seed capital, start-up and/or early-stage financing, or at least 50% in the form of seed capital, are qualified for 10-year income tax exemption.<sup>212</sup> VC professionals and firms are also eligible for income tax deduction for an amount equivalent to the value of the investment made in a venture company.<sup>213</sup>

## Myanmar

Myanmar's formal financial system is the least developed in ASEAN and remains dominated by the banking sector which represents 90% of all financial sector assets in 2014.<sup>214</sup> Following the enactment of the Securities and Exchange Law in 2013, the Yangon Stock Exchange (YSX) started trading in March 2016, opening up a new option for companies to raise capital. It is a joint venture between Daiwa Institute of Research, the Tokyo Stock Exchange and state-owned Myanmar Economic Bank.<sup>215</sup> As of January 2017, there were 4 companies listed on the YSX with total market capitalisation of USD597 million.<sup>216</sup>

The Microfinance Business Law was promulgated in November 2011 allowing both local and foreign investors to set up fully privately owned MFIs in Myanmar, thereby leading to rapid growth of the formal microfinance sector in the country. The legal framework imposes an interest rate cap of 2.5% per month on microloans and a minimum interest

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<sup>209</sup> <http://www.thestar.com.my/news/nation/2015/07/01/crowdfunding-laws-malaysia/>

<sup>210</sup> SME Corporation Malaysia (2015, p.97)

<sup>211</sup> [https://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/VC/faq\\_vcpe\\_150309.pdf](https://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/VC/faq_vcpe_150309.pdf)

<sup>212</sup> <https://www.sc.com.my/amendments-to-the-venture-capital-tax-incentives-guidelines/>

<sup>213</sup> [https://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/VC/VC\\_TaxIncentivesGuidelines\\_140418.pdf](https://www.sc.com.my/wp-content/uploads/eng/html/resources/guidelines/VC/VC_TaxIncentivesGuidelines_140418.pdf)

<sup>214</sup> GIZ (2015, p.21)

<sup>215</sup> GIZ (2015, p.24)

<sup>216</sup> <http://www.elevenmyanmar.com/business/7513>

rate of 1.25% per month for micro-savings<sup>217</sup>. Nonetheless, low capital requirements have led to a proliferation of licensed MFIs operating in the country while supervision remains inadequate. While banks are under the supervision of the Central Bank of Myanmar, cooperatives that operate microfinance are under the purview of the Ministry of Cooperatives and MFIs are supervised by the Ministry of Finance.

## Philippines

The landmark Magna Carta for MSMEs enacted in 1991 mandates all financial institutions to set aside 10% of their loan portfolio for SMEs (8% for micro and small enterprises and 2% for medium enterprises).<sup>218</sup> The Bangko Sentral ng Pilipinas (BSP) is responsible for monitoring banks' compliance with this mandatory credit allocation. Additionally, banks borrowing under the Wholesale Lending Programme of the Small Business Corporation are eligible for a reduction in reserve requirements.<sup>219</sup> Furthermore, BSP Circular No. 855 dated 2014 eliminates the requirement of income tax returns for microcredit borrowers, borrowers of loans below PHP3 million, and start-up loan borrowers during the first 3 years of operations or their banking relationship.<sup>220</sup>

Recognising the importance of microcredit particularly to micro and small enterprises, the National Credit Council, a government agency under the Department of Finance, instituted a formal microfinance regulatory framework in 2002 which clarifies the types of MFIs in the Philippines and regulations pertaining to each type. In 2013, the Senate Bill No.1832 was promulgated, outlining the Microfinance Code of the Philippines that defines the rights and responsibilities of MFIs and introduces performance standards and an accreditation process for MFIs.<sup>221</sup> The National Credit Council also instituted the National Strategy for Microfinance which emphasises the adoption of a market-based approach for building a viable and sustainable microfinance market.<sup>222</sup>

In August 2015, the Information and Communications Technology Office under the Department of Science and Technology (DOST-ICTO) unveiled the Philippine Roadmap for Digital Start-ups which provides a strategic plan for developing the country's innovative start-up ecosystem with an emphasis on internet-related and technology sectors. The Roadmap aims to achieve at least 500 Philippine start-ups with a total valuation of USD2 billion by 2020 that will generate 8,500 high-skilled jobs.<sup>223</sup> In areas of funding and investments, while the Roadmap stops short of outlining specific measures, it recognises the importance of venture capitalists, angel groups, local and international investors, government and private funds and opens up discussions around setting up a sovereign fund in partnership with accredited investors.<sup>224</sup>

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<sup>217</sup> GIZ (2015, p.30)

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<http://philippines.smetoolkit.org/philippine/en/file/content/6887/en/magnacartaformicrosmallandmediumenterprises.pdf>

<sup>219</sup> ADB (2014, p.216)

<sup>220</sup> ADB (2014, p.216)

<sup>221</sup> ADB (2014, p.221)

<sup>222</sup> [http://www.bsp.gov.ph/about/advocacies\\_micro\\_facts.asp#7](http://www.bsp.gov.ph/about/advocacies_micro_facts.asp#7)

<sup>223</sup> <http://www.dict.gov.ph/dost-icto-to-launch-philippine-roadmap-for-digital-startups-at-geeks-on-a-beach-3-eyes-more-startups-by-2020/>

<sup>224</sup> [http://www.dict.gov.ph/wp-content/uploads/2016/08/StartupRoadmap\\_Final.pdf](http://www.dict.gov.ph/wp-content/uploads/2016/08/StartupRoadmap_Final.pdf)

## Singapore

To encourage angel investors to invest in start-ups, the Singapore government has put in place the Angel Investors Tax Deduction Scheme since 2010. Interested professionals must first apply to SPRING Singapore, which administers this scheme, to be approved as angel investors. They are then eligible for a tax deduction of 50% of their investment at the end of a 2-year holding period if they invest at least USD100,000 in a qualifying start-up company. Eligible investments are subject to a cap of USD500,000, and the corresponding maximum tax deduction is USD250,000.<sup>225</sup>

With the advent of crowdfunding, the Monetary Authority of Singapore (MAS) has adopted the “regulatory sandbox” approach which allows fintech start-ups to experiment and innovate within the existing laws.<sup>226</sup> Equity crowdfunding in Singapore therefore remains largely restricted and due to legal uncertainties, money received through crowdfunding platforms are not considered investments but goodwill donations, resulting in small amounts raised.<sup>227</sup> In February 2015, the Monetary Authority of Singapore (MAS) released a consultation paper that set out proposals to facilitate securities-based crowdfunding from accredited and institutional investors.<sup>228</sup> Following this consultation process, in June 2016 the MAS announced that it would simplify the pre-qualification checks on investors that meet certain requirements on financial competence and reducing financial requirements for platform operators to improve companies’ access to securities-based crowdfunding.<sup>229</sup>

Strengthening financing mechanisms including bank loans, VC and PE are highlighted as one of the strategies for nurturing start-ups and SMEs in the CFE’s strategy proposal published in February 2017. In particular, the CFE called for measures to encourage a variety of private sector funding, particularly from banks, VC and PE funds, including: (i) simplifying the regulatory framework for VCs to make Singapore more attractive to larger VCs, (ii) encouraging more PE firms to be based in the country, (iii) encouraging corporate VC strategies among large enterprises.<sup>230</sup> How these strategies materialise into concrete policies remain to be seen.

## Thailand

In 2015, the Securities and Exchange Commission (SEC) and the Department and Business Development of Ministry of Commerce officially endorsed crowdfunding as an alternative fundraising channel for SMEs and start-ups. The SEC’s Capital Market Supervisory Board also approved in principle the equity-based crowdfunding regulations to allow public limited companies and limited companies to raise funds through crowdfunding portals approved by the SEC.<sup>231</sup> These portals will screen companies that plan to raise funds through them, monitor and ensure transparent information disclosure and provide a mechanism for obtaining the proceeds from share

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<sup>225</sup> <https://www.spring.gov.sg/Nurturing-Startups/Pages/angel-investors-tax-deduction-scheme.aspx>

<sup>226</sup> <http://www.mas.gov.sg/News-and-Publications/Media-Releases/2016/MAS-Issues-Regulatory-Sandbox-Guidelines-for-FinTech-Experiments.aspx>

<sup>227</sup> Yahya et al. (2016)

<sup>228</sup> <http://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Consultation%20Papers/Facilitating%20Securities%20Based%20Crowdfunding.pdf>

<sup>229</sup> <http://www.channelnewsasia.com/news/business/mas-simplifies/2854480.html>

<sup>230</sup> Committee on the Future Economy (2017)

<sup>231</sup> [http://www.sec.or.th/en/Pages/News/Detail\\_News.aspx?fq=NEWS&lg=en&news\\_no=42&news\\_yy=2015](http://www.sec.or.th/en/Pages/News/Detail_News.aspx?fq=NEWS&lg=en&news_no=42&news_yy=2015)

subscription. Investors must be members of these portals to gain access to share offering information. Retail investors are allowed to purchase shares not exceeding THB50,000 per company and not exceeding THB500,000 per year.

In the social enterprise space, a bill proposed by the National Reform Council Committee on Social Enterprise was approved by the Cabinet in March 2016.<sup>232</sup> The social enterprise bill provides a regulatory framework to encourage the development of SEs, promotes participation of the private sector through CSR and proposes tax incentives for enterprises that spend part of their profits on addressing social issues. The bill also establishes the Office of the National Social Enterprise Promotion (ONSEP), a new independent regulatory body under the Prime Minister's Office, the National Social Enterprise Promotion Commission to coordinate policy and supervise ONSEP and a new Social Enterprise Fund to provide loans to SEs and subsidise state or private agencies that support SEs.

## **Vietnam**

As part of the "start-up nation" plan, the Ministry of Planning and Investment (MPI) is looking to ease VC and angel investing regulations to facilitate a larger flow of local and foreign investment funds into the country. According to a draft proposal published by the MPI's Agency for Enterprise Development, VC funds can obtain licenses within 3 days and there is no limit on their size.<sup>233</sup> At present, investment funds operating in Vietnam abide to regulations on securities investment funds which specify that they must have a minimum capital of VND50 billion or at least 100 investors. The Vietnamese government is also planning to establish a stock exchange for start-ups to support the burgeoning start-up scene in the country. The exchange is expected to provide an exit avenue for investors who are still reluctant to make significant investments in Vietnam due to limited exit options.

## **4.2. Available Financing Mechanisms**

At the regional level, in 2015 the ASEAN Business Advisory Council (ASEAN-BAC) launched the Growth Accelerator Exchange (GAX), a digital platform catering to the financing needs of MSMEs in ASEAN. GAX aims to disburse between 10,000-20,000 loan applications to MSMEs with loan sizes ranging from MYR20,000 (USD4,500) to MYR50,000 (USD11,200) and interest rates between 10%-16%.<sup>234</sup> High-growth enterprises may be considered for the maximum loan amount of MYR100,000 (USD22,600). As of November 2015, GAX had begun operations in Malaysia with plans to roll out in other AMS.

## **Brunei**

With the government heavily invested in growing Brunei's SME sector, several state agencies have developed various grants, loans, subsidies, and investment funds for SMEs. Agencies such as Brunei Economic Development Board (BEDB) with its chief aim of attracting FDIs into Brunei, and the Ministry of Industry and Primary Resources (MIPR),

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<sup>232</sup> <https://www.state.gov/e/eb/rls/othr/ics/2016/eap/254319.htm>

<sup>233</sup> <http://www.thanhniennews.com/business/vietnam-to-ease-venture-capital-rules-to-realize-startup-nation-dream-61114.html>

<sup>234</sup> <http://www.dealstreetasia.com/stories/malaysia-digital-financing-platform-gax-to-offer-loans-for-msmes-from-first-half-2016-21485/>

whose focus lies in primary resources and high technology, provide a range of financial mechanisms that caters to MSMEs to help them start up, grow, and internationalise.<sup>235</sup>

Several notable grant schemes developed by BEDB include the Youth Skills Development Programme (YSDP) Micro Grant, a grant scheme set up to encourage and assist youths to start their own microbusinesses with a maximum of BND2,000 (USD1,439) allocated<sup>236</sup>, and Start-up Brunei (SUB), which caters to both local and foreign businesses (founded by Bruneian citizens or permanent residents) to support highly innovative business proposals that have scalability potential to propel them towards an international market with a maximum amount of BND50,000 (USD35,980) per recipient<sup>237</sup>. BEDB also has in place the Promising Local Enterprise Development Scheme (PLEDS) Investment Fund that provides financing to promising scalable local enterprises.<sup>238</sup>

MIPR provides several financial loan schemes such as the Microcredit Financing Schemes and the Enterprise Facilitation Scheme. The Microcredit Financing Scheme aims to assist local entrepreneurs to start and expand small-scale businesses with a maximum loan amount for a company or enterprise set at BND50,000 (USD35,980)<sup>239</sup>. The Enterprise Facilitation Scheme targets MSMEs that are looking to develop and expand their business activities and build their capacity to export with a maximum of BND5 million (USD3.6million) allocated per recipient company.<sup>240</sup>

Additionally, the statutory board DARE has partnered with Bank Islam Brunei Darussalam (BIBD) and introduced its own microcredit financing scheme of up to BND15,000 (USD10,794) with no collateral required, applicable to all local SMEs.<sup>241</sup>

The banking sector in Brunei has played an increasingly important role in financing MSMEs. Baiduri Bank, one of the largest providers of financial services to SMEs in Brunei, and BIBD offer SMEs various financing schemes that cater to business expansion, working capital, acquisition of fixed assets, project financings, and purchase of business stocks or raw materials among others.<sup>242</sup> Other banks that provide SME financing services include Maybank<sup>243</sup> and Perbadanan Tabung Amanah Islam Brunei<sup>244</sup>.

VC is growing in Brunei with strong encouragement from the government in the form of incentives and investments. In 2001, the Bruneian government enacted the Investment Incentives Order 2001 that offers tax relief to venture capital funds that qualify as Pioneer Services Companies.<sup>245</sup> Accel-X Venture Capital Fund, for instance, was launched in 2009 through a BND5 million investment from the Bruneian Sultanate to Accel-X Pte Ltd, a Singapore-based VC firm. Accel-X currently works closely with DARE and invests in new and highly-scalable Brunei-based technology companies with the

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<sup>235</sup> Brunei Economic Development Board (2014, p.10)

<sup>236</sup> Brunei Economic Development Board (2014, p.10)

<sup>237</sup> Brunei Economic Development Board (2014, p.13)

<sup>238</sup> Brunei Economic Development Board (2014, p.36)

<sup>239</sup> Brunei Economic Development Board (2014, p.28)

<sup>240</sup> Brunei Economic Development Board (2014, p.29)

<sup>241</sup> <http://www.dare.gov.bn/SitePages/Microcredit%20Financing%20Scheme.aspx>,

<sup>242</sup> [https://www.baiduri.com.bn/about\\_baiduri.htm](https://www.baiduri.com.bn/about_baiduri.htm), <http://www.bibd.com.bn/corporate/financing/corporate-financing/>,

<sup>243</sup> <http://www.ei.gov.bn/Lists/Industry%20News/NewDispForm.aspx?ID=612>

<sup>244</sup> <http://www.taib.com.bn/productservices/corporatefinancing.htm>

<sup>245</sup> [http://www.aqc.gov.bn/AGC%20Images/LAWS/Gazette\\_PDF/2001/EN/s048.pdf](http://www.aqc.gov.bn/AGC%20Images/LAWS/Gazette_PDF/2001/EN/s048.pdf)

aim to support and internationalise them. In addition to providing equity capital, Accel-X also shares its network of mentors and contacts, enabling overseas opportunities and connections.<sup>246</sup>

In the space of crowdfunding, with its growing global popularity, equity crowdfunding platform CrowdPlus.Asia has ventured into the Bruneian market in 2016, thereby providing an alternative funding source to SMEs in the country.<sup>247</sup>

## **Cambodia**

Although there were 35 commercial banks operating in Cambodia as of December 2013, the banking sector as a whole mainly targets large corporations rather than SMEs.<sup>248</sup> Thus, private microfinance dominates the space of SME financing in the country. Leading local MFIs such as ACLEDA Bank, Amret, PRASAC provide micro, small and medium loans to individuals, households as well as enterprises. In recent years, they have become important local partners of international development agencies in promoting financial inclusion among women, agribusinesses and SMEs in the country. ADB, IFC, the Global Agriculture & Food Security Programme (GAFSP) and the Goldman Sachs 10,000 Women initiative extended loans of more than USD300 million to these MFIs for on-lending to agribusinesses and women-owned MSMEs between 2014 and 2016.

In terms of capital markets, the Cambodia Securities Exchange started trading in 2012. It is a joint venture between the Ministry of Economy and Finance and the Korea Exchange. As of December 2016, it was reported to be the smallest stock exchange in the world with only 4 listed companies with a market capitalisation of about USD103 million, having been overtaken by Myanmar.<sup>249</sup> In spite of this, a plan to create a small enterprise board on the CSX is under way.<sup>250</sup>

Impact investment is still in its infancy with a handful of international investors active in the country including: Arun LLC, Uberis Capital, Swiss Investment Fund for Emerging Markets (SIFEM) (Cambodia-Laos-Myanmar Development Fund II) and the United Nations Capital Development Fund (SHIFT Challenge Fund). These impact funds typically provide debt and equity funding to scalable solutions targeting the BoP population. The SHIFT Challenge Fund, in particular, seeks to co-finance innovative business models and/or commercially sustainable cross-sector partnerships that contribute to increased access to financial services for women.

Existing responsible financing schemes focus on clean energy. The Clean Energy Revolving Fund operated by Nexus for Development and the SWITCH-Asia "MEET-BIS Cambodia" aim to promote SME investment in energy efficiency and cleaner energy technologies in the agri-food and hotel sector, respectively, through leasing and grants.

## **Indonesia**

In 2015, SME loans grew to IDR739.8 trillion which consisted of IDR164.9 trillion for micro enterprises, IDR215.9 trillion for small enterprises and IDR359 trillion for medium

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<sup>246</sup> <http://www.we-apec.com/directory/brunei-economic-development-board>

<sup>247</sup> <http://www.energy.gov.bn/Lists/LatestHeadlines/DispForm.aspx?ID=1836>

<sup>248</sup> ADB (2015, p.162)

<sup>249</sup> <http://www.phnompenhpost.com/supplements/finding-growth-cambodian-securities>

<sup>250</sup> ADB (2015, p.164)

enterprises, although all three only accounted for 18% of the total credit portfolio.<sup>251</sup> For SMEs however, conventional bank loans are rarely viewed as the ideal source of financing for reasons such as high interests<sup>252</sup> and lacking sufficient collateral.<sup>253</sup> Most of the SMEs which receive loans from conventional banks are based in Jakarta (IDR100 trillion), East Java (IDR84 trillion), West Java (IDR82 trillion), Central Java (IDR68 trillion), and North Sumatra (IDR40 trillion), a recurring trend in Southeast Asia where the main recipients of credit are located in capitals and financial centres.<sup>254</sup> Nonetheless, banks continue to be the dominant force in SME financing in the country including microfinance. State-owned Bank Mandiri and Bank Rakyat Indonesia as well as the privately-owned Bank Tabungan Pensiunan Nasional are leaders in the country's microfinance sector.<sup>255</sup>

To increase SMEs' share of total credit, the Indonesian government instituted the *Kredit UsahaRakyat (People's Business Credit)* programme specifically dedicated to MSMEs which provides a maximum of 70% credit guarantee to participating banks and subsidises banks' interest charges.<sup>256</sup> The programme comprises two options: KUR Micro which provides credit of up to IDR25 million with no collateral requirement and KUR Ritel which provides loans ranging IDR25 - IDR500 million. Interest rates are capped at 22% and 14% for KUR Micro and KUR Retail (*Ritel*), respectively.<sup>257</sup> As of 2014, 7 commercial banks and 26 regional development banks participated in the programme.<sup>258</sup> Though highly appealing for SMEs, a survey revealed that utilisation has been low with enterprises citing lack of information, relevance and time to apply.<sup>259</sup> Difficulties also persist on the banks' side as the non-performing loan ratio for MSME loans was on the increase between 2011-2014, reaching the moderately high 4% in 2014.<sup>260</sup>

Islamic banking has been cited as a viable financing mechanism for SMEs in Indonesia due to its relatively more accommodating nature compared to conventional banks as evident in its disinclination towards interest and overall socio-economic purpose in increasing welfare for the poorer Muslim communities.<sup>261</sup> Further, Islamic banks focus more on the applicants' characters such as trustworthiness and integrity in their decision-making.<sup>262</sup> Bank Syariah Mandiri and Bank Muamalat, two of the top Islamic banks in Indonesia, provide the profit-loss sharing scheme, a financing method that complies with the religious prohibition of interest whereby the profit/loss from banks' investment is shared and distributed to their clients instead of interest,<sup>263</sup> which could be useful for early-stage SMEs that need long-term funding. However, this profit-loss sharing

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<sup>251</sup> [http://www.gbgindonesia.com/en/finance/article/2016/indonesia\\_s\\_microfinance\\_sector\\_overview\\_key\\_component\\_for\\_sustainable\\_growth\\_11549.php](http://www.gbgindonesia.com/en/finance/article/2016/indonesia_s_microfinance_sector_overview_key_component_for_sustainable_growth_11549.php)

<sup>252</sup> Fu et al. (2015)

<sup>253</sup> Oxford Business Group (2016)

<sup>254</sup> Deloitte (2015)

<sup>255</sup> [http://www.gbgindonesia.com/en/finance/article/2016/indonesia\\_s\\_microfinance\\_sector\\_overview\\_key\\_component\\_for\\_sustainable\\_growth\\_11549.php](http://www.gbgindonesia.com/en/finance/article/2016/indonesia_s_microfinance_sector_overview_key_component_for_sustainable_growth_11549.php), <http://thediplomat.com/2011/05/microfinance-and-young-indonesians>

<sup>256</sup> Fu et al. (2015), IFC (2016)

<sup>257</sup> <http://www.tnp2k.go.id/en/frequently-asked-questions-faqs/cluster-iii-2/credit-for-businesses-programme-kur>

<sup>258</sup> ADB (2015), p.172)

<sup>259</sup> IFC (2016)

<sup>260</sup> ADB (2015, p.171)

<sup>261</sup> Imronudin (2016)

<sup>262</sup> Damayanti (2016)

<sup>263</sup> [http://www.islamic-banking.com/profit\\_and\\_loss\\_sharing.aspx](http://www.islamic-banking.com/profit_and_loss_sharing.aspx), <http://www.syariahmandiri.co.id/category/business-banking/commercial-banking/pembiayaan-commercial-banking>, <http://www.bankmuamalat.co.id/pembiayaan-corporate/pembiayaan-modal-kerja>

scheme accounts for only about 13% of all Islamic banking total transactions, compared to the 87% made up by the Islamic banking mark-up principle, which is based on the value of the applicant's collateral added with a mark-up.<sup>264</sup> Clients of Islamic banks state that the mark-up scheme is simpler, although this could be attributed to the lack of understanding about the profit-loss sharing principle.<sup>265</sup> Overall, while the potential is significant, Indonesia's Islamic financing sub-sector remains largely undeveloped relative to its conventional counterpart.<sup>266</sup>

There is little information regarding grant funding to SMEs in Indonesia, with most foundations making grants to other non-profit entities. One variant to this is UnLtd Indonesia, an organisation that supports SEs in Indonesia by providing grants and incubation programmes in the goal of making those businesses sustainable.<sup>267</sup> Since its inception, UnLtd Indonesia has provided support to 28 SEs in various sectors including agriculture, ICT, disability issues and child education. One of their widely-known portfolio is GandengTangan, a non-interest crowdfunding platform dedicated to SEs where lenders receive their exact funds back without any interest.<sup>268</sup>

GandengTangan is one of the many crowdfunding platforms that have been launched in Indonesia in recent years. Various peer-to-peer lending sites have emerged with different models and lending focus. Investree is a homegrown peer-to-peer lending platform that also provides invoice financing whereby lenders pay the business owner the invoice amount and earn an interest of 1.2% a month.<sup>269</sup> Other locally owned sites that focus on MSMEs are Amarnya and Koinworks. Amarnya, in particular, started as a microfinance institution serving rural borrowers. International platforms include Crowdo, a regional crowdfunding site that provides peer-to-peer lending in Indonesia since April 2016<sup>270</sup> and Modalku, the Indonesian counterpart of Singapore's Funding Societies, which offers loans of USD3,850-38,500 to SMEs for a period of 3-12 months.<sup>271</sup>

While the capital market in Indonesia has been growing steadily, SMEs remain largely underrepresented with only 7 listed on the Indonesia Stock Exchange as of 2015, 12 years after SMEs were allowed to enter the stock market.<sup>272</sup> Although SMEs enjoy concessional listing requirements (no obligation to publish a summary prospectus, 2-year instead of 3-year financial statements required), the current mechanisms have been said to be ineffective in encouraging SMEs to tap into the stock market.<sup>273</sup> In 2016, the OJK and the Indonesia Stock Exchange announced they were finalising new regulations to set up a dedicated SME board.<sup>274</sup> New incentives may also be put in place to ensure liquidity for investors and reduce costs to SMEs that list their shares on the new board.

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<sup>264</sup> Imronudin (2016)

<sup>265</sup> Imronudin (2016)

<sup>266</sup> ADB (2015)

<sup>267</sup> <http://unltd-indonesia.org/about-us>

<sup>268</sup> <https://www.techinasia.com/7-crowdlending-sites-in-indonesia>

<sup>269</sup> <https://www.techinasia.com/7-crowdlending-sites-in-indonesia>

<sup>270</sup> <https://www.crowdo.com>

<sup>271</sup> <https://www.techinasia.com/7-crowdlending-sites-in-indonesia>

<sup>272</sup> <http://www.thejakartapost.com/news/2015/12/31/only-7-indonesian-smes-listed-idx-2003.html>

<sup>273</sup> <http://www.thejakartapost.com/news/2015/12/31/only-7-indonesian-smes-listed-idx-2003.html>

<sup>274</sup> <http://www.thejakartapost.com/news/2016/01/23/smes-soon-access-capital-markets.html>

Venture capital has existed in Indonesia since 1973 with the establishment of PT Bahana Pembinaan Usaha Indonesia, a state-owned corporation under the Ministry of Finance that provides financial services to SMEs and cooperatives. Since then the sector's asset has grown to IDR9 trillion in 2014 although it contributed to only 0.67% of total financing provided by non-banking financial institutions.<sup>275</sup> Most VC funds in Indonesia focus on technology and consumer internet such as East Ventures, Convergence Ventures, Ideosource, Ardent Capital and Venturra Capital. East Ventures, in particular, invests 80% of their funds in Indonesian SMEs with ticket sizes ranging USD100,000 - USD500,000, with notable portfolio companies including iGrow, Eragano, and Limakilo, three different internet-based platforms that link consumers directly to farmers, reducing the need for middlemen and therefore increasing profits for farmers.<sup>276</sup>

Impact investing has taken root in Indonesia with the presence of active investors such as Unitus, Aavishkar and YCAB Ventures.<sup>277</sup> Unitus invests in Big Tree Farms and Vasham, two SEs dedicated to improving the livelihood of smallholder farmers, and Ruma, an enterprise that aims to increase the access of rural low-income communities to quality products and services using technology.<sup>278</sup> Homegrown YCAB Ventures evolved from a non-profit foundation to an impact investor that invests in businesses that directly serve or benefit the BoP population. It focuses on fostering enterprises along the agricultural value chain with a view to providing farmers with direct market access, cutting off middlemen and increasing farmers' income.<sup>279</sup> Its microfinance arm provides micro loans to low-income women entrepreneurs conditional upon child enrolment in an education programme.<sup>280</sup> Although impact investing appears to be in its infancy, some venture capitalists also support ventures with high impact potential such as Ideosource, which invests in eFishery, an automated fish-feeding system for fish farmers, and Venturra and East Ventures, which support Ruangguru, an enterprise that aims to increase access to education through online education paid services.<sup>281</sup>

## Laos

There are 42 commercial banks<sup>282</sup> registered and formally operating in Laos, which include 3 state-owned, 1 specialised and 3 joint-state banks while the remaining 35 are local and foreign privately-owned banks. The banking sector is still largely state-driven, as exemplified by the fact that 4 state-owned and specialised banks collectively provide 50% of the total available credit amounting to LAK 59,745.31 billion.<sup>283</sup> LDB, which is a state-owned bank, has its primary mandate to provide credit to SMEs. As of 2013, LDB borrowed LAK14 billion from the SMEPF and earmarked this fund for SME loans.<sup>284</sup> The specialised bank, Nayoby Bank, was set up specifically to provide credit to farmers in the poorest districts<sup>285</sup> and dispensed LAK1 trillion worth of loans to rural

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<sup>275</sup> <http://www.thejakartapost.com/news/2015/04/28/ojk-plans-new-regulation-boost-venture-capital-industry.html>

<sup>276</sup> <http://east.vc/about-us>

<sup>277</sup> <https://www.techinasia.com/rise-of-impact-investing>

<sup>278</sup> <http://unitusimpact.com/portfolio>

<sup>279</sup> Interview with YCAB Ventures, January 13<sup>th</sup> 2017

<sup>280</sup> Interview with YCAB Ventures, January 13<sup>th</sup> 2017

<sup>281</sup> <https://www.techinasia.com/10-of-indonesia-most-active-venture-capital-firms>

<sup>282</sup> Bank of Lao PDR (2016, p. 4)

<sup>283</sup> Author's calculation based on the Bank of Lao Quarterly Report (2016)

<sup>284</sup> <http://en.vietstock.com.vn/2013/05/lao-development-bank-issuing-more-loans-to-smes-58-148730.htm>

<sup>285</sup> <http://en.vietstock.com.vn/2014/06/nayoby-bank-increases-low-interest-loans-to-poor-farmers-71-179157.htm>

farmers in 2015.<sup>286</sup> Agricultural Promotion Bank, a state-owned bank, also focuses on agribusinesses.<sup>287</sup> Banque Franco-Lao Ltd, a joint-state bank, received a USD10 million loan from IFC to lend to SMEs with a priority to serve women entrepreneurs.<sup>288</sup> Furthermore, as of 2016, 3 commercial banks provided Laotian SMEs with LAK430 million in loans.<sup>289</sup>

However, according to a 2010 study, MSME lending in Laos is still low compared to other countries.<sup>290</sup> Other sources of credit for Laotian SMEs include: village revolving funds (VRF), household-to-household loans, rotating fund groups (or houay), rice/buffalo banks, and informal moneylenders which may charge up to 20% interest rate a month or 60% per annum.<sup>291</sup> These financing instruments are often provided by MFIs and there were 168 registered MFIs in Laos in 2016.<sup>292</sup> The Lao Microfinance Association estimated in 2016 that regulated MFIs served about 68,000 clients in approximately 2,500 villages (29% of total Lao villages) and had roughly 19,000 borrowers and a total loan portfolio of about USD 10 million.<sup>293</sup> According self-reported data made available by the association,<sup>294</sup> major players in the microfinance sector include Xayniom (XMI), Saynhai Samphanh, Champasack and Ekphatthana Microfinance Institution (EMI). Of the four MFIs, Xayniom has the highest percentage of female borrowers at over 70%. On the hand, the data showed that Women and Family Development MFI is the only institution that has 100% women borrowers.

With regards to capital markets, SMEs' access to the stock exchange remains very limited. There are only 5 listed companies on the Laos Stock Exchange (LSX)<sup>295</sup> and none of them are SMEs. Similar to Cambodia Securities Exchange, the LSX is a joint-venture between the Bank of Lao PDR and the Korea Exchange.

Alternative financing options such as angel investing, crowdfunding and impact investing are still in their infancy. As a pioneer in the field, The Mekong Angel Investors Network (MAIN) launched a Lao chapter on 7 September 2016 with the help of the Mekong Business Initiative.<sup>296</sup> Even though the start-up ecosystem in Laos is lacking, there is still sizable investor interest in the country as evident by the 5,368 investors on AngelList.com who indicate interest in Laos.<sup>297</sup> On a separate note, impact investors active in the country often do not limit themselves to the country. Examples include: Insitor, Patamar Capital, Swiss Investment Fund for Emerging Markets (SIFEM) (Cambodia-Laos-Myanmar Development Fund II). This could be because Laos is among the AMS with the least investment activity owing in part to the underdeveloped SME ecosystem.<sup>298</sup>

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<sup>286</sup> <http://en.vietstock.com.vn/2015/03/nayoby-bank-sets-aside-1-trillion-kip-for-loans-58-197326.htm>

<sup>287</sup> [https://www.apb.com.la/aboutapb\\_la.php](https://www.apb.com.la/aboutapb_la.php)

<sup>288</sup> <http://kpl.gov.la/En/Detail.aspx?id=24599>

<sup>289</sup> Philavanh (2016, p. 2)

<sup>290</sup> Polsaram, et al. (2011, p. 23)

<sup>291</sup> Onphanhdala and Suruga (2010, p. 188)

<sup>292</sup> Bank of Lao PDR (2016, p. 4)

<sup>293</sup> <https://laomfa.org/about-us/microfinance-in-laos/>

<sup>294</sup> [https://laomfa.org/wp-content/uploads/formidable/8/Lao-MFI-Performance-Monitoring-Data\\_-December-2016\\_Eng.pdf](https://laomfa.org/wp-content/uploads/formidable/8/Lao-MFI-Performance-Monitoring-Data_-December-2016_Eng.pdf)

<sup>295</sup> <http://www.lsx.com.la/>

<sup>296</sup> <http://thediplomat.com/2016/09/can-laos-create-a-startup-economy/>

<sup>297</sup> <https://angel.co/lao-people-s-democratic-republic/investors>

<sup>298</sup> Palladium (2017, p. 23)

## Malaysia

State-funded loan schemes and state-led alternative financing programmes dominate the financing landscape for SMEs in Malaysia. The SME Corporation Malaysia (SME Corp) reported that in 2015, the Malaysian government spent a total of MYR4.4 billion through 36 schemes and programmes to enhance access to finance for SMEs.<sup>299</sup> The government pledged another MYR3.8 million to implement 31 schemes and programmes in 2016 with the primary aim to foster entrepreneurship.<sup>300</sup> Overall, SME financing accounted for 46.6% of total business financing by financial institutions in 2015.<sup>301</sup>

In particular, the Soft Loan Scheme for SMEs under the Ministry of International Trade and Industry through the Malaysian Industrial Development Finance Bhd (MIDF) saw loan approvals of MYR174.5 million for 187 SMEs in 2015. The amount channelled through SME Bank totalled MYR71.5 million to assist 87 SME entrepreneurs under the bank's various schemes. Through the Business Accelerator Programme, SME Corp also approved an additional MYR183.2 million in loans and grants for 879 SMEs. The Ministry of Finance provided MYR10.9 million in the form of VC financing to companies in the electrical and electronics sector. The Ministry of Domestic Trade, Cooperative and Consumerism channelled MYR2.3 million to 324 SME entrepreneurs through their Business in Transformation programme.

Bank Negara, the central bank of Malaysia, approved a total of MYR27.5 billion for more than 67,000 SMEs as of end 2015 through its various special funds operated by commercial banks and development financial institutions.<sup>302</sup> The most notable funds are Fund for Small and Medium Industries 2, New Entrepreneurs Fund 2 and Micro Enterprise Fund. Eligible SMEs can access these funds at below market rates. Further, Bank Negara also administers the Small Debt Resolution Scheme to assist financially distressed SMEs across all sectors through restructuring or rescheduling their existing financing facilities or providing new facilities. In 2015, 548 SMEs received assistance through this scheme.

Credit Guarantee Corporation Malaysia Bhd is tasked with providing credit guarantees to SMEs through working closely with financial institutions. It also offers multiple direct financing schemes to new SMEs and existing SME customers, and SMEs that adopt green technology or look to obtain intellectual property. The BizWanita-I scheme in particular targets women entrepreneurs and businesses managed by women. Launched in October 2015, it approved MYR10 million to 76 SMEs by end 2015.

In the microfinance space, Amanah Ikhtiar Malaysia (AIM), founded in 1987, is the first and largest MFI in the country that serves the poor and micro enterprises.<sup>303</sup> AIM's borrowers are primarily engaged in micro businesses in agriculture, fishery, manufacturing and services. Another major MFI is the Economic Fund for National Entrepreneurs Group (TEKUN) under the Ministry of Entrepreneur and Cooperative Development. Established in 1998, TEKUN lends to micro Bumiputera enterprises with

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<sup>299</sup> SME Corporation Malaysia (2016, p.90)

<sup>300</sup> SME Corporation Malaysia (2016, p.96)

<sup>301</sup> SME Corporation Malaysia (2016, p.84)

<sup>302</sup> SME Corporation Malaysia (2016, p.91)

<sup>303</sup> Mokhtar, Nartea and Gan (2012, p.2)

loan size ranging from MYR1,000 to MYR10,000. It also offers loan schemes for small and medium-sized Bumiputera enterprises. In 2007, Bank Negara Malaysia mandated several financial institutions to offer microloans under the Pembiayaan Mikro scheme. Loan size is between MYR1,000-MYR50,000 with a maximum tenure of 7 years.<sup>304</sup> Participating financial institutions are: Agrobank, Bank Rakyat, Bank Simpanan Nasional, Alliance Bank, AmBank, CIMB Bank, Public Bank, Maybank, United Overseas Bank and Bank Muamalat.

SMEs in Malaysia can raise funds in the capital market through the ACE Market, which stands for Access, Certainty and Efficiency. Formerly known as MESDAQ (Malaysian Exchange for Securities Dealing and Automated Quotation) which came into existence in 1997 and targeted mainly technology stocks, ACE is now open to eligible SMEs across all sectors. Potential companies need to engage a sponsor to assess their suitability for listing and the sponsor needs to remain for at least 3 years post-listing. There is however no minimum requirement for operating history and track record nor issue price. As of January 2017, there were 115 companies listed in ACE according to its website.

Malaysia's VC and PE industry is relatively developed with 121 registered companies and MYR7.1 billion of funds under management as of December 2015.<sup>305</sup> Sovereign wealth funds and government investment companies made up 49.8% of total capital in the industry while corporate investors and foreign investors contributed 6.4% and 2%, respectively.<sup>306</sup> Investments in companies at the seed and start-up stages are mainly made by government venture funds.<sup>307</sup> The largest VC firm in the country is the state-owned Malaysia Venture Capital Management Bhd (MAVCAP). MAVCAP focuses on start-ups and early stage ventures in the ICT and high technology industries. It makes direct investments as well as invests through its private partners (Astra Partners Sdn Bhd, SuperSeed, 500 Durians, Musharaka Venture Management Sdn Bhd, Teak Capital Sdn Bhd, QuestMark Asset Management Sdn Bhd, Elixir Capital Management, DTA Capital Partners Sdn Bhd, Intres Capital Partners, Gobi Partners).

Another major state-funded scheme aimed at developing local start-ups and early-stage enterprises is Cradle Fund Sdn Bhd, a non-profit agency under the Ministry of Finance that administers the MYR150 million Cradle Investment Programme (CIP) with the aim to support technology entrepreneurs and boost the quantity and quality of innovations and technology start-ups. The CIP provides pre-seed and seed conditional grants to start-ups in ICT as well as non-ICT and other high-growth technology sectors. Cradle Fund also acts as the secretariat for the Malaysian Business Angel Network (MBAN), the official association and governing body for angel investors and angel clubs in Malaysia. Cradle Fund provides MBAN with the critical access to the start-up ecosystem in both public and private sectors.

Crowdfunding has gained significant traction in Malaysia as a viable fundraising channel for start-ups and SMEs. In 2015, Malaysia was the third country in the world and the first in ASEAN to put in place a regulatory framework for equity crowdfunding, which opens up a new financing avenue for new and existing entrepreneurs beyond donation-based, reward-based and debt-based crowdfunding. Six equity

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<sup>304</sup> [http://www.bnm.gov.my/documents/sme/20140320-FAQ\\_on\\_Pembiayaan\\_Mikro\\_English\\_FINAL.pdf](http://www.bnm.gov.my/documents/sme/20140320-FAQ_on_Pembiayaan_Mikro_English_FINAL.pdf)

<sup>305</sup> SME Corporation Malaysia (2016, p.88)

<sup>306</sup> SME Corporation Malaysia (2016, p.89)

<sup>307</sup> ADB (2015, p.195)

crowdfunding platforms have been licensed, namely Alix Global, Ata Plus, Crowdo, Eureeca, PitchIn and Propellar CrowdPlus.

In 2014, the Malaysian government set up the Malaysian Global Innovation & Creativity Centre (MaGIC) with an aim to boost the entrepreneurial ecosystem in the country and ASEAN region. Its flagship MaGIC Accelerator Programme comprises the ASEAN track, the Social Enterprise track and the Distro Dojo track. The ASEAN track selects and prepares start-ups in ASEAN for early-stage funding and partnership. The Social Enterprise track aims to accelerate and develop ideas that address social and environmental issues in Malaysia. The Distro Dojo track is led by 500 Start-ups and targets growth-stage start-ups in ASEAN. Each participating social enterprise receives seed funding of MYR30,000 to pilot their idea.

In March 2017, the Malaysian government launched the MYR3 million Social Outcome Fund aimed at supporting marginalised communities through a whole-society collaborative approach.<sup>308</sup> Agensi Inovasi Malaysia, a statutory body tasked with stimulating and developing the innovation eco-system in Malaysia, is tasked with managing the Fund. In this model, investments made by these private sector organisations may be entitled to a reimbursement from the Fund if those result in 1.5 times or more of cost savings for similar government interventions.<sup>309</sup> Benchmarks for reimbursement from the Fund have been developed from a database of about 300 social indicators, their baselines and unit costs of delivering social services by the government. This public-private partnership vehicle could go a long way in catalysing social investments in Malaysia.<sup>310</sup>

## Myanmar

Myanmar's formal financial sector is among the least developed in ASEAN. Informal lending remains a thriving business in the country owing to its accessibility and flexible collateral requirements, which makes it more attractive to SMEs than formal financial institutions. For instance, the ratio of the loan amount relative to the forced-sale value of the collateral is up to 80% for informal money lenders compared to only 30%-50% for formal ones.<sup>311</sup> Further, the reach of informal financing is widespread through an extensive network of relationships that permeate most rural areas in the country.

Banking intermediaries have not met the financial needs of the majority of the population with only about 2.5 banks per 100,000 people.<sup>312</sup> As of end 2014, the country's banking sector consists of 4 state-owned banks, 23 private banks and 40 representative offices of foreign banks.<sup>313</sup> While state-owned banks such as the Myanmar Investment and Commercial Bank, the Myanmar Economic Bank and the Myanmar Agriculture and Development Bank finance SMEs through strict project appraisal, the private Small and Medium Industrial Development Bank (SMIDB), established in 1996 under the Ministry of Industry, has grown to become a specialised

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<sup>308</sup> <http://www.thesundaily.my/news/2192727>

<sup>309</sup> <https://www.linkedin.com/pulse/aim-proposes-social-outcome-fund-spos-achieve-higher-impact-razak>

<sup>310</sup> While the term "social investment" is often used interchangeably with "impact investment", this report defines "social investment" as the provision of financial resources with the aim to create social impact and with a wide-ranging focus on a financial return.

<sup>311</sup> GIZ (2015, p.33)

<sup>312</sup> Sanyal and Eisinger (2016, p.10)

<sup>313</sup> ADB (2015, p.205)

bank for SMEs. While collaterals are still required, SMIDB's interest rates are less prohibitive compared to commercial rates.<sup>314</sup> Other notable SME banks include Kanbawza Bank (KBZ Bank) and Yoma Bank where SME loans account for 80% and 70%, respectively, of their total loan portfolio.

Formal microfinance has emerged as an important financing mechanism for MSMEs following the enactment of the Microfinance Business Law in 2011. While cooperatives have traditionally been dominant players in this field, international MFIs have rapidly expanded their operations in the country with a specific focus on micro and small enterprises and women. Examples of such organisations are Cambodia-based ACLEDA and Bangladesh-based BRAC. As of October 2015, there were 215 licensed MFIs in Myanmar which included 95 local MFIs, 77 cooperatives, 14 foreign companies and 7 international NGOs.<sup>315</sup>

International development agencies have played a prominent role in catalysing the growth of the country's formal financial sector while simultaneously targeting MSMEs and women. IFC, for instance, extended a USD5 million loan to Yoma Bank aimed at providing an additional 1,000 loans totalling USD370 million to SMEs by 2019. It also provided a USD5 million credit line to Myanmar Oriental Bank to enhance SMEs' access to international trade, and a USD2 million to ACLEDA as a founding investor.<sup>316</sup> Another example is the Japan International Cooperation Agency (JICA) which extended a loan of JPY5 billion until 2018 for on-lending to SMEs. As of September 2016, 6 banks participated in this programme including SMIDB, KBZ Bank, Myanmar Oriental Bank, AYA Bank, CB Bank and Myanmar Citizens Bank.<sup>317</sup> The Livelihoods and Food Security Trust Fund (LIFT), a multi-donor fund established in 2009, aims to improve the lives of smallholder farmers, especially women, in rural Myanmar. LIFT works with various partner NGOs and MFIs to promote agricultural commercialisation, sustainable agriculture, financial inclusion, business and skills development and nutrition support for mothers and children.<sup>318</sup> In 2015, GIZ extended financial support and technical assistance to SMIDB, KBZ Bank and Yoma Bank to enhance their capacities in designing financial products for SMEs.<sup>319</sup>

Myanmar's non-bank financing mechanisms are still in their infancy. The Yangon Stock Exchange started trading in March 2016, supported by the Myanmar Securities Exchange Centre which assists companies that plan to get listed. As of January 2017, there were 4 companies listed on the YSX with total market capitalisation of USD597 million.<sup>320</sup> As the country opens up to foreign investment, it has attracted several VC investors in sectors such as consumer goods, technology and financial services,<sup>321</sup> some of whom adopt socially responsible and/or impact-driven business models. One such investor is Anthem Asia, an investment and advisory business with a responsible agenda.

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<sup>314</sup> Sanyal and Eisinger (2016, p.11)

<sup>315</sup> Sanyal and Eisinger (2016, p.12)

<sup>316</sup> [http://www.ifc.org/wps/wcm/connect/region\\_ext\\_content/regions/east+asia+and+the+pacific/countries/ifc+in+myanmar](http://www.ifc.org/wps/wcm/connect/region_ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+myanmar)

<sup>317</sup> <http://www.mmtimes.com/index.php/business/22003-commercial-banks-join-subsidised-sme-loan-scheme.html>

<sup>318</sup> [www.lift-fund.org](http://www.lift-fund.org)

<sup>319</sup> Sanyal and Eisinger (2016, p.11)

<sup>320</sup> <http://www.elevenmyanmar.com/business/7513>

<sup>321</sup> <http://www.dealstreetasia.com/stories/work-in-process-pe-in-myanmar-follows-emerging-consumer-space-60756/>

It has made 9 investments in the SME space which employ more than 200 employees, 90% of which are Myanmar nationals.

Prominent impact investors focusing on Myanmar include: Emerging Markets Investment Advisers, United Nations Capital Development Fund, Insitor, Omidyar and Accion International. Emerging Markets Investment Advisers manages the Cambodia-Laos-Myanmar Development Fund II that focuses on SMEs targeting the BoP population. In May 2016, IFC announced its investment of up to USD7.5 million in the Fund, capped at 20% of total fund commitment and advisory support towards the Fund's expansion into Myanmar.<sup>322</sup> Primarily funded by the Australian Department of Foreign Affairs and Trade (DFAT), the United Nations Capital Development Fund's Shaping Inclusive Finance Transformations (SHIFT) Programme (SHIFT Challenge Fund) seeks to co-finance innovative business models and/or cross-sector partnerships with a commercially sustainable business plan to increase access to affordable financial services for women. Insitor, Omidyar and Accion invest in social entrepreneurs across different sectors including energy, housing, health care, education and financial inclusion in the ASEAN region including Myanmar.

## **Philippines**

As with most emerging economies, banks dominate the Philippines' financial sector. As MSME financing is the central component in the country's MSME development framework, the Philippine government continues to promote microfinance and SME loans within the existing banking system which is structured into commercial, thrift and rural banks. Thrift banks and rural banks outside Metro Manila enjoy government incentives such as reduced capital requirements and lower reserve requirement for catering to the needs of small enterprises in the provinces.<sup>323</sup> As of 2014, 179 banks offered microfinance programmes with an outstanding portfolio amounting to PHP9.4 billion.<sup>324</sup> Additionally, banks are required to allocate 8% of their total loan portfolio to micro and small enterprises, and 2% to medium-sized enterprises. The Philippine government also set up 2 policy banks that are tasked with implementing MSME financing policies through the provision of micro and SME loans, namely the Land Bank of the Philippines and the Development Bank of the Philippines.

The Land Bank of the Philippines, the largest state-owned bank in the country, administers 3 financing programmes benefiting MFIs, community financial institutions, cooperatives and NGOs which in turn enhance MSMEs' share of credit. It also lends directly to SMEs with a particular emphasis on agribusinesses through 6 different programmes: (i) Agricultural Credit Support Project, (ii) Agricultural and Fisheries Financing Programme, (iii) Credit Programme For SMEs, (iv) Renewable Energy Lending Programme, (v) Access of Small Enterprises to Sound Lending Opportunities (ASENSO) Programme and (vi) Credit Line For Energy Efficiency And Climate Protection.<sup>325</sup> The majority of these credit programmes finance up to 80% of working capital or total project cost for SMEs.

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<sup>322</sup> <http://www.dealstreetasia.com/stories/ifc-sets-up-70-m-development-fund-for-smes-in-clm-countries-40605/>

<sup>323</sup> ERIA (2010, p.306)

<sup>324</sup> ADB (2015, p.214)

<sup>325</sup> Bureau of Micro, Small and Medium Enterprise Development (2015, pp.135-198)

The Development Bank of the Philippines (DBP) mainly caters to the medium- and long-term capital needs of agricultural and industrial enterprises through 2 umbrella programmes which support up to 90% of working capital needs. The Sustainable Enterprises for Economic Development (SEED) Programme comprises various schemes targeting MSMEs (Retail Lending For Micro And Small Enterprises, Medium Enterprise And Other Business Enterprise Lending), women entrepreneurs (Inclusive Lending for Aspiring Women Entrepreneurs Programme) and technopreneurs (the DBP Bankability Enhancement of SETUP Technopreneurs which supports the Small Enterprise Technology Upgrading Program (SETUP) Technopreneurs of the Department of Science and Technology).<sup>326</sup> The Sustainable Agribusiness Financing Programme provides credit assistance of up to 90% of total project cost for agribusinesses engaged in crops, poultry, livestock and fisheries sub-sectors.

Apart from the aforementioned policy banks, the Philippine government established 2 other agencies with a mandate to enhance financial accessibility for MSMEs through wholesale lending to financial intermediaries nationwide. The Small Business Corporation lends to commercial banks, rural and cooperative banks, MFIs, community cooperatives and NGOs for on-lending to MSMEs. It also makes direct lending and administers a credit guarantee scheme for MSMEs. The People's Credit and Finance Corporation focuses solely on the microfinance sector. Its programmes primarily target households below the poverty threshold level, particular those engaged in the agricultural value chain. Additionally, it also offers the Micro-energy Credit Programme that supports investments in affordable renewable solar energy home through the provision of credit for accredited partner MFIs.

Pawnshops are a viable non-bank financing source for MSMEs in the Philippines. They typically have higher risk appetite than formal financial institutions and accept personal properties in exchange for loans. As of 2014, there were about 17,400 pawnshops operating in the country.<sup>327</sup> Pawnshops such as Cebuana offer loans between PHP1,000-PHP5,000.<sup>328</sup>

In terms of capital market financing, in 2013 the Philippines Stock Exchange underwent restructuring with the introduction of the Main Board and the Small, Medium and Emerging Board. To qualify for listing on the Small, Medium and Emerging Board, a company must have a minimum authorised capital of PHP100 million, of which at least 25% is subscribed and full paid, and a minimum of 200 shareholders upon listing.<sup>329</sup> It also has to present a track record that comprises: cumulative EBITDA of at least PHP15 million for 3 fiscal years immediately preceding the listing application and a positive EBITDA in at least 2 of the last 3 fiscal years (including the fiscal year immediately preceding the application).<sup>330</sup> As of 2016, there were only 4 companies listed in the Small, Medium and Emerging Board.<sup>331</sup>

Numerous private non-profit foundations extend financial assistance to MSMEs as part of their programmes, often with an emphasis on women and marginalised population. ASA Foundation provides microloans of PHP6,000 - PHP10,000 to women-owned micro

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<sup>326</sup> <https://www.devbnkphl.com/news.php?id=273>

<sup>327</sup> ADB (2015, p.233)

<sup>328</sup> Stakeholder consultation in Manila, April 2017.

<sup>329</sup> ADB (2015, p.220)

<sup>330</sup> <http://business.inquirer.net/202775/pse-seeks-more-smes-listing>

<sup>331</sup> <http://www.sunstar.com.ph/cebu/business/2016/09/12/smes-urged-list-pse-497275>

enterprises. The Mentors Philippines Microfinance Foundation (formerly Philippine Micro-Enterprise Development Foundation) operates the Partnership for Progress programme that aims to help enterprising women to achieve self-reliance through collateral-free loans of PHP1,000 – PHP75,000 and training and mentorship. Baba's Foundation seeks to improve the lives of marginalised farmers and small entrepreneurs, particularly women, through providing microcredit and technical assistance. The Philippine Business for Social Progress, the nation's largest corporate network of more than 260 large corporations and SMEs dedicated to socio-economic development, runs an SME Credit Programme that provides MSMEs with access to bank loans and business development services.

The start-up ecosystem in the Philippines seems to be taking off as several local tech start-ups garner interest globally.<sup>332</sup> International investors active in the country include 500 Start-ups, IMJ Investment Partners, Golden Gates Ventures, Monk's Hill Ventures. Major homegrown VC funds typically originate from large corporations such as Kickstart Ventures (a subsidiary of Globe Telecom), Ideaspaces Foundation (the Manuel V. Pangilinan (MVP) group of companies), PLDT Capital (PLDT Group). Other notable local investors include ICCP Venture Partners, Future Now Ventures, Narra Venture Capital.

The Philippines' impact investing space has been one of the most vibrant in the region with the presence of international investors such as Omidyar, Accion International, LGT IV, Unitus, Oikocredit. LGT IV, in particular, has invested in ventures across multiple sectors including Kennemer Foods International, SUGRUVI (agriculture), Rags2Riches (fashion retail), One Renewable Energy Enterprise (energy).<sup>333</sup>

Various local non-profit organisations also aim to nurture social entrepreneurship through the provision of financial and non-financial support. ARISE Inc., for instance, focuses on sustainable agricultural SEs with the aim to promote responsible business practices and fair trading. The Foundation for Sustainable Society Inc. (FSSI) is a social investment organisation dedicated to fostering SEs with a triple bottom lines established in 1995 following a debt for development agreement between the Philippine government and the Swiss Confederation. Its flagship Social Enterprise Fund consists of multiple grant and loan products targeting not only SEs but also community financial institutions, cooperatives and NGOs. Other notable local social investors are the Peace and Equity Foundation and the Philippine Development Foundation.

## **Singapore**

While Singapore has witnessed a rapid rise of angel investing, VC and PE, cemented by its status as one of the global financial hubs, loans remain a key financing channel for SMEs in the country.<sup>334</sup> Recognising this, the Singapore government has put in place various loan schemes which are mainly administered by SPRING Singapore in partnership with 10 or more participating commercial banks. In particular, under the Local Enterprise Finance Scheme SPRING provides both micro loans for working capital financing and equipment and factory loans for automation and upgrading. Loan size is capped at SGD100,000 for the Micro Loan scheme and SGD15 million for the Equipment and Factory Loan scheme.

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<sup>332</sup> <https://www.cbinsights.com/blog/asia-pacific-tech-startups-map>

<sup>333</sup> [https://www.lgtiv.com/.content/downloads/general-information/160913\\_IV\\_Impact\\_Report\\_en.pdf](https://www.lgtiv.com/.content/downloads/general-information/160913_IV_Impact_Report_en.pdf)

<sup>334</sup> Committee on the Future Economy (2017, p.31)

In 2016, in the face of economic headwinds, the government introduced the Working Capital Loan scheme to enhance local SMEs' access to unsecured working capital financing of up to SGD300,000. The Venture Debt Programme was launched in the same year aiming to improve access to finance for innovative, high-growth SMEs that look to expand. Under this scheme, SMEs can apply for venture loans of up to SGD5 million while SPRING shares the risk of loan defaults with participating financial institutions. Additionally, SPRING also offers the Capability Development Grant which aims to defray up to 70% of qualifying costs, subject to a cap of SGD30,000, for projects in areas like increasing productivity, process improvement, product development and market access.

The Singapore government has also taken steps to foster local start-ups through making grants and partnering with private sector investors. The ACE Start-up Grant provides co-matching funds of up to SGD50,000 to entrepreneurs who take their first steps in starting up differentiated businesses. Applications are shortlisted on a competitive basis based on the 4 key evaluation criteria of differentiation, business model feasibility, potential market opportunity and management team. The Technology Enterprise Commercialisation Scheme is a competitive grant scheme in which selected technology start-ups are awarded either the Proof of Concept grant of up to SGD250,000 or the Proof of Value grant of up to SGD500,000. The Incubator Development Programme offers up to 70% grant support to incubators and accelerators to enhance their capabilities to better assist start-ups.

Start-ups that obtain investment commitment from SPRING's partner angel investors can apply for matching investment from SPRING'S investment arm – SPRING SEEDS Capital (SSC) – of up to SGD2 million under the Business Angel Scheme. Both SSC and the investors will take equity stakes in the company in proportion to their investments. As of January 2017, 11 angel investors have participated in this scheme. A similar scheme (SPRING Start-up Enterprise Development Scheme) entails SSC's matching investment of up to USD2 million for eligible start-ups that have secured a third-party investor. SSC also partners with 5 accelerators as part of the state-funded USD70 million Sector Specific Accelerator Programme to nurture start-ups in the strategic but nascent medical technology sector. The appointed accelerators take a hands-on approach to help the start-ups build up their management teams, meet regulatory requirements, and connect with potential customers.

In addition to grant schemes dedicated to start-up and SME development, the Singapore government also offers various grants aimed at increasing the adoption of environmentally friendly practices and green technology. The National Environment Agency (NEA) currently administers 3 grant schemes: Energy Efficiency Improvement Assistance Scheme, 3R Fund, and 3P Partnership Fund. The Energy Efficiency Programme Office, a multi-agency committee led by the NEA and the Energy Market Authority, oversees 4 incentives in partnership with different agencies and statutory boards: Financing Programme for Energy Efficiency Projects, Productivity Grant (Energy Efficiency), Green Mark Incentive Schemes, and the One-Year Accelerated Depreciation Allowance for Energy Efficient Equipment and Technology.

Singapore has relatively the most developed non-bank financing mechanisms compared to the remaining AMS. In 2007, the Singapore Stock Exchange (SGX)

launched Catalist, a sponsor-supervised listing platform formerly known as SESDAQ on which 159 SMEs were listed at that point.<sup>335</sup> It aims to provide an alternative capital raising channel for growth companies. SGX also partners with Clearbridge Accelerator Pte Ltd to establish CapBridge, an equity fund-raising platform for early-stage SMEs.<sup>336</sup> Launched in 2015, the platform seeks to match SMEs with investors of the desired profiles that can provide not only funding but also expertise and connections to customers and markets.

Singapore has also emerged as the hub of VC and PE in ASEAN. According to a report from the Singapore Venture Capital and Private Equity Association, the assets under management of Singapore-based VC and PE fund managers reached USD28.5 billion in 2015, with Singapore target companies accounting for more than 30% of all VC/PE investments into Southeast Asia.<sup>337</sup> In the space of angel investing, the Singapore-based Business Angel Network of Southeast Asia (BANSEA) established the BANSEA ONE fund in 2016 that pools members' financial resources to invest in early-stage start-ups.<sup>338</sup> The country's start-up support ecosystem is also the most vibrant in the region with a proliferation of private incubators and accelerators, the majority of which focus on high-technology sectors ranging from internet and mobile communications, manufacturing and maritime to biomedical technology.

Singapore is also one of the most advanced economies in ASEAN in terms of crowdfunding, although unlike Malaysia, the Monetary Authority of Singapore (MAS) has yet to legislate equity crowdfunding. As a result, debt-based crowdfunding, or peer-to-peer lending, remains the most popular form of crowdfunding in the country. Homegrown portals such as MoolahSense, Crowdonomic, FundedHere, Funding Societies and Capital Match allow individuals to lend directly to businesses in exchange for a fixed return. FundedHere is the first licensed platform in the country that is allowed to operate equity crowdfunding.<sup>339</sup>

In the space of social enterprise financing, the Singapore Centre for Social Enterprise (raiSE) is tasked with providing a range of support to help SEs from start to mature stages including funding, advisory services, training and access to network. Launched in 2015 and funded by the Ministry of Social and Family Development and the Tote Board, raiSE currently administers a total funding of SGD30 million which it will distribute to qualified SEs in grants (VentureForGood and VentureforGood Youth schemes) and investments (raiSE Impact Finance scheme).<sup>340</sup> Other notable foundations and grant-makers include DBS Foundation, National Youth Council (National Youth Fund) and Singapore International Foundation (Young Social Entrepreneurs Programme).

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<sup>335</sup> <http://www.thehindubusinessline.com/todays-paper/tp-markets/singapore-se-launches-catalist-for-smes/article1675959.ece>

<sup>336</sup> [http://infopub.sgx.com/FileOpen/20150623\\_SGX%20provides%20support%20to%20early%20stage%20equity%20fund-raising%20platform.ashx?App=Announcement&FileID=357181](http://infopub.sgx.com/FileOpen/20150623_SGX%20provides%20support%20to%20early%20stage%20equity%20fund-raising%20platform.ashx?App=Announcement&FileID=357181)

<sup>337</sup> <http://svca.org.sg/wp-content/uploads/2015/12/Pregin-Private-Equity-SVCA-April-2016.pdf>

<sup>338</sup> <http://www.dealstreetasia.com/stories/fundnel-45518/>

<sup>339</sup> <https://www.crowdfundinsider.com/2016/03/83265-first-fundedhere-claims-first-licensed-equity-debt-crowdfunding-platform-in-singapore/>

<sup>340</sup> <http://www.channelnewsasia.com/news/business/new-agency-offers-funding/1876884.html>

## Thailand

As bank loans remain the most important financing facility for SMEs in Thailand, in 2002 the Thai government established the Small and Medium Enterprise Development Bank of Thailand (SME Bank). Majorly owned by the government, the SME Bank functions as a policy bank that assists SMEs in starting, expanding and improving their businesses by providing loans, guarantees, and other services.<sup>341</sup> SME loan products that specifically promote green energy or energy efficiency are currently offered by Krung Thai Bank and CIMB Thai Bank. Krung Thai Bank offers a loan scheme dedicated to the production of environmentally friendly products by SMEs.<sup>342</sup> Similarly, CIMB Thai Bank's clean energy loan scheme targets SME investments in energy efficient machinery and equipment.<sup>343</sup>

In the space of rural finance, state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) has been the dominant provider of affordable credit to agricultural producers and farmers either directly or through cooperatives and farmers' associations with more than 1,300 branches across the country. BAAC also manages the Village and Urban Revolving Fund (VURF), the biggest government-funded microfinance scheme in Thailand launched in 2001. VURF aims to create microfinance "banks" in each of Thailand's villages that extend credit for livelihoods, start-ups and business expansions. Each village "bank" is run by an elected local committee. VURF's loan size is typically limited to THB20,000 (USD656) without collateral.<sup>344</sup> As of 2013, VURF had as many as 11.7 million members and had lent a total of about THB546.5 billion (USD15.6 billion) to 10.3 million active borrowers in the country.<sup>345</sup> Nonetheless, there are very few private MFIs with legal status in Thailand.

In terms of capital market financing, the Markets for Alternative Investment (MAI) was established in 1999 to provide a lower cost alternative to SMEs to list on the Stock Exchange of Thailand (SET) with concessional requirements as compared to the main board. As of December 2014, there were 109 companies listed on mai and 18 companies successfully moved from mai to the main board,<sup>346</sup> which indicates mai has become a preparatory avenue for SMEs to gain access to the main board.

VC and PE are still in a nascent stage in Thailand.<sup>347</sup> Nonetheless, a number of local banks have taken the lead in setting up VC funds. Kasikorn Bank launched the K-SME Venture Capital Fund of THB200 million in 2007 that invests in SMEs with growth potential. In 2016, Kasikorn Bank announced its plan to create another VC fund dedicated to technology start-ups. The SME Bank launched a VC fund of THB1 Billion for start-ups and small enterprises that need investments from THB5 million to not more than THB30 million.<sup>348</sup> In 2016, Krungthai Bank, in collaboration with the SET and the National Science and Technology Development Agency, launched the SMEs Private Equity Trust Fund of THB2.3 billion to accelerate the development of SMEs.<sup>349</sup>

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<sup>341</sup> OECD (2011, p.63)

<sup>342</sup> Watanatada and Guett (2015)

<sup>343</sup> United Nations Centre for Regional Development (2016, p.10)

<sup>344</sup> [www.economist.com/blogs/schumpeter/2013/01/microfinance-thailand](http://www.economist.com/blogs/schumpeter/2013/01/microfinance-thailand)

<sup>345</sup> Subhanij (2016, p.21)

<sup>346</sup> ADB (2014, p.231)

<sup>347</sup> OECD (2011, p.63)

<sup>348</sup> [www.bangkokpost.com/print/1124961](http://www.bangkokpost.com/print/1124961)

<sup>349</sup> [www.dealstreetasia.com/stories/48435-48435](http://www.dealstreetasia.com/stories/48435-48435)

Crowdfunding has been a burgeoning fundraising vehicle for businesses globally whereby individuals invest a small amount of money into companies, start-ups or projects. The crowdfunding arena in Thailand is rapidly growing with the emergence of mainly donation-based and reward-based platforms. Meefund signed an agreement with mai in 2016 to act as a fundraising platform for SMEs or start-ups that plan to get listed on the Thai bourse. Dreamaker, which currently operates a reward-based platform, is looking to apply for a license to run Dreamaker Equity once regulations on equity crowdfunding have been enacted. Taejai is a crowdfunding platform solely dedicated to SEs and non-profit projects.

Several international venture philanthropists and impact investors have invested in SEs in Thailand. LGT Impact Ventures (LGT IV), the social investment engagement of the Princely Family of Lichtenstein, invests USD800,000 in equity in Hilltribe Organics to set up organic chicken farms.<sup>350</sup> It also provided a convertible loan to Grassroots Innovation Company, an enterprise that organises farmers into cooperatives and provides them with capacity support.<sup>351</sup> In the environment sector, LGT IV extended a loan to New Heaven Partnership which teaches student how to dive while restoring coral reefs in the country.<sup>352</sup> Singapore-based impact investor Leapfrog Investments invests in Syn Mun Kong that promotes financial inclusion through providing insurance products for low-income rural groups.<sup>353</sup>

While still at an infant stage, local impact investors and socially responsible investors are poised to become an important financing option for SEs. Established by ChangeFusion, a Bangkok-based non-profit dedicated to promoting social entrepreneurship, ChangeVentures invests and nurtures SEs by providing start-up and early-growth funding and hands-on business development support. BKIND is the country's first locally developed socially responsible investment mutual fund set up by ChangeFusion, BBL Asset Management Co., Ltd. (BBLAM) and Khon Thai Foundation. BKIND invests in companies listed on the SET and/or mai that exercise social responsibility in Environment, Social, Governance and Anti-Corruption (ESGC). ChangeFusion and Khon Thai Foundation also collaborated to set up Taejai, the aforementioned crowdfunding platform for SEs and non-profit projects.

## **Vietnam**

While banking institutions continue to dominate Vietnam's financial sector, SME loans accounted for only about 27.9% of total loans as of end 2012, indicating the sector's limited access to bank credit.<sup>354</sup> In order to improve SMEs' access to collateral-free bank loans, the Vietnamese government launched the SME Development Fund in 2013 with an earmarked capital of VND2 trillion. Enterprises with viable business plans or projects in priority sectors as periodically stipulated by the Ministry of Planning and Investment (MPI) are eligible to apply for loans of up to 70% of total investment and not exceeding VND30 billion.<sup>355</sup> The interest rate is capped at 90% of the commercial lending rate. To

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<sup>350</sup> <http://www.lgtvp.com/Uber-uns/Portfolio/Organisation/Hilltribe-Organics.aspx>

<sup>351</sup> [http://www.lgtvp.com/Uber-uns/Portfolio/Organisation/Grassroots-Innovation-Company-\(GIC\).aspx](http://www.lgtvp.com/Uber-uns/Portfolio/Organisation/Grassroots-Innovation-Company-(GIC).aspx)

<sup>352</sup> [http://www.lgtvp.com/Uber-uns/Portfolio/Organisation/New-Heaven-Partnership-\(NHP\).aspx](http://www.lgtvp.com/Uber-uns/Portfolio/Organisation/New-Heaven-Partnership-(NHP).aspx)

<sup>353</sup> <http://www.leapfroginvest.com/syn-mun-kong-smk/>

<sup>354</sup> ADB (2015, p.240)

<sup>355</sup> ADB (2015, p.241)

date 3 commercial banks have participated in disbursing the Fund, namely Bank for Investment and Development of Vietnam (BIDV), Vietcombank, and Ho Chi Minh City Development Bank (HDBank).<sup>356</sup>

Credit guarantee is another key policy tool that Vietnam has adopted to increase MSMEs' share of credit. Vietnam Development Bank (VDB)'s credit guarantee fund and the local credit guarantee funds administered by the Ministry of Finance are the two primary channels through which enterprises can obtain credit guarantees. VDB provides up to 85% partial guarantee on the total investment and collects guarantee fees.<sup>357</sup> As of 2014, there were 21 local credit guarantee funds operating across the country.<sup>358</sup> Nonetheless, there is some evidence that such funds have been underutilised despite large demand.<sup>359</sup>

State-led microfinance is one of the dominant financing mechanisms for micro and small enterprises, particularly for women-owned and agricultural businesses. The state-owned Vietnam Bank for Social Policies (VBSP) accounts for the largest share of the country's microfinance market with an estimated 7 million borrowers and 6.9 million depositors, followed by the Vietnam Bank for Agriculture and Rural Development (Agribank) with 1.5 borrowers and 1.1 depositors.<sup>360</sup> These financial institutions work closely with the Vietnam Women's Union (VWU) and Vietnam Farmers' Union (VFU) through which microloans are disbursed to low-income women and smallholder farmers, respectively. The VWU and VFU typically combine the provision of microcredit with economic empowerment activities for women and training on sustainable agricultural practices and business development support for small-scale farmers.

The VWU also founded and manages the Tao Yeu May (TYM) microfinance institution which operates in 10 northern and central provinces. TYM's focus is on low-income women and women-owned micro enterprises although it also supports poor households and micro enterprises in general and provides housing and water and sanitation loans. It was the first licensed MFI in Vietnam. Following the merger of 3 different microfinance funds in northern Vietnam (the Uong Bi Fund for Promoting Women, the Mai Son Support Fund for Ethnic Minority Women and the Dong Trieu Women's Assistance Fund), M7 MFI became the second MFI to obtain a license from the State Bank of Vietnam (SBV).

Established in 1993, the People's Credit Funds (PCFs) is another government initiative that aims to enhance financial inclusion for the poor across the country. Operating in the form of cooperatives at the provincial level, PCFs serve higher income segments than VBSP and MFIs. They are managed by the Central PCF which transformed itself into the Cooperative Bank of Vietnam in 2013 owned by the SBV. Cooperative Bank and PCFs are the third largest provider of microcredit with 1.1 million borrowers and 1.3 million depositors.<sup>361</sup>

The establishment of the Ho Chi Minh Stock Exchange and the Hanoi Stock Exchange in 2000 and 2005, respectively, constituted a major boost to the non-bank financial

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<sup>356</sup> <http://vietnamnews.vn/economy/344339/sme-foundation-to-provide-support-to-startups.html#oaXVmbuVlur2EDi0.97>

<sup>357</sup> ADB (2015, p.241)

<sup>358</sup> ADB (2015, p.241)

<sup>359</sup> <https://www.vietnambreakingnews.com/2016/03/credit-guarantee-funds-operate-inefficiently>

<sup>360</sup> IFC (2014, p.12)

<sup>361</sup> IFC (2014, p.12)

sector in the country. The State Securities Commission of Vietnam regulates the stock exchanges under the Securities Law enacted in 2006. The Unlisted Public Company Market (UPCoM) under the Hanoi Stock Exchange, which started operations in 2009, provides a financing facility that SMEs can tap into. As of January 2017, there were 454 companies registered for trading on the UPCoM.<sup>362</sup>

In recent years, Vietnam has emerged as one of the hotbeds for VC and PE activity in ASEAN, which signifies the growing importance of these financing mechanisms to local start-ups and early-stage enterprises, particularly in technology and consumer internet sectors. The country has garnered substantial interest among global investors such as IDG Ventures Vietnam, CyberAgent Ventures, NSI Ventures, Vertex Ventures, Monks' Hill Ventures.<sup>363</sup> In 2016, 500 Start-ups launched a USD10 million micro-fund focusing solely on Vietnam.<sup>364</sup> The Silicon Valley-based investor aims to make 100-150 investments into local start-ups that cater to both the domestic and international markets. While smaller in scale, local investors are fast growing, the most notable of which are DFJ VinaCapital, FPT Ventures and Seedcom.

In 2013, the Ministry of Science and Technology launched the Vietnam Silicon Valley Project aimed at stimulating the growth of technology start-ups through fostering innovations and facilitating technology commercialisation. The Project incorporates a 4-month acceleration programme that offers USD10,000 seed funding, legal and business consulting, mentorship, and access to angel investors and venture capitalists in exchange for equity.<sup>365</sup>

Private-led inclusive financing is currently led by 2 the Centre for Social Initiatives Promotion (CSIP) and Spark Centre for Social Entrepreneurship Development which provided financial and non-financial support to a total of 98 SEs between 2009 and 2014.<sup>366</sup> While still at an infant stage, a handful of international impact investors are presently active in the country including: LGT IV, Oxfam's Inclusive Impact Investments, Small Enterprise Assistance Funds (SEAF Blue Waters Growth Fund) and World Bank's International Development Agency (Vietnam Inclusive Innovation Project). Examples of homegrown impact investors are Lotus Fund, Dragon Capital (Mekong Brahmaputra Clean Development Fund), and Evergreen Labs.

In the space of responsible and inclusive financing, international development agencies have played a significant role in Vietnam, especially in areas of energy efficiency, clean production, climate change and agriculture. Existing schemes that promote green investments include: (i) Green Credit Trust Fund funded by the Swiss State Secretariat for Economic Affairs (SECO) and operated by three local commercial banks (Asia Commercial Bank (AIB), Vietnam International Bank (VIB), Techcombank), (ii) Green Investment Facility funded by the Danish government, (iii) Global Climate Partnership Fund funded by IFC and the Danish government. The Sustainable Agriculture Transformation Project (vnSAT) funded by the World Bank incorporates a line of credit for on-lending from Bank for Investment and Development of Vietnam (BIDV), acting as a wholesale bank, to eligible commercial banks and subsequently to rice

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<sup>362</sup> <http://english.vietnamnet.vn/fms/business/172540/business-in-brief-13-2.html>

<sup>363</sup> <http://www.dealstreetasia.com/stories/vietnam-to-issue-new-law-for-attracting-venture-capital-investment-56147>

<sup>364</sup> <http://500.co/vietnam>

<sup>365</sup> <http://ba.siliconvalley.com.vn>

<sup>366</sup> Pham, Nguyen and Nguyen (2016, p.11)

export agribusinesses in the Mekong Delta and coffee replanting/rejuvenation farmers in the Central Highlands. Matching grants are also provided to support farmer organisations in certified seed multiplication, investments in equipment and post-harvest facilities and improve collective small-scale infrastructure.

### 4.3. Technical Support

At the regional level, in 2014 the ASEAN SME Working Group partnered with the US-ASEAN Business Alliance, with support from USAID and the US-ASEAN Business Council, to launch the ASEAN SME Academy.<sup>367</sup> The portal provides online access to training and resources specifically developed to meet the needs of SMEs operating in ASEAN. The Academy incorporates training materials from the Fortune 500 companies as well as from regional firms and international organisations. It also contains a curated directory of service providers whom SMEs can reach out to for advice and networking.

In April 2017, the ASEAN Business Advisory Council (ASEAN-BAC) also announced plans to launch the [ASEAN Mentorship for Entrepreneurs Network \(AMEN\)](#). The flagship programme under the Philippine Chairmanship is designed to facilitate the scaling up of MSMEs in the region through mentorship. Mentors will be sourced from the three major groups of entrepreneurs, business practitioners and academics.

#### Brunei

The start-up ecosystem in Brunei is taking off with strong governmental support for SMEs coupled with a handful of private incubators and accelerators dedicated to nurturing and establishing Brunei's business landscape. A notable private accelerator in Brunei is Start-up Hub BIMP-EAGE (SUHBE Co)<sup>368</sup>. SUHBE Co offers coaching and consultation services to entrepreneurs and enterprises for a duration of up to 3 months for a fee. Also, the Universiti Brunei Darussalam (UBD) set up the Entrepreneurship Village as a community incubation programme run by UBD members and staff.<sup>369</sup> The Entrepreneurship Village targets students and offers them advice and guidance in order to realise and succeed in their business ventures.<sup>370</sup>

As a statutory board solely dedicated to helping SMEs in Brunei, DARE hosts several incubator and accelerator programmes for SMEs. iCentre is Brunei's first ever start-up incubator programme and co-working space for entrepreneurs, providing access to capacity building programmes and workshops for businesses to improve in the areas of ideation, market validation, and fund raising.<sup>371</sup> In addition, the Industry Business Academy (IBA) administers classes for existing and aspiring entrepreneurs on starting, running, and expanding a business. On top of those, DARE runs several accelerator programmes in the form of 3 bootcamps, which were rolled out in 2017. The Start-up Bootcamp, E-commerce Bootcamp, and Microbusiness Bootcamp are intensive programmes that train and mentor aspiring and existing entrepreneurs to launch their businesses in their respective fields.<sup>372</sup> Moreover, DARE additionally provides a market

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<sup>367</sup> [www.asean-sme-academy.org](http://www.asean-sme-academy.org)

<sup>368</sup> <https://ace.mymagic.my/en/asean/brunei>

<sup>369</sup> <http://www.ubd.edu.bn/news/2014/07/30/national-entrepreneurship-agenda-entrepreneurship-village>

<sup>370</sup> <http://sbe.ubd.edu.bn/e-village/assets/entrepreneurship-village-press-release.pdf>

<sup>371</sup> <http://www.dare.gov.bn/SitePages/iCentre.aspx>

<sup>372</sup> <http://www.dare.gov.bn/SitePages/Startup%20Bootcamp.aspx>

access platform that gives opportunities for local businesses to connect to the overseas market through expos and trade fairs.<sup>373</sup>

## **Cambodia**

Impact investors including Arun LLC and Uberis Capital provide technical support in terms of marketing, financial management and business advisory. SHE Investments offers a 6-month incubation programme to women entrepreneurs and follow-on support for investment-ready businesses that includes matching them with potential investors.

In 2016, USAID Development Innovations partnered with Impact Hub Phnom Penh to launch Cambodia's first one-year social business incubation programme aimed at providing funding and training for aspiring social start-ups. EPIC received 48 applications and 11 teams were selected to start the 8-week incubation period of customised workshops and mentor support. The final 5 teams will receive 6 months of business training, mentoring, and access to prototyping budgets starting January 2017.

## **Indonesia**

The Indonesian government set up Centres for Unified Business Services (*Pusat Layanan Usaha Terpadu*) which are regional institutions that provide support services for SMEs including but not limited to: business consultations in product quality development, intellectual property rights, sourcing and assigning business mentors to SMEs by request, linking SMEs to banks and assisting them in applying for loans, marketing and organising expos, linking their products to supermarkets, and formal business trainings including technical training, accounting and book-keeping, and taxation laws.<sup>374</sup> This may assist SMEs who have found difficulties in managing their business, especially in finding quality labour<sup>375</sup> and overcoming their poor business tracking and management issues such as the mixing of business and personal financials.<sup>376</sup> However, it has been reported that SME awareness of the support provided remains low, exacerbated by few support centres and low capacity in providing high-quality training and mentorship.<sup>377</sup>

Riding on the wave of the burgeoning start-up scene in the country, many incubators and accelerators have emerged with the majority focusing on technology and internet ventures. Long-standing ones include: FasterCapital, Jakarta Founder Institute, Merah Putih Incubator, Global Entrepreneurship Programme Indonesia (GEPI), Ideabox, Ideosource, Grupara Incubator, Kolaborasi, Techbator, Batavia Incubator.<sup>378</sup> In 2016, the Indonesia Stock Exchange and the Indonesia's Chamber of Commerce and Industry (KADIN) announced their plan to set up incubators in Jakarta and Bali to assist start-ups to access funds through initial public offerings, banks, or venture capitalists.<sup>379</sup>

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<sup>373</sup> <http://www.dare.gov.bn/SitePages/Market%20Access.aspx>

<sup>374</sup> IFC (2016)

<sup>375</sup> Deloitte (2015)

<sup>376</sup> Damayanti (2016)

<sup>377</sup> IFC (2016)

<sup>378</sup> <https://inc42.com/indonesia-startup-ecosystem/accelerators-incubators-indonesia>

<sup>379</sup> <http://www.dealstreetasia.com/stories/indonesia-bourse-kadin-to-set-up-incubators-for-startup-firms-facilitate-ipo-31048>

## Laos

Governmental agencies have played a key role in providing technical support for MSMEs. SMEPDO provides training and consultancy services to help entrepreneurs improve their competitiveness and publishes concept notes on business management best practices.<sup>380</sup> Furthermore, in an ADB project which was slated to be completed by 2018, SMEPDO launched a network of consultants who would provide accounting, marketing, and business advice to MSMEs.<sup>381</sup> The network also facilitates vocational training for women entrepreneurs. Furthermore, SMEPF has been legally earmarked to provide loan management, business plan development, accounting and financial reporting skills via undertaking trainings and seminars.<sup>382</sup>

Another policy thrust which aims to assist SMEs in Laos is the One District, One Product (ODOP) policy to integrate SMEs into regional value chains and strengthen relationships between SMEs and local and global large enterprises.<sup>383</sup> Similar to the One Village, One Product programme in Thailand, ODOP aims to create industrial clusters and allow SMEs to partake in the production chains to create high-quality goods ready for the international market. The ODOP focuses on agribusinesses, specifically on micro-enterprises active in organic agriculture, silk, and medicinal plants.<sup>384</sup> The primary implementer of this policy is the Department of Trade which is governed by the MoIC, and partially funded by JICA.<sup>385</sup>

Furthermore, associations like the Lao National Chamber of Commerce and Industry (LNCCI) acts as a key conduit between the state and SMEs. Many of its initiatives provide MSMEs with key business skills for entrepreneurs to grow their businesses. In a joint project with ADB, local branches of LNCCI across provinces are providing customised business development services, such as management skills, business planning, financial education, to MSMEs and equipping entrepreneurs more knowledge to access available financial services.<sup>386</sup> Similarly, the Small and Medium Enterprises Service Centre (SSC) has been launched in Vientiane earlier this year and will be replicated across the country within the next three years. The SSC, which is a result of collaboration between the LNCCI, SMEPDO and GIZ, aims to establish a network to connect Laos SMEs to other ASEAN counterparts and provides foreign language classes for businesses.<sup>387</sup> In addition to the LNCCI, other para-statal organisations such as Laos Women's Union and Lao Businesswomen's Association also implement technical support programmes aimed at MSMEs with a particular focus on empowering women entrepreneurs.<sup>388</sup>

Private-sector actors are, too, crucial in providing technical support for MSMEs in Laos. While the start-up landscape in Laos is not as mature as its ASEAN counterparts, the

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<sup>380</sup> <http://www.apo-tokyo.org/about/directories/laos/> (Note: SMEPDO was formerly known as DOSMEP)

<sup>381</sup> ADB (2013)

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<http://www.asean.org/storage/images/archive/documents/SME%20Development%20Policies%20in%204%20ASEAN%20Countries%20-%20Lao%20PDR.pdf>

<sup>383</sup> Government of Laos (2016, p. 47)

<sup>384</sup> Polsaram et al. (2011, p. 40)

<sup>385</sup> Polsaram et al. (2011, p. 28)

<sup>386</sup> ADB (2014)

<sup>387</sup> <http://en.vietstock.com.vn/2017/02/sme-service-centre-to-promote-regional-business-integration-71-253014.htm>

<sup>388</sup> <http://www.nathaninc.com/sites/default/files/Ecosystem%20for%20Women's%20Entrepreneurship-Lao%20PDR.pdf>

nascent ecosystem has found interested actors who are building key infrastructure for start-ups in Laos. Toh Lao and Asiastar are examples of co-working spaces which also perform business matching services and capacity building workshops, while events and networks like Startup Weekend Vientiane, Global Shapers Community Vientiane, and Young Entrepreneurs Association of Laos provide platforms for start-up owners to network and discover business opportunities.

### **Malaysia**

In addition to VC firms where “value creation” technical assistance is part of their investment models, notable private incubators and accelerators that are active in the country include: MAD Incubator, 1337 Ventures, 500 Start-ups. State-funded MaGIC and Cradle Fund Sdn Bhd provide some of the most extensive incubation and acceleration programmes. MaGIC Accelerator Programme is designed to build and grow a community of start-ups in Malaysia and the ASEAN region. The Programme's ASEAN track selects and prepares start-ups from the region for early-stage funding and partnership. The Social Enterprise track aims to accelerate and develop ideas that address social and environmental issues in Malaysia. The Distro Dojo track is led by 500 Start-ups and targets growth-stage start-ups in the ASEAN region. Cradle Fund seeks to boost the quantity and quality of innovations and technology start-ups through direct investments and coaching. Its Coach & Grow Programme is a public-private partnership with Proficeo that provides a C-level coaching programme to enable start-ups to scale up.

The Malaysian government's support for SMEs also includes business advisory services implemented by SME Corp Malaysia through its One Referral Centre. Various other government agencies are involved in providing capacity building programmes for SME in areas of exports (Malaysian External Trade Development Corporation), productivity (Malaysian Productivity Corporation) and technopreneurship development (Technology Park Malaysia). The Centre for Entrepreneur Development and Research, a wholly own subsidiary of SME Bank, implements the Leaders Entrepreneurship Acceleration Programme that aims to spur the growth of entrepreneurs.

### **Myanmar**

The start-up ecosystem in Myanmar is still at a very early stage with less than a handful of incubators and accelerators. Project Hub Yangon was the first incubator in the country. Launched in 2012, it has run 3 incubation cohorts. In 2014, it ran Project W, a 6-month incubation programme for women entrepreneurs. Phandeeyar was founded in 2014 and has since become a leading technology incubator. In 2016, it launched the country's first-ever acceleration programme. Ideabox is a community of Myanmar entrepreneurs that offers incubation and acceleration programmes with a focus on technology start-ups. Opportunities Now seeks to build an entrepreneurship development system for the BoP population that contributes towards poverty alleviation in the country.

### **Philippines**

The Go Negosyo Act enacted in 2014 led to the establishment of Negosyo Centres which provide support services for MSMEs under the supervision of the MSME Development Council. These Centres are tasked with simplifying the business

application process and availing existing incentives to MSMEs including advisory services, facilitating access to financial assistance, management guidance, and mentorship. They are also responsible for establishing and maintaining the Philippine Business Registry Databank which serves as a repository of business information. As of January 2017, a total of 448 Negosyo Centres have been established across the country.<sup>389</sup> Other notable MSME support programmes initiated by the Department of Trade and Industry are Domestic Trade Exchange (DTEX), which supports MSMEs in marketing and market penetration, and OTOP ("One Town, One Product") Makati, which allows MSMEs to showcase their products in Metro Manila.<sup>390</sup>

As start-ups garner increasing interest from the government and general public, the number of incubators and accelerators operating in the country has also been on the rise. Notable ones include Kickstart Ventures, a subsidiary of Globe Telecom, and Ideaspac, backed by Smart Communications, which collaborated with the Department of Science and Technology-Information and Communications Technology Office (DOST-ICTO) in the drafting of the Philippine Roadmap for Digital Start-ups.<sup>391</sup> Other well-known incubators are Launchgarage and DOST-University of Philippines Enterprise Centre for Technopreneurship.<sup>392</sup> Incubators that focus on social start-ups include Xchange Inc. Social Incubator founded in 2011 and AIM-Dado Banatao Incubator launched by the Asian Institute of Management (AIM) and the Philippine Development Foundation in 2016.<sup>393</sup>

## Singapore

The Ministry of Manpower launched the Lean Enterprise Development (LED) scheme in October 2015 which will be piloted for 2 years. The objective of the Scheme is to support SMEs that want to be pioneers and early adopters of change: becoming more productive, more innovative, and more manpower-lean. In particular, the LED Scheme assists companies through: (i) aligning the efforts towards becoming more manpower-lean, with an emphasis on a stronger Singaporean core and better quality workers, (ii) providing transitional manpower support for early success and (iii) fostering closer coordination and wider outreach to SMEs.<sup>394</sup> A cross-agency taskforce was formed to implement the Scheme in a coordinated manner and to tap on relevant assistance schemes:

### Agencies involving in the Lean Enterprise Development Scheme

Assistance Schemes	Administering Agency	Description
<b>Automation Support Package</b>	SPRING	The Automation Support Package helps companies tap on a package of grant, tax and loan incentives to defray the cost of large-scale deployment of automation solutions across existing operations.

<sup>389</sup> <http://dti.gov.ph/programs-projects/negosyo-center>

<sup>390</sup> <http://dti.gov.ph/programs-projects>

<sup>391</sup> <http://www.dict.gov.ph/philippine-roadmap-for-digital-startups>

<sup>392</sup> <https://www.techinasia.com/5-notable-startup-incubators-philippines>

<sup>393</sup> <http://www.dealstreetasia.com/stories/philippines-aim-phildev-launch-new-startup-incubator-43598>

<sup>394</sup> Ministry of Manpower (2016)

<b>Building Information Model Fund</b>	Building and Construction Authority	The Building Information Model (BIM) fund helps firms build up BIM collaboration capability by defraying part of the cost incurred in training, consultancy, software or hardware. BIM Collaboration helps reduce design inconsistencies and costly reworks downstream.
<b>Business Improvement Fund</b>	Singapore Tourism Board	The Business Improvement Fund aims to encourage technology innovation and adoption, and the redesign of business models and processes in the tourism sector to improve productivity and competitiveness.
<b>Capability Development Grant</b>	SPRING	The Capability Development Grant is a financial assistance programme that helps SMEs build capabilities across 10 key business areas, ranging from raising service standards, adopting technology to staff training and overseas expansion.
<b>Enhanced iSprint</b>	Infocomm Media Development Authority	iSPRINT supports SMEs' use of technology to boost SMEs' productivity and growth.
<b>Inclusive Growth Programme</b>	Employment and Employability Institute	The Inclusive Growth Programme was launched by the Labour Movement in 2010 to catalyse industry re-development, promote inclusive growth and to ensure sharing of productivity gains with workers through higher wages.
<b>Mechanisation Credit</b>	Building and Construction Authority	The Mechanisation Credit scheme helps to defray the cost incurred in technology adoption by companies to improve productivity for their construction projects.
<b>Productivity Innovation Project</b>	Building and Construction Authority	The Project helps contractors to re-engineer site processes or adopt labour-efficient construction technologies to reduce site workers or improve site productivity.
<b>WorkPro</b>	Workforce Singapore	Employers can receive funding support under WorkPro to enhance work-life harmony and implement age-friendly workplaces.

Source: Ministry of Manpower (2016)

Singapore's start-up support ecosystem is the most developed in ASEAN as the country witnessed a proliferation of private incubators and accelerators in recent years, the

majority of which focus on high-technology sectors. Notable ones are: The Biofactory (biomedical), Incuvest (technology), Azione Capital (digital media, mobile communications, energy and maritime industry), TNF Ventures (technology), TechCube8 (technology), FocusTech (hardware, manufacturing technology), Get2Volume (technology) and AccelerAsia (various sectors). In 2015, SPRING Singapore appointed 5 accelerators, namely Clearbridge, Singapore Medtech Accelerator, Zicom MedTacc, Med-Tech Alliance and Venturecraft Group, to co-invest and jointly nurture high-potential medical technology start-ups as part of the SGD70 million Sector Specific Accelerator Programme.<sup>395</sup>

## Thailand

The government of Thailand has been active in promoting local entrepreneurship through a variety of support programmes. The New Entrepreneurs Creation Programme under the Department of Industrial Promotion, Ministry of Industry, supports new start-ups and early-stage entrepreneurs to launch their business and build their capabilities by providing a 60-hours training programme.<sup>396</sup> It is offered at no cost to participants. The programme includes training on business planning and managerial skills, company visits, access to an advisory service after training, access to marketing channels such as trade fairs, and business matching.

Drawing its inspiration from Japan's One Village One Product programme, the One Tambon One Product (OTOP) programme is a local entrepreneurship stimulus programme to support enterprises that produce locally made and marketed products (Tambon is Thai for sub-district).<sup>397</sup> OTOP has been one of the primary SME and entrepreneurship programmes in Thailand with a budget of just under THB1 billion. The main target groups are SMEs and entrepreneurs in regional communities. OTOP covers a large array of local products, including handicrafts, cotton and silk garments, pottery, fashion accessories, household items, and foods. The programme selects one superior product from each "tambon" to receive formal branding as a "starred OTOP product", and facilitates local and international promotion of these products.

The Industrial Assistance Technology Programme led by the National Science and Technology Development Agency (NSTDA) provides assistance to SMEs to adopt technology-based products and processes. The programme acts as an intermediary between research specialists and entrepreneurs and offers training and consultancy in areas of techno-business and technology acquisition. The Thai Business Incubators and Science Parks Association is another initiative led by NSTDA in collaboration with the Office of the Higher Education Commission (OHEC) and Office of Small and Medium Enterprises Promotion (OSMEP). It provides training workshops, advice and support from government agencies and private sector to new entrepreneurs.

The Association for the Promotion of Thai SMEs (ATSME) is a private-led initiative by industrial entrepreneurs who were trained by the Department of Industrial Promotion.<sup>398</sup> Founded as an NPO in 1981, ATSME organises training programmes for small enterprises

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<sup>395</sup> <https://www.spring.gov.sg/Nurturing-Startups/Pages/sector-specific-accelerator.aspx>

<sup>396</sup> <http://www.naisit.org/journal/paper/id/137>

<sup>397</sup> <http://www.thaiembassy.sg/friends-of-thailand/p/what-is-otop>

<sup>398</sup> <http://www.we-apec.com/directory/association-promotion-thai-smes-atsme>

and also helps in matching business activities between members, barter trade, good exhibition, e-commerce and products exhibition internationally.

Private-led incubation programmes, especially for youths, have been on a rise in recent years. The BANPU Champions for Change programme, which began in 2011, aims to enable young people to drive social change through providing seed funding and incubation support. The programme is a partnership between BANPU Public Company Limited and ChangeFusion Institute. The Thai Young Philanthropist Network (TYPN) runs a youth entrepreneurship programme that provides business consultation and training to students and teachers in universities.<sup>399</sup> TYPN also hosts a social enterprise business plan competition for young Thai entrepreneurs.

## **Vietnam**

Vietnam has seen a proliferation of technology incubators and accelerators in recent years. Riding on the wave of fast growing VC investments in the country, numerous local incubators and accelerators have emerged including: Vuon Uom Vat Gia, Saigon Hi-Tech Park Incubation Centre, Hatch!, Hub.It. CSIP and Spark are two prominent incubators dedicated to social entrepreneurs. In total, they supported 98 social initiatives between 2009 and 2014.

Impact investors such as Oxfam, LGT IV typically combine funding with technical support. Homegrown Lotus Fund, for instance, offers incubation support including business plan creation, financial projection, prototyping products, fundraising, as well as support for Series B funding. SEAF Blue Waters Growth Fund focuses on SEs at the expansion stage. Vietnam Climate Innovation Centre, an initiative by World Bank, provides technology commercialisation, incubation and acceleration support including business planning and development, financial management, university partnerships, investment advisory services in addition to grants and first-loss equity investments.

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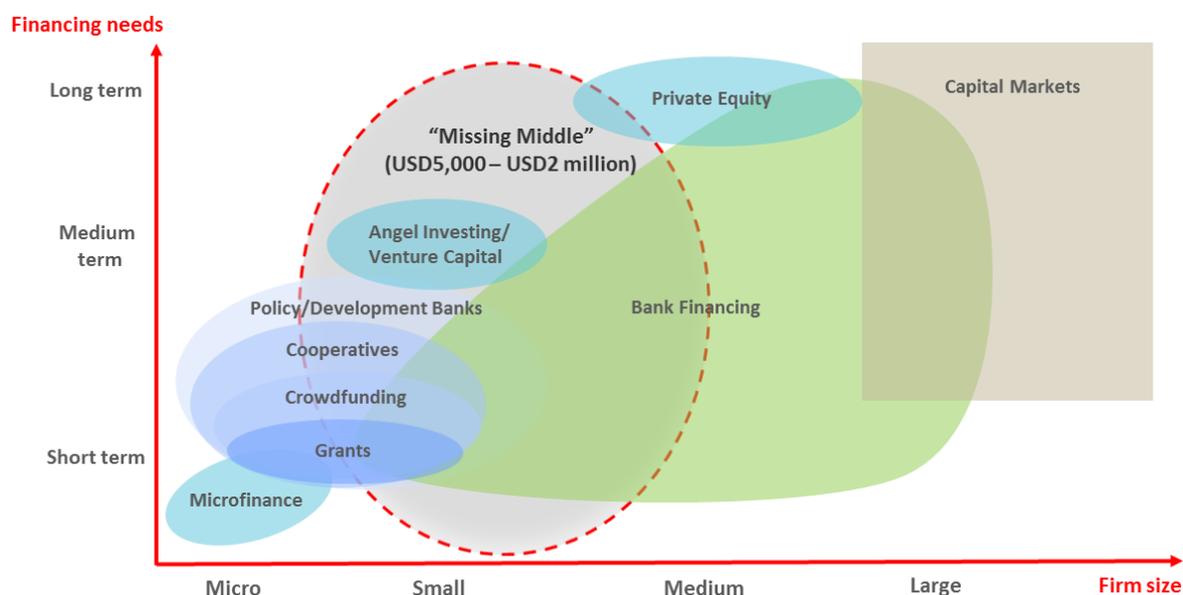
<sup>399</sup> <http://www.typn.org/>

## 5. The ‘Missing Middle’ in SME Financing

As evident in Section 4.2, the availability and accessibility of financing mechanisms for MSMEs in the 10 AMS appear to closely correlate with stages of economic development. On the one hand, alternative finance including crowdfunding, angel investing and venture capital is proliferating in the more developed AMS such as Singapore and Malaysia, providing local MSMEs with more funding options besides traditional bank loans. Further, the Singapore and Malaysian governments also offer more public or public-private partnership schemes aimed at increasing the amount of grants, loans and equity investment into start-ups, early-stage ventures and SMEs. On the other hand, bank loans and microfinance remain dominant in the less developed ASEAN economies although alternative financing has emerged and, in some cases, started to gain traction. Governments in these countries have started to promote and regulate alternative financing in light of its growing importance in fostering the MSME sector, particularly high-growth start-ups and early-stage SMEs.

Nonetheless, as with other emerging economies, there exists a sizeable MSME financing gap in ASEAN, especially among the lower-middle-income and low-income economies. SMEs’ funding needs, and even micro-enterprises’, are often too large to be served by MFIs and too small for commercial financial institutions. Financing options currently available to smaller enterprises are not as comprehensive as those for larger ones (see Figure 2). The unmet needs for finance among MSMEs constitute the ‘missing middle’.

**Figure 2: Financing Mechanisms and Their Availability to MSMEs**



Source: Adapted from IFC & McKinsey and Company (2010, p.8) and IFC (2010, p.17)

This section discusses the challenges of ‘missing middle’ in MSME financing in the 10 AMS. In light of the sparse literature related to ASEAN on this topic, a regional analysis will be conducted with a special focus on responsible and inclusive financing, particularly in terms of gender equality in the agricultural value chain. Country-specific data and case studies will be highlighted if available. Hypotheses will be formed to shed

light on factors that contribute towards the 'missing middle' phenomenon based on primary and secondary research.

## 5.1. Overall SME Financing Gap

### SMEs

Globally it has been estimated that 12 to 15 million (45-55%) formal SMEs in emerging markets have difficulties accessing credit, which amounts to USD0.7-0.85 trillion.<sup>400</sup> Small enterprises are severely underserved as compared to medium enterprises (49-59% versus 18-22%).<sup>401</sup> The total credit gap in ASEAN-8 amounted to USD45.4 billion with a per enterprise average of USD184,000 as of 2011 (see Table 2). This credit gap is defined as the difference between formal credit provided to SMEs and the total estimated potential need for formal credit. Indonesia and Thailand saw the highest credit gap of USD11.8 billion but Singapore registered the highest average per enterprise credit gap of USD856,000, followed by Malaysia and Thailand (USD126,000).

**Table 2: SME Credit Gap in ASEAN-8**

Country	Total Credit Gap (USD billion)	Average Credit Gap per Enterprise (USD)
Cambodia	0.4	50,000
Indonesia	11.8	29,000
Malaysia	8.0	126,000
Myanmar	n.a.	n.a.
Philippines	2.0	59,000
Singapore	7.1	856,000
Thailand	11.8	126,000
Vietnam	4.3	42,000
ASEAN-8 Average	6.5	184,000

Source: Wignaraja and Jinjarak (2015, p.5) based on IFC Enterprise Finance Gap Database (2011)

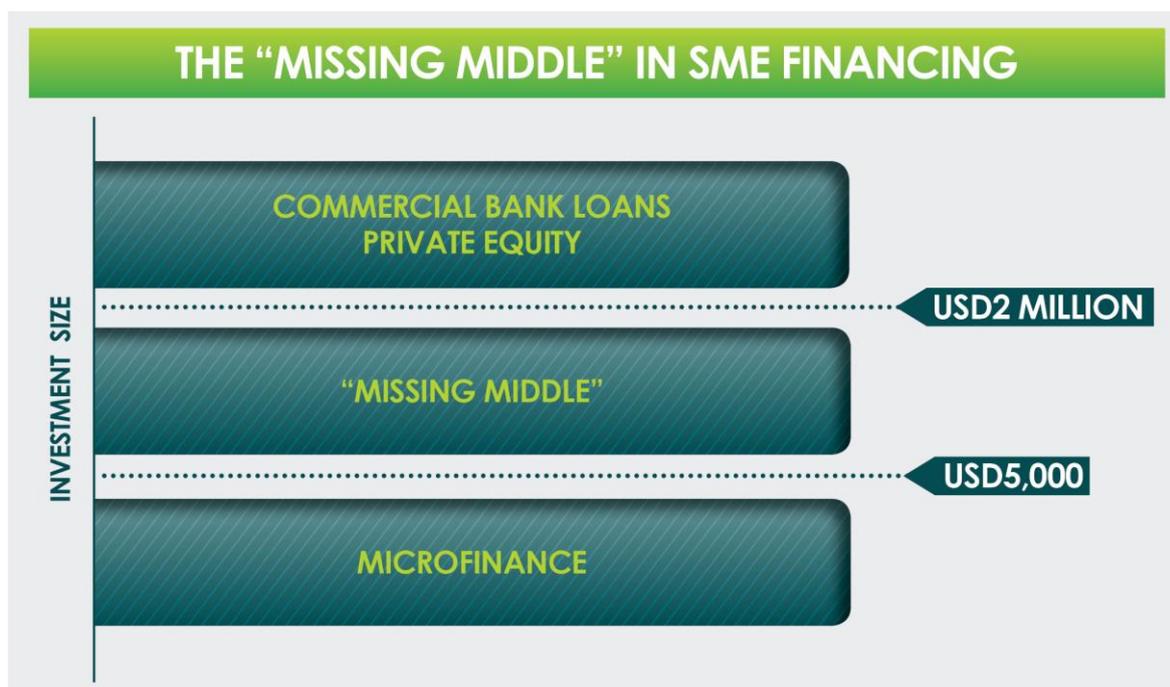
Note: "Credit gap" is defined as the difference between formal credit provided to SMEs and total estimated potential need for formal credit. Data for Brunei and Myanmar is not available.

Since the data presented in Table 2 is aggregate across the SME sector, it does not indicate the range of underserved financing needs. Fundamentally, the 'missing middle' refers to loans and equity investments that are rarely available in the size range between the maximum amount MFIs can lend and the minimum amount where large enterprise lending and private equity begin (see Figure 3).

<sup>400</sup> IFC (2010b, p.14)

<sup>401</sup> IFC (2010b, p.14)

**Figure 3: The ‘Missing Middle’ in SME Financing**



Source: Adapted from IFC (2010b, p.17, Figure 9)

Existing literature points to a relatively wide financing gap for early- to growth-stage SMEs from as low as USD5,000<sup>402</sup> to up to USD2 million.<sup>403</sup> Nonetheless, this range may differ among the AMS since maximum loan sizes vary across MFIs in the region. Further, microfinance policies also affect the size of the ‘missing middle.’ For instance, Vietnam imposes the upper threshold for MFI loans at VND30 million (about USD1,300), suggesting that its SME financing gap might be wider than the aforementioned range.<sup>404</sup>

In this respect, it is important to note that the majority of ASEAN-10 governments have put in place various grant, loans, and equity investment schemes in an effort to bridge the gap where banks and private equity investors might be reluctant to enter,<sup>405</sup> although data is not sufficiently available to assess the extent to which such schemes have met SME financing needs. Further, alternative financing including angel investing, VC, and crowdfunding has emerged in ASEAN, providing a viable mechanism for filling the ‘missing middle’ in SME financing. For example, Crowdo, one of the largest crowdfunding platforms, offers investment sizes of up to SGD5 million (USD3.5 million) and MYR3 million (USD674,000) for a 12-month period. Angel groups such as the Singapore-based Business Angel Network of Southeast Asia (BANSEA) invest within a fairly wide range from USD100,000 to USD1 million.<sup>406</sup> However, the nascent nature of these non-bank mechanisms in most ASEAN economies means that it is still too early to ascertain their impacts on the regional SME financing landscape.

<sup>402</sup> Intellectap (2010, p.1)

<sup>403</sup> Benink and Winters (2016, p.9)

<sup>404</sup> <http://e.vnexpress.net/news/travel-life/where-vietnam-s-poor-go-to-borrow-3476247.html>. Myanmar also sets an upper limit of USD5,000 for MFI loans – see <http://www.mmtimes.com/index.php/business/13784-microfinance-stagnates-due-to-tough-rules.html>.

<sup>405</sup> See Section 4.2 and Annex for more details.

<sup>406</sup> <https://www.bansea.org/faq-for-entrepreneurs/>

While there is a dearth of literature that uncovers factors underpinning the 'missing middle' phenomenon, a 2015 quantitative study by Wignaraja and Jinjarak that investigates the constraints that SMEs in ASEAN and China sheds some light. It finds that SMEs tend to rely on internal resources rather than seeking external finance. When SMEs try to obtain external finance, they typically approach informal non-bank credit sources more than banks. Further, export participation, firm age, and financial records were found to be positively correlated to access to bank loans. Fourth, firm owners' personal assets are generally preferred as collateral compared to other collateral types.

A primary study of 1,178 enterprises in ASEAN and China conducted by the Economic Research Institute for ASEAN and East Asia (ERIA) in 2010 provides a fairly comprehensive picture of the region. Of the 10 AMS, 6 are covered by this extensive study, namely Cambodia, Indonesia, Malaysia, Philippines, Thailand, and Vietnam. Overall, the key findings support the observation that SMEs in ASEAN still rely on internal funds at both the start-up phase and the expansion phase. Although external financing is crucial to firm growth, innovation capability, and access to export markets, the uptake is generally low, particularly in less developed AMS. Stages of economic development and enterprise size correlate with the range of financing options that SMEs can access. Specifically, larger SMEs in more developed economies can obtain bigger loans with longer tenors and at lower interest rates than smaller ones. Further, SMEs with poor business plans and less favourable financial conditions, as reflected by the owners' net worth, collateral value, financial statements and cash flow, are subject to higher risk premiums set by banks. Corporate responsibility and inclusive business models are generally not factored into financial institutions' funding decision. On the flip side, underdeveloped financial markets in many less mature ASEAN economies give rise to bias against financing start-ups and less well-established firms.

Deep dives into 6 AMS unveil country-specific financial constraints facing SMEs:

### *Cambodia*

In Cambodia, the survey results indicate that the uptake of external financing mechanisms including government schemes has been low. In particular, 46.7% and 23.9% of surveyed enterprises secured access to bank loans and microcredit, respectively, while an overwhelming 88.3% relied on personal savings.<sup>407</sup> It is also worth noting that only 0.56% obtained credit from government agencies and government grants.<sup>408</sup> Overall, the lack of reliable accounting practices and asymmetric information make it costly for banks to lend to MSMEs. Collateral is thus often required for formal bank loans. However, inadequate legal provisions pertaining to property right protection make it difficult for many enterprises to secure collateral. While MFIs have played a key role in filling this gap, high interest rates, small loan sizes, and short repayment periods are barriers that have exacerbated the country's 'missing middle'. The survey also signifies the lack of government support in terms of improving access to finance for MSMEs.

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<sup>407</sup> ERIA (2010, p.99)

<sup>408</sup> ERIA (2010, p.99)

### *Indonesia*

In the case of Indonesia, 56% of the SME respondents were able to access external finance including banks, MFIs, cooperatives, the government and suppliers.<sup>409</sup> Nonetheless, only 3.1% solely relied on external finance, which indicates that internal resources remain crucial to firm survival and growth.<sup>410</sup> Enterprises that had inadequate access to external finance cited high transaction costs, collateral, and lack of a sound business plan, as reasons for the low uptake. From the lenders' perspective, surveyed financial institutions specified poor credit history, poor business plan, and insufficient sales and cash flow as the most common reasons for rejecting loan applications.

### *Malaysia*

In Malaysia, between 78.6%-92.3% of surveyed start-ups and SMEs relied on trade credit from suppliers while 41.7%-76.9% used personal savings.<sup>411</sup> Retained earnings is another major source of funding, accounting for 38.5%-78.6% of respondents. Between 21.4%-38.5% obtained commercial and personal loans.<sup>412</sup> Microcredit seems insignificant as only 7.4% of respondents in the employment size of 6-49 indicated using it. Interestingly, only 16.7% of surveyed enterprises of employment size of 1-5 and 3.6% of employment size of 6-49 reported securing government funds.<sup>413</sup> Overall, the survey results suggest that although bias against small enterprises remain, in general access to finance for start-ups and SMEs in Malaysia is above regional average with a relatively enabling environment. Respondents pointed to the lack of electronic transactions and the poor coordination between regulatory bodies as major impediments in terms of access to finance. While the uptake of government funds seems low, it is important to note that the Malaysian government's support schemes largely target high-growth technology start-ups and SMEs.<sup>414</sup>

### *Philippines*

In the Philippines, 42% of the surveyed respondents had never used external financing, citing reasons such as sufficient internal funds, high interest rates, borrowing risk, collateral, and insufficient track record.<sup>415</sup> Among respondents who tried to obtain external finance, 78% and 11% approached banks and MFIs, respectively, while 8% sought equity financing.<sup>416</sup> Most of the enterprises that chose banks indicated that banks usually offered the best credit terms and conditions. Of all enterprises that applied for bank credit, 46% said no collateral was required.<sup>417</sup> The amounts of credit requested averaged at USD150,000 ranging from a minimum of USD529 to a maximum of USD2 million.<sup>418</sup> The survey also showed that the root cause of the relatively low uptake of external financing mechanisms does not lie in the supply of such mechanisms,

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<sup>409</sup> ERIA (2010, p.287)

<sup>410</sup> ERIA (2010, p.287)

<sup>411</sup> ERIA (2010, p.251)

<sup>412</sup> ERIA (2010, p.251)

<sup>413</sup> ERIA (2010, p.251)

<sup>414</sup> See Annex for more details.

<sup>415</sup> ERIA (2010, p.320)

<sup>416</sup> ERIA (2010, p.322)

<sup>417</sup> ERIA (2010, p. 325)

<sup>418</sup> ERIA (2010, p.322)

but in the challenges in accessing them.<sup>419</sup> Further, banks pointed to the lack of credit information as one of the primary reasons for not lending to MSMEs.<sup>420</sup>

### *Thailand*

In the case of Thailand, only 30% of the SME respondents' financing came from external sources.<sup>421</sup> More than 90% of surveyed firms financed their business from own savings, followed by retained earnings.<sup>422</sup> While 80% sought bank loans in the past, only 33% looked for credit extension and/or new credit lines within a year preceding the survey.<sup>423</sup> Surveyed SMEs also reported a common set of obstacles when accessing bank loans that include: inadequate collateral, lack of business experience, lack of a sound business plan, non-performing loan history and high transaction costs.<sup>424</sup> Thai banks' reliance on collateral-based lending and lack of know-how for assessing enterprise credit risks further exacerbate the SME financing gap in Thailand.<sup>425</sup> In general, successful loan applications must demonstrate high sales to assets ratio, low leverage ratio, a business track record, and collateral value.<sup>426</sup>

### *Vietnam*

In Vietnam, internal financing, including family and friends, accounted for nearly 66% of the surveyed SMEs' total capital. 55.6% of the respondents did not seek any form of external financing in the 12 months preceding the survey.<sup>427</sup> However, while start-ups tend to rely more on internal funds (43.8%), this seems to decline as firms grow (30.8%).<sup>428</sup> 37.9% and 21.9% of start-up respondents sought bank loans and loans from angel investors, respectively, while only 3.6% obtained microcredit.<sup>429</sup> 53.5% of the surveyed firms obtained bank loans and credit lines including credit cards as they maintained and/or expended their business operations.<sup>430</sup> 5.9% reported securing loans from government agencies, of which the People's Credit Fund emerged as the primary source.<sup>431</sup> Respondents indicated lack of collateral, lack of business track record, micro size and no participation in production networks as barriers to accessing external finance.<sup>432</sup>

## **Agricultural entrepreneurs**

Access to external finance are particularly challenging for micro and small-scale farmers and agribusinesses. In the Philippines, for instance, while banks are mandated to allocate 25% of their loan portfolio to farmers and agribusinesses as part of the Agri-Agra Law, implementation has been problematic.<sup>433</sup> Minimum loan amounts required

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<sup>419</sup> ERIA (2010, pp.343-344)

<sup>420</sup> ERIA (2010, p.344)

<sup>421</sup> ERIA (2010, p.7)

<sup>422</sup> ERIA (2010, p.209)

<sup>423</sup> ERIA (2010, p.210)

<sup>424</sup> ERIA (2010, pp.7-8)

<sup>425</sup> ERIA (2010, p.8)

<sup>426</sup> ERIA (2010, p.215)

<sup>427</sup> ERIA (2010, p.163)

<sup>428</sup> ERIA (2010, p.165)

<sup>429</sup> ERIA (2010, p.165)

<sup>430</sup> ERIA (2010, p.166)

<sup>431</sup> ERIA (2010, p.166)

<sup>432</sup> ERIA (2010, p.6)

<sup>433</sup> Stakeholder consultation in Manila, April 2017

by banks are typically too big for these enterprises. Farmers usually need PHP10,000 to plant a crop for 3 months while minimum loans sizes are around PHP20,000.

Farmers' lack of financial literacy, poor access to information, power imbalance relative to other players in the agricultural value chain further exacerbate their financing constraints. Meanwhile, banks lack the necessary manpower to provide assistance to as well as monitor the farmers. In Indonesia, while farmers are often organised into cooperatives and farmers' organisations, banks are still reluctant to lend to such collective businesses.<sup>434</sup>

### **Women entrepreneurs**

Women entrepreneurs tend to face more formidable financial hurdles than their male counterparts. Mainstream financial institutions in general do not give priority to women borrowers and there is a dearth of inclusive financing options that target women.<sup>435</sup> In some AMS, women are not traditionally recognised as formal fishers and thus not entitled to receiving formal support such as government insurance. Such perceptions have also hindered them from obtaining external finance.<sup>436</sup>

According to a survey of women-owned SMEs in Malaysia, Philippines, and Thailand conducted by the Asia Foundation in 2013, women do not have the same level of resources as men to tackle financial challenges.<sup>437</sup> 21% of the surveyed women owners indicated loan application paperwork as one of the obstacles in accessing finance compared to 13% of surveyed men owners.<sup>438</sup> Even among export SMEs, 29% of women respondents cited loan paperwork as a challenge compared to 14% of men respondents.<sup>439</sup> In Thailand in particular, the process to obtain a loan from the SME bank is typically longer than from a commercial bank, implying a serious limitation in government SME support initiatives.

Further, women also find the land titling process more cumbersome than men with 67% indicating it was very difficult or difficult compared to 59% of men, which affects their use of land as collateral.<sup>440</sup> The survey also pointed to a low level of uptake among women entrepreneurs in terms of government support services. Only 38% of women owners participated in trade fairs, 32% in regulatory training, and 26% in skills training.<sup>441</sup> In addition, 91% of men owners reported using a computer compared to 81% of women owners.<sup>442</sup> This implies that access to technical assistance among women-owned SMEs needs to be improved for them to overcome financial and overall business challenges.

Another recent survey by Women's World Banking conducted in 2015 in Cambodia, Indonesia, Myanmar, the Philippines, and Vietnam points to a similar set of obstacles that women face when seeking external finance. These are: lack of documentation required by banks and other credit providers, challenging loan application process, low levels of financial literacy, high transaction costs, lack of collateral and lack of a support

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<sup>434</sup> Stakeholder consultation in Jakarta, May 2017

<sup>435</sup> Stakeholder consultation in Jakarta, May 2017

<sup>436</sup> Stakeholder consultation in Jakarta, May 2017

<sup>437</sup> Asia Foundation (2013, p.16)

<sup>438</sup> Asia Foundation (2013, p.18)

<sup>439</sup> Asia Foundation (2013, p.18)

<sup>440</sup> Asia Foundation (2013, p.28)

<sup>441</sup> Asia Foundation (2013, p.28)

<sup>442</sup> Asia Foundation (2013, p.23)

network. However, Women's World Banking identifies the Philippines as having the most enabling environment for women entrepreneurs with 93% of surveyed women-owned SMEs having obtained commercial bank loans as compared to 49% in Vietnam and 44% in Indonesia.<sup>443</sup>

## 5.2. Responsible and Inclusive Financing Gap

As shown in Section 4.2, the extent to which existing financing mechanisms in ASEAN-10 promote responsible and inclusive business practices remains low, as reflected by the small number of responsible and inclusive financing options. National governments and international development agencies remain key in launching responsible and inclusive finance programmes. For instance, the Singapore government has instituted multiple green financing schemes aimed at increasing national energy efficiency administered by the National Environment Agency (NEA) and the Building and Construction Authority (BCA). The Malaysian government established the Green Technology Financing Scheme to promote investments in green technology. The state-owned Malaysia Debt Ventures Bhd also focuses on investing in green technology. In Vietnam, green financing programmes such as the Green Credit Trust, the Green Investment Facility and the Global Climate Partnership Fund were launched by the Swiss State Secretariat for Economic Affairs (SECO), the Danish government and IFC, respectively. Additionally, World Bank funds the Sustainable Agriculture Transformation Project (vnSAT) that aims to disseminate sustainable agricultural practices in the Mekong Delta and the Central Highlands. While responsible practices, particularly with regards to environmental, social and governance (ESG) factors, have gained traction among private equity investors and venture capitalists, such considerations are largely lacking in the formal financial sector.<sup>444</sup>

There is, therefore, a vast space for social investors to develop and scale responsible and inclusive business models in the region. As discussed in Section 3, while mature inclusive businesses in ASEAN are sparse and not well documented, successful models have emerged in a wide array of sectors including agriculture, education and vocational training, energy and retail. Potential thus abounds for private sector investors to emulate these successes as well as nurture new innovative business models that pursue a dual bottom line of impact and profit. Impact investment, for instance is growing its footprint in ASEAN, albeit from a very small base. Southeast Asia receives only 6% of global impact investment capital, amounting to about USD912 million.<sup>445</sup> Overall, inclusive businesses are estimated to make up only 1-2% of all SMEs in the region.<sup>446</sup>

Further, an analysis of investment sizes of responsible and impact investors active in ASEAN shows that there exists a sizeable gap for USD200,000 and below as most investors wish to invest above USD200,000 (see Table 3). Stakeholder consultations and interviews with members of the Asian Venture Philanthropy Network (AVPN) suggest that funding of up to USD500,000 is generally deficient.<sup>447</sup> Recent literature confirms the existence of

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<sup>443</sup> Women's World Banking (2015, p.8)

<sup>444</sup> Stakeholder consultation in Bangkok, June 2017

<sup>445</sup> Global Impact Investing Network (2016).

<sup>446</sup> Interview with Insitor Management, March 1<sup>st</sup> 2017

<sup>447</sup> Stakeholder consultation in Bangkok, June 2017

the 'missing middle', or 'valley of death', in impact financing – a lack of patient capital available for early-stage inclusive business models.<sup>448</sup>

**Table 3: Responsible and Impact Investors Active in ASEAN**

Investor	Geographic Focus in ASEAN	Investment Size
ANGIN	Indonesia	USD5,000 – USD500,000
Arun LLC	Cambodia	USD50,000 - USD100,000~
Kinara Indonesia	Indonesia	USD50,000 - USD200,000
Mercy Corps Social Venture Fund	Indonesia	USD50,000 - USD300,000
Accion Venture Lab	Myanmar, Philippines	USD100,000 - USD500,000
East Ventures	Indonesia, Malaysia, Singapore, Thailand	USD100,000 - USD500,000
Anthem Asia	Myanmar	USD100,000 - USD1.5 million
Omidyar Network	Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam	USD100,000 - USD10 million
Patamar Capital	Indonesia, Philippines, Vietnam	USD200,000 – USD2 million
LGT Impact Ventures	Indonesia, Philippines, Thailand	USD200,000 - USD10 million
ICCO Investments	Cambodia, Indonesia, Philippines	USD213,500 - USD 854,000*
Phitrust Asia	Indonesia, Thailand, Vietnam	USD250,000
Insitor	Cambodia, Myanmar, Vietnam	USD250,000 - USD3 million
IIX Growth Fund	Indonesia, Philippines	USD250,000 - USD5 million
Lotus Impact Fund	Vietnam	Minimum USD250,000
SEAF Blue Waters Growth Fund	Vietnam	USD300,000 - USD2 million
Aavishkaar	Indonesia	USD500,000 -USD5 million
Uberis Capital	Cambodia, Laos, Vietnam	Minimum USD500,000
Grassroots Business Fund	Indonesia	Minimum USD500,000
Root Capital	Indonesia	USD550,000#
Rare's Meloy Fund	Indonesia, Philippines	USD1 million+
responAbility	Indonesia, Thailand	USD1 million - USD2 million
Mekong Brahmaputra Clean Development Fund	Cambodia, Laos, Thailand, Vietnam	USD1 million - USD7 million

<sup>448</sup> Benink and Winters (2016), Palladium (2017), Oxfam (2017)

Emerging Markets Investment Advisers	Cambodia, Laos, Myanmar	USD1 million - USD15 million
Unitus Capital	Indonesia, Philippines	USD2 million - USD4 million
Leapfrog Investments	Indonesia, Thailand	USD10 million - USD50 million

Source: AVPN's analysis

Notes:

~EUR47,000 - EUR94,000

\*EUR200,000 – EUR800,000

#Based on Root Capital's investment in Indonesian coffee cooperative Ketiara.

+Based on Rare's investment in Philippines-based seafood processing company Meliomar Inc.

In particular, impact-driven enterprises targeting the Bottom of the Pyramid (BoP) populations are pioneering untested models that are inherently risky and thus require investors with higher risk tolerance and a longer return horizon to open up these new markets and pave the way for subsequent investments. According to Oxfam (2017), most impact-driven enterprises that contribute to poverty alleviation take 7-10 years to come close to financial break-even while most impact investors adopt 10-year closed-end funds modelled after private equity, which do not match the low and slow financial growth characteristics of such enterprises.<sup>449</sup>

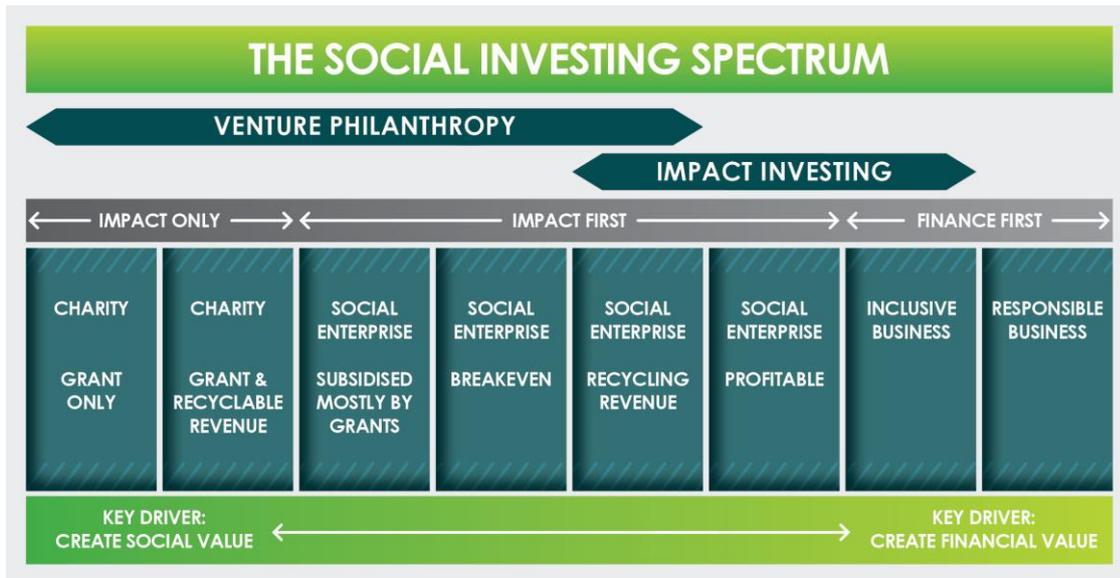
The literature on impact investment has called for more philanthropic capital aimed at maximising impact while accepting zero to below-market financial returns.<sup>450</sup> Venture philanthropy, defined as a high-engagement, outcome-focused philanthropic approach that combines the use of tailored financing instruments (grants, debt, equity, etc.) and non-financial support to enhance the long-term viability of non-profits and social enterprises, is ideally and uniquely positioned to build the pipeline for impact investors, thereby bridging the sizeable 'missing middle' in responsible and inclusive MSME financing (see Figure 4).<sup>451</sup>

<sup>449</sup> Oxfam (2017, pp.4-5)

<sup>450</sup> Monitor Group (2012), Alto (2012), Social Impact Investment Taskforce (2014), Bannick et al. (2017), Oxfam (2017)

<sup>451</sup> Social Impact Investment Taskforce (2014)

**Figure 4: The Social Investing Spectrum**



Source: AVPN

Nonetheless, a 2017 analysis of impact funds active in Southeast Asia shows that funds that aim for concessionary or market-rate returns on investment in seed and early-stage social ventures have the most difficulty raising capital as the risk level of the enterprises they invest in is generally considered to be too high.<sup>452</sup> Such funds therefore typically engage with foundations, philanthropists and government-related entities who accept below-market returns and higher levels of risk.

Government agencies and DFIs could also play a catalytic role in leveraging private sector impact investment to develop high-growth inclusive businesses. Leveraging refers to the use of public or development finance to 'crowd in' private capital by compensating private investors for what would otherwise be lower than their required risk-adjusted rates of return.<sup>453</sup> There is some evidence that investment into an impact fund by a government-related entity or a DFI increases the attractiveness of the investment.<sup>454</sup> The Australian Department of Foreign Affairs and Trade (DFAT)'s Investing in Women Initiative has been cited as one of such catalytic mechanisms. The Initiative aims to enhance women's economic empowerment in Southeast Asia through working closely with a few impact investors to tailor their services to women-owned and women-led SMEs.<sup>455</sup>

The nascent and fragmented nature of inclusive SMEs in ASEAN is posing significant constraints to social investing activity as shown in the lack of an investment-ready pipeline. Interviews with AVPN members reveal that SEs' investment readiness is one of the top challenges for social investors in the region, with many indicating that most of these businesses are too small and years away from the investment-ready stage.

<sup>452</sup> Palladium (2017, p.28)

<sup>453</sup> <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7082.pdf>

<sup>454</sup> Palladium (2017, p.27)

<sup>455</sup> <http://dfat.gov.au/about-us/business-opportunities/tenders/Documents/se-asia-investing-in-women-design.pdf>

According to Insitor, out of 10 enterprises that meet their impact criteria, only 1-3 are able to absorb their minimum investment.<sup>456</sup> Indonesia-based YCAB Ventures, which focuses on early-stage social ventures, has identified many deals across sectors but investment readiness remains problematic, creating a catch-22 situation whereby many investors chase a few investable deals.<sup>457</sup> Vietnam-based CSIP noted that the SEs they are currently supporting are still at the start-up phase while impact investors in Vietnam mostly target more mature enterprises.<sup>458</sup> These constraints highlight the importance of philanthropic capital approaches beyond traditional grantmaking in creating bridges across the 'missing middle'.

The distinctions between the start-up ecosystem and the social entrepreneurship ecosystem were also emphasised by many practitioners interviewed for this report. Insitor cited the example of Phandeevar which provides incubation and acceleration services to technology start-ups in Myanmar; however, such support remains lacking for inclusive SMEs.<sup>459</sup> Likewise in Vietnam, while the technology start-up ecosystem has become one of the most vibrant in the region, the ecosystem for impact-driven SMEs is very underdeveloped as the SE sector is not one of the government's priorities, nor is it incorporated in any government programmes supported by international development agencies.<sup>460</sup> Access to external finance such as banks, venture capital and private equity is remarkably challenging for profit-driven SMEs and even more so for impact-driven ones.<sup>461</sup>

Non-financial support, or technical assistance, is therefore crucial to strengthen the capacity of social entrepreneurs and augment their investment readiness. In many cases, the provision of technical assistance is the key to investment success.<sup>462</sup> Interviews with AVPN members unveil that while some impact investors provide technical assistance in the form of 'value creation', they typically support social ventures that are close to investing. However, many social entrepreneurs in ASEAN are lacking in hard business skills such as financial projection and operational management and thus need far more support than investors can provide.

In this regard, there appear to be silos of technical support providers as well as forms of technical support across different stages of SEs. Existing forms of technical support provided to seed and early-stage SEs seem inadequate to build up their capability to absorb larger investments. This signifies the need for philanthropic organisations and social investors that target less mature social ventures as well as SE incubators and accelerators to design more rigorous business training and coaching programmes. Collaboration with series A investors may also be required to increase the chances that supported SEs will subsequently receive institutional funding.<sup>463</sup>

Development to increase the effectiveness of social incubation is on its way according to a report jointly published by AVPN and the DBS Foundation in 2016. It finds that on

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<sup>456</sup> Interview with Insitor Management, March 1<sup>st</sup> 2017

<sup>457</sup> Interview with YCAB Ventures, January 13<sup>th</sup> 2017

<sup>458</sup> Interview with CSIP, January 19<sup>th</sup> 2017

<sup>459</sup> Interview with Insitor Management, March 1<sup>st</sup> 2017

<sup>460</sup> Interview with CSIP, January 19<sup>th</sup> 2017

<sup>461</sup> Interview with UNESCAP, February 3<sup>rd</sup> 2017

<sup>462</sup> Palladium (2017, p.30)

<sup>463</sup> Interview with LGT IV, January 11<sup>th</sup> 2017

average 47% of incubatees graduating from social incubators in Asia receive follow-on funding.<sup>464</sup> Relationships have proven to be key – it is important for incubators to connect their incubatees to funders through their well-connected mentors, partners, supporters and board members.<sup>465</sup>

### 5.3. Bridging the Responsible and Inclusive Financing Gap: Case Studies

This section provides deep dives on 5 case studies in which impact investors, venture philanthropy organisations, and incubators have bridged the 'missing middle' to effectively nurture impact-driven SMEs to bring about meaningful social impact in the region. In the case of Dragon Vietnam Investment, Oxfam has played a critical role in supporting the inclusive enterprise through funding and customised technical assistance, which signifies the potential of international NGOs to create impact through social investing approaches.

#### **Crowde – Indonesia**

Launched in February 2016, Crowde is a relatively new crowd-investing platform for sustainable agricultural projects in Indonesia with a focus on connecting farmers to retail investors. Crowde's mission is to assist micro and small-sized agribusinesses to become bankable through helping them to attract crowd capital. To this end, Crowde partners with community-based small-scale farmers (land ownership of less than 0.5 hectare) who are not eligible for traditional bank loans.

The investment is in the form of profit-loss sharing principle where borrowers and lenders share the return on a 50:50 or 60:40 basis. Investors can access the profile of each farms and invest from as low as IDR10,000 (around USD1). Crowde also provides portfolio recommendations based on potential return and risk for all the farmers featured in its portfolio.

Crowde partners with UnLtd Indonesia as part of the latter's incubation programme that provides customised funding and technical support. As of April 2016, Crowde had 40 active investors with a total amount of IDR250 million raised for 7 agricultural projects.<sup>466</sup> In April 2017, the number of eligible projects increased to 17, of which 8 had reached their investment goals, resulting in a total profit of IDR31.9 million. The team behind Crowde also hope that their beneficiaries can graduate successfully after being in their programme for 2 years.<sup>467</sup>

#### **Krakakoa – Indonesia**

Founded as Kakoa in 2013, Krakakoa is a social enterprise that sells craft bean-to-bar chocolate products while pursuing the social mission to empower Indonesian cocoa farmers through improving farm productivity, enhancing the quality of unfermented cocoa, and increasing farmers' incomes. On average, the farmers were recorded earning less than USD110 per month prior to Krakakoa's intervention.<sup>468</sup> At the same time, Krakakoa promotes and disseminates sustainable farming practices as it is

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<sup>464</sup> Low et al. (2016, p.22)

<sup>465</sup> Low et al. (2016, p.22)

<sup>466</sup> <https://www.hitsss.com/crowde-startup-bidang-pertanian-hubungkan-investor-dengan-petani-agar-bisa-raih-untung-besar/3/>

<sup>467</sup> <http://unltd-indonesia.org/775-2/>

<sup>468</sup> <https://www.lgtvp.com/en/portfolio/portfolio-overview/krakakoa/>

concerned about cocoa plantations that are encroaching on protected rainforest in South Sumatra, which endangers the nearby Bukit Barisan National Park.

Krakakoa selects and purchases high-quality fermented beans at up to double the market price. This incentivises farmers to actively improve the quality of their cocoa beans whilst increasing their incomes. To help farmers increase the quality of their produce, Krakakoa provides free tools and training, which takes between 8-16 weeks.<sup>469</sup> The training programme consists of theory and field practice in areas such as pest management, organic farming, farm sanitation. Emphasis is also placed on increasing farmers' knowledge of fermentation as, according to Krakakoa, Indonesian farmers are often not sufficiently trained to successfully complete the fermentation process.<sup>470</sup> As of 2016, 400 cocoa farmers had been trained and experienced an increase in revenue. Farmers are also committing to sustainable farming methods with 600 hectares of land being under sustainable farming practices, a jump from 90 hectares in 2014.<sup>471</sup>

As of 2015, Krakakoa was funded by LGT IV. The funding consisted of a grant and debt. In addition, LGT provides their investees with access to management best practices, business skills, strategic advice, and networking opportunities.<sup>472</sup>

### **Kennemer Foods International – Philippines**

Established in 2010 as a buying and post-harvest centre in Davao, Kennemer Foods International seeks to address the lack of high quality cocoa beans in the Philippines while promoting inclusive rural development. To this end, Kennemer has focused on sourcing for planting materials, providing training and agri-technology as well as linking farmers to export markets. At the same time, it promotes market transparency, fair value pricing for produce and sustainable farming practices that allow farmers to increase their yields and incomes. As a result, Kennemer has brought about a fourfold increase in farmers' incomes to about USD3,300 compared to the national average of USD555.<sup>473</sup> As of 2017, Kennemer had worked with 19,679 farmers in the Philippines,<sup>474</sup> and it aimed to increase this number to 35,000 farmers by 2020.<sup>475</sup>

Kennemer Foods International managed to secure funding from LGT IV including USD250,000 in debt and USD500,000 in equity. Additionally, it has obtained USD1 million in debt funding from LGT IV's clients to finance the development of additional post-harvest centres, nurseries, and a managed farm in cooperation with indigenous people in Davao.<sup>476</sup>

### **Grassroots Innovation Network – Thailand**

Founded in 2009, Grassroots Innovation Network is a social enterprise that benefits poor farmers in Thailand by providing technical assistance and market access. It organises about 10,000 farmers into cooperatives and provides tools and training to assist them in

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<sup>469</sup> <http://www.krakakoa.com/farmer-to-bar>

<sup>470</sup> <http://www.krakakoa.com/farmer-engagement>

<sup>471</sup> <https://www.lgtvp.com/en/portfolio/portfolio-overview/krakakoa/>

<sup>472</sup> <https://www.lgtvp.com/en/what-we-do/>

<sup>473</sup> <http://www.kennemerfoods.com/author/jyska-kuanken/>

<sup>474</sup> <https://www.pecc.org/resources/trade-and-investment-1/2277-the-role-of-micro-and-social-enterprises-in-promoting-inclusive-growth-lgt-venture-philanthropy/file>

<sup>475</sup> <http://svca.org.sg/wp-content/uploads/2015/10/SVCA-Awards-2015-Press-Release.pdf>

<sup>476</sup> <https://www.pecc.org/resources/trade-and-investment-1/2277-the-role-of-micro-and-social-enterprises-in-promoting-inclusive-growth-lgt-venture-philanthropy/file>

converting to organic farming.<sup>477</sup> As of 2013, farmers working with Grassroots saw an increase in incomes by 13% and profits by 133% as the adoption of organic farming had led to a reduction of about 70% of the costs.<sup>478</sup> During the following year, Grassroots Innovation Network converted over 1.12km<sup>2</sup> of chemical farmland into organic farmland, and provided over 350 farmer households with organic agriculture inputs, know-how, and market access.<sup>479</sup> Grassroots Innovation Network have been supported by both Bangkok-based ChangeVentures and LGT IV.<sup>480</sup> ChangeVentures provides start-up and early-stage funding while LGT IV's funding is in the form of a convertible loan.<sup>481</sup>

### **Dragon Vietnam Investment – Vietnam**

Dragon Vietnam Investment was established in 2012 and engages in growing ginger and gac. In addition to its own 125-hectare farm in Hoa Binh province, the company contracts and purchases products from more than 2,000 poor ethnic minority households in mountainous areas in Nghe An and other provinces.<sup>482</sup> Growing ginger and gac yields incomes of at least 3 times higher than growing traditional crops such as cassava, manioc and maize. Dragon Vietnam Investment is thus well positioned to promote positive social impact by sourcing from ethnic minority farmers, thereby increasing their incomes and improving their living standards.

In addition to purchasing from these farmers, Dragon Vietnam Investment provides training on best agricultural practices in agriculture including looking after plants and making organic fertilisers. One of the first 8 SMEs that participated in Oxfam's Inclusive Impact Investment Fund, Dragon Vietnam Investment is looking to train 3,000 more farmers. This partnership is expected to result in an income increase of 3-5 times for the farmers and employment opportunities for 150 women and men in the company's processing facilities.<sup>483</sup>

As part of the Inclusive Impact Investment programme, in addition to providing working capital, Oxfam partners with CSIP to assist investees to strengthen their business plans and management systems, alongside improving their performance in environmental, social, and governance aspects. Customised business coaching and support are also conducted for 4-6 months to prepare investees for the next round of investment, including operational management, financial management, leadership, human resources and impact measurement.

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<sup>477</sup> <https://www.lgtvp.com/en/portfolio/portfolio-overview/grassroots-innovation-company/>

<sup>478</sup> <http://changeofusion.org/grassroots-innovation-network-gin/?lang=en>

<sup>479</sup> <https://changeventures.asia/2014/06/20/gin/>

<sup>480</sup> <https://changeventures.asia/2014/06/20/gin/>

<sup>481</sup> <https://www.lgtvp.com/en/portfolio/portfolio-overview/grassroots-innovation-company/>

<sup>482</sup> Oxfam (2015, p.2)

<sup>483</sup> Oxfam (2015, p.4)

## 6. Policy and Initiative Proposals

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It is evident from Section 5 that there is a lot of room for public and private sector interventions for bridging the funding chasm facing SMEs in the region, particularly social entrepreneurs who experiment with untested inclusive business models targeting the Bottom of Pyramid (BoP) populations. This section puts forth proposals to foster effective financing mechanisms to fill the 'missing middle' in MSME financing as well as to spur the growth of MSMEs in ASEAN.

### 6.1. Responsible and Inclusive Conduct at the Core of the Business

While there has been a growing recognition of corporate social responsibility (CSR) as a strategic engagement, particularly at the regional level with the launch of the ASEAN Socio-Cultural Community Blueprint in 2009, current understanding and implementation of CSR remain largely limited across the AMS. CSR continues to be peripheral to the core business in the majority of enterprises in ASEAN, with corporate philanthropy being the dominant activity.

Beyond charity and philanthropy, CSR should be promoted as an integral component of every business model. Responsibility and inclusivity should form the core of the business. Responsible business is the practice of conducting business with consideration for ethical, environmental, and community goals in addition to being a good employer and attempting to make a profit. The principles that socially responsible businesses adopt include: respect for the law and the rule of law, accountability, transparency, and ethical behaviour; respect for stakeholder interests; respect for international norms of labour practices, consumer rights and human rights; environmental protection; adoption of fair operating practices and engagement in community development. Inclusive business refers to initiatives which ensure that the business applies non-discriminatory principles in its operations, and contributes to poverty reduction through the inclusion of lower income groups in its value chain.

While governments play a critical role in increasing awareness around responsible and inclusive business conduct, especially in relation to rule of law and stakeholder rights, businesses need to be more active in diffusing and strengthening fair operating practices along their respective supply chains. Large corporations should lead the way by building up the capacity of their SME suppliers. The provision of supply chain financing to and venture capital investment in high-potential start-ups and MSMEs should be promoted. Further, social responsibility and inclusivity need to be ingrained in credit and investment decisions by financial institutions.

ASEAN should foster a conducive ecosystem which supports businesses in their transition towards responsible business practices. A regional guideline – taking into consideration the drafted Regional Strategy on CSR and Human Rights in ASEAN – should be adopted and implemented in consultation with governments, businesses, CSOs and other stakeholders. Such regional initiatives promote active multi-stakeholder dialogues as well as identify specific roles for the different stakeholders in this collaborative effort.

### 6.2. Technical Support Deepening for MSMEs

Limited technical competencies are one of the major barriers MSMEs face in accessing external finance. MSME loan applications are typically rejected due to incomplete financial records, a sound business plan, and non-participation in production networks. Social investors often cite the lack of hard business skills such as financial projection and operational management on the part of social entrepreneurs in ASEAN as a significant hurdle in identifying potential investees. Women entrepreneurs tend to face more formidable financial constraints than their male counterparts. In general, women do not have the same level of resources as men to tackle financial challenges.

While AMS have extended technical support to MSMEs primarily in the form of advisory centres, such effort needs to be reinforced to equip MSMEs with hard business skills. In this respect, MSMEs could benefit tremendously from free or subsidised training courses conducted by universities or corporates, as well as entrepreneurial networks for peer support. One example is the ASEAN Mentorship Entrepreneurs Network (AMEN) newly set-up by the ASEAN Business Advisory Council (ASEAN-BAC). One-to-one consultations should also be provided at MSME advisory centres. Cross-sector collaboration between the public, private, and civil society sectors could prove effective in deepening technical support for MSMEs.

### **6.3. Financial Infrastructure for Improving Lending Efficiency for SMEs**

As shown in Section 4.2, the banking sector remains predominant in the regional financial system. Policies aimed at improving SMEs' access to debt instruments, through banks and/or MFIs, form the centrepiece of SME development frameworks in most AMS. Nonetheless, inadequate collateral, information asymmetry and high transaction costs have significantly undermined SMEs' ability to acquire bank loans. Improving lending efficiency for SMEs is thus critical in light of the prevalent reliance on bank loans in the region.

In this respect, there is a need to establish a dynamic financial infrastructure specifically tailored to SMEs. In developed countries, SME loan applications are assessed based on information supplied by credit bureaus.<sup>484</sup> In ASEAN, banks generally rely on audited financial statements, business plans and collateral value, which further increases the costs of assessing SMEs' bankability and poses formidable constraints to start-ups and SMEs with limited track record. SME credit rating infrastructure could therefore go a long way in mitigating information asymmetry and thereby improving SMEs' access to credit. As of 2015, only Singapore and Malaysia established the full infrastructure of SME credit rating.<sup>485</sup> Effort to harmonise SME credit rating methods at the regional level should also be explored.

Credit guarantees are playing an important role in addressing the SME credit gap in ASEAN with Indonesia, Philippines, Thailand and Vietnam adopting this policy tool to various extents. In principle, credit guarantees fill the credit supply-demand gap through partially or fully releasing SMEs from collateral requirements. However, potential risks of adverse selection and moral hazard inhibit stability of such tool. Further, the strong public nature of credit guarantee systems in ASEAN is also posing challenges to governments in terms of fiscal sustainability. Private-led guarantee businesses could

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<sup>484</sup> Innovations for Poverty Action (n.d.)

<sup>485</sup> ASEAN Secretariat (2015e, p.65)

therefore be encouraged to design demand-driven and risk-based products and services in accordance with a regulatory and supervisory framework instituted by the government.<sup>486</sup>

SMEs across the region cite inadequate collateral as one of the biggest constraints in accessing bank loans. Commercial banks remain reluctant to accept movable or intangible assets as collateral. Recognising this, several AMS including Indonesia, Cambodia, Malaysia, Laos and Vietnam have passed or reformed secured transactions laws for accepting moveable collateral.<sup>487</sup> These countries have also established collateral registries through which lenders can secure the registered collateral in the event of default. However, the implementation of the collateral law and collateral registry systems is still weak as evident in the low willingness among banks in accepting non-traditional collateral. Raising awareness among commercial lenders about the use of moveable assets as collateral as well as the process of securing such collateral could therefore help to improve SMEs' access to bank loans.

AMS could also benefit from a regional set of guidelines on collateral laws and registry systems. Such guidelines could draw on global best practices in drafting and enforcing laws on secured transactions and strong collateral registries and experiences of banks that are willing to extend loans secured by moveable collateral in the region. The guidelines should also set forth recommendations for effective implementation of secured transactions laws and collateral registries.

#### **6.4. Responsible Finance**

Financial intermediation is the backbone of every modern economy. While the banking sector continues to dominate the financing landscape in ASEAN, the notion of responsible finance has yet to permeate this critical financing mechanism. Research has shown that except for sanctioning 'sinful' industries such as gambling and illegal practices, other forms of responsible and inclusive business conduct have not been factored into banks' lending decision. Meanwhile, socially responsible investing and investing based on ESG criteria have gained significant momentum worldwide, signifying the need for mainstream financial institutions to follow suit.

Banking associations, therefore, have an important role to play in raising awareness about responsible finance among their members. Leading national banks should take the lead in this effort given their national presence and outreach. At the same time, governments should promote the enforcement of fair labour practices; consumer rights; human rights; ethical, environmentally friendly, and inclusive practices through banks' lending process. By sensitising banks to the fact that responsible and inclusive conduct are indicative of firms' long-term success, governments will be able to better integrate such conduct into the mainstream economy. Regional efforts should also be in place in partnership with CSOs to promote responsible finance among the wider financial sector in ASEAN.

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<sup>486</sup> ADB and OECD (2014)

<sup>487</sup> USAID (2013, pp.6-7)

## 6.5. Alternative Finance

The range of financial providers indicate the breadth of options entrepreneurs can take to secure the much-needed capital. As there remains a strong dependence on bank loans among MSMEs in ASEAN, the need to explore and promote alternative finance for MSMEs has become increasingly imperative.

The advent of crowdfunding, for instance, as well as the rise of venture capital have opened up new possibilities of securing capital for start-ups and SMEs. In this light, regulators' guidelines that encourage and allow experimentation of innovative financial products and services within the existing regulatory framework can be the crucial first step towards designing enabling regulations for alternative finance to flourish.

Further, digitalisation of financial services needs to be embraced by policymakers in the region. Harnessing technology for financial deepening in ASEAN requires greater collaboration between policymakers, industry associations and private sector experts. Regulators' guidelines that encourage and allow experimentation of innovative financial products and services within the existing regulatory framework can be the crucial first step towards designing enabling regulations for financial technology (fintech) to flourish. One such example is Singapore's fintech regulatory sandbox that aims to provide regulatory support to the country's burgeoning fintech landscape.<sup>488</sup>

Social investment, which encompasses highly engaged philanthropy, venture philanthropy and impact investment, has been increasingly recognised as a sustainable mechanism to support social enterprises and inclusive businesses and advance social good across the world. While philanthropy has a long-standing history in ASEAN, social investment is still a relatively nascent phenomenon in the majority of AMS. State-funded social investment funds could be launched to provide customised financial support and technical assistance for impact-driven MSMEs. Regulatory reforms for fostering social investment should also include improving the investment climate and removing barriers facing venture capitalists as well as MSMEs in receiving foreign capital.

## 6.6. Access to Microfinance Services and Technical Assistance for Microfinance Borrowers

Microfinance has been identified as a critical financing mechanism by many AMS, especially for agribusinesses and micro and small women entrepreneurs. Nonetheless, the terms of conditions for microfinance are not always clear to potential borrowers.<sup>489</sup> This indicates the need for greater transparency to mitigate risks as well as increase understanding and awareness among existing and potential borrowers. In addition, interest rates should be liberalised to allow MFIs to set their own risk-based rates and extend more credit to SMEs.<sup>490</sup> In Myanmar, for instance, interest rate ceiling and the USD5,000 limit of microfinance loans have hampered MFIs' efforts to extend their reach.<sup>491</sup>

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<sup>488</sup> <http://www.mas.gov.sg/Singapore-Financial-Centre/Smart-Financial-Centre/FinTech-Regulatory-Sandbox.aspx>

<sup>489</sup> USAID (2013, p.18)

<sup>490</sup> Interview with Accion International, January 17<sup>th</sup> 2017; interview with GIZ, March 7<sup>th</sup> 2017

<sup>491</sup> <http://www.mmtimes.com/index.php/business/13784-microfinance-stagnates-due-to-tough-rules.html>,  
<http://frontiermyanmar.net/en/allowing-myanmars-banks-to-compete>,  
<http://www.mmtimes.com/index.php/business/11918-loan-interest-rates-could-float-by-2015.html>

Equally crucial is the provision of technical assistance to strengthen microfinance borrowers' ability to sustain and grow their businesses, thereby pre-empting the vicious circle of indebtedness and minimising the occurrence of microfinance crises. For instance, Indonesia's Ministry of Cooperatives has implemented a scheme to lend to MSMEs in groups of 5 with a group loan of about IDR1 million. The borrower groups are monitored by field officers.<sup>492</sup> If they can meet a certain level of repayment, the government will then support them to apply for tax identification number, which entitles them to obtain loans directly from banks. Further, the Ministry has also earmarked IDR100 million to fund 33 women cooperatives across the country.<sup>493</sup>

Another example is the Gender-Responsive Economic Actions for the Transformation of Women (GREAT Women) Project led by the Philippine Commission on Women. In addition to partnering with microfinance providers, GREAT provides training for women entrepreneurs in areas such as business and marketing skills, leadership and negotiation, problem solving and accessing government support as well as assists them with product development and design. These training programmes have helped women entrepreneurs to grow their businesses in more markets beyond their communities and become more vocal in their households as well as in dealing with local authorities.<sup>494</sup> GREAT also partners with ECHOSi Foundation to promote the GREAT Women brand as part of the effort to integrate women entrepreneurs into the national and global value chains.<sup>495</sup> At the same time, GREAT conducts gender sensitivity training that aims to promote the adoption of the gender lens among government officials.

#### **6.7. Targeted Support to Improve Women's Access to Finance**

Women typically face more formidable hurdles than men in accessing external finance. Various studies indicate that women do not have the same amount of resources as men to tackle financial challenges. Challenges frequently cited by women when obtaining bank loans include complex loan paperwork, lack of collateral and proper documentation, low levels of financial literacy, high transaction costs, lack of a support network, and cumbersome land titling process which affects their ability to use land as collateral. Further, several surveys point to women's low uptake of support services provided by the government such as trade fairs, regulatory training, and skills training.

Targeted government support programmes should be in place to enhance women's entrepreneurial capabilities including securing external finance. Such programmes could include: (i) designing and delivering entrepreneurship development programmes in partnership with women entrepreneur associations and CSOs focusing on women empowerment, (ii) creating national marketing programmes targeting women-owned and women-led MSMEs and (iii) creating and supporting formal networks dedicated to capacity building for women entrepreneurs.

Sensitising financial institutions to women entrepreneurs' financing needs is also paramount. Efforts to integrate women entrepreneurs into supply chains could increase their likelihood of obtaining loans and microfinance. Last but not least, direct

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<sup>492</sup> Stakeholder consultation in Jakarta, May 2017.

<sup>493</sup> Stakeholder consultation in Jakarta, May 2017.

<sup>494</sup> Interview with the GREAT Women Project, January 18<sup>th</sup> 2017

<sup>495</sup> <http://www.echostore.ph/index.php/great-women-brand/>

investment, or encouraging private sector investment, into venture capital funds that serve women entrepreneurs could go a long way in fostering women entrepreneurship.

### **6.8. Value Chain Finance and Contract Farming**

As detailed in Section 5.2, formal contract farming has proven to be a potential financing mechanism for agricultural micro and small entrepreneurs, particularly smallholder farmers. Such contract arrangements typically entail guaranteed purchase prices and the provision of technical assistance, agricultural inputs and credit by large agribusinesses to farmers, farmer organisations, or farmer-led agribusinesses. Value chain finance thus allows the flows of funds among the various links within a value chain to address the needs and constraints of those involved in that chain,<sup>496</sup> thereby filling in the gap in rural finance where formal financial institutions are reluctant to enter.

In this respect, it is important to note that informal contracts with middlemen or traders remain prevalent in the region whereby farmers must accept unfavourable terms or high interest rates in exchange for flexibility such as using future crops as collateral or fitting the payment period to the harvest cycle. This highlights the importance of putting in place agricultural value chain interventions to ensure contract farming benefits smallholder farmers and farmer-led agribusinesses. Policy-makers and development agencies can play a constructive role in designing and implementing such interventions.

Equally important is the need to engage a leading actor within the chain that is willing to invest time and resources in building relationships with producers and buyers for a robust and sustainable value chain.<sup>497</sup> As some of the cases discussed in Section 5.3 show, medium and large-sized agribusinesses can take on this leading role through integrating the poor and marginalised as suppliers, workers and clients in their respective value chains. Many enterprises in ASEAN are already working with or sourcing from marginalised farmers and micro and small agribusinesses without being aware of the impact that they have the potential to catalyse.<sup>498</sup> The development of sustainable value chain finance therefore requires deeper engagement of such enterprises towards adopting an inclusive business model.

### **6.9. State Support for the Social Entrepreneurship Ecosystem**

While state support for the start-up ecosystem in ASEAN has increased substantially in recent years, support for the social entrepreneurship ecosystem remains largely lacking. On the supply side, interviews with AVPN members suggest that tax incentives for philanthropic foundations and social investors could help to stimulate philanthropic capital and investment into early-stage inclusive businesses. Legal and other institutional barriers should be removed to foster philanthropy and social investment as market-based solutions to societal problems. In Indonesia, for instance, foreign investors must obtain a license as a PT PMA (companies with foreign investment) with a minimum investment of USD1 million and minimum paid-in capital of USD250,000. Further, a minimum local investment of 40% of total assets are required. These regulations constitute unattractive commercial terms for venture capitalists. Additional licenses may be required depending on the industries investors wish to invest in. On the

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<sup>496</sup> IFAD (2012, p.8)

<sup>497</sup> IFAD (2012, p.19)

<sup>498</sup> Interview with CSIP, January 19<sup>th</sup> 2017

investee's side, obtaining a PT PMA license requires a large amount of upfront capital and a long bureaucratic process, which has made SEs less attractive to foreign investors.

Additionally, government leverage funds and pay-for-success models could serve as a catalyst for private social investment.<sup>499</sup> In principle, leveraging is the use of public sector finance to mobilise private sector capital by compensating private investors for what would otherwise be lower than their required risk-adjusted rates of return.<sup>500</sup> Malaysia's Social Outcome Fund launched in March 2017 provides an instructive example of such models. The government could also sensitise local banks to the characteristics and funding needs of SEs and encourage them to extend credit to SEs.

On the demand side, formal recognition for inclusive businesses could enhance public awareness and signal accountability to potential investors. Tax incentives could help to increase the uptake of inclusive and responsible practices among SMEs in light of their limited resources. Supporting incubators, accelerators, and intermediaries that focus on building up the capacity of social entrepreneurs is one of the key steps towards developing a vibrant and impactful social entrepreneurship ecosystem. Corporate involvement in providing grants and incubation support to SEs should be encouraged.

The government could extend more support to ecosystem builders that contribute towards increased efficiency and impact on both the supply and demand side. In light of the current lack of patient capital channelled into the SE sector in ASEAN, such organisations can play a significant role in bridging the financing chasm through convening investors across the SE financing spectrum. Additionally, these organisations could also help to create and disseminate knowledge about the ecosystem, diffuse social innovation and establish sector standards.

#### **6.10. Venture Philanthropy as Catalytic First-Loss Capital**

The pervasive lack of patient capital available to early-stage SEs has been well documented in the literature on impact investment. In 2013, the Global Impact Investing Network (GIIN) made the case for catalytic first-loss capital as a way to increase the flow of commercial capital into high-potential impact investment opportunities that are perceived as having high financial risk. The providers of this type of capital will typically bear first losses in order to improve the investee's risk-return profile, thereby catalysing the participation of investors that otherwise would not have participated.<sup>501</sup>

The Social Impact Investment Taskforce set up by the G8 contends that "venture philanthropy seems poised to play a more significant role in social sector organisations, helping prepare them to put impact investment capital to work."<sup>502</sup> For SEs to be able to effectively deploy impact investment capital, they have to significantly improve their own organisational capability. While governments and corporates may provide technical assistance in various forms, philanthropic organisations that adopt venture

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<sup>499</sup> Interview with LGT IV, January 11<sup>th</sup> 2017

<sup>500</sup> <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7082.pdf>

<sup>501</sup> GIIN (2013, p.5)

<sup>502</sup> Social Impact Investment Taskforce (2014, p.10)

philanthropy are best suited to take the lead in helping high-potential SEs achieve investment readiness.

In January 2017, the Missing Middle Investors Network was established with over 40 members including DFIs (IFC, DFAT, Swedfund), impact investors (Capria, PG Impact, Rianta Capital etc.), foundations and family offices (Kellogg Foundation, Lemelson Foundation, Michael & Susan Dell Foundation, etc.).<sup>503</sup> The Network aims to strengthen multi-stakeholder collaboration and explore strategies for significantly increasing investment by foundations, family offices, funds-of-funds and DFIs into impact businesses in emerging markets. A similar initiative involving stakeholders in the public, private and civil society sectors in ASEAN could be implemented to address existing bottlenecks in social investing, thereby fostering the growth of SEs in the region.

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<sup>503</sup> <http://www.andeglobal.org/blogpost/920159/272696/Missing-Middle-Investors-Network--Easy-Efficient-Way-for-Fund-Investors-to-Share-Deals-in-Emerging-Markets>

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## Annex:

### Directory of SME Financing and Technical Support Options

#### Multiple Countries

<b>Accion International</b>	
<b>Implementer(s)/Investor(s)</b>	Accion International
<b>Description</b>	Accion is a global non-profit dedicated to building a financially inclusive world through fostering the next generation of microfinance institutions. Its impact investing initiatives also catalyse more than 30 innovative start-ups that aim to improve the efficiency, reach and scope of financial services for the poor. Its work spans nearly 2 dozen countries. In Southeast Asia, it is currently active in Myanmar and the Philippines.
<b>Target beneficiaries and investments</b>	Microfinance institutions, social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity, loan guarantees
<b>Investment size</b>	USD100,000 – USD500,000 (Venture Lab)
<b>Technical support</b>	Product development, marketing, risk management, information technology, human resources
<b>Contact(s)</b>	<a href="http://www.accion.org/about-us/contact-us">www.accion.org/about-us/contact-us</a>
<b>Source(s)</b>	<a href="http://www.accion.org">www.accion.org</a> <a href="http://www.accion.org/venturelab">www.accion.org/venturelab</a>

<b>Bamboo Capital Partners</b>	
<b>Implementer(s)/Investor(s)</b>	Bamboo Capital Partners
<b>Description</b>	Bamboo Capital Partners is a commercial private equity firm making investments that deliver both financial and social returns. It has about USD290 million under management with a portfolio of 33 companies in 20 countries. Focus sectors include: energy, health care and financial services.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Financing instrument(s)</b>	Equity, debt
<b>Investment size</b>	Not specified
<b>Eligibility criteria</b>	Not specified
<b>Contact(s)</b>	354 Tanglin Road, #03-16/17, Tanglin International Centre, Singapore 247672 Tel: (65) 6361 0899 <a href="mailto:businessplan@bamboocp.com">businessplan@bamboocp.com</a>
<b>Source(s)</b>	<a href="http://www.bamboocp.com">www.bamboocp.com</a>

<b>Cambodia-Laos-Myanmar Development Fund II</b>	
<b>Implementer(s)/Investor(s)</b>	Emerging Markets Investment Advisers, IFC, Swiss Investment Fund for Emerging Markets (SIFEM)
<b>Description</b>	Cambodia-Laos-Myanmar Development Fund (CLMDF) II is a regional private equity fund focused on investing in SMEs and managed by Emerging Markets Investment Advisers, a Singapore-based fund management company with a 6-year history. As part of its investment strategy, CLMDF II focuses on SMEs serving scalable local markets, including those targeting the BoP population. SIFEM invested USD4.2 million into the fund in 2015. In May 2016, IFC announces its investment of up to USD7.5 million in the Fund, capped at 20% of total fund commitment and advisory support towards the Fund's expansion into Myanmar. <sup>504</sup>
<b>Target beneficiaries and investments</b>	SMEs serving the BoP population.
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Scalable local markets, including those targeting the BoP population</li> <li>- Key sectors: (micro)finance, education, healthcare, food and beverage (including processing), tourism and selected niche manufacturing opportunities</li> </ul>
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	USD1 million – USD15 million <sup>505</sup>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Cambodia: Level 9, Phnom Penh Tower, No. 445, Monivong Blvd (St 93/232), Sangkat Boeung Pralit, Khan 7 Makara Phnom Penh, Cambodia Tel: (855) 23 964 421</p> <p>Myanmar: 25 Nawaday Road, #102 (First Floor), Dagon Township Yangon, Myanmar Tel: (95) 1 383 381</p> <p>Singapore: 318 Tanglin Road #01-38/39 Phoenix Park Singapore 247979 Tel: (65) 6203 4293 <a href="mailto:emia@emergingmarkets.asia">emia@emergingmarkets.asia</a></p>
<b>Source(s)</b>	<a href="http://www.sifem.ch/investments/portfolio/show/cambodia-laos-myanmar-development-fund-ii/">www.sifem.ch/investments/portfolio/show/cambodia-laos-myanmar-development-fund-ii/</a> <a href="http://www.emergingmarkets.asia">www.emergingmarkets.asia</a>

<sup>504</sup> <http://www.dealstreetasia.com/stories/ifc-sets-up-70-m-development-fund-for-smes-in-clm-countries-40605/>

<sup>505</sup> Palladium (2017, pp.15-16)

<b>CoAssets Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	CoAssets
<b>Description</b>	Incorporated in 2013, CoAssets is Southeast Asia's first public listed crowdfunding site on the Australian Securities Exchange with offices in Singapore, Australia, Malaysia, China and Indonesia. It brings together investors and SMEs and property developers that require funds of around USD100,000 to USD5 million. It also launched crowdfunders.asia, a magazine dedicated to the crowdfunding community.
<b>Target beneficiaries and investments</b>	SMEs
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	USD100,000 – USD5 million
<b>Eligibility criteria</b>	Not Specified
<b>Contact(s)</b>	7 Temasek Boulevard, #12-05, Suntec Tower One Singapore 038987 Tel: (65) 6532 7008 <a href="mailto:enquiries@coassets.com">enquiries@coassets.com</a>
<b>Source(s)</b>	<a href="http://www.coassets.com">www.coassets.com</a>

<b>Crowdo Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Crowdo
<b>Description</b>	Launched in 2013, Crowdo is one of the largest crowdfunding platforms in Southeast Asia with operations in Singapore, Malaysia and Indonesia. It was one of the 6 platforms to be awarded an official license for equity crowdfunding by the Securities Commission Malaysia in 2015. It was also the first and only regional operator that received full Capital Market Services License from the Monetary Authority of Singapore (MAS) for securities crowdfunding including both peer to peer lending and equity crowdfunding in July 2016. It currently offers peer-to-peer lending in Singapore and Indonesia, and equity crowdfunding in Malaysia.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Singapore: non-public listed company Indonesia: Indonesia incorporated entity or tax resident Malaysia: private limited (Sdn Bhd) incorporated in Malaysia or venture capital fund registered with the Securities Commission Malaysia
<b>Financing instrument(s)</b>	Peer-to-peer lending, equity crowdfunding
<b>Investment size</b>	Singapore: up to SGD 5 million for a 12-month period Indonesia: up to IDR2 billion

	Malaysia: up to MYR3 million during a 12-month period and MYR5 million in total for private limited companies and unlimited for venture capital funds
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Singapore:  Crowdonomic Media Pte Ltd  3 Science Park Drive  #02-04, The Franklin  Singapore 118223  Tel: (65) 6339 5308</p> <p>Malaysia:  Crowdo Malaysia Sdn Bhd  Unit 25-09, Tower A, Vertical Business Suite  Jalan Kerinchi, Bangsar South  Kerinchi, Kuala Lumpur, Malaysia 59200  Tel: (60) 3 2711 4380</p> <p>Indonesia:  Crowdo Indonesia  Menara Topas 15th Floor  Jl. M.H. Thamrin No.9, Gondangdia, Menteng  Central Jakarta, Jakarta 10350  Tel: (62) 21 3902 566</p>
<b>Source(s)</b>	<a href="http://www.p2psg.crowdo.com">www.p2psg.crowdo.com</a> <a href="http://www.p2pid.crowdo.com">www.p2pid.crowdo.com</a> <a href="http://www.investment.crowdo.com">www.investment.crowdo.com</a>

<b>East Ventures</b>	
<b>Implementer(s)/Investor(s)</b>	East Ventures
<b>Description</b>	Founded in 2010 by a group of prominent investors and entrepreneurs in Asia, East Ventures is a seed stage venture capital firm based in Singapore, Indonesia and Tokyo. The company has invested in over 150 companies across sectors such as e-commerce, agriculture, game and mobile services. It also runs co-working spaces called EV Hive and Tangerang in Indonesia and Hive Shibuya in Japan.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	USD100,000 – USD500,000
<b>Technical support</b>	Not available
<b>Contact(s)</b>	<p>Japan:  Kohkaido Building 2F, 4-2-45 Roppongi, Minato-ku, Tokyo  106-0032</p> <p>Singapore:</p>

	2 Shenton Way #18-01, SGX Centre 1, Singapore 068804 <a href="mailto:info@east.vc">info@east.vc</a>
<b>Source(s)</b>	<a href="http://www.east.vc">www.east.vc</a>

<b>Global Fund for Women</b>	
<b>Implementer(s)/Investor(s)</b>	Global Fund for Women
<b>Description</b>	Global Fund for Women invests in women groups that work for the human rights of women and girls. They have a grant for operating and project expenses of women groups and award up to 500 grants annually. Sub-regional priorities are Indonesia, Philippines, Cambodia, Myanmar, and Thailand.
<b>Target beneficiaries and investments</b>	Women
<b>Eligibility criteria</b>	The group's primary focus is advancing women's equality and human rights, with these goals clearly reflected in its activities. It must be governed, directed, and led by women. Women must fill all or most of the leadership roles throughout the various decision-making levels of the group (including but not limited to the most senior decision-making levels).
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	USD5000 - USD13,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:grantsinfo@globalfundforwomen.org">grantsinfo@globalfundforwomen.org</a>
<b>Source(s)</b>	<a href="http://www.globalfundforwomen.org/apply-for-%20a-grant/#priorities">www.globalfundforwomen.org/apply-for-%20a-grant/#priorities</a>

<b>Insitor Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Insitor
<b>Description</b>	Insitor is a social venture capital fund that provides equity and mezzanine funding to social enterprises in emerging and frontier markets. The fund invests in young, innovative and for-profit companies with a strong social mission and solid business model. Target sectors include: low-carbon energy, housing, water, education and health. Target countries include: Cambodia, India, Myanmar, Laos and Vietnam.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity, debt
<b>Investment size</b>	USD250,000 – USD3 million <sup>506</sup>

<sup>506</sup> Interview with Insitor Management, March 1<sup>st</sup> 2017.

<b>Technical support</b>	Finance, strategy, operations, legal and regulatory support
<b>Contact(s)</b>	218 Rue de l'Eau L - 1449 Luxembourg <a href="mailto:info@insitorfund.com">info@insitorfund.com</a>
<b>Source(s)</b>	<a href="http://www.insitormangement.com">www.insitormangement.com</a>

<b>IIX Growth Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Impact Investment Exchange (IIX)
<b>Description</b>	The IIX Growth Fund makes direct investments in innovative impact enterprises that promote inclusive growth in underserved markets in South and Southeast Asia. The Fund prioritises investments in 3 cross-cutting areas: climate action, women empowerment and community development.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity, quasi-equity
<b>Investment size</b>	USD250,000 – USD5 million
<b>Technical support</b>	Post-investment support
<b>Contact(s)</b>	<a href="mailto:iixgrowthfund@iixglobal.com">iixgrowthfund@iixglobal.com</a>
<b>Source(s)</b>	<a href="https://iixglobal.com/iix-growth-fund/">https://iixglobal.com/iix-growth-fund/</a>

<b>Leapfrog Investments</b>	
<b>Implementer(s)/Investor(s)</b>	Leapfrog Investments
<b>Description</b>	Leapfrog Investments is an impact investor that is active in several regions around the globe including Southeast Asia where it focuses on companies that provide financial services such as insurance, savings, pensions and investment products to emerging consumers. Their investees in Southeast Asia include Reliance Capital Management in Indonesia and Syn Mun Kong in Thailand.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	USD10 million – USD50 million
<b>Technical support</b>	Value creation: strategy and governance, revenue strategy, sales and distribution, human resources, technology strategy, financial and impact measurement
<b>Contact(s)</b>	Singapore

	Tel: (65) 6805 2170 <a href="mailto:sitimasturah@leapfroginvest.com">sitimasturah@leapfroginvest.com</a>
<b>Source(s)</b>	<a href="http://www.leapfroginvest.com">www.leapfroginvest.com</a>

<b>LGT Impact Ventures</b>	
<b>Implementer(s)/Investor(s)</b>	LGT Impact Ventures
<b>Description</b>	LGT Impact Ventures (LGT IV) invests growth capital in companies with scalable solutions to societal challenges. LGT IV aims to generate attractive financial returns for investors and at the same time positively impact upon the lives of millions of underserved people. Sectors of focus are: education, health, energy, agriculture and information and communication technologies.
<b>Target beneficiaries and investments</b>	Early-stage social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grants, debt, equity
<b>Investment size</b>	Average investment size: USD200,000 – USD10 million per investee
<b>Technical support</b>	Business and management know-how, access to relevant networks
<b>Contact(s)</b>	LGT Impact Ventures Färberstrasse 6 8008 Zurich, Switzerland Tel: (41) 44 256 8110
<b>Source(s)</b>	<a href="http://www.lgtiv.com">www.lgtiv.com</a> <a href="http://www.impactventuresuk.com/who-we-are/partners">www.impactventuresuk.com/who-we-are/partners</a>

<b>Omidyar Network</b>	
<b>Implementer(s)/Investor(s)</b>	Omidyar Network
<b>Description</b>	Established in 2004 by eBay founder Pierre Omidyar and his wife Pam, Omidyar Network reports it has committed more than USD992 million to non-profit organizations and for-profit companies across multiple investment areas, including consumer internet & mobile, education, financial inclusion, governance & citizen engagement, and property rights. As an impact investor, Omidyar supports market-based approaches with the potential for large-scale, catalytic impact. In Southeast Asia, Omidyar is currently active in Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.
<b>Target beneficiaries and investments</b>	Social entrepreneurs

<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Align with Omidyar's mission of creating opportunity for people to improve their lives</li> <li>- Intend to develop new markets or industries, influence policy or practices among existing institutions, alter public perception, or demonstrate the power of business to create social and financial returns</li> <li>- Demonstrate significant growth potential, with the ability to scale operations and develop new markets</li> <li>- Have a proven track record and a viable business plan</li> <li>- Employ creative, entrepreneurial strategies</li> </ul>
<b>Financing instrument(s)</b>	Equity, grant
<b>Investment size</b>	USD100,000 – USD10 million <sup>507</sup>
<b>Technical support</b>	Serving on boards, strategy consulting, executive coaching, recruiting new talents
<b>Contact(s)</b>	<a href="http://www.omidyar.com/contact">www.omidyar.com/contact</a>
<b>Source(s)</b>	<a href="http://www.omidyar.com">www.omidyar.com</a>

<b>SHIFT Challenge Fund</b>	
<b>Implementer(s)/Investor(s)</b>	United Nations Capital Development Fund (UNCDF)'s Shaping Inclusive Finance Transformations (SHIFT) Programme and partners
<b>Description</b>	Primarily funded by the Australian Department of Foreign Affairs and Trade (DFAT), the SHIFT Challenge Fund opened the second window in March 2016 with an aim to advance economic empowerment and market participation for low-income consumers, micro-enterprises and SMEs with a focus on women. To this end, the Fund seeks to co-finance innovative business models and/or cross-sector partnerships with a commercially sustainable business plan to increase access to appropriate and affordable financial services for women. Funding awarded under the second window will total up to USD1.8 million. Funding windows will be opened and closed at periodic intervals through to 2020.
<b>Target beneficiaries and investments</b>	Licensed financial institutions, registered companies from the real sectors, ICT services providers
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Projects must have a duration of 1-3 years and be implementable in 2016-2018.</li> <li>- The project idea should contain either an innovative approach or a scaling-up approach, aiming to reach an increased number of women with financial services</li> </ul>

<sup>507</sup> Interview with Omidyar Network, March 8<sup>th</sup> 2017

	<ul style="list-style-type: none"> <li>- Applicants may be registered in Cambodia, Laos, Vietnam and Myanmar (CLMV) or foreign, provided the project is carried out in CLMV</li> <li>- Successful applicants are required to contribute 30%-50% of project budget</li> </ul>
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	USD100,000 - USD500,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Fakhrul Islam – Fund Facility Coordinator, SHIFT and CleanStart Programmes <a href="mailto:fakhrul.islam@uncdf.org">fakhrul.islam@uncdf.org</a> <a href="mailto:shift.asia@uncdf.org">shift.asia@uncdf.org</a>
<b>Source(s)</b>	<a href="http://www.shift.uncdf.org">www.shift.uncdf.org</a> <a href="http://www.shift.uncdf.org/sites/default/files/download/window_leaflet_final_web_rev2_1.pdf">www.shift.uncdf.org/sites/default/files/download/window_leaflet_final_web_rev2_1.pdf</a>

<b>Uberis Capital</b>	
<b>Implementer(s)/Investor(s)</b>	Uberis Capital
<b>Description</b>	Uberis Capital supports entrepreneurs with innovative solutions to some of the world's intractable poverty and environment-related problems. Uberis offers funding and a range of hands-on support to early-stage mission-driven ventures that serve poor communities in developing countries of Southeast Asia. Focus sectors include: agriculture, rural energy, water and electrification, health, education, finance.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Socially innovative business that places positive BoP and environmental impacts at the centre of its strategy, is able to grow its social impact manifold and highly scalable. The business model must be proven and commercially viable. The management team needs to have integrity and strong competencies to avoid and manage risks and successfully grow the venture.
<b>Financing instrument(s)</b>	Debt, equity
<b>Investment size</b>	Minimum USD500,000
<b>Technical support</b>	Advisory project management
<b>Contact(s)</b>	Impact HUB # 17 Street 306 (Norodom Boulevard) Phnom Penh, Cambodia <a href="mailto:cyrille.antignac@uberiscapital.com">cyrille.antignac@uberiscapital.com</a>
<b>Source(s)</b>	<a href="http://www.uberiscapital.com">www.uberiscapital.com</a>

<b>Unitus Capital</b>	
<b>Implementer(s)/Investor(s)</b>	Unitus Capital
<b>Description</b>	Unitus Capital is a financial services firm specializing in arranging capital for companies benefiting those at the bottom of the economic pyramid in sectors including microfinance, renewable energy, health care, agriculture and education. With operations in Bangalore, Beijing, Singapore, New York and Sydney, Unitus delivers a range of financial advisory and capital market services to clients across Asia. Since 2008, the company has raised over USD600 million for various social businesses in Asia with a focus on India, Indonesia and the Philippines. Focus sectors include microfinance, renewable energy, healthcare, education, agriculture and affordable housing.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Debt, equity, convertible debt, guarantee
<b>Investment size</b>	Not specified
<b>Technical support</b>	Financial advisory services
<b>Contact(s)</b>	Unitus Capital Kaiser-E-Hind, Second Floor, No. 9/3, Richmond Road, Bangalore – 560 025 – India Tel: (91) 80 6723 6400 <a href="mailto:info@unituscapital.com">info@unituscapital.com</a>
<b>Source(s)</b>	<a href="http://unituscapital.com">http://unituscapital.com</a>

<b>VisionFund</b>	
<b>Implementer(s)/Investor(s)</b>	VisionFund International
<b>Description</b>	VisionFund provides microfinance services that are integrated into the work of World Vision, an INGO, in health, water, sanitation, education and economic development. Microloans involve lending small sums as start-up capital to enable the poorest communities to turn business ideas and opportunities into successful enterprises. Crop insurance enables farmers to guard against the failure of their crops. Additionally, VisionFund also provides micro-savings and micro-insurance products. Microfinance products: - Cambodia: small business loans, agricultural loans - Myanmar: small business loans - Philippines: Yaman loans (small-scale businesses), crop loans, Asenso loans (developed entrepreneurs) - Vietnam: small business loans

<b>Target beneficiaries and investments</b>	Micro-enterprises, small-sized enterprises, farmers
<b>Eligibility criteria</b>	<p>Cambodia:</p> <ul style="list-style-type: none"> <li>- Cambodian national</li> <li>- Good character and sound credit background</li> <li>- Have at least 1-year residential address</li> <li>- Consent from spouse or household members to access to loan</li> <li>- Realistic and profitable business plan</li> <li>- Ability to share the investment, either by being an owner-operated business or by sharing ownership of the assets purchased with the applied loan</li> <li>- Ability to form group guarantee</li> <li>- Ability to provide guarantor(s) with sufficient collateral to cover repayment of the loan</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	<p>Cambodia:</p> <ul style="list-style-type: none"> <li>- Small business loans: KHR80,000 - 12 million, USD20 - 20,000 or THB800 - 100,000 (loan term: 3-48 months)</li> <li>- Agricultural loans: KHR80,000 - 12 million, USD151 - 15,000 or THB 800 -100,000 (loan term: 3-42 months)</li> </ul> <p>Myanmar: Not specified  Philippines: Not specified  Vietnam: Not specified</p>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Cambodia:</p> <p>#20, St. 71, Sangkat Tonle Bassac,  Khan Chamkarmon  Phnom Penh, Cambodia P.O. Box 479  Tel: (885) 23 963 333 (ext 021)  <a href="mailto:vfc_information@wvi.org">vfc_information@wvi.org</a></p> <p>Myanmar:</p> <p>19 Windsor Estate  Shin Saw Pu Road, Sanchaung Township  Yangon, Myanmar  <a href="mailto:myanmar@wvi.org">myanmar@wvi.org</a></p> <p>Philippines:</p> <p>CEVI, Sarabia-Co-Torralba Building 2  Espuelas Street, Cogon District  Tagbilaran City  Bohol, Philippines 6300  Tel: (63) 038 501 8925  <a href="mailto:contact@cevi.org.ph">contact@cevi.org.ph</a></p>
<b>Source(s)</b>	<a href="http://www.visionfund.org/2056/where/asia-pacific">www.visionfund.org/2056/where/asia-pacific</a> <a href="http://www.visionfund.com.kh">www.visionfund.com.kh</a> <a href="http://www.visionfundphilippines.org">www.visionfundphilippines.org</a>

<b>Accel-X Investment Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Brunei Economic Development Board and Accel-X Pte Ltd
<b>Description</b>	<p>The Accel-X Venture Capital Fund was started in 2009 through a BND5 million (USD \$3.7 million) investment from the Sultanate to Accel-X Pte Ltd which is a Singapore-based venture capital fund which invests in new and highly-scalable technology companies. This new capital fund aims to “support the development and expansion of promising Brunei Darussalam-based high-tech companies beyond Brunei Darussalam” with particular focus on young technology firms. In addition to equity capital, the fund provides mentorships and connections to overseas networks.</p> <p>The investment fund aims to provide funding support for early stage companies in hi-tech growth areas such as ICT, technology and engineering. The fund seeks to invest into companies with potential scalable business models.</p>
<b>Target beneficiaries and investments</b>	ICT, technology, engineering
<b>Eligibility criteria</b>	High technology startups incorporated in Brunei
<b>Financing instrument(s)</b>	Equity Capital Financing
<b>Investment size</b>	Up to BND1.5million in any one company
<b>Technical support</b>	Mentoring, Facilitating Connections
<b>Contact(s)</b>	<p>BEDB Address: Block 2D, Jalan Kumbang Pasang, Bandar Seri Begawan BA1311, Brunei Tel: (673) 2230111 Website: <a href="http://www.bedb.com.bn">www.bedb.com.bn</a></p> <p>Accel-X Pte Ltd Address: #04-07, 79 Ayer Rajah Crescent, Singapore 139955 Tel: (65) 6493 2468</p>
<b>Source(s)</b>	<p><a href="http://www.bedb.com.bn">www.bedb.com.bn</a> BEDB SME guidebook <a href="https://www.incuvestasia.com/accel-x">https://www.incuvestasia.com/accel-x</a></p>

<b>DARe Bootcamp Programmes</b>	
<b>Implementer(s)/Investor(s)</b>	Darussalam Enterprise (DARe)
<b>Description</b>	<p>Initiated by DARe, these bootcamps serve intensive programmes that train and mentor aspiring and existing entrepreneurs to launch their business.</p> <p>- Startup Bootcamp: First launched in October last year, Startup Bootcamp is a 100 day “accelerator” programme that identifies businesses that have the</p>

	<p>potential to scale rapidly and export their products and services beyond Brunei's borders. The bootcamp ropes in leading experts in key business fields including legal, marketing, branding and finance – and meets every Tuesday night to update on their progress. At the programme's end startups take centre stage on a "demo-day" where they pitch to investors.</p> <p>- E-Commerce Bootcamp: For those with an eye on selling online, a leading e-Commerce platform from the region will be arriving in the Sultanate to host a three-month programme that will equip Bruneians with the how-tos of online payment, logistics, finance and social marketing. After an introduction to e-Commerce, the bootcamp begins with an offline segment covering the essentials of doing business online before delving into a hands-on 'online' segment where participants will be able to begin engaging in cross border trade.</p> <p>- Microbusiness Bootcamp: Making sure that DARE's bootcamps remain open to anyone looking for training to kick start their business, we are hosting a bootcamp targeting micro enterprises – defined in Brunei as businesses with less than five employees. The microbusiness bootcamp is split into three separate month-long programmes; one for women (Women Entrepreneurship Development Programme), youth (Young Entrepreneurship Development Programme) and university graduates (Business Launchpad). These will not only cover the skills needed to start a business, but the formal processes for registering and operating a business as well as financing options.</p>
<b>Target beneficiaries and investments</b>	Micro enterprises, SMEs, Entrepreneurs
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Not Specified
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Incubation, Accelerator, Workshops, Classes and Modules, Mentorships
<b>Contact(s)</b>	DARE Design & Technology Building, Simpang 32-37, Bandar Seri Begawan BB3713, Brunei Tel: (673) 836 3442
<b>Source(s)</b>	<a href="http://www.dare.gov.bn/SitePages/Startup%20Bootcamp.aspx">http://www.dare.gov.bn/SitePages/Startup%20Bootcamp.aspx</a>

<b>Entrepreneurship Village</b>	
<b>Implementer(s)/Investor(s)</b>	Universiti Brunei Darussalam
<b>Description</b>	Opened in 2014, Universiti Brunei Darussalam set up the Entrepreneurship Village as a community incubation programme dedicated to helping students and entrepreneurs gain insights and knowledge into growing their business ventures. The programme is run by members and staff of the university.
<b>Target beneficiaries and investments</b>	Entrepreneurs, Students
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Not Specified
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Incubator, Classes, Coaching, Consultation
<b>Contact(s)</b>	UBD Entrepreneurship Village BE1410 Bandar Seri Begawan, Brunei entrepreneurship.village@gmail.com
<b>Source(s)</b>	<a href="https://www.facebook.com/EntrepreneurshipVillage/">https://www.facebook.com/EntrepreneurshipVillage/</a> <a href="http://www.ubd.edu.bn/news/2014/07/30/national-entrepreneurship-agenda-entrepreneurship-village/">http://www.ubd.edu.bn/news/2014/07/30/national-entrepreneurship-agenda-entrepreneurship-village/</a>

<b>Export Facilitation Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	Ministry of Industry and Primary Resources
<b>Description</b>	The Export Facilitation Scheme's objective is to help SMEs expand and develop their business activities and build their capacity to export with eligible expenses in working capital, capital assets/expenditures and purchases of machineries, equipment and other capital assets including purchase of land
<b>Target beneficiaries and investments</b>	Small and Medium Enterprise(s) in Agriculture, Fisheries, Tourism, Manufacturing, Construction, and ICT
<b>Eligibility criteria</b>	-Bruneian Sole Proprietorship, Partnership, or Private Limited Company registered in Brunei -For Joint Venture, at least 30% equity capital owned by Bruneian Citizen -Business must be operated in Brunei -SMEs must not have more than 100 employees
<b>Financing instrument(s)</b>	Loan
<b>Investment size</b>	BND5million
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Email: <a href="mailto:edc.mipr@industry.gov.bn">edc.mipr@industry.gov.bn</a> Tel: (673) 2333964
<b>Source(s)</b>	BEDB SME guidebook

<b>iCentre</b>	
<b>Implementer(s)/Investor(s)</b>	Darussalam Enterprise (DARe)
<b>Description</b>	iCentre is a startup incubation program and co-working space for entrepreneurs with access to capacity building programmes and the startup ecosystem. iCentre works closely with local and regional collaborators to develop and conduct workshops in the areas of ideation, market validation and fund raising.
<b>Target beneficiaries and investments</b>	Small and Medium Enterprise(s), Entrepreneurs
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Not Specified
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Incubation, capacity building programmes, workshops, working space
<b>Contact(s)</b>	iCentre Bandar Seri Begawan BB3713, Brunei Tel: (673) 238 2616
<b>Source(s)</b>	<a href="http://www.dare.gov.bn/SitePages/iCentre.aspx">http://www.dare.gov.bn/SitePages/iCentre.aspx</a>

<b>Industry Business Academy</b>	
<b>Implementer(s)/Investor(s)</b>	Darussalam Enterprise (DARe)
<b>Description</b>	Industry Business Academy (IBA) is a SME development and learning programme developed by DARE (Darussalam Enterprise). It was created after analyzing present day issues related to capabilities and knowledge of the local entrepreneurial environment. DARe has identified a need to provide a platform where enterprises can increase their skills and knowledge in starting, running and expanding a business.
<b>Target beneficiaries and investments</b>	Small and Medium Enterprise(s),
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Not Specified
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Incubation, Accelerator, Workshops, Classes and Modules
<b>Contact(s)</b>	DARe Design & Technology Building, Simpang 32-37, Bandar Seri Begawan BB3713, Brunei Tel: (673) 836 3442
<b>Source(s)</b>	<a href="http://dare.gov.bn/SitePages/Industry%20Business%20Academy.aspx">http://dare.gov.bn/SitePages/Industry%20Business%20Academy.aspx</a>

<b>Microcredit Financing Scheme (BIBD-DARe)</b>	
<b>Implementer(s)/Investor(s)</b>	Darassulam Enterprise and Bank Islam Brunei Darussalam
<b>Description</b>	DARe has partnered up with BIBD to roll out a financing scheme with no collateral required to help entrepreneurs start up their businesses.
<b>Target beneficiaries and investments</b>	Start Ups
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Loan
<b>Investment size</b>	BND15,000
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Email: dare@ei.gov.bn Tel: (673) 8363442
<b>Source(s)</b>	<a href="http://www.dare.gov.bn/SitePages/Microcredit%20Financing%20Scheme.aspx">http://www.dare.gov.bn/SitePages/Microcredit%20Financing%20Scheme.aspx</a> <a href="http://www.ei.gov.bn/Lists/Industry%20News/NewDispForm.aspx?ID=190&amp;ContentTypeld=0x0100585AA17FA637114E870034FE25016A22">http://www.ei.gov.bn/Lists/Industry%20News/NewDispForm.aspx?ID=190&amp;ContentTypeld=0x0100585AA17FA637114E870034FE25016A22</a>

<b>Microcredit Financing Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	Ministry of Industry and Primary Resources
<b>Description</b>	The Microcredit Financing Scheme is a loan given to local entrepreneurs to start and expand small scale business activities.
<b>Target beneficiaries and investments</b>	Entrepreneurs
<b>Eligibility criteria</b>	-Bruneian Sole Proprietorship, Partnership, or Private Limited Company registered in Brunei -For Joint Venture, at least 30% equity capital owned by Bruneian Citizen -Business must be operated in Brunei -SMEs must not have more than 100 employees
<b>Financing instrument(s)</b>	Loan
<b>Investment size</b>	BND50,000
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Email: <a href="mailto:edc.mipr@industry.gov.bn">edc.mipr@industry.gov.bn</a> Tel: (673) 2333964
<b>Source(s)</b>	BEDB SME guidebook

<b>Promising Local Enterprise Development Scheme (PLEDS) Investment Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Brunei Economic Development Board
<b>Description</b>	The Promising Local Enterprise Development Scheme (PLEDS) is an investment fund that seeks to invest in and transform promising local enterprises so that they can compete internationally either through increased exports or overseas expansion.

<b>Target beneficiaries and investments</b>	Local enterprises
<b>Eligibility criteria</b>	-Company registered as Private Limited Company in Brunei -Operationally active for at least 5 years -Company has progressive growth based on annual revenue of in the last 3 years -Readily available products and services
<b>Financing instrument(s)</b>	Loan
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Tel: (673) 2230111 email: int.pleds@bedb.com.bn
<b>Source(s)</b>	<a href="http://www.bedb.com.bn">www.bedb.com.bn</a> BEDB SME guidebook

<b>Baiduri Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Baiduri Bank
<b>Description</b>	Baiduri Bank, established in 1994, is a member of Baiduri Bank Group, one of the largest providers of financial products and services in Negara Brunei Darussalam. The Bank's shareholders include Baiduri Holdings, Royal Brunei Airlines, Royal Brunei Technical Services and BNP Paribas. With a strong combination of local commitment and global expertise, the Group is acknowledged as one of the leading banks in the country with a track record of financial innovations and pioneering activities. SMEs may apply for various SME Financing Schemes: - SME Working Capital - SME Instalment Loan - SME Indent Financing - SME Account Receivables Financing - SME Property Financing
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	-Minimum of 3 years in business operations -Minimum of BND100,000 in business annual turnover -Establishment Registered/Incorporated in Brunei Darussalam
<b>Financing instrument(s)</b>	Loan
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Baiduri Bank Tel: (673) 244 9666
<b>Source(s)</b>	

<b>SME Financing Scheme BIBD</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Islam Brunei Darussalam
<b>Description</b>	<p>Brunei's largest bank and flagship Islamic financial institution, was formed in 2005 through the merger of Islamic Bank of Brunei and Islamic Development Bank of Brunei. It is an internationally recognised financial institution governed by global best practices under the guidance of an experienced management team.</p> <p>BIBD offers a wide range of competitive, Shariah-compliant financing products and services on a short, medium and long term basis. These products are geared towards facilitating the business expansion of all businesses whether corporate entities or SME's.</p>
<b>Target beneficiaries and investments</b>	Small and Medium Enterprise(s)
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Varies
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Bank Islam Brunei Darussalam Tel: (673) 223 8181
<b>Source(s)</b>	<a href="http://www.bibd.com.bn/corporate/financing/corporate-financing/">http://www.bibd.com.bn/corporate/financing/corporate-financing/</a>

<b>Startup Hub Accelerator</b>	
<b>Implementer(s)/Investor(s)</b>	Startup Hub BIMP-EAGA
<b>Description</b>	Started in 2014, SUHBE is a private accelerator that conducts entrepreneurship coaching, workshops, and training.
<b>Target beneficiaries and investments</b>	Entrepreneurs, SMEs
<b>Eligibility criteria</b>	Not Specified
<b>Financing instrument(s)</b>	Not Specified
<b>Investment size</b>	Not Specified
<b>Technical support</b>	Accelerator, Workshops, Classes, Coaching, Networking Sessions
<b>Contact(s)</b>	SUHBE Blk B28, Spg 32-27, Kg Anggerak Desa, Bandar Seri Begawan BB3713 Tel: (673) 238 2616
<b>Source(s)</b>	<a href="http://www.suhbe.co/">http://www.suhbe.co/</a>

<b>Start Up Brunei</b>	
<b>Implementer(s)/Investor(s)</b>	Brunei Economic Development Board
<b>Description</b>	Start Up Brunei is grant developed to provide support to highly innovative business proposals that have scalability potential to propel them toward an international market. Eligible expenses for the grant include: setting up a company, manpower, professional services, equipment and materials, and rental on 3 <sup>rd</sup> party premises.
<b>Target beneficiaries and investments</b>	Not specified
<b>Eligibility criteria</b>	Local Start Ups (Must be Bruneian or Permanent Resident), Foreign Start Ups (Locals residing out of Brunei, or foreigners based in or out of Brunei)
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	BND50,000
<b>Technical support</b>	Not Specified
<b>Contact(s)</b>	Block 2D, Jalan Kumbang Pasang, Bandar Seri Begawan BA1311, Brunei Tel: (673) 2230111 email: <a href="mailto:startupbrunei@bedb.com.bn">startupbrunei@bedb.com.bn</a> Website: <a href="http://www.bedb.com.bn">www.bedb.com.bn</a>
<b>Source(s)</b>	<a href="http://www.bedb.com.bn">www.bedb.com.bn</a> BEDB SME guidebook
<b>Youth Skills Development Programme Micro Grant</b>	
<b>Implementer(s)/Investor(s)</b>	Brunei Economic Development Board
<b>Description</b>	The Youth Skills Development Programme Micro Grant was set up to encourage and assist youths to kick start their own micro businesses. Participants must undergo relevant workshops and trainings before the disbursement of the grant, and a financial management programme.
<b>Target beneficiaries and investments</b>	Local youth entrepreneurs
<b>Eligibility criteria</b>	Local youths, no fixed income/unemployed
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to BND2,000 worth of equipment purchase
<b>Technical support</b>	Financial programme, workshops and training
<b>Contact(s)</b>	Block 2D, Jalan Kumbang Pasang, Bandar Seri Begawan BA1311, Brunei Tel: (673) 2230111 email: <a href="mailto:micro.biz@bedb.com.bn">micro.biz@bedb.com.bn</a> Website: <a href="http://www.bedb.com.bn">www.bedb.com.bn</a>
<b>Source(s)</b>	<a href="http://www.bedb.com.bn">www.bedb.com.bn</a> BEDB SME guidebook

<b>ACLEDA Bank</b>	
<b>Implementer(s)/Investor(s)</b>	ACLEDA Bank
<b>Description</b>	<p>ACLEDA Bank provides financial products and services for more than 24 years for all segment of the community – both private and public sectors in 258 branches throughout Cambodia, 41 branches and offices in Laos, and 6 branches and offices in Myanmar with the total assets over US\$4.48 billion, loans outstanding of US\$2,770 million, and savings &amp; deposits of US\$3,070 million by end of September 2016.</p> <p>In 2014, ADB extended a 5-year senior loan of up to USD75 million to ACLEDA Bank for promoting financial inclusion for MSMEs in rural areas.</p> <p>In 2015, IFC, the Global Agriculture &amp; Food Security Programme (GAFSP) and the Sumitomo Mitsui Banking Corporation extended a 5-year senior loan of up to EUR104 million to ACLEDA Bank for on-lending to agribusinesses and SMEs.</p> <p>In May 2016, ACLEDA signed an agreement with IFC and the Goldman Sachs 10,000 Women initiative for a USD70 million long-term loan for on-lending to Cambodia's SMEs owned by women. This new loan is designed to have a 5-year repayment period.</p>
<b>Target beneficiaries and investments</b>	MSMEs, women entrepreneurs, agricultural entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Having own residential address</li> <li>- Legal business</li> <li>- Own capital of at least 20%</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- Informal sector loans: up to KHR3 million, USD700 or THB30,000 (loan term: up to 12 months)</li> <li>- Micro business loans: up to KHR14 million, THB140,000 or USD3,500</li> <li>- Small business loans: up to KHR120 million, THB1.2 million or USD30,000 (loan term: up to 60 months)</li> <li>- Medium business loans: greater than KHR120 million, greater than THB1,2 million (loan term: up to 60 months) or greater than USD30,000 (loan term: up to 72 months)</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>#61, Preah Monivong Blvd., Sangkat Srah Chork, Khan Daun Penh Phnom Penh, Cambodia. P.O. 1149 Call Centre (24/7) (855) 23 994 444</p>

	(855) 15 999 233 <a href="mailto:inquiry@acledabank.com.kh">inquiry@acledabank.com.kh</a>
<b>Source(s)</b>	<a href="http://www.acledabank.com.kh/kh/eng">www.acledabank.com.kh/kh/eng</a> <a href="https://www.adb.org/sites/default/files/project-document/80173/47914-014-ipsa.pdf">https://www.adb.org/sites/default/files/project-document/80173/47914-014-ipsa.pdf</a> <a href="http://www.gafspfund.org/content/acleda-mfi-cambodia">http://www.gafspfund.org/content/acleda-mfi-cambodia</a> <a href="http://www.phnompenhpost.com/business/acleda-gets-70m-support-women">http://www.phnompenhpost.com/business/acleda-gets-70m-support-women</a>

<b>Amret</b>	
<b>Implementer(s)/Investor(s)</b>	Amret
<b>Description</b>	Amret is one of the leading MFIs in Cambodia with a focus on small-scale loans for people in the rural areas and medium-scale loans for SMEs. In February 2016, Amret received a USD50 million syndicated loan from IFC for on-lending to SMEs, particularly in agriculture, with at least half of it going to women-owned enterprises.
<b>Target beneficiaries and investments</b>	SMEs, agricultural entrepreneurs, women entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	- Solidarity Credit: Designed for groups of rural people for general business activities Up to KHR2 million or THB15,500 (loan term: up to 12 months) - Business Loans: Up to USD20,000, KHR80 million or THB640,000 (loan term: up to 48 months)
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	#35 BA, Street Tchecoslovaquie (169), Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Cambodia Call Centre: (855) 23 999 033 <a href="mailto:info@amret.com.kh">info@amret.com.kh</a>
<b>Source(s)</b>	<a href="http://www.khmertimeskh.com/news/21535/ifc-lends--100-million-to-acleda-and-amret">www.khmertimeskh.com/news/21535/ifc-lends--100-million-to-acleda-and-amret</a>

<b>Arun LLC</b>	
<b>Implementer(s)/Investor(s)</b>	Arun LLC
<b>Description</b>	Capitalised by Japanese individuals and corporate partners, Arun LLC invests in social entrepreneurs who tackle social problems such as poverty in developing

	countries. Arun LLC also supports investees in order to increase the investment value of the enterprises.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Debt, equity
<b>Investment size</b>	EUR47,000 – EUR94,000 <sup>508</sup>
<b>Technical support</b>	Management, finance, marketing
<b>Contact(s)</b>	Building N 126, Norodom Blvd, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh, Cambodia
<b>Source(s)</b>	<a href="http://www.arunllc.jp/en/arun/description">www.arunllc.jp/en/arun/description</a>

<b>EPIC Cambodia</b>	
<b>Implementer(s)/Investor(s)</b>	USAID Development Innovations, Impact Hub Phnom Penh
<b>Description</b>	In 2016, USAID Development Innovations partnered with Impact Hub Phnom Penh to launch Cambodia's first one-year social business incubation programme aimed at providing funding and training for aspiring social start-ups. EPIC received 48 applications and 11 teams were selected to start the 8-week incubation period of customised workshops and mentor support. The final 5 teams will receive 6 months of business training, mentoring and access to prototyping budgets.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	USD20,000
<b>Technical support</b>	Incubation (workshops, bootcamps, mentor days), acceleration (access to network of mentors and potential investors)
<b>Contact(s)</b>	Impact Hub Phnom Penh Street 306 #17 (between Norodom Blvd and St 51) Phnom Penh Tel: (855) 17 521 904 <a href="mailto:laura.smitheman@impacthub.net">laura.smitheman@impacthub.net</a>
<b>Source(s)</b>	<a href="http://www.epiccambodia.com">www.epiccambodia.com</a> <a href="http://www.development-innovations.org/blog/epic-entrepreneurs-fresh-look-incubators-social-businesses">www.development-innovations.org/blog/epic-entrepreneurs-fresh-look-incubators-social-businesses</a>

<sup>508</sup> Eisinger and Cochu (2016, p.29)

<b>MEET-BIS Leasing Scheme<sup>509</sup></b>	
<b>Implementer(s)/Investor(s)</b>	MEET-BIS Cambodia, Mega Leasing Plc
<b>Description</b>	Launched In 2014, the SWITCH-Asia “MEET-BIS Cambodia” project aimed at stimulating SME investment in energy efficiency and renewable energy through access to finance. Based on an assessment of the financing landscape, leasing was selected as the most promising concept. By 2015, one pilot programme has been established together with Mega Leasing. Leasing period: 2 years Collateral: Product Borrower contribution: 20% Admin fee: 0.5% of approved amount Maximum interest rate per month: 2.8% if lease amount < EUR4,700, 2.6% if lease amount > EUR4,700.
<b>Target beneficiaries and investments</b>	SMEs with 50-300 employees, especially hotels and guesthouses
<b>Eligibility criteria</b>	Investment is available for air conditioners, solar water heaters, LED lighting and water pumps.
<b>Financing instrument(s)</b>	Leasing
<b>Investment size</b>	EUR1,900 – 19,000 per application
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	#67, Street 125, Sangkat Veal Vong, Khan 7 Makara Phnom Penh, Cambodia Tel: (885) 23 214 756, (885) 69 781 666 <a href="mailto:info@megaleasing.com.kh">info@megaleasing.com.kh</a>
<b>Source(s)</b>	<a href="http://www.megaleasing.com.kh">www.megaleasing.com.kh</a>

<b>Nexus’s Clean Energy Revolving Fund (CERF)<sup>510</sup></b>	
<b>Implementer(s)/Investor(s)</b>	Nexus for Development (supported by the Renewable Energy and Energy Efficiency Partnership, the Austrian government and the Blue Moon Fund)
<b>Description</b>	CERF provides affordable financing to SMEs in the agrifood sector of Cambodia to adopt clean energy technologies. The goal of the programme is to increase the productivity and help producers, processors, and distributors compete in the regional economy. The Fund will reduce emissions from the sector by funding renewable energy, and encourage an early shift away from fossil fuel based energy sources as the agro-industrial sector of Cambodia grows. Total investment volume in the first phase is EUR220,000; in the second phase additional EUR300,000 – EUR400,000 are supposed to be acquired.
<b>Target beneficiaries and investments</b>	SMEs in the agrifood sector, particularly rice mills
<b>Eligibility criteria</b>	Rice mills that are not connected to the grid.

<sup>509</sup> This section draws on Eisinger and Cochu (2016, p.23).

<sup>510</sup> This section draws on Eisinger and Cochu (2016, p.22) and [www.nexusfordevelopment.org/innovative-finance](http://www.nexusfordevelopment.org/innovative-finance).

<b>Financing instrument(s)</b>	Leasing, grants (for supplier of the gasifiers)
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	#33 E3 Sothearos Blvd Sangkat Chey Chomnas, Daun Penh Phnom Penh, Cambodia Tel: (855) 23 990 591 <a href="mailto:contact@nexusfordevelopment.org">contact@nexusfordevelopment.org</a>
<b>Source(s)</b>	<a href="http://www.nexusfordevelopment.org/innovative-finance">www.nexusfordevelopment.org/innovative-finance</a>

<b>PRASAC</b>	
<b>Implementer(s)/Investor(s)</b>	PRASAC
<b>Description</b>	PRASAC is the largest MFI in Cambodia with 180 offices nationwide. As of March 2015, PRASAC had lent USD658 million to more than 266,000 active borrowers, mobilized deposits of USD355 million with more than 390,000 customers, and installed 87 ATMs around the country. In June 2015, PRASAC received a USD65 million syndicated loan from IFC for on-lending to micro, small-, and medium-sized rural and agricultural enterprises, most of which are owned by women.
<b>Target beneficiaries and investments</b>	Rural and agricultural MSMEs, women entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Permanent resident with good record</li> <li>- Legal business</li> <li>- For small and medium loans: business must not negatively affect the environment</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- Micro loans: up to KHR6 million or equivalent in USD or THB (loan term: 3-24 months)</li> <li>- Small and medium loans: up to KHR400 million or equivalent in USD or THB (loan term: 3-72 months)</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Mr Sony Say No. 212, ST271, Tuol Tumpung 2, Chamkarmon Phnom Penh, Cambodia Tel: (855) 23 220 102 <a href="mailto:saysony@prasac.com.kh">saysony@prasac.com.kh</a>
<b>Source(s)</b>	<a href="http://www.prasac.com.kh">www.prasac.com.kh</a>

<b>SHE Investments</b>	
<b>Implementer(s)/Investor(s)</b>	SHE Investments
<b>Description</b>	SHE Investments provides 6-month incubation and acceleration support to women entrepreneurs in Cambodia and matches investment-ready businesses with potential investors.

<b>Target beneficiaries and investments</b>	Women entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	Incubation and acceleration programmes
<b>Contact(s)</b>	Tel: (855) 85 578 378 <a href="mailto:celia@sheinvestments.com">celia@sheinvestments.com</a>
<b>Source(s)</b>	<a href="http://www.sheinvestments.com">www.sheinvestments.com</a>

<b>Aavishkar</b>	
<b>Implementer(s)/Investor(s)</b>	Aavishkar
<b>Description</b>	Aavishkar is an impact investing firm that originally focuses on India and has launched its first international foray in Indonesia, Sri Lanka, Bangladesh and Pakistan. In late 2015, it invested in PT Bali Seafood, a sustainable fishery and fish processing facilities provider in Indonesia.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	USD500,000 – USD5 million <sup>511</sup>
<b>Technical support</b>	Strategic support, domain expertise, mentorship.
<b>Contact(s)</b>	Aavishkaar Venture Management Services 13B, 6th Floor, Techniplex II, IT Park Off Veer Sarvarkar Fly Over Goregaon West Mumbai - 400 062 Tel: (91) 22 61248900 <a href="mailto:funds@aavishkaar.org">funds@aavishkaar.org</a>
<b>Source(s)</b>	<a href="http://www.aavishkaar.in/images/download/publications/Aavishkaar%20Press%20Release-Nov%2017.pdf">http://www.aavishkaar.in/images/download/publications/Aavishkaar%20Press%20Release-Nov%2017.pdf</a>

<b>Agro Market-Linkages SDG Fund</b>	
<b>Implementer(s)/Investor(s)</b>	UNDP, ANGIN, Challenger 88
<b>Description</b>	Agro Market-Linkages SDG Fund is an Indonesian-based fund that aims to unlock the market and impact potential of agricultural enterprises in Indonesia. Implementing a blended finance approach, it leverages on public funding and private capital to fund the enterprises.
<b>Target beneficiaries and investments</b>	Agricultural enterprises with strong social / environmental impact
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Agricultural enterprise operating in Indonesia</li> <li>- Registered or in the process of registering as a CV or PT</li> <li>- Has social and environmental impact</li> <li>- Has been operating for at least a year</li> </ul>
<b>Financing instrument(s)</b>	Direct debt investment
<b>Investment size</b>	USD25,000 – USD150,000 (early stage) USD250,000 – USD500,000 (growth stage)
<b>Technical support</b>	Pre and post investment capacity building facility
<b>Contact(s)</b>	<a href="mailto:david@angin.id">david@angin.id</a>

<sup>511</sup> Palladium (2017, pp.17-18)

<b>Source(s)</b>	<a href="http://connector.id/general_page/page_dtl?page_id=11">http://connector.id/general_page/page_dtl?page_id=11</a> (translated)
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<b>Amartha Peer-to-peer Microfinance Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Amartha
<b>Description</b>	Amartha started as an MFI that targets business owners in villages and has evolved into a fintech which provides a platform for peer-to-peer lending equipped with a credit scoring system to analyse the qualification of the borrowers, showing their risk profile.
<b>Target beneficiaries and investments</b>	<ul style="list-style-type: none"> <li>- Micro businesses with no access to conventional banking</li> <li>- Women micro-entrepreneurs</li> </ul>
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Capital requirement starts from IDR1.5 million</li> <li>- Within Bogor, Bandung, or Subang regencies</li> <li>- Working within these industries: <ul style="list-style-type: none"> <li>o Household industry</li> <li>o Trading</li> <li>o Farming</li> <li>o Livestock</li> <li>o Services</li> <li>o Education</li> <li>o Housing</li> <li>o Water and sanitation</li> <li>o Health</li> </ul> </li> </ul>
<b>Financing instrument(s)</b>	Microloans
<b>Investment size</b>	From IDR1.5 million
<b>Technical support</b>	Weekly business development monitoring with field officers
<b>Contact(s)</b>	PT. Amartha Mikro Fintek Jl. Kemang Selatan VIII no 18, Jakarta Selatan, Indonesia. Tel: (62) 21 2271 5353 / (62) 822 1010 2525 <a href="mailto:hello@amartha.com">hello@amartha.com</a>
<b>Source(s)</b>	<a href="https://amartha.com/ajukan-pembiayaan">https://amartha.com/ajukan-pembiayaan</a>

<b>Angel Investor Network Indonesia (ANGIN)</b>	
<b>Implementer(s)/Investor(s)</b>	Angel Investor Network Indonesia (ANGIN)
<b>Description</b>	ANGIN is an angel investor network fund set up by Global Entrepreneurship Program Indonesia (GEPI) in 2012. It is a network of high net worth individuals in Indonesia who are committed to provide early-stage capital to entrepreneurs operating in various industries including but not limited to: technology/internet, consumer products/services, social enterprises, etc.

	ANGIN may provide services in pooling individual angel investors into syndicates, which then can provide a larger ticket size.
<b>Target beneficiaries and investments</b>	Early-stage enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Have a fully dedicated founding team</li> <li>- Currently raising pre-seed to Series A (from USD10,000 to 1,000,000). Above USD150,000, they would consider syndication with an institutional lead investor (VC, corporate)</li> <li>- Located in Indonesia or having its main operations in Indonesia</li> <li>- Solid founder and team</li> <li>- Large and addressable market opportunity</li> <li>- Unique value proposition (service or product)</li> <li>- Strong competitive edge</li> <li>- Clear strategy to produce returns to Angel Investors</li> <li>- Legal structure that allows for equity/convertible loan investment</li> </ul>
<b>Financing instrument(s)</b>	Not providing direct investments
<b>Investment size</b>	<p>Angel investor: initial investment of USD10,000 - USD100,000</p> <p>Syndicate (3-5 angels): potential ticket size of USD500,000</p> <p>Social enterprises: USD75,000 (average)<sup>512</sup></p>
<b>Technical support</b>	<p>Apart from funding, angel investors may provide:</p> <ul style="list-style-type: none"> <li>- One-on-one mentoring support to investees</li> <li>- Experience and Support in market / industry knowledge</li> <li>- Networking to customers, suppliers, and partners</li> <li>- Sourcing / recruiting high-level executive hire</li> </ul>
<b>Contact(s)</b>	<p>DBS Tower Ciputra World 1 Level 9 Jl. Prof. Dr. Satrio Kav. 3-5 Jakarta 12940 – Indonesia <a href="mailto:contact@angin.id">contact@angin.id</a></p>
<b>Source(s)</b>	<a href="http://angin.id">http://angin.id</a>

<b>Angel Investor Network Indonesia (ANGIN)'s Women Fund</b>	
<b>Implementer(s)/Investor(s)</b>	ANGIN (Angel Investor Network Indonesia)
<b>Description</b>	The first programme set up by ANGIN, ANGIN's Women Fund is a women-led and women-targeted fund that is comprised of 10 high net worth women.

<sup>512</sup> ANGIN (2017, p.22)

<b>Target beneficiaries and investments</b>	Women-focused; enterprises in Internet/mobile Technology, Consumer Products/Services, Social Enterprises sectors
<b>Eligibility criteria</b>	Not specified.
<b>Financing instrument(s)</b>	Seed funding, open to co-investment. Over 3-5 years
<b>Investment size</b>	USD25,000 – USD150,000 or IDR500 million – USD1.5 billion) Social enterprises: USD75,000 (average) <sup>513</sup>
<b>Technical support</b>	Mentorship, networking, business consultation, advocacy.
<b>Contact(s)</b>	DBS Tower Ciputra World 1 Level 9 Jl. Prof. Dr. Satrio Kav. 3-5 Jakarta 12940 – Indonesia <a href="mailto:contact@angin.id">contact@angin.id</a> <a href="mailto:women.angel@gepindonesia.org">women.angel@gepindonesia.org</a> (may be outdated)
<b>Source(s)</b>	<a href="http://angin.id">http://angin.id</a> <a href="http://www.cosmeticsdesign-asia.com/Business-Financial/Indonesia-invests-in-women-ANGIN-fund-helps-start-ups">http://www.cosmeticsdesign-asia.com/Business-Financial/Indonesia-invests-in-women-ANGIN-fund-helps-start-ups</a> <a href="https://www.techinasia.com/angin-women-angel-fund">https://www.techinasia.com/angin-women-angel-fund</a>

<b>Bahana Pembinaan Usaha Indonesia</b>	
<b>Implementer(s)/Investor(s)</b>	Bahana Pembinaan Usaha Indonesia (PUI)/Bahana Artha Ventura
<b>Description</b>	<p>Bahana PUI is a state-owned enterprise established in 1973 under the Ministry of Finance with an aim to develop the real sector through financing SMEs and cooperatives. Today, Bahana PUI is the holding company of the Bahana Group of Companies including:</p> <ul style="list-style-type: none"> <li>- Bahana Securities (Investment Banking, Securities Trading &amp; Brokerage)</li> <li>- Bahana Artha Ventura (Venture Capital)</li> <li>- Bahana TCW Investment Management (Asset Management)</li> <li>- Graha Niaga Tata Utama (Office Building Management)</li> </ul> <p>Bahana Artha Ventura is the Group's venture capital arm that disburses financing facilities to MSMEs and cooperatives.</p>
<b>Target beneficiaries and investments</b>	<p>MSMEs and cooperatives that are:</p> <ul style="list-style-type: none"> <li>- Labour intensive</li> <li>- Involved in the creative economy</li> <li>- Export-oriented</li> </ul>

<sup>513</sup> ANGIN (2017, p.22)

<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Must be a Perseroan Terbatas (Limited) company for equity/convertible debt investment</li> <li>- Profit sharing scheme applies to all types of enterprises</li> </ul>
<b>Financing instrument(s)</b>	Debt, equity, convertible debt
<b>Investment size</b>	Not specified
<b>Technical support</b>	<ul style="list-style-type: none"> <li>- Training &amp; Workshop</li> <li>- Technology development</li> <li>- Management and support</li> <li>- Access to market</li> <li>- Product development</li> </ul>
<b>Contact(s)</b>	<p>20th floor, Graha Niaga          Jl Jendral Sudirman, Kav 58 Jakarta 12190, Indonesia          Tel: (62) 21 250 5270          Operational Office:          Wisma Prima Lantai 5,          Jl. Kapten P. Tendean No. 34, Jakarta Selatan 12790          Tel: (62) 21 7918 2688</p>
<b>Source(s)</b>	<p><a href="http://www.bahana.co.id/id/bahana-arta-ventura/48-our-strength">http://www.bahana.co.id/id/bahana-arta-ventura/48-our-strength</a>  <a href="http://www.bahanaventura.com/produk-layanan/pembiayaan-usaha-produktif">http://www.bahanaventura.com/produk-layanan/pembiayaan-usaha-produktif</a>  <a href="http://www.bahanaventura.com/profil/faq">http://www.bahanaventura.com/profil/faq</a></p>

<b>Bank Muamalat</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Muamalat
<b>Description</b>	Bank Muamalat provides business capital financing services to Indonesian-owned enterprises. The financing is based on the Islamic banking principles ( <i>musyarakah, mudharabah, murabahah</i> ) depending on the specification and the needs of the business capital.
<b>Target beneficiaries and investments</b>	Enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Indonesian</li> <li>- Legal business entity</li> <li>- Last 2 years of financial statements</li> <li>- For collateral loans – legality of collateral</li> </ul>
<b>Financing instrument(s)</b>	Business capital loan, profit-loss sharing schemes.
<b>Investment size</b>	From IDR100 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Jl. Prof Dr Satrio, Kav. 18          Kuningan Timur, Setiabudi          Jakarta Selatan 12950          Tel: (62) 21 8066 6000          info@bankmuamalat.co.id</p>
<b>Source(s)</b>	<a href="http://www.bankmuamalat.co.id/pembiayaan-corporate/pembiayaan-modal-kerja">http://www.bankmuamalat.co.id/pembiayaan-corporate/pembiayaan-modal-kerja</a>

<b>Bank Syariah Mandiri</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Syariah Mandiri
<b>Description</b>	Bank Mandiri is one of the largest financial institutions in Indonesia providing conventional banking services, while its subsidiary Bank Syariah Mandiri provides Islamic banking services. The financing is based on Islamic banking principles ( <i>musyarakah, mudharabah, murabahah, qardh, kafalah</i> ) and the needs of the applicants.
<b>Target beneficiaries and investments</b>	Enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- A productive business;</li> <li>- A legally acknowledged enterprise and/or business entity</li> </ul>
<b>Financing instrument(s)</b>	Islamic business partnership, capital loans, profit loss sharing schemes
<b>Investment size</b>	IDR100 million – IDR1.5 billion
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Bank Syariah Mandiri Tel: (62) 21 2953 4040
<b>Source(s)</b>	<a href="https://www.syariahmandiri.co.id/category/business-banking">https://www.syariahmandiri.co.id/category/business-banking</a>

<b>GandengTangan</b>	
<b>Implementer(s)/Investor(s)</b>	GandengTangan
<b>Description</b>	GandengTangan is crowdfunding platform dedicated to social purpose MSMEs. Lenders may lend as low as IDR50,000 and the loan will be repaid in its original amount without any interest one month after the MSME gets fully funded. There is a 5% service fee taken from the total loan amount.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Have a business model and ongoing income</li> <li>- Have been in business for 6 months</li> <li>- Not in bankruptcy</li> <li>- The loan is to buy/build a physical productive asset</li> <li>- Register to GandengTangan by providing financial statements, assets documentation, and evidence of business</li> <li>- Have an endorser to recommend the project/business</li> </ul>
<b>Financing instrument(s)</b>	Peer-to-peer lending without interest

<b>Investment size</b>	From IDR50,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="https://www.gandengtangan.org/contact">https://www.gandengtangan.org/contact</a> <a href="https://www.gandengtangan.org/borrow">https://www.gandengtangan.org/borrow</a>
<b>Source(s)</b>	<a href="https://www.gandengtangan.org">https://www.gandengtangan.org</a>

<b>Indonesia Stock Exchange's Incubation Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Indonesia Stock Exchange (IDX)
<b>Description</b>	The Indonesia Stock Exchange launched its in-house incubation programme in 2017 that aims to support start-ups to grow their business through training, mentorship, access to funding and listed companies. The programme also provides a collaborative space in central business district of Jakarta. The programme covers ideation, teambuilding, user experience, programming, market research, legal considerations, metrics, pitching, going public, etc. There is a fee of USD75 per person per month to participate in the six-month program. The programme limits to 60 enrolees per program, and a maximum of 3 enrolees from each enterprise.
<b>Target beneficiaries and investments</b>	Start-ups, early-stage enterprises
<b>Eligibility criteria</b>	Start-ups (minimum) with working prototype/beta product and dedicated teams.
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	Training, mentorship, network, access to co-working space
<b>Contact(s)</b>	<a href="http://register.idxincubator.com/">http://register.idxincubator.com/</a>
<b>Source(s)</b>	<a href="https://www.techinasia.com/indonesian-stock-exchange-sets-startup-incubation-program">https://www.techinasia.com/indonesian-stock-exchange-sets-startup-incubation-program</a> <a href="http://bisniskeuangan.kompas.com/read/2017/01/26/134500426/kembangkan.start-up.dan.ukm.bei.buka.pendaftaran.idx.incubator">http://bisniskeuangan.kompas.com/read/2017/01/26/134500426/kembangkan.start-up.dan.ukm.bei.buka.pendaftaran.idx.incubator</a>

<b>KoinWorks Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	KoinWorks
<b>Description</b>	KoinWorks is an online platform that connects lenders with SMEs. It provides loan assessment and loan servicing. On the non-SME loans front, it also provides education and medical/health loans.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	- 2 years of operating

	- Based in the Jabodetabek region
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	KoinWorks: Jalan Sungai Gerong No. 1-1A Unit 5B +62 21 8063 5899
<b>Source(s)</b>	<a href="http://www.koinworks.com">www.koinworks.com</a>

<b>Kredit Usaha Rakyat Programme<sup>514</sup> - Bank Loans for MSMEs</b>	
<b>Implementer(s)/Investor(s)</b>	<p><i>State-owned banks:</i> Bank Mandiri, Bank Rakyat Indonesia, Bank Negara Indonesia (BRI), Bank Tabungan Pensiunan Nasional (BTPN)</p> <p><i>Private banks:</i> Bank Sinarmas, Bank Maybank Indonesia, Bank Artha Graha Internasional, Bank OCBC NISP, Bank Bukopin</p> <p><i>Regional banks:</i> BPD Bali, BPD Nusa Tenggara Timur, BPD DI Yogyakarta, BPD Sumatera Utara, BPD Kalimantan Barat, Bank Nagari, Bank Sulselbar, Bank Jambi, Bank Riau Kepri, Bank Jawa Barat (BJB), BPD Jateng, BPD NTB, BPD Kalimantan Selatan</p>
<b>Description</b>	<p>Kredit Usaha Rakyat (<i>People Business Credit</i>) is a government-initiated credit programme that aims to increase MSMEs' credit share. It targets feasible but not yet bankable MSMEs i.e. has good business prospects and able to prove the capability for loan repayment. The Ministry of Finance provides 70% credit guarantee for MSMEs partaking in the program and banks take the remaining 30%. MSMEs may access Kredit Usaha Rakyat (KUR) through the Kredit Usaha Rakyat department in banks providing the service or through cooperatives and other linkage programmes. Part of the KUR may be converted into a VC scheme in the future.</p> <p>In 2016, KUR had a capital outlay of IDR120 trillion (USD8.99 billion).</p> <p>IFC has made investments in Bank Tabungan Pensiunan Nasional (BTPN) since 2009 to help the bank increase lending to micro and smaller businesses.</p>
<b>Target beneficiaries and investments</b>	<p>SMEs in these sectors:</p> <ul style="list-style-type: none"> <li>- Agriculture (crops, horticulture, plantation, livestock)</li> <li>- Fishery and marine</li> </ul>

<sup>514</sup> Kredit Usaha Rakyat (People's Business Credit) is a government-led initiative that provides credit guarantee of up to 70% of all MSME credit to participating financial institutions, which allows them to extend credit to MSMEs at concessionary lending rates.

	<ul style="list-style-type: none"> <li>- Industry (processing industry, creative industry)</li> <li>- Forestry</li> <li>- Trade (including retailers)</li> <li>- Services (accommodation, culinary, transportation, warehousing, communication, real estate, business/financial services, education, social service)</li> </ul>
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- A minimum of 3-12 months operating (depending on bank).</li> <li>- Physical evidence of business or object that will be used as collateral for financing</li> <li>- The business must be legal</li> <li>- National ID of applicant &amp; a legal Business License,</li> <li>- Letter of inauguration from any relevant institution</li> <li>- Certificate from Head of <i>Kelurahan</i> / Notarial Deed</li> <li>- Collateral certificate if relevant.</li> </ul>
<b>Financing instrument(s)</b>	Microcredit, loan
<b>Investment size</b>	<p><i>Bank Mandiri:</i></p> <ul style="list-style-type: none"> <li>- Credit limit: IDR500 million (Individual, direct KUR); IDR100 million (individual, non-direct KUR).</li> <li>- Loan period: 3-10 years</li> </ul> <p><i>Bank Negara Indonesia:</i></p> <ul style="list-style-type: none"> <li>- Credit limit: IDR50 million – IDR1 billion</li> <li>- Loan period: up to 5 years</li> </ul> <p><i>Bank Rakyat Indonesia:</i></p> <ul style="list-style-type: none"> <li>- Credit limit (in IDR million): IDR20 million (Micro); IDR20 million - IDR500 million (Retail)</li> <li>- Loan period: 3-10 years</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Kredit Usaha Rakyat          Jl. Lapangan Banteng Timur No. 2-4          Gd. Syafruddin Prawiranegara Lt. 4          Jakarta 10710          Tel: (62) 21 352 1862  <a href="mailto:kur@ekon.go.id">kur@ekon.go.id</a>  <a href="mailto:kur.ekonri@gmail.com">kur.ekonri@gmail.com</a></p>
<b>Source(s)</b>	<p><a href="http://kur.ekon.go.id/">http://kur.ekon.go.id/</a>  <a href="http://www.dealstreetasia.com/stories/indonesia-set-up-new-scheme-financing-for-local-startup-support-by-local-vc-40886/">http://www.dealstreetasia.com/stories/indonesia-set-up-new-scheme-financing-for-local-startup-support-by-local-vc-40886/</a>  <a href="http://sikp.kemenkeu.go.id/dashboard">http://sikp.kemenkeu.go.id/dashboard</a></p>

<b>Koperasi Simpan Pinjam Sahabat UKM</b>	
<b>Implementer(s)/Investor(s)</b>	Koperasi Simpan Pinjam Sahabat UKM
<b>Description</b>	Sahabat UKM provides micro-financing targeted to individuals or small enterprises for business capital or investment in the form of instalment loans with interest.
<b>Target beneficiaries and investments</b>	Small enterprises or individuals
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Indonesian citizen</li> <li>- Between 21-60 year's old, or is married</li> <li>- The business has been operating for at least 2 years within the same sector and location</li> <li>- Applicant must possess a Tax ID card, for loans more than IDR50 million</li> <li>- Enterprise must be legal and has a business license</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	IDR5 million - IDR3 billion
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Gedung Sampoerna Strategic Square Jln. Jend. Sudirman Kav. 45, Lantai 17 Jakarta, 12930 Tel: (62) 21 5795 2382 / 21 5795 2384 <a href="mailto:info@sahabat-ukm.com">info@sahabat-ukm.com</a>
<b>Source(s)</b>	<a href="http://www.sahabat-ukm.com">http://www.sahabat-ukm.com</a>

<b>Investree Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Investree
<b>Description</b>	Investree is a peer-to-peer lending platform for businesses in Indonesia. Borrowers are charged for 0.9% interest permonth for total loan received.
<b>Target beneficiaries and investments</b>	Investree: Perseroan Terbatas (PT) businesses
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Is a Perseroan Terbatas (PT) business</li> <li>- Domiciled in the Greater Jakarta Area</li> <li>- Have been operating for 2 years</li> <li>- Have a business relationship with a large institution/firm.</li> </ul>
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:support@investree.id">support@investree.id</a> Tel: (62) 21 530 7939, 21 530-8939
<b>Source(s)</b>	<a href="https://www.investree.id/invest">https://www.investree.id/invest</a>

<b>Mercy Corps' Social Venture Fund</b>
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<b>Implementer(s)/Investor(s)</b>	Mercy Corps
<b>Description</b>	Mercy Corps of USA provides early-stage financing for for-profit businesses aiming to improve people's lives. It invests in seed and early stage ventures. Currently, it is only focused in Indonesia for Southeast Asia.
<b>Target beneficiaries and investments</b>	Seed and early-stage businesses <ul style="list-style-type: none"> <li>- Agriculture</li> <li>- Financial services</li> <li>- Last-mile distribution</li> <li>- Youth and female employment</li> </ul>
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Close alignment with local field office strategy and priorities</li> <li>- Innovation/differentiation</li> <li>- Potential to scale nationally and regionally (impact over 1 million people)</li> <li>- Have a defined product or service</li> <li>- Have a full-time team in place</li> <li>- Have a pilot or prototype in the market</li> </ul>
<b>Financing instrument(s)</b>	Equity, debt, quasi-equity
<b>Investment size</b>	USD50,000 - USD300,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Mercy Corps Indonesia Graha STK. F floor, Suite F01 Jl. Taman Margasatwa No.3 Jakarta 12550 <a href="mailto:trann@mercy Corps.org">trann@mercy Corps.org</a>
<b>Source(s)</b>	<a href="https://www.mercycorps.org/sites/default/files/Mercy%20Corps%20Social%20Venture%20Fund%20Overview%20June%202016.pdf">https://www.mercycorps.org/sites/default/files/Mercy%20Corps%20Social%20Venture%20Fund%20Overview%20June%202016.pdf</a> <a href="http://thepalladiumgroup.com/research-impact/The-Impact-Investment-Market-in-South-and-Southeast-Asia">http://thepalladiumgroup.com/research-impact/The-Impact-Investment-Market-in-South-and-Southeast-Asia</a>

<b>Modalku Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Modalku
<b>Description</b>	Modalku is the Indonesian counterpart of the Singapore-based crowdfunding site Funding Societies which offers peer-to-peer lending.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Indonesian</li> <li>- 21 – 60 years old</li> <li>- Turnover of IDR20 million per month</li> <li>- Domiciled in Jakarta, Bogor, Depok, Tangerang, Bekasi, or Bandung</li> </ul>

	<ul style="list-style-type: none"> <li>- A Limited (PT), Ltd Pty (CV), or Individual enterprises.</li> <li>- Have been operating for at least 1 year.</li> </ul>
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	Up to IDR2 billion
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Rukan Puri Mansion Blok B No. 6          Jl. Lingkar Luar Barat, Kembangan Selatan          Jakarta Barat 11610          Indonesia          Tel : (62) 21 29866955 / 21 5401044  <a href="mailto:info@modalku.co.id">info@modalku.co.id</a>  <a href="https://modalku.co.id/webforms/membership/borrowerform.aspx">https://modalku.co.id/webforms/membership/borrowerform.aspx</a></p>
<b>Source(s)</b>	<a href="https://modalku.co.id/business">https://modalku.co.id/business</a>

<b>PBMT Indonesia</b>	
<b>Implementer(s)/Investor(s)</b>	PBMT Indonesia (Perhimpunan Baitul Maal wa Tamwil)
<b>Description</b>	<p>PBMT Indonesia was established in 2005 as a financial cooperative. It has developed a responsible Shariah-based microfinance scheme for the BoP based on profit-loss sharing whereby beneficiaries need only to repay the principal without any interest. In 2014, PBMT set up PBMT Social Ventures in Singapore, a fund-raising entity to attract venture philanthropic funds to support PBMT's social investment programmes. To date, PBMT's subsidiaries include:</p> <ul style="list-style-type: none"> <li>a) PBMT Institute (training centre)</li> <li>b) PBMT Rowasia (IT company)</li> <li>c) PBMT Ventura (venture capital/financial company)</li> <li>d) PBMT Social Ventures Singapore</li> </ul>
<b>Target beneficiaries and investments</b>	<ul style="list-style-type: none"> <li>- Micro-enterprises.</li> <li>- Both Muslim and non-Muslim beneficiaries.</li> </ul>
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	<ul style="list-style-type: none"> <li>- Non-commercial/benevolent loans</li> <li>- Commercial loans (once the enterprise reaches a certain stage)</li> </ul>
<b>Investment size</b>	Not specified
<b>Technical support</b>	Guidance and training
<b>Contact(s)</b>	<p>PBMT Social Ventures          1 King George's Avenue          #05-00 Rehau Building          Singapore 208557  <a href="mailto:info@pbmtsv.com">info@pbmtsv.com</a></p>

<b>Source(s)</b>	<a href="http://pbmtsv.com/our-impact/economic-empowerment/">http://pbmtsv.com/our-impact/economic-empowerment/</a> <a href="https://www.thefreelibrary.com/INDONESIA+-+BMT%3A+Indonesia's+unique+and+effective+model+of+Islamic+...-a0435646259">https://www.thefreelibrary.com/INDONESIA+-+BMT%3A+Indonesia's+unique+and+effective+model+of+Islamic+...-a0435646259</a> <a href="http://www.globalindonesianvoices.com/24131/making-the-poor-prosperous-through-islamic-microfinance/">http://www.globalindonesianvoices.com/24131/making-the-poor-prosperous-through-islamic-microfinance/</a>
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<b>UnLtd Indonesia</b>	
<b>Implementer(s)/Investor(s)</b>	UnLtd Indonesia
<b>Description</b>	UnLtd Indonesia identifies and nurtures early stage social enterprises and aspiring social entrepreneurs. The selected SMEs/individuals are assisted through mentoring, training, workshops, and networking. It also provides grants to developing businesses.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Early-stage social enterprises, aspiring social entrepreneurs
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Not specified
<b>Technical support</b>	Incubation (mentoring & workshop on measuring social impact, marketing, finance, business planning, investment readiness), networking.
<b>Contact(s)</b>	SME Tower Main Building 2nd Floor, Jalan Gatot Subroto Kav 94 Jakarta Selatan 12780 <a href="mailto:info@unltd-indonesia.org">info@unltd-indonesia.org</a>
<b>Source(s)</b>	<a href="http://unltd-indonesia.org/">http://unltd-indonesia.org/</a>

<b>Venture Capital Funds</b>	
<b>Implementer(s)/Investor(s)</b>	Convergence Ventures, Ideosource, Maloekoe Ventures
<b>Description</b>	All three venture capital firms mainly focus on digital companies for internet and mobile infrastructures, and online content such as media, advertising, e-commerce, and payment. Typically, they look for business models that have shown successful implementation in more mature technology markets around the world. Ideosource has invested in 15 ventures. Maloekoe Ventures has a specific focus on computer security, data & analytics, gaming, and software.

<b>Target beneficiaries and investments</b>	Start-ups, early-stage enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Capital investment, early stage and growth equity
<b>Investment size</b>	Convergence Ventures: USD1 million – USD10 million (Investment size is based on portfolio, including seed, venture, Series A, and Series B). Maloekoe Ventures: USD500 million – USD1 billion Ideosource: USD50,000 (seed funding), USD250,000-500,000 (medium-sized enterprises)
<b>Technical support</b>	Convergence Ventures: Digital marketing and SEO, talent search, and product development & testing. Ideosource: Business development, marketing and brand building, access to talents, fundraising network, and financial/accounting support.
<b>Contact(s)</b>	<p>Convergence Ventures Citylofts Sudirman, 26th Floor Suite 2603 Jl. KH. Mas Mansyur Kav. 121 Jakarta 10220, Indonesia Tel: (62) 21 2926 4177 <a href="mailto:info@convergencevc.com">info@convergencevc.com</a></p> <p>Ideosource Jl. H. Agus Salim No.22 D-E, 2nd Floor, Kebon Sirih, Jakarta 10340 Tel: (62) 21 5020 1023 <a href="mailto:portfolio@ideosource.com">portfolio@ideosource.com</a></p> <p>Maloekoe Ventures Graha Indramas Lt. 4 Jl. Aipda II KS Tubun Raya No 77 Jakarta, Jakarta Raya 11410 Indonesia</p>
<b>Source(s)</b>	<a href="http://www.convergencevc.com/">http://www.convergencevc.com/</a> <a href="http://ideosource.com">http://ideosource.com</a> <a href="https://www.techinasia.com/indonesia-bhinneka-ideosource-investments-funding-news">https://www.techinasia.com/indonesia-bhinneka-ideosource-investments-funding-news</a> <a href="http://maloekoeventures.com">http://maloekoeventures.com</a> <a href="https://www.crunchbase.com/organization/maloekoe-ventures#/entity">https://www.crunchbase.com/organization/maloekoe-ventures#/entity</a> <a href="https://www.techinasia.com/agate-studio-funding-pre-series-a">https://www.techinasia.com/agate-studio-funding-pre-series-a</a> <a href="https://e27.co/investor/maloekoe-ventures">https://e27.co/investor/maloekoe-ventures</a> <a href="https://e27.co/what-indonesias-incubator-ideosource-is-looking-for/">https://e27.co/what-indonesias-incubator-ideosource-is-looking-for/</a>

<b>ACLEDA Lao</b>	
<b>Implementer(s)/Investor(s)</b>	ACLEDA Lao
<b>Description</b>	On November 29, 2010, ACLEDA Bank Lao Ltd. increased its capital by LAK120 billion so that its total paid up capital reaches LAK220 billion. On September 17, 2014, ACLEDA Bank Lao Ltd. increased its capital by 80 billion Kips so that its total paid up capital reaches 300 billion kips.
<b>Target beneficiaries and investments</b>	Small and medium businesses
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Age a majority (18 years or older)</li> <li>- Have own residential address</li> <li>- Have own legal business</li> <li>- Willing to pay back to ACLEDA Bank Lao</li> <li>- Have own capital of 20% at least</li> <li>- Our staff will help you to fill in a loan application form which is available for free at ACLEDA Bank Lao</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	<p>Small: Up to LAK600 million, USD75,000, THB2.5 million (Loan period up to 60 months)</p> <p>Small group: Up to LAK15 million, THB60,000 (Loan period up to 24 months)</p> <p>Medium: More than LAK600 million, USD75,000, THB2.5 million (Loan period up to 60 months)</p>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>#372, Corner of Dongpalane and Dongpina Road, Unit 21, Phonesavanh Neua Village, Sisattanak District, Vientiane Capital, Lao PDR. P.O. Box: 1555</p> <p>Tel: +85-6 (0)21 264 994 / 264 998</p> <p>Fax: +85-6 (0)21 264 995 / 219 228</p> <p>E-mail: <a href="mailto:acledabank@acledabank.com.la">acledabank@acledabank.com.la</a></p> <p>Website: <a href="http://www.acledabank.com.la">www.acledabank.com.la</a></p> <p>SWIFT Code: ACLBLALA</p>
<b>Source(s)</b>	<a href="http://www.acledabank.com.la/la/eng/ps_crsmallloan">http://www.acledabank.com.la/la/eng/ps_crsmallloan</a>

<b>Agricultural Promotion Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Agricultural Promotion Bank
<b>Description</b>	One of the three state-owned banks, and was set up to provide financing to businesses and individuals involved in agriculture.
<b>Target beneficiaries and investments</b>	Poor farmers, Agribusinesses
<b>Eligibility criteria</b>	Not specified

<b>Financing instrument(s)</b>	Loans, Group Loans
<b>Investment size</b>	Up to LAK 50 million for individual loans, Up to LAK 10 million per person in group loans
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Address: Kayson Phomvihane, the White House, Xaythany capital Vientiane, Laos Phone: (856-21) 713060 fax: (856-21) 713061 Email: info@apb.com.la Website: <a href="http://www.apb.com.la">www.apb.com.la</a>
<b>Source(s)</b>	<a href="https://www.apb.com.la">https://www.apb.com.la</a>

<b>AsiaStar</b>	
<b>Implementer(s)/Investor(s)</b>	AsiaStar
<b>Description</b>	Asiastar Business Consultancy is based in Vientiane, Laos.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Not specified
<b>Technical support</b>	<ul style="list-style-type: none"> <li>- Co-working space</li> <li>- Training and workshops</li> <li>- Coaching</li> </ul>
<b>Contact(s)</b>	Ban Saphantongh, Vientiane, Lao PDR P.O. Box 730 info@asiastar.info
<b>Source(s)</b>	<a href="http://www.asiastar.info/what">http://www.asiastar.info/what</a>

<b>Banque Franco-Lao Ltd</b>	
<b>Implementer(s)/Investor(s)</b>	Banque Franco-Lao Ltd
<b>Description</b>	Joint-state bank  The bank received loans and credit guarantees backed by IFC to provide more loans to SMEs, and aims to increase its SME loan portfolio to more than USD 100 million by 2020
<b>Target beneficiaries and investments</b>	Women-owned SMEs, SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:contact@bfl.la">contact@bfl.la</a>
<b>Source(s)</b>	<a href="https://www.banquefrancolao.com/">https://www.banquefrancolao.com/</a>

<b>Cambodia-Laos-Myanmar Development Fund II</b>	
<b>Implementer(s)/Investor(s)</b>	Emerging Markets Investment Advisers, IFC, Swiss Investment Fund for Emerging Markets (SIFEM)
<b>Description</b>	Cambodia-Laos-Myanmar Development Fund (CLMDF) II is a regional private equity fund focused on investing in SMEs and managed by Emerging Markets Investment Advisers, a Singapore-based fund management company with a 6-year history. As part of its investment strategy, CLMDF II focuses on SMEs serving scalable local markets, including those targeting the BoP population. SIFEM invested USD4.2 million into the fund in 2015. In May 2016, IFC announces its investment of up to USD7.5 million in the Fund, capped at 20% of total fund commitment and advisory support towards the Fund's expansion into Myanmar. <sup>515</sup>
<b>Target beneficiaries and investments</b>	SMEs serving the BoP population.
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Scalable local markets, including those targeting the BoP population</li> <li>- Key sectors: (micro)finance, education, healthcare, food and beverage (including processing), tourism and selected niche manufacturing opportunities</li> </ul>
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	USD1 million – USD15 million <sup>516</sup>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Cambodia:  Level 9, Phnom Penh Tower,  No. 445, Monivong Blvd (St 93/232), Sangkat Boeung Pralit, Khan 7 Makara  Phnom Penh, Cambodia  Tel: (855) 23 964 421</p> <p>Myanmar:  25 Nawaday Road, #102 (First Floor), Dagon Township  Yangon, Myanmar  Tel: (95) 1 383 381</p> <p>Singapore:  318 Tanglin Road #01-38/39 Phoenix Park  Singapore 247979  Tel: (65) 6203 4293  <a href="mailto:emia@emergingmarkets.asia">emia@emergingmarkets.asia</a></p>
<b>Source(s)</b>	<a href="http://www.sifem.ch/investments/portfolio/show/cambodia-laos-myanmar-development-fund-ii/">www.sifem.ch/investments/portfolio/show/cambodia-laos-myanmar-development-fund-ii/</a> <a href="http://www.emergingmarkets.asia">www.emergingmarkets.asia</a>
<b>Ekphatthana Microfinance Institution (EMI)</b>	

<sup>515</sup> <http://www.dealstreetasia.com/stories/ifc-sets-up-70-m-development-fund-for-smes-in-clm-countries-40605/>

<sup>516</sup> Palladium (2017, pp.15-16)

<b>Implementer(s)/Investor(s)</b>	Ekphatthana Microfinance Institution (EMI)
<b>Description</b>	Ekphatthana Microfinance Institution (EMI) is the first licensed microfinance institution to operate in Lao PDR under the government's Microfinance regulations that was issued in 2005 and then updated in 2008.  EMI was created as a private Lao company with a start-up capital of USD100,000. As of December 31, 2016, EMI has over 86,000 Depositors
<b>Target beneficiaries and investments</b>	Individuals interested in Small and medium business, education, family needs, handicrafts and even for agricultural production and livestock loans
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	No more than LAK50 million
<b>Technical support</b>	N/A
<b>Contact(s)</b>	Ekphatthana Microfinance Institution Haisok Village Sounphanouvong Road Vientiane, Lao People's Democratic Republic Tel 856-21-244428 Fax 856-21-244428
<b>Source(s)</b>	<a href="http://www.emimfi.com/about">http://www.emimfi.com/about</a>

<b>Insitor Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Insitor
<b>Description</b>	Insitor is a social venture capital fund that provides equity and mezzanine funding to social enterprises in emerging and frontier markets. The fund invests in young, innovative and for-profit companies with a strong social mission and solid business model. Target sectors include: low-carbon energy, housing, water, education and health. Target countries include: Cambodia, India, Myanmar, Laos and Vietnam.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity, debt
<b>Investment size</b>	USD250,000 – USD3 million <sup>517</sup>
<b>Technical support</b>	Finance, strategy, operations, legal and regulatory support
<b>Contact(s)</b>	218 Rue de l'Eau L - 1449

<sup>517</sup> Interview with Insitor Management, March 1<sup>st</sup> 2017.

	Luxembourg <a href="mailto:info@insitorfund.com">info@insitorfund.com</a>
<b>Source(s)</b>	<a href="http://www.insitormangement.com">www.insitormangement.com</a>

<b>Lao Development Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Lao Development Bank
<b>Description</b>	Lao Development Bank (LDB) is a State Owned Commercial Bank with 100% capital owned by Ministry of Finance (MOF) operating under the supervision of the Bank of Lao PDR. LDB has been actively contributed to the implementation of the State/Party's policies and guidelines basing on its rights and roles in order to stimulate the national social-economic development.
<b>Target beneficiaries and investments</b>	SMEs legally operating in different industries such as: trading, service, manufacturing, good production, etc
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans – Normal and Revolving
<b>Investment size</b>	Not specified
<b>Technical support</b>	N/A
<b>Contact(s)</b>	013 Souphanouvong Road Sihom Village, Chanthabouly Dist Vientiane Capital, LAO PDR P.O BOX:2700 Tel: (+85621) 213300-03 Fax: (+85621) 241275 Mail: ldbhovte@ldblao.com SWIFT ID: LDBBLALA
<b>Source(s)</b>	<a href="http://www.ldblao.la">http://www.ldblao.la</a>

<b>Lao National Chamber of Commerce and Industry (LNCCI)</b>	
<b>Implementer(s)/Investor(s)</b>	Lao National Chamber of Commerce and Industry (LNCCI)
<b>Description</b>	Lao National Chamber of Commerce and Industry (LNCCI) established in 1989 is an independent body which represents the business community in Lao PDR. It is the nexus between state and private enterprises and represents employers, groups and joint ventures across all agencies that have been established under the laws of Lao PDR. It currently has more than 1000 members represented through Chambers of Commerce in 13 provinces and business associations and groups. That makes LNCCI the largest and most representative business community in Lao PDR.

	LNCCI works to strengthen Provincial CCIs, Vientiane CCI, Business Associations and Groups by upgrading services and management. As national economic development requires a pool of knowledge and skills, LNCCI seeks to build capacity through seminars, business meetings, and exhibitions where views can be exchanged and experiences and skills shared.
<b>Target beneficiaries and investments</b>	Businesses in Laos
<b>Technical support</b>	<ul style="list-style-type: none"> <li>- Organises networking events such as seminars and exhibitions</li> <li>- Provides trainings for entrepreneurs, in the area of business management skills and language classes through its programs</li> </ul>
<b>Contact(s)</b>	Business Development and SMEs Division Kaysone Phomvihane Ave, Ban Phonphanao Saysettha District, Vientiane Capital Lao PDR P.O.Box: 4596 Tel: (856-21) 453 312 Ext: 113, 114 Fax: (856-21) 452 580 Email: <a href="mailto:lncci@laocci.com">lncci@laocci.com</a> / <a href="mailto:lncci_tisme@yahoo.com">lncci_tisme@yahoo.com</a>
<b>Source(s)</b>	<a href="http://www.laocci.com/">http://www.laocci.com/</a>

<b>Laos' Women Union</b>	
<b>Implementer(s)/Investor(s)</b>	Laos' Women Union
<b>Description</b>	Established in 1955, the LWU was an outgrowth of the Lao Patriotic Women's Association. Pursuant to the country's 1991 Constitution, it is one of Lao PDR's four official mass organizations. With between 600,000 and 900,000 official members, the LWU's mandate is to represent the interests of women from all ethnic groups. Today, most women's economic activity programming in the country, including CDF administration, is dominated by LWU. In fact, to most rural women, there are no other networks of entrepreneurs that are relevant to their livelihoods. LWU has extensive networks at all levels of the state's administrative structure and thus serves as an important bridge between the ruling party, the government, and the women of Lao PDR for disseminating information on gender issues and mobilizing women's participation in development and trade integration activities.
<b>Target beneficiaries and investments</b>	Women
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Provision of microloans through Lending and Saving Projects, Saving Groups, Village Development Funds
<b>Investment size</b>	Not specified
<b>Technical support</b>	Set up training centres where women can gain business skills and set up the Lao Business Women's Association for women entrepreneurs to network and share innovations.
<b>Contact(s)</b>	Manthathourath Road Vientiane Laos (headquarters)
<b>Source(s)</b>	<a href="http://www.nathaninc.com/sites/default/files/Ecosystem%20for%20Women's%20Entrepreneurship-Lao%20PDR.pdf">http://www.nathaninc.com/sites/default/files/Ecosystem%20for%20Women's%20Entrepreneurship-Lao%20PDR.pdf</a>  <a href="http://lib.ohchr.org/HRBodies/UPR/Documents/Session8/LA/LWU_UPR_LAO_S08_2010_LaoWomensUnion.pdf">http://lib.ohchr.org/HRBodies/UPR/Documents/Session8/LA/LWU_UPR_LAO_S08_2010_LaoWomensUnion.pdf</a> <a href="http://laobusinesswomenassociation.org/">http://laobusinesswomenassociation.org/</a>

<b>Mekong Innovative Startup Tourism (MIST)</b>	
<b>Implementer(s)/Investor(s)</b>	Mekong Business Initiative
<b>Description</b>	Accelerator which will incubate tourism start-ups in CLMV. In 2017, it was started by the Mekong Business Initiative and 200 applications within the same year.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Not specified

<b>Technical support</b>	Incubation and consultations for start-ups
<b>Contact(s)</b>	Mekong Business Initiative – Asian Development Bank 16 Phan Chu Trinh, Hanoi, Vietnam
<b>Source(s)</b>	<a href="https://www.mekongbiz.org/">https://www.mekongbiz.org/</a> <a href="https://www.dealstreetasia.com/stories/mekong-business-initiative-tourism-75333">https://www.dealstreetasia.com/stories/mekong-business-initiative-tourism-75333</a> <a href="http://mist.asia/">http://mist.asia/</a>

<b>Mekong Angel Investor Network (MAIN)</b>	
<b>Implementer(s)/Investor(s)</b>	ADB, Mekong Business Initiative, Australia Aid
<b>Description</b>	MAIN is an international Angel Investment Network focused on investment and technical assistance in the SE Asia
<b>Target beneficiaries and investments</b>	Start-ups
<b>Technical support</b>	Networking opportunities to link-up with potential business mentors, partners, and angel funders  Incubation and Mentoring start-ups
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.mekongbiz.org/wp-content/uploads/2017/06/2016-MBI-Annual-report.pdf">http://www.mekongbiz.org/wp-content/uploads/2017/06/2016-MBI-Annual-report.pdf</a> <a href="https://www.facebook.com/pg/MAIN-Mekong-Angel-Investment-Network-1017461648290283/about/?ref=page_internal">https://www.facebook.com/pg/MAIN-Mekong-Angel-Investment-Network-1017461648290283/about/?ref=page_internal</a> <a href="http://mekongbusinessangels.com/about/">http://mekongbusinessangels.com/about/</a>

<b>Nayoby Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Nayoby Bank
<b>Description</b>	Nayoby Bank is a non-profit seeking bank under the management of the bank Lao PDR. It oversees the provision of credit lines to 47 poor districts and focuses on economic development in rural areas relying on small craft and services by providing low interest loans.
<b>Target beneficiaries and investments</b>	Poor farmers, Rural and urban poor
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Varies
<b>Technical support</b>	N/A
<b>Contact(s)</b>	Building No. 640 Kaysone Phomvihane Unit 21 Phonphanao Saysetthe

	Vientiane (021) 26440721
<b>Source(s)</b>	<a href="https://laotiantimes.com/2016/12/09/nayoby-bank-increase-loan-amounts-expand-branches/">https://laotiantimes.com/2016/12/09/nayoby-bank-increase-loan-amounts-expand-branches/</a>  <a href="http://www.nbblao.org/">http://www.nbblao.org/</a>

<b>Toh Lao</b>	
<b>Implementer(s)/Investor(s)</b>	Toh Lao
<b>Description</b>	TOHLAO Coworking space means a lot more than just a place to get work done. It is a place brimming with innovation and creation, a place where like-minded people come to work, to collaborate, to grow their businesses.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Not specified
<b>Technical support</b>	Business Matching Services & Co-working Space
<b>Contact(s)</b>	021 Francois Nginn Street, Mixay Village 01000 Vientiane, Laos  Tel : +(856 30) 53 29 008, +(856 20) 2828 8899 Email : info@tohlao.com Website : www.tohlao.com Facebook: www.facebook.com/tohlao
<b>Source(s)</b>	<a href="http://tohlao.com/contact-us/">http://tohlao.com/contact-us/</a> <a href="https://www.dealstreetasia.com/stories/3-mekong-startups-win-20000-at-regional-entrepreneurship-summit-7819/">https://www.dealstreetasia.com/stories/3-mekong-startups-win-20000-at-regional-entrepreneurship-summit-7819/</a> <a href="https://ace.mymagic.my/en/asean/laos/">https://ace.mymagic.my/en/asean/laos/</a>

## Malaysia

<b>ACE Market</b>	
<b>Implementer(s)/Investor(s)</b>	Bursa Malaysia
<b>Description</b>	The ACE Market, which stands for Access, Certainty and Efficiency, offers a listing alternative to entrepreneurs. Formerly known as MESDAQ (Malaysian Exchange for Securities Dealing and Automated Quotation) which came into existence in 1997 and targeted mainly technology stocks, ACE is now open to eligible SMEs. Potential companies need to engage a sponsor to assess their suitability for listing and the sponsor needs to remain for at least 3 years post-listing.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- No minimum operating track record or profit requirement.</li> <li>- Public spread: at least 25% of the company's share capital, and minimum of 200 public shareholders holding not less than 100 shares each.</li> </ul>
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Exchange Square Bukit Kewangan 50200 Kuala Lumpur Tel: (60) 3 2732 0067 <a href="mailto:customerservice@bursamalaysia.com">customerservice@bursamalaysia.com</a>
<b>Source(s)</b>	<a href="http://www.bursamalaysia.com/market/listed-companies/list-of-companies/ace-market">www.bursamalaysia.com/market/listed-companies/list-of-companies/ace-market</a>

<b>AgroBank Financing Programmes</b>	
<b>Implementer(s)/Investor(s)</b>	AgroBank (Bank Pertanian Malaysia Bhd)
<b>Description</b>	A government owned bank under the Ministry of Finance, AgroBank's mission is to provide a holistic range of financial services and banking facilities with a focus on the agricultural sector. Agrobank today operates through 190 branches throughout Malaysia.
<b>Target beneficiaries and investments</b>	Micro-entrepreneurs involved in agriculture or agro-based activities
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Loans based on Islamic financing
<b>Investment size</b>	Varies
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Leboh Pasar Besar Peti Surat 10815

	50726 Kuala Lumpur, Malaysia Tel: (60) 3 2731 1600
<b>Source(s)</b>	<a href="http://www.agrobank.com.my/">http://www.agrobank.com.my/</a>

<b>AirAsia Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	AirAsia Foundation
<b>Description</b>	AirAsia Foundation is the philanthropic arm of the AirAsia Group. AirAsia Foundation's grant-making is aimed at helping social enterprises scale up as a way of empowering communities and enabling them to build sustainable livelihoods.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Applicants must be registered and be based in ASEAN, and have a minimum two-year business track record. NGOs looking to diversify funding sources through social enterprise are also eligible.
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Not specified
<b>Technical support</b>	Mentorship, networking
<b>Contact(s)</b>	LCC Terminal, Jalan KLIA S3 Southern Support Zone, KLIA 64000 Sepang, Selangor, Malaysia
<b>Source(s)</b>	<a href="http://www.airasiafoundation.com/grant-application/">www.airasiafoundation.com/grant-application/</a>

<b>Alix Global Equity Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Alix Global
<b>Description</b>	Following the enactment of equity crowdfunding regulations by the Malaysian government, Sweden-based FundedByMe and Alix Global, a marketing company, formed a joint venture to operate an equity crowdfunding platform. Alix Global provides an online platform for companies that seek alternative financing for their needs and for the "crowd" (investors) to engage with these companies.
<b>Target beneficiaries and investments</b>	SMEs, start-ups, social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity crowdfunding
<b>Investment size</b>	Up to MYR3 million over a 12-month period and MYR5 million in total
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Suite 11.01, Level 11, South Wing, Menara OBYU, PJU 8/8A 47820 PJ, Selangor, Malaysia

	Tel: (60) 3 7717 4918 <a href="mailto:admin@alix.my">admin@alix.my</a>
<b>Source(s)</b>	<a href="http://www.alixglobal.com">www.alixglobal.com</a>

<b>Amanah Ikhtiar Malaysia (AIM) Financing Schemes</b>	
<b>Implementer(s)/Investor(s)</b>	Amanah Ikhtiar Malaysia (AIM)
<b>Description</b>	AIM is the largest microcredit organisation in Malaysia that practices an Islamic microfinance scheme in which members pay "service charge" instead of interest. AIM currently offers 7 funding schemes.
<b>Target beneficiaries and investments</b>	Groups of 5 (of the same gender) looking for microfinance loans to finance income generating activities
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Malaysian citizen 18 years and above</li> <li>- Total household income of not more than MYR3,855 or MYR838 per capita</li> </ul>
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	MYR1,000 to max MYR10,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	21-02, Jalan Padi Ria, Bandar Baru Uda, 81200 Johor Bahru, Johor, Malaysia Tel: (60) 7 237 5486 <a href="mailto:ikhtiar@aim.gov.my">ikhtiar@aim.gov.my</a>
<b>Source(s)</b>	<a href="http://www.aim.gov.my/khidmat/skim-pembiayaan-ikhtiar-spi">www.aim.gov.my/khidmat/skim-pembiayaan-ikhtiar-spi</a>

<b>Ata Plus Equity Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Ata Plus
<b>Description</b>	Ata Plus was one of the first 6 platforms that received an official license to operate equity crowdfunding by the Securities Commission Malaysia in 2015.
<b>Target beneficiaries and investments</b>	SMEs, start-ups, social enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Registered and incorporated in Malaysia.</li> <li>- Not a public listed entity or a subsidiary of a public listed company</li> <li>- Paid up capital does not exceed MYR5 million</li> <li>- Generates less than 33% of revenue from the following activities: gambling, liquor and liquor-related activities, pork and pork-related activities, non-halal food and beverages, tobacco, e-cigarettes and tobacco related activities, adult-related content and entertainment, manufacturing and trading of weapons, financial services based on interest, conventional insurance</li> </ul>

<b>Financing instrument(s)</b>	Equity crowdfunding
<b>Investment size</b>	Up to MYR3 million within a 12-month period and MYR5 million in total
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Block C-2-4 Plaza Damas, No. 60, Jalan Hartamas 1, Sri Hartamas 50480 Kuala Lumpur, Malaysia
<b>Source(s)</b>	<a href="http://www.ata-plus.com">www.ata-plus.com</a>

<b>Bank Negara Malaysia's Special Funds</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Negara Malaysia
<b>Description</b>	<p>As of 2017, Bank Negara Malaysia manages 2 Special Funds aimed at fostering the SME sector, namely Funds for Small and Medium Industries 2 (FSMI2) and New Entrepreneurs Fund 2 (NEF2). These funds are operated through participating financial institutions. SMEs facing financing problems can also seek advice on restructuring or rescheduling of existing financing under the Small Debt Resolution Scheme (SDRS).</p> <p>The FSMI2 provides eligible SMEs in both export and domestic-oriented sectors with access to financing at reasonable costs. Participating financial institutions: all commercial banks and Islamic banks, SME Bank, Bank Pertanian Malaysia Bhd (Agrobank), Malaysian Industrial Development Finance Bhd, and Sabah Development Bank Bhd.</p> <p>The NEF2 targets small- and medium-sized Bumiputera enterprises. Participating financial institutions are: all commercial banks and Islamic banks, SME Bank and Malaysian Industrial Development Finance Bhd.</p>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<p>FSMI2:</p> <ul style="list-style-type: none"> <li>- Maximum shareholders' funds not exceeding MYR2 million</li> <li>- Shareholding by public listed companies or government-linked companies not exceeding 20% (if any)</li> <li>- Minimum 51% owned by Malaysian residing in Malaysia</li> <li>- Not more than 7 years in operation</li> </ul> <p>NEF2:</p> <ul style="list-style-type: none"> <li>- Bumiputera SMEs</li> <li>- Maximum shareholders' funds not exceeding MYR2 million</li> </ul>

	<ul style="list-style-type: none"> <li>- Shareholding by public listed companies or government-linked companies not exceeding 20% (if any)</li> <li>- Wholly owned Bumiputera institutions residing in Malaysia</li> <li>- Not more than 7 years in operation</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Up to MYR5 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Jalan Dato' Onn, 50480 Kuala Lumpur, Malaysia Tel: (60) 3 2698 8044 <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a>
<b>Source(s)</b>	<a href="http://www.bnm.gov.my/documents/2015/TKS2.pdf">www.bnm.gov.my/documents/2015/TKS2.pdf</a> <a href="http://www.bnm.gov.my/documents/2015/TUB2.pdf">www.bnm.gov.my/documents/2015/TUB2.pdf</a> <a href="http://www.bnm.gov.my/documents/2015/SDRS.pdf">www.bnm.gov.my/documents/2015/SDRS.pdf</a>

<b>Bank Negara Malaysia's Pembiayaan Mikro and Micro Enterprise Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Negara Malaysia
<b>Description</b>	In 2007, Bank Negara Malaysia mandated several financial institutions to offer microloans under the Pembiayaan Mikro scheme. Participating financial institutions are: Agrobank, Bank Rakyat, Bank Simpanan Nasional, Alliance Bank, AmBank, CIMB Bank, Public Bank, Maybank, United Overseas Bank and Bank Muamalat. Loan tenure is up to 7 years. In 2008, Bank Negara Malaysia set up the MYR200 million Micro Enterprise Fund. Micro enterprises can apply for this fund at any of the participating financial institutions of Pembiayaan Mikro.
<b>Target beneficiaries and investments</b>	Micro enterprises
<b>Eligibility criteria</b>	All micro enterprises with viable businesses across all sectors. Certain participating financial institutions may provide microfinance facilities to borrowers in specific sectors.
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	MYR1,000 – MYR50,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	BNMLINK (Customer Service Walk-In Centre) Ground Floor, Block D, Bank Negara Malaysia Jalan Dato' Onn, 50480 Kuala Lumpur Tel: (60) 1 300 88 5465 <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a>
<b>Source(s)</b>	<a href="http://www.bnm.gov.my/documents/sme/20140320-FAQ_on_Pembiayaan_Mikro_English_FINAL.pdf">www.bnm.gov.my/documents/sme/20140320-FAQ_on_Pembiayaan_Mikro_English_FINAL.pdf</a>

<b>Bank Pembangunan Malaysia Bhd (BMPB) Schemes</b>	
<b>Implementer(s)/Investor(s)</b>	Bank Pembangunan Malaysia Bhd (BMPB)
<b>Description</b>	BMPB provides medium to long term financing to existing and new enterprises in support of the development of the high technology industry. Focus sectors include: infrastructure, maritime, high technology and oil and gas. Bank Pembangunan Malaysia Bhd was formerly known as Bank Pembangunan Dan Infrastruktur Malaysia Bhd and changed its name to Bank Pembangunan Malaysia Bhd in September 2005. Bank Pembangunan Malaysia Bhd was incorporated in 1973.
<b>Target beneficiaries and investments</b>	Start-ups, SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Malaysian-owned companies (at least 51%) registered in Malaysia</li> <li>- Projects must be located in Malaysia</li> </ul> Company should be operating in the biodiesel related, biofuel related or renewable energy and energy efficiency industry
<b>Financing instrument(s)</b>	Project finance, contract finance, deferred payment loans, private finance initiative, structured finance.
<b>Investment size</b>	Varies
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Menara Bank Pembangunan, 1016, Jalan Sultan Ismail, Bandar Wawasan, 50300 Kuala Lumpur, Malaysia Tel: (60) 3 2611 3888 Azlina Ahmad, Business Banking I, Sector Specialist <a href="mailto:azlina@bpmb.com.my">azlina@bpmb.com.my</a>
<b>Source(s)</b>	<a href="http://www.bpmb.com.my">www.bpmb.com.my</a>

<b>Commerce Asset Ventures Sdn Bhd</b>	
<b>Implementer(s)/Investor(s)</b>	Commerce Asset Ventures Sdn Bhd
<b>Description</b>	Commerce Asset Ventures Sdn Bhd is a private equity firm specialising in middle market and growth capital investments. The company typically provides venture capital financing and strategic business development to companies in agriculture, fisheries, livestock farming, agro-biotechnology & food technology, industrial and horticulture crops farming.
<b>Target beneficiaries and investments</b>	Agribusinesses

<b>Eligibility criteria</b>	Malaysian incorporated business, with operations in Malaysia and/or overseas that has: <ul style="list-style-type: none"> <li>- Strong operating track record</li> <li>- Solid and feasible business plan</li> <li>- Strong demand for its products</li> <li>- Strong management team</li> </ul>
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	Strategic business development
<b>Contact(s)</b>	No. 6, Commerce House 22-24, Jalan Sri Semantan Satu, Damansara Heights 50490 Kuala Lumpur, Malaysia Tel: (60) 3 2732 5577
<b>Source(s)</b>	<a href="http://www.smeinfo.com.my/index.php?option=com_content&amp;view=article&amp;id=1223&amp;Itemid=1189">http://www.smeinfo.com.my/index.php?option=com_content&amp;view=article&amp;id=1223&amp;Itemid=1189</a>

<b>Cradle Investment Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Cradle Fund Sdn Bhd
<b>Description</b>	Cradle Fund Sdn Bhd, an agency under the Ministry of Finance, is a not-for-profit organisation that manages the MYR100 million Cradle Investment Programme (CIP) since its inception in 2003. An additional MYR50 million was recently added to this allocation under the 10 <sup>th</sup> Malaysian Plan. The CIP aims to: support technology entrepreneurs, achieve commercialisation efficiency and sustainable technopreneurship, boost quantity and quality of innovations and technology start-ups. The two funding schemes currently managed by Cradle are: <ul style="list-style-type: none"> <li>- CIP Catalyst: Funding is provided either to develop ideas into prototypes/proof-of-concepts.</li> <li>- CIP 500: CIP 500 is a seed fund that primarily funds commercialisation.</li> </ul>
<b>Target beneficiaries and investments</b>	CIP Catalyst: Teams of innovative individuals. CIP 500: Budding companies.
<b>Eligibility criteria</b>	Investment is usually focused on diverse areas of ICT, non-ICT and high-growth technology industries which include: <p>ICT</p> <ul style="list-style-type: none"> <li>- Mobile / wireless tech</li> <li>- Creative multimedia and content development</li> <li>- Shared services and outsourcing</li> <li>- Hardware design</li> <li>- Software development</li> <li>- Internet-based businesses</li> </ul> <p>Non-ICT</p>

	<ul style="list-style-type: none"> <li>- Biotechnology</li> <li>- Advanced materials</li> <li>- Advanced manufacturing-related tech</li> <li>- Renewable energy / waste management / recycling tech</li> <li>- High-technology consumer and business products</li> </ul> <p>Others</p> <ul style="list-style-type: none"> <li>- Semi-conductors</li> <li>- Life sciences</li> </ul> <p>Clean technology</p>
<b>Financing instrument(s)</b>	Pre-seed and seed conditional grant
<b>Investment size</b>	CIP Catalyst: up to MYR150,000 per idea CIP 500: up to MYR500,000 per deal
<b>Technical support</b>	Coach & Grow Programme: A public-private partnership between Cradle Fund and Proficeo, the C-level coaching programme is designed to support start-ups to scale up.
<b>Contact(s)</b>	Level 20, Sunway Putra Tower 100 Jalan Putra 50350 Kuala Lumpur, Malaysia Tel: (60) 3 4045 8600 <a href="mailto:enquiries@cradle.com.my">enquiries@cradle.com.my</a>
<b>Source(s)</b>	<a href="https://gms.cradle.com.my/">https://gms.cradle.com.my/</a>

<b>Credit Guarantee Corporation's Biz-Wanita-i Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Credit Guarantee Corporation Malaysia Bhd (CGC)
<b>Description</b>	Credit Guarantee Corporation Malaysia Bhd (CGC) is a limited company incorporated under the Companies Act 1965 in 1972. Its main objective is to play a developmental role in supporting the country's economic development agenda by assisting marginal but potentially viable SMEs, particularly enterprises without collateral or with inadequate collateral and track record, to obtain financing from the financial institutions. CGC facilitates SMEs access to financing through its guarantee and direct financing schemes. The Biz-Wanita-i programme provides financing for women entrepreneurs in Malaysia.
<b>Target beneficiaries and investments</b>	Women entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Aged 21 – 60 (upon settlement of full instalment payment).</li> <li>- Business meets either one of the “women” definition stipulated in the FAQ section.</li> </ul>

	<ul style="list-style-type: none"> <li>- Must be SME per National SME Development Council's definition.</li> <li>- Business registered in Malaysia and is Malaysian-controlled and Malaysian-owned (at least 51% shareholding).</li> <li>- Business is at least licensed by a local authority.</li> <li>- Business has been licensed and/or in operations for any number of years (not confined to any minimum nor maximum number of years).</li> </ul>
<b>Financing instrument(s)</b>	Term financing only (for the purpose of working capital and/or asset acquisition)
<b>Investment size</b>	MYR20,000 - MYR300,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Bangunan CGC, Kelana Business Centre 97, Jalan SS7/2, 47301 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel: (60) 3 7806 2300
<b>Source(s)</b>	<a href="https://www.cgc.com.my/bizwanita-i/">https://www.cgc.com.my/bizwanita-i/</a>

#### **Credit Guarantee Corporation's Direct Financing Schemes**

<b>Implementer(s)/Investor(s)</b>	Credit Guarantee Corporation Malaysia Bhd (CGC)
<b>Description</b>	Credit Guarantee Corporation Malaysia Bhd (CGC) is a limited company incorporated under the Companies Act 1965 in 1972. Its main objective is to play a developmental role in supporting the country's economic development agenda by assisting marginal but potentially viable SMEs, particularly enterprises without collateral or with inadequate collateral and track record, to obtain financing from the financial institutions. CGC facilitates SMEs access to financing through its guarantee schemes. It also provides direct financing through 3 programmes: Bumiputera Entrepreneur Project Fund-I (TPUB-i), BizMula-i and BizBina-i.
<b>Target beneficiaries and investments</b>	TPUB-i: Bumiputera SME entrepreneurs BizMula-i and BizBina-i: SME entrepreneurs
<b>Eligibility criteria</b>	TPUB-i: <ul style="list-style-type: none"> <li>- Applicant must be a wholly owned Bumiputera enterprise or is a Bumiputera entrepreneur</li> <li>- Applicant must have secured a contract from government, government agencies or government-owned companies</li> <li>- The contract must not be financed by any other financial institutions</li> <li>- Net shareholders' fund of at least MYR20 million</li> <li>- In operations for at least 3 years</li> </ul>

	<ul style="list-style-type: none"> <li>- No losses in the last 3 years</li> </ul> <p>BizMula-i:</p> <ul style="list-style-type: none"> <li>- At least 51% owned by Malaysians</li> <li>- Less than 3 years in operations</li> </ul> <p>BizBina-i:</p> <ul style="list-style-type: none"> <li>- At least 51% owned by Malaysians</li> <li>- Open to CGC's existing customers located in disaster areas defined by the National Security Council</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	TPUB-i: up to MYR3 million for first time applications, up to MYR5 million for subsequent applications BizMula-i: MYR50,000 – MYR300,000 BizBina-i: MYR20,000 – MYR200,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Bangunan CGC, Kelana Business Centre 97, Jalan SS7/2, 47301 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel: (60) 3 7806 2300
<b>Source(s)</b>	<a href="http://www.cgc.com.my/direct-lending">www.cgc.com.my/direct-lending</a>

<b>Entrepreneurs for Good Social Enterprise Awards</b>	
<b>Implementer(s)/Investor(s)</b>	British Council and Arthur Guinness Fund
<b>Description</b>	The British Council launched its social enterprise programme in Malaysia in September 2012 that focuses on young social entrepreneurs at ideation stage and start-up stage. It organises the Entrepreneurs for Good Social Enterprise Awards in partnership with the Arthur Guinness Projects to invest in and support social entrepreneurs with new ideas and solutions to social problems that will create systemic change at a community and potentially national level. Since 2012 Entrepreneurs for Good has trained 48 social entrepreneurs and invested more than GBP225,000 to 18 social enterprises.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Seed funding
<b>Investment size</b>	Up to MYR 40,000
<b>Technical support</b>	Business support, mentorship
<b>Contact(s)</b>	Ground Floor, West Block, Wisma Selangor Dredging 142C Jalan Ampang 50450 Kuala Lumpur Tel: (60) 3 2723 7900 <a href="mailto:info@britishcouncil.org.my">info@britishcouncil.org.my</a>
<b>Source(s)</b>	<a href="http://www.britishcouncil.my/programmes/society/skills-social-entrepreneurs">www.britishcouncil.my/programmes/society/skills-social-entrepreneurs</a>

<b>Eureeca Equity Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Eureeca
<b>Description</b>	Launched in 2013, Eureeca is a global equity crowdfunding platform that received licensing from both the UK Financial Conduct Authority and the Securities Commission Malaysia in 2015. It operated in Dubai, London and Kuala Lumpur.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Operational revenue-generating SMEs raising at least USD250,000
<b>Financing instrument(s)</b>	Equity crowdfunding
<b>Investment size</b>	Up to MYR3 million within a 12-month period and MYR5 million in total
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:contactus@eureeca.com">contactus@eureeca.com</a>
<b>Source(s)</b>	<a href="http://www.eureeca.com">www.eureeca.com</a>

<b>InnoFund</b>	
<b>Implementer(s)/Investor(s)</b>	Ministry of Science, Technology & Innovation
<b>Description</b>	<p>Enterprise Innovation Fund: The Enterprise Innovation Fund (EIF) is to increase the participation of micro-businesses, individuals in innovative activities and encourage technological innovation of new or existing products, process or services for commercialisation.</p> <p>Community Innovation Fund: The Community Innovation Fund (CIF) is to assist community groups in translating knowledge and ideas into products, processes or services that improve the socio-economic standing and quality of life of the community.</p>
<b>Target beneficiaries and investments</b>	EIF: micro and small enterprises CIF: NGOs, cooperatives, community groups
<b>Eligibility criteria</b>	<p>EIF:</p> <ul style="list-style-type: none"> <li>- Minimum 51% equity held by Malaysians</li> <li>- Minimum paid up capital in cash of MYR10,000 (except for start-ups)</li> <li>- Project proposal must contain elements of technological innovation leading to commercialisation of innovative products, processes and services</li> <li>- Project team must provide evidence of technical competency</li> </ul>

	<ul style="list-style-type: none"> <li>- Application must be accompanied by a supporting letter from a referee</li> </ul> <p>CIF:</p> <ul style="list-style-type: none"> <li>- Applicant must be a registered/government recognised Malaysian community group</li> <li>- Proposal must contain innovative elements leading to the development of products, services or processes that improve societal well-being</li> <li>- Applicant must show proof of financial capability that they can fund the portion of project costs not funded under CIF</li> <li>- Project must be undertaken in Malaysia</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	EIF: Maximum MYR50,000 for individuals/sole proprietor and MYR500,000 for micro and small enterprises CIF: Maximum MYR500,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Pre-Commercialisation Fund (InnoFund) Secretariat Fund Division, Ministry of Science, Technology and Innovation Level 3, Block C5, Parcel C, Federal Government Administrative Centre 62662 Putrajaya, Kuala Lumpur, Malaysia Tel: (60) 3 8885 8123 <a href="mailto:innofund@mosti.gov.my">innofund@mosti.gov.my</a>
<b>Source(s)</b>	<a href="http://www.mosti.gov.my/wp-content/uploads/2016/05/InnoFund-Guideline-Terkini-Revised-May-2016.pdf">www.mosti.gov.my/wp-content/uploads/2016/05/InnoFund-Guideline-Terkini-Revised-May-2016.pdf</a>

<b>Green Technology Financing Scheme (for Producers)</b>	
<b>Implementer(s)/Investor(s)</b>	<p>Implementation Agencies: Malaysian Green Technology Corporation and Credit Guarantee Corporation Malaysia Bhd</p> <p>Participating Financial Institutions:</p> <ul style="list-style-type: none"> <li>- All commercial and Islamic banks</li> <li>- All Development Financial Institutions (Bank Pembangunan, SME Development Bank, Agrobank, Bank Rakyat, EXIM Bank and Bank Simpanan Nasional)</li> <li>- Malaysia Debt Ventures Bhd (MDV). MDV is however limited to a maximum financing amount of MYR800 million.</li> </ul>
<b>Description</b>	The Green Technology Financing Scheme (GTFS) was established by the Malaysian government to promote investments in green technology. This is a national

	initiative aimed at achieving a sustainable environment. The Participating Financial Institutions' role is to ensure the success of the GTFS through financing companies that supply and utilise green technology.
<b>Target beneficiaries and investments</b>	Malaysian-owned companies
<b>Eligibility criteria</b>	<p>Legally registered Malaysian-owned companies (at least 51%) in all economic sectors that are investing in Green Technology. Green Technology refers to products, equipment, or systems which satisfy the following:</p> <ul style="list-style-type: none"> <li>- Minimises the degradation of the environment;</li> <li>- Has zero or low greenhouse gas emission;</li> <li>- Safe for use and promotes healthy and improved environment for all forms of life;</li> <li>- Conserves the use of energy and natural resources; or</li> </ul> <p>Promotes the use of renewable resources.</p>
<b>Financing instrument(s)</b>	All types of financing facilities under Islamic and conventional financing
<b>Investment size</b>	Maximum MYR100 million per company at a financing tenure of up to 15 years
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Malaysian Green Technology Corporation  No. 2, Jalan 9/10,  Persiaran Usahawan, Seksyen 9,  43650 Bandar Baru Bangi,  Selangor Darul Ehsan, Malaysia  Tel: (60) 1 800 88 4837  <a href="mailto:feedback@gfts.my">feedback@gfts.my</a></p>
<b>Source(s)</b>	<a href="https://www.cgic.com.my/government-funded-schemes/">https://www.cgic.com.my/government-funded-schemes/</a>

<b>Green Technology Financing Scheme (for Users)</b>	
<b>Implementer(s)/Investor(s)</b>	<p>Implementation Agencies:  Malaysian Green Technology Corporation and Credit Guarantee Corporation Malaysia Bhd</p> <p>Participating Financial Institutions:</p> <ul style="list-style-type: none"> <li>- All commercial and Islamic banks</li> <li>- All Development Financial Institutions (Bank Pembangunan, SME Development Bank, Agrobank, Bank Rakyat, EXIM Bank and Bank Simpanan Nasional)</li> <li>- Malaysia Debt Ventures Bhd (MDV). MDV is however limited to a maximum financing amount of MYR200 million.</li> </ul>

<b>Description</b>	The Green Technology Financing Scheme (GTFS) was established by the Malaysian government to promote investments in green technology. This is a national initiative aimed at achieving a sustainable environment. The Participating Financial Institutions' role is to ensure the success of the GTFS through financing companies that supply and utilise green technology.
<b>Target beneficiaries and investments</b>	Malaysian-owned companies
<b>Eligibility criteria</b>	<p>Legally registered Malaysian-owned companies (at least 70%) in all economic sectors that are utilising Green Technology. Green Technology refers to products, equipment, or systems which satisfy the following:</p> <ul style="list-style-type: none"> <li>- Minimises the degradation of the environment;</li> <li>- Has zero or low greenhouse gas emission;</li> <li>- Safe for use and promotes healthy and improved environment for all forms of life;</li> <li>- Conserves the use of energy and natural resources; or</li> </ul> <p>Promotes the use of renewable resources.</p>
<b>Financing instrument(s)</b>	All types of financing facilities under Islamic and conventional financing
<b>Investment size</b>	Maximum MYR10 million per company at a financing tenure of up to 10 years
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Malaysian Green Technology Corporation  No. 2, Jalan 9/10,  Persiaran Usahawan, Seksyen 9,  43650 Bandar Baru Bangi,  Selangor Darul Ehsan, Malaysia  Tel: 1 800 88 4837  <a href="mailto:feedback@gvfs.my">feedback@gvfs.my</a></p>
<b>Source(s)</b>	<a href="https://www.cgcs.com.my/government-funded-schemes/">https://www.cgcs.com.my/government-funded-schemes/</a>

<b>MAD Business Incubation Programme</b>	
<b>Implementer(s)/Investor(s)</b>	MAD Incubator Sdn Bhd
<b>Description</b>	<p>Formed in 2009, MAD Incubator is one of the largest private incubators in Malaysia that aims to develop 10,000 entrepreneurs in Southeast Asia by 2020. The company specialises in incubation programmes from ideation to business venture and business acceleration. The MAD Business Incubation Programme is designed to help new and struggling early-stage businesses develop into financially stable companies.</p>

<b>Target beneficiaries and investments</b>	Early-stage enterprises
<b>Eligibility criteria</b>	<p>Businesses must:</p> <ul style="list-style-type: none"> <li>- Be able to practice integrity, governance and transparency</li> <li>- Be coachable, positive-minded and willing to listen to advice</li> <li>- Demonstrate a solution to strong market demand</li> <li>- Have a product or service that can be commercialized within two years</li> <li>- Be a business well-suited to benefit from the program's services, environment, technical and business expertise.</li> <li>- Have potential for positive economic impact on the community through a technology, product or service deemed to have a high potential impact in the marketplace or community</li> <li>- Have potential for rapid company growth</li> </ul>
<b>Technical support</b>	Training, mentorship, business plan development, access to business and technical assistance network, access to financing resources
<b>Contact(s)</b>	<p>MSC Malaysia Technology Commercialisation Centre  Jalan Multimedia University, MMU  63000 Cyberjaya, Malaysia  Tel: (60) 3 8311 9605  <a href="mailto:enquiry@incubator.com.my">enquiry@incubator.com.my</a></p>
<b>Source(s)</b>	<a href="http://www.incubator.com.my/mad-programs/mad-business-incubation-program">www.incubator.com.my/mad-programs/mad-business-incubation-program</a>

<b>MaGIC Accelerator Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Malaysian Global Innovation & Creativity Centre (MaGIC)
<b>Description</b>	<p>The government-funded MaGIC Accelerator Programme is designed to build and grow an ASEAN community of start-ups that have the opportunity to achieve a regional outlook, access regional resources, exchange knowledge with peers and foster relationships. The Programme's ASEAN track selects and prepares start-ups from the region for early-stage funding and partnership. The Social Enterprise track aims to accelerate and develop ideas that address social and environmental issues in Malaysia. The Distro Dojo track is led by 500 Startups and targets growth-stage start-ups in the ASEAN region.</p>

<p><b>Target beneficiaries and investments</b></p>	<p>ASEAN Track: A program to accelerate 50 start-ups per batch to be investment ready in 4 months.</p> <ul style="list-style-type: none"> <li>- MYR1,500 monthly allowance for each participant</li> <li>- Free accommodation during program</li> <li>- MYR1,000 round trip reimbursable flight allowance for each participant</li> <li>- 6-month Professional Visitor's Pass to join the program</li> </ul> <p>SE Track: Malaysia's first social enterprise accelerator that took in 25 social enterprises in its Aug 2016 intake.</p> <ul style="list-style-type: none"> <li>- Seed fund of MYR30,000 to pilot idea</li> <li>- MYR1,500 monthly allowance for each participant</li> <li>- Free accommodation during program</li> <li>- MYR1,000 round trip reimbursable flight allowance for each participant</li> </ul> <p>Distro Dojo Track: Distro Dojo aims to help growth-stage start-ups build out their in-house growth teams, getting them more customers in time for less cost, priming them for their next major funding round, or profitability.</p> <ul style="list-style-type: none"> <li>- No financial investments</li> <li>- Workshops and networking with top practitioners</li> </ul>
<p><b>Eligibility criteria</b></p>	<p>ASEAN Track:</p> <ul style="list-style-type: none"> <li>- Start-ups from around the world looking to grow in the ASEAN market</li> <li>- Start-ups with 1-3 team members who can commit to the full-time program (4 months)</li> <li>- A market-ready product with some traction</li> <li>- Highly scalable with large growth potential</li> </ul> <p>SE Track:</p> <ul style="list-style-type: none"> <li>- A social enterprise idea or in its early stages</li> <li>- A team of up to 3 Malaysian founders</li> <li>- At least one willing founder to commit to the program on a full-time basis</li> </ul> <p>Distro Dojo Track:</p> <ul style="list-style-type: none"> <li>- Open to all start-ups focusing on any ASEAN country as their core market</li> <li>- Must have a product-market fit</li> <li>- Must have a committed core team</li> <li>- Your goals include higher profits, market share, conversions and customer retention</li> </ul>

	- At least one team member must be able to commit their time in MaGIC throughout the live portion of the course.
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	MYR30,000 in seed funding (SE track), USD50,000 in equity investment (Distro Dojo track)
<b>Technical support</b>	Training, mentorship, access to industry experts, regional investors and route-to-market partners
<b>Contact(s)</b>	Block 3730, Persiaran APEC 63000 Cyberjaya, Malaysia Tel: (60) 3 8324 4800 <a href="mailto:map.asean@mymagic.my">map.asean@mymagic.my</a>
<b>Source(s)</b>	<a href="http://www.accelerator.mymagic.my/en">www.accelerator.mymagic.my/en</a>

<b>Majlis Amanah Rakyat (MARA) Entrepreneur Guarantee Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	Majlis Amanah Rakyat (MARA) and Bank Rakyat
<b>Description</b>	The Majlis Amanah Rakyat (MARA) was formed in 1966 to assist, train and guide Bumiputera in areas of business and industry. Bank Rakyat was established in 1954 under the Cooperative Ordinance 1948. Today, Bank Rakyat is the biggest Islamic cooperative bank in Malaysia with assets totalling MYR92.29 billion as at end of December 2015. The MARA Entrepreneur Guarantee Scheme aims to assist Bumiputera SMEs who have viable business models but lack collateral to obtain financing.
<b>Target beneficiaries and investments</b>	Bumiputera SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Open to 100% Bumiputera Sole Proprietor, Partnership and Private Limited Companies that has been in operation for at least two years with profit generated in the current year</li> <li>- Minimum annual sales of MYR500,000</li> <li>- The applicant must be classified as SME as defined by Bank Negara Malaysia.</li> </ul>
<b>Financing instrument(s)</b>	Working capital, contract financing, bank guarantee, machineries and equipment financing based on Shariah financing concept
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- Sole Proprietor: Maximum financing amount of MYR200,000 to MYR500,000</li> <li>- Partnership: MYR200,000 to MYR500,000</li> <li>- Private company limited by shares: MYR200,000 to MYR2 million</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:sme@bankrakyat.com.my">sme@bankrakyat.com.my</a>
<b>Source(s)</b>	<a href="http://www.bankrakyat.com.my/skim-jaminan-usahawan-mara">www.bankrakyat.com.my/skim-jaminan-usahawan-mara</a> <a href="http://www.mara.gov.my">www.mara.gov.my</a>

<b>Malaysian Chinese Women Entrepreneurs Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Malaysian Chinese Women Entrepreneurs Foundation
<b>Description</b>	The Malaysian Chinese Women Entrepreneurs Foundation is a non-profit organisation that aims to provide new business opportunities and micro loans to Malaysian Chinese women for the purpose of starting new businesses or expanding existing businesses.
<b>Target beneficiaries and investments</b>	Malaysian Chinese women entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Malaysian Chinese woman aged 18-60 years old</li> <li>- 1 Guarantor who is a family member (18-60 years old) with income</li> </ul> Possesses a business registration/business license
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	MYR5,000 - MYR20,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	23A, 25, 26 & 27, Casa Tiara Apartmen Berservis Persiaran Kemajuan Subang, 47500 Subang Jaya Selangor, Malaysia Tel: (60) 3 5630 0608 <a href="mailto:Care@ChineseWomenFoundation.org">Care@ChineseWomenFoundation.org</a>
<b>Source(s)</b>	<a href="http://english.chinesewomenfoundation.org/home.aspx">http://english.chinesewomenfoundation.org/home.aspx</a>

<b>Malaysia Debt Ventures Bhd (MDV)</b>	
<b>Implementer(s)/Investor(s)</b>	Malaysia Debt Ventures Bhd (MDV)
<b>Description</b>	Incorporated in 2002 as a wholly owned subsidiary of the Ministry of Finance, MDV is a financier and development facilitator for the ICT, biotechnology, green technology and other emerging technology sectors in Malaysia. The company provides project loans and industry support services. Its clients range from start-ups, SMEs to public listed and government linked companies.
<b>Target beneficiaries and investments</b>	Start-ups, SMEs in ICT and high technology sectors
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Public or private limited company incorporated in Malaysia with a minimum paid-up capital of MYR100,000</li> <li>- Minimum of five full-time employees</li> </ul> Main product or activity of the company exclude textile manufacturing, metal moulding, agriculture activities or food production and/or processing
<b>Financing instrument(s)</b>	Revolving project loans, open-ended project loans, partner bank facilities, small contract financing (both convention and Islamic facilities)

<b>Investment size</b>	Varies from scheme to scheme, typically between MYR250,000 - MYR2 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Level 5, Menara Bank Pembangunan, 1016 Jalan Sultan Ismail Kuala Lumpur, Malaysia Tel: (60) 3 2617 2888 <a href="mailto:info@mdv.com.my">info@mdv.com.my</a> <a href="mailto:sharul@mdv.com.my">sharul@mdv.com.my</a> (project financing and loan application enquiries)
<b>Source(s)</b>	<a href="http://www.mdv.com.my">www.mdv.com.my</a>

#### **Malaysian Industrial Development Finance Bhd (MIDF) Financing Schemes**

<b>Implementer(s)/Investor(s)</b>	Malaysian Industrial Development Finance Bhd (MIDF)
<b>Description</b>	Incorporated in 1960 as a subsidiary of Permodalan Nasional Bhd, MIDF is an investment holding company that provides finance, leasing and industrial hire-purchase services to businesses in Malaysia. Financing schemes targeted towards SMEs are: Soft Loan Scheme for Factory Relocation, Soft Loan for ICT Adoption, Soft Loan for SMEs, Special Federal Government's Fund "Dana Khas Kerajaan Persekutuan" for Terengganu.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Varies
<b>Contact(s)</b>	Level 19, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia Tel: (60) 3 2173 8888 <a href="mailto:inquiry@midf.com.my">inquiry@midf.com.my</a>
<b>Source(s)</b>	<a href="http://www.midf.com.my">www.midf.com.my</a>

#### **Malaysian Technology Development Corporation (MTDC) Financing Schemes**

<b>Implementer(s)/Investor(s)</b>	Malaysian Technology Development Corporation (MTDC)
<b>Description</b>	Through the Technology Development Programme established since the 7 <sup>th</sup> Malaysia Plan, the Malaysian government entrusted the MTDC with the management of grant schemes. These grants provide support to local companies, helping them to enhance technology content, increase capacity, capability and competitiveness. Currently the MTDC manages the following funds: Technology Acquisition Fund,

	Commercialisations of R&D Fund, Halal Technology Development Fund, Business Start-up Fund, Business Growth Fund, Business Expansion Fund.
<b>Target beneficiaries and investments</b>	Malaysian start-up companies in agriculture, biotechnology, industrial (advanced materials, manufacturing, nanotechnology, energy, waste to wealth) sectors
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Varies
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Ground Floor, Menara Yayasan Tun Razak, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia Tel: (60) 3 2172 6000 <a href="mailto:comms@mtdc.com.my">comms@mtdc.com.my</a>
<b>Source(s)</b>	<a href="http://www.mtdc.com.my/index.php/the-right-support">www.mtdc.com.my/index.php/the-right-support</a>

<b>Malaysia Venture Capital Management Bhd (MAVCAP)</b>	
<b>Implementer(s)/Investor(s)</b>	Malaysia Venture Capital Management Bhd (MAVCAP)
<b>Description</b>	<p>A wholly owned subsidiary of the Ministry of Finance, MAVCAP is the country's largest venture capital firm that was established in 2001 to assist the ICT and technology based sectors and build the venture capital culture in Malaysia. The company provides an alternative source of high-risk financing for start-ups and early-stage ventures in the ICT and high technology industries. It makes direct investments or investments through its Outsource Partners Programmes (a program that allocate a significant amount of capital to venture capital fund management companies, who in turn invests in high growth companies). Its partner venture capital companies include:</p> <ul style="list-style-type: none"> <li>- Astra Partners Sdn Bhd</li> <li>- SuperSeed</li> <li>- 500 Durians</li> <li>- Musharaka Venture Management Sdb Bhd</li> <li>- Teak Capital Sdn Bhd</li> <li>- QuestMark Asset Management Sdn Bhd</li> <li>- Elixir Capital Management</li> <li>- DTA Capital Partners Sdn Bhd</li> <li>- Intres Capital Partners</li> <li>- Gobi Partners</li> </ul>

<b>Target beneficiaries and investments</b>	Start-ups, SMEs in ICT and high technology industries
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Good track record/proven market concept</li> <li>- High growth prospects/scalable</li> <li>- Helms disruptive technology</li> <li>- Owns intellectual property of commercial interest</li> <li>- Experienced management team with high integrity</li> <li>- - Clear divestment strategy</li> </ul>
<b>Financing instrument(s)</b>	Equity, equity-linked
<b>Investment size</b>	MYR1 million – MYR10 million for seed stage, MYR3 million – MYR15 million for early and expansion stage, MYR5 million – MYR20 million for late stage <sup>518</sup>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Level 10, Menara Bank Pembangunan 1016, Jalan Sultan Ismail, Bandar Wawasan 50300 Kuala Lumpur, Malaysia Tel: (60) 3 2050 3000 <a href="mailto:enquiries@mavcap.com">enquiries@mavcap.com</a>
<b>Source(s)</b>	<a href="http://www.mavcap.com">www.mavcap.com</a> <a href="http://www.bloomberg.com/research/stocks/private/snaps_hot.asp?privcapId=3695275">www.bloomberg.com/research/stocks/private/snaps_hot.asp?privcapId=3695275</a> <a href="https://www.idosi.org/mejsr/mejsr18(5)13/17.pdf">https://www.idosi.org/mejsr/mejsr18(5)13/17.pdf</a>

<b>New Exporters Development Programmes</b>	
<b>Implementer(s)/Investor(s)</b>	Malaysia External Trade Development Corporation (MATRADE), The National Trade Promotion Agency of Malaysia
<b>Description</b>	MATRADE's New Exporters Development Programmes consist of the Bumiputera Exporters Development Programme and the Women Exporters Development Programme. Aimed at creating competitive and sustainable SME exporters, these programmes emphasise the development of entrepreneurs' intrinsic values which include ethics, attitude, knowledge and competencies. Participation in these programmes is based on invitation in which companies are identified through their profile submissions to MATRADE. MATRADE also identifies potential participants through trade events, SME directories and other government agencies.
<b>Target beneficiaries</b>	SME entrepreneurs, women entrepreneurs
<b>Eligibility criteria</b>	Not specified

<sup>518</sup> <http://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=3695275>

<b>Technical support</b>	Customised business coaching, skills enhancement trainings, international business exposure, networking and mentoring sessions, leadership and entrepreneur development sessions
<b>Contact(s)</b>	Bumiputera and Women Exporters Development Unit (BWED Unit) Level 15, Menara MATRADE, Jalan Sultan Haji Ahmad Shah, 50480 Kuala Lumpur Tel: (60) 3 6207 7077
<b>Source(s)</b>	<a href="http://www.matrade.gov.my/en/malaysian-exporters/services-for-exporters/exporters-development/new-exporters-development">www.matrade.gov.my/en/malaysian-exporters/services-for-exporters/exporters-development/new-exporters-development</a>

<b>pitchIN Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	pitchIN
<b>Description</b>	Launched in 2012, pitchIN is one of the first 6 platforms that received an official license for equity crowdfunding from the Securities Commission Malaysia in 2015. Currently it provides two forms of crowdfunding: reward-based and equity.
<b>Target beneficiaries and investments</b>	Early-stage enterprises
<b>Eligibility criteria</b>	Malaysian registered private limited companies (Sdn Bhd) with paid up capital less than MYR5 million to launch equity crowdfunding campaigns. Private limited companies that are not allowed to seek funds through equity crowdfunding include commercially or financially complex structures (i.e. investment fund companies or financial institutions), subsidiaries of public listed companies and companies with no specific business plan or its business plan is to merge or acquire an unidentified entity (i.e. blind pool).
<b>Financing instrument(s)</b>	Equity crowdfunding
<b>Investment size</b>	Up to MYR3 million over a 12-month period. The maximum per company (or group of related companies) that can be raised through equity crowdfunding is MYR5 million.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	2 <sup>nd</sup> Floor, 48 Jalan Kemuja Bangsar Utama 59000 Kuala Lumpur, Malaysia <a href="mailto:equity@pitchin.my">equity@pitchin.my</a>
<b>Source(s)</b>	<a href="http://www.pitchin.my">www.pitchin.my</a>

<b>Project 1Nita</b>	
<b>Implementer(s)/Investor(s)</b>	1Nita
<b>Description</b>	Project 1Nita is an e-business platform strictly for women-led SMEs and entrepreneurs. This e-business enablement programme aims to help women-owned business organisations make their products and services accessible to a larger market and expand their customer reach. It is an initiative by MYNIC Bhd, an agency under the Ministry of Communications and Multimedia that administers web addresses that end with .my in Malaysia.
<b>Target beneficiaries</b>	Women-led SMEs and women entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Technical support</b>	<ul style="list-style-type: none"> <li>- Training and workshop sessions</li> <li>- Competency to develop a web site, upload and update contents and transact online</li> <li>- Have a content rich web presence about the company, its products and services</li> <li>- Reap measurable benefits from web presence within a year of the program</li> <li>- Have a .my URL for unique company identity</li> <li>- Hosting and domain names</li> </ul>
<b>Contact(s)</b>	Level 3, Block C, Mines Waterfront Business Park No 3, Jalan Tasik, The Mines Resort City 43300 Seri Kembangan, Selangor, Malaysia Tel: (60) 3 8943 5510 ext. 143 (Nidda)
<b>Source(s)</b>	<a href="http://www.1nita.my/index.php?dispatch=pages.view&amp;page_id=11">www.1nita.my/index.php?dispatch=pages.view&amp;page_id=11</a>

<b>Propellar CrowdPlus Equity Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Propellar CrowdPlus
<b>Description</b>	CrowdPlus.asia is an equity crowdfunding platform backed by Netrove Ventures Group, a regional tech-based venture capital firm and Propellar Corporation Ltd, an equity crowdfunding operator based out of Hong Kong. It was one of the first 6 platforms that received an official license for operating equity crowdfunding from the Securities Commission Malaysia.
<b>Target beneficiaries and investments</b>	Early-stage enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity crowdfunding
<b>Investment size</b>	Up to MYR3 million over a 12-month period. The maximum per company (or group of related companies) that can be raised through equity crowdfunding is MYR5 million.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	B-3A-05, Plaza Mont' Kiara,

	No. 2, Jalan Kiara, Mont' Kiara 50480, Kuala Lumpur, Malaysia Tel: (60) 3 6206 5369 <a href="mailto:info@crowdplus.asia">info@crowdplus.asia</a>
<b>Source(s)</b>	<a href="http://www.crowdplus.asia">www.crowdplus.asia</a>

<b>SME Bank's Women Entrepreneur Financing under the Leaders Entrepreneur Acceleration (WEP-LEAP) Programme</b>	
<b>Implementer(s)/Investor(s)</b>	SME Bank
<b>Description</b>	WEP-LEAP aims to provide assistance to women entrepreneurs under the SME category to obtain financing for business expansion. SME Bank also offers various other financing programs for SMEs in Malaysia including: My Seed SME Scheme, SME Technology Transfer Fund, Bumiputera SME Equity Financing, Small Business Financing, Young Entrepreneur Fund, Business Accelerator Programme, Financing Programme for SME (SME-LEAP), SME-Go.
<b>Target beneficiaries and investments</b>	Women entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- The business is registered with SSM / other authorized registering bodies (sole-proprietorship or partnership firm, or a Sdn Bhd company).</li> <li>- For a partnership firm or a Sdn Bhd company, the women entrepreneur (applicant) must hold majority shares of 51% and is the key decision maker and must be full time in business.</li> <li>- Applicants are required to attend the Leaders Entrepreneurship Acceleration Programme (LEAP) by SME BANK-CEDAR (Centre for Entrepreneur Development and Research).</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	MYR500,000 – MYR2.5 million
<b>Technical support</b>	Leaders Entrepreneurship Acceleration Programme
<b>Contact(s)</b>	Level 10, Menara SME Bank Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia Tel: (60) 1800 88 31 31
<b>Source(s)</b>	<a href="http://www.smebank.com.my/sme-financing/">www.smebank.com.my/sme-financing/</a> <a href="http://cdn.smebank.com.my/wp-content/uploads/2015/04/SME-Bank-WEP-LEAP.pdf">http://cdn.smebank.com.my/wp-content/uploads/2015/04/SME-Bank-WEP-LEAP.pdf</a>

<b>SME Corporation Malaysia's Schemes</b>	
<b>Implementer(s)/Investor(s)</b>	SME Corporation Malaysia

<p><b>Description</b></p>	<p>SME Corporation Malaysia (SME Corp Malaysia) is a central coordinating agency under the Ministry of International Trade and Industry that formulates policies and strategies for SMEs and coordinates the implementation of SME development programmes across all related ministries and agencies. It acts as the central point of reference for research and data dissemination on SMEs, and provides advisory services for SMEs in Malaysia. It administers various funding and technical assistance programmes for start-ups and SMEs through in partnership with financial institutions and government agencies. Notable schemes are:</p> <ul style="list-style-type: none"> <li>- Soft Loan Schemes for Service Sector: provides financing assistance to new start-ups in the services sector <ul style="list-style-type: none"> <li>- Implementer: Malaysian Industrial Development Finance Bhd (MIDF)</li> </ul> </li> <li>- Soft Loan for SMEs: provides financing assistance to existing and new start-ups and SMEs in manufacturing and services <ul style="list-style-type: none"> <li>- Implementer: MIDF</li> </ul> </li> <li>- Young Entrepreneur Fund: assists young entrepreneurs aged 18-30 <ul style="list-style-type: none"> <li>- Implementer: SME Bank</li> </ul> </li> <li>- SME Emergency Fund: assists SMEs adversely affected by natural disasters <ul style="list-style-type: none"> <li>- Implementer: SME Corp Malaysia</li> </ul> </li> <li>- Business Start-Up Fund: facilitates the growth of technology start-ups <ul style="list-style-type: none"> <li>- Implementer: Malaysian Technology Development Corporation (MTDC)</li> </ul> </li> <li>- Tabung Pembangunan Usahaniaga Peladang: improvides farmers' net income and supports new agro-preneurs <ul style="list-style-type: none"> <li>- Implementer: Lembaga Pertubuhan Peladang</li> </ul> </li> <li>- Rural Economy Funding Scheme: provides financing to rural entrepreneurs in manufacturing, services, agriculture and tourism <ul style="list-style-type: none"> <li>- Implementer: Bank Kerjasama Rakyat and SME Bank</li> </ul> </li> <li>- Business Growth Fund: bridges financing gap between early stage of commercialisation and venture capital financing for high growth companies <ul style="list-style-type: none"> <li>- Implementer: Malaysian Technology Development Corporation (MTDC)</li> </ul> </li> </ul>
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<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Soft loans
<b>Investment size</b>	Varies
<b>Technical support</b>	Branding, human capital development, innovation and technology adoption, market access, access to financing, mentorship, networking
<b>Contact(s)</b>	ME Corporation Malaysia, Level 6, SME 1, Block B Platinum Sentral Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur. Tel: (60) 3 2775 6000 <a href="mailto:info@smecorp.gov.my">info@smecorp.gov.my</a>
<b>Source(s)</b>	<a href="http://www.smecorp.gov.my/index.php/en">www.smecorp.gov.my/index.php/en</a>

<b>TEKUN Nasional Financing Schemes</b>	
<b>Implementer(s)/Investor(s)</b>	Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN Nasional)
<b>Description</b>	TEKUN Nasional is an agency under the Ministry of Entrepreneur and Cooperative Development that provides business capital financing and support services as well as a networking platform for Bumiputera entrepreneurs.
<b>Target beneficiaries and investments</b>	Bumiputera entrepreneurs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Malaysian citizen and Bumiputera</li> <li>- Aged 18 - 60</li> <li>- Possess valid licence/permits/Business Registration</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Micro loan scheme: MYR1,000 – MYR10,000 Small loan scheme: MYR10,000 – MYR50,000 Medium loan scheme: MYR50,000 – MYR100,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	66-1, Jalan Padi 1, Bandar Baru Uda, 81200 Johor Bahru, Johor, Malaysia Tel: (60) 7 237 1227
<b>Source(s)</b>	<a href="http://www.tekun.gov.my/en/tekun-entrepreneur/tekun-nasional-financing-scheme/syarat-syarat-2/">www.tekun.gov.my/en/tekun-entrepreneur/tekun-nasional-financing-scheme/syarat-syarat-2/</a>

#### Myanmar

<b>ACLEDA MFI Myanmar</b>	
<b>Implementer(s)/Investor(s)</b>	ACLEDA MFI Myanmar
<b>Description</b>	ACLEDA MFI Myanmar provides group loans and individual loans to micro enterprises in Myanmar with 5 branches in Yangon and one branch in the Bago Region.

<b>Target beneficiaries and investments</b>	Micro and small-sized enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Having own residential address</li> <li>- Legal business</li> <li>- Own capital of at least 20%</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	<p>For groups (2-10 people):</p> <ul style="list-style-type: none"> <li>- Loan period up to 12 months: MMK100,000 – MMK1 million per group</li> <li>- Loan period up to 18 months: more than MMK1 million – MMK2 million per group</li> </ul> <p>For individuals:</p> <ul style="list-style-type: none"> <li>- Loan period up to 12 months: MMK400,000 – MMK1 million</li> <li>- Loan period up to 18 months: more than MMK1 million – MMK2 million</li> <li>- Loan period up to 24 months: more than MMK2 million – MMK5 million</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Building No.186(B), Shwe Gon Taing Road, Yae Tar Shae Block, Bahan Township          Yangon, Myanmar          Tel: (95) 1 559 475, (95) 1 552 956</p>
<b>Source(s)</b>	<a href="http://www.acledamfi.com.mm/mm/eng/service">www.acledamfi.com.mm/mm/eng/service</a>

<b>Anthem Asia</b>	
<b>Implementer(s)/Investor(s)</b>	Anthem Asia
<b>Description</b>	<p>Anthem Asia is an independent investment and advisory business with a responsible business agenda. To date, it has invested in 9 businesses which employ more than 200 employees, 90% of which are Myanmar nationals. A value-added investor, it provides operational expertise to young companies and mentors entrepreneurs. Focus sectors include: consumer goods and services, business services, tourism, food and beverages, agribusiness.</p>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<p>Entrepreneurs with:</p> <ul style="list-style-type: none"> <li>- A proven business model and good growth potential</li> <li>- A desire to operate to internationally-recognised environmental, social and governance standards</li> <li>- Focused and committed management</li> <li>- A willingness to work with us over the long term</li> </ul>

<b>Financing instrument(s)</b>	Convertible debt, equity
<b>Investment size</b>	USD100,000 – USD1.5 million <sup>519</sup>
<b>Technical support</b>	Operational expertise, mentorship
<b>Contact(s)</b>	Floor 3, 608 Merchant Road (corner of 31st & Merchant Road), Pabedan Township, Yangon, Myanmar Tel: (95) 1 441 3410 / (95) 1 441 3410 <a href="mailto:info@anthemasia.com">info@anthemasia.com</a>
<b>Source(s)</b>	<a href="http://www.anthemasia.com">www.anthemasia.com</a>

<b>BRAC Myanmar</b>	
<b>Implementer(s)/Investor(s)</b>	BRAC
<b>Description</b>	BRAC is established as two entities in Myanmar: an international NGO and a microfinance institution. BRAC offers pro-rural and pro-poor services that aim to bring a holistic development model delivered through its “microfinance plus” approach. By building the platform of branch offices throughout Myanmar, BRAC plans to create integrated development hubs where microfinance will be complemented by e.g. health, agriculture and education programmes. In 2014, BRAC Myanmar received its license to operate in Myanmar. The company has been registered with the Ministry of Finance as a for-profit organisation.
<b>Target beneficiaries and investments</b>	Women entrepreneurs, micro and small enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Average loan size: USD255
<b>Technical support</b>	Capacity development to sustain poverty alleviation
<b>Contact(s)</b>	BRAC Myanmar yun Shwe Myaing-2 Street Boyoke Ywa, Thingangyun Township Yangon, Myanmar Tel: (95) 1 578 236
<b>Source(s)</b>	<a href="http://www.brac.net/images/BRAC_Myanmar_fact_sheet.pdf">www.brac.net/images/BRAC_Myanmar_fact_sheet.pdf</a> <a href="http://www.brac.net/myanmar#contact">http://www.brac.net/myanmar#contact</a>

<b>Credit Guarantee Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	Myanmar Insurance
<b>Description</b>	State-owned Myanmar Insurance launched a credit guarantee scheme for SMEs in June 2014. This can be used as collateral for bank loans, with the insurer able to reimburse lenders up to 60% of a loan in the event of a default. The SMEs pay a premium to Myanmar

<sup>519</sup> Winters and Johnson (2015, p.9)

	Insurance if they are granted the guarantee certificate. If some collateral is provided, SMEs pay a premium fee of 2% for the first year, 1.5% for the second year and 1% for the third year. Without collateral, the premium increases to 3%, 2% and 1%, respectively.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Credit guarantee
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.myanmargeneva.org/Newspaper/2014%20June/29.June%2014_nlm.pdf">www.myanmargeneva.org/Newspaper/2014%20June/29.June%2014_nlm.pdf</a>

<b>IFC Development Finance</b>	
<b>Implementer(s)/Investor(s)</b>	IFC, Yoma Bank, Myanmar Oriental Bank and ACLEDA MFI Myanmar
<b>Description</b>	IFC provided a USD5 million convertible loan to Yoma Bank, which aims to provide an additional 1,000 loans worth USD370 million to SMEs by 2019. Additionally, it extended a USD5 million trade finance credit line for Myanmar Oriental Bank to help facilitate international trade especially for local SMEs. IFC provided a USD2 million loan for ACLEDA MFI Myanmar as a founding investor in the microfinance operation of Cambodia-based ACLEDA Bank in Myanmar.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Not specified
<b>Technical support</b>	Capacity building for local banks
<b>Contact(s)</b>	Vikram Kumar - Country Manager No. 57, Pyay Road, 6 ½ miles, Hlaing Township, Yangon, Myanmar Tel: (95) 1 654 824 <a href="mailto:vkumar3@ifc.org">vkumar3@ifc.org</a>
<b>Source(s)</b>	<a href="http://www.ifc.org/wps/wcm/connect/region_ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+myanmar">http://www.ifc.org/wps/wcm/connect/region_ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+myanmar</a>

<b>JICA Two-Step Loan</b>	
<b>Implementer(s)/Investor(s)</b>	Japan International Cooperation Agency (JICA), Government of Myanmar, Myanmar Economic Bank
<b>Description</b>	<p>The objective of the two-step loan is to improve financial intermediation for SMEs in Myanmar by providing medium- and long-term funds through participating financial institutions. Myanmar Economic Bank, a state-owned bank under the Ministry of Finance, was appointed as the executing agency. As of September 2016, 6 banks (AYA Bank, CB Bank, Myanmar Citizens Bank (MCB), Myanmar Oriental Bank, Kanbawza Bank, and SMIDB) participated in the programme and began receiving loan applications from SMEs.</p> <p>Programme duration: June 2015 – September 2018 Total loan amount: JPY5,033 billion</p>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	JICA adopts specific criteria including corporate governance, asset size, number of branches and SME focus but details are not provided.
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	MMK15 million – MMK500 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<p><a href="http://www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/myanmar_150630_03.pdf">www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/myanmar_150630_03.pdf</a></p> <p><a href="http://www.mmtimes.com/index.php/business/22003-commercial-banks-join-subsidised-sme-loan-scheme.html">www.mmtimes.com/index.php/business/22003-commercial-banks-join-subsidised-sme-loan-scheme.html</a></p>

<b>Kanbawza Bank (KBZ Bank)</b>	
<b>Implementer(s)/Investor(s)</b>	Kanbawza Bank (KBZ Bank)
<b>Description</b>	<p>With 414 branches nationwide, KBZ Bank is one of the largest private commercial banks in Myanmar. About 80% of KBZ's clients are SMEs, accounting for a market share of around 16% in 2014. Together with Small and Medium Industrial Development Bank (SMIDB) and Yoma Bank, KBZ was selected to participate in a capacity building programme run by the German development agency GIZ that aims to enhance access to finance for SMEs.</p>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified

<b>Financing instrument(s)</b>	Hire purchase, overdraft
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	No.(615/1), Pyay Road, Kamayut Township Yangon, Myanmar. Tel: (95) 1 538 075 <a href="mailto:kbzinfo@kbzbank.com">kbzinfo@kbzbank.com</a>
<b>Source(s)</b>	<a href="http://www.kbzbank.com">www.kbzbank.com</a> <a href="http://www.dealstreetasia.com/stories/giz-selects-sme-banks-in-myanmar-7168/">www.dealstreetasia.com/stories/giz-selects-sme-banks-in-myanmar-7168/</a>

<b>Livelihoods and Food Security Trust Fund (LIFT)</b>	
<b>Implementer(s)/Investor(s)</b>	UKAID, EU, Australian Aid, Swiss Agency for Development and Cooperation, DANIDA, USAID, Government of the Netherlands, Sweden, Agency Francaise Development, Grand Duchy of Luxembourg, Irish Aid, New Zealand Ministry Foreign Affairs & Trade, The Italian Development Cooperation, Mitsubishi Corporation
<b>Description</b>	LIFT is a multi-donor fund established in 2009 to improve the lives and prospects of smallholder farmers and landless people in rural Myanmar. To date, the donors have committed more than USD400 million to LIFT. Working with various partner NGOs and MFIs, LIFT promotes agricultural commercialisation, climate smart agriculture, financial inclusion, business and skills development, and targeted nutrition support for mothers and children. More than a funding body, LIFT provides technical expertise, targeted research and its position of oversight to improve programme design and cohesion for better overall impact. LIFT also works closely with the Government of Myanmar to promote pro-poor policies.
<b>Target beneficiaries and investments</b>	Rural poor, with a focus on women
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Development finance
<b>Investment size</b>	Not specified
<b>Technical support</b>	Technical expertise, targeted research, programme design and delivery
<b>Contact(s)</b>	UNOPS 12 (O), Pyi Thu Lane, 7 Mile, Mayangone Township, Yangon, Myanmar Tel: (951) 657280 87, (951) 657703 04 <a href="mailto:lift@unops.org">lift@unops.org</a>

<b>Source(s)</b>	<a href="http://www.lift-fund.org">www.lift-fund.org</a>
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<b>Proximity Designs</b>	
<b>Implementer(s)/Investor(s)</b>	Proximity Designs
<b>Description</b>	Founded in 2004, Proximity Designs is one of the largest non-profits operating in Myanmar today. Its programmes aim to benefit farmers and rural households including: irrigation products, rural energy, farm advisory services, infrastructure and financial services.
<b>Target beneficiaries and investments</b>	Smallholder farmers, agricultural micro and small-sized enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	USD150 – USD230
<b>Technical support</b>	Farm advisory services, crop management techniques
<b>Contact(s)</b>	No. 24, Saya San Road, Tharthana Yeik Thar Ward, Bahan Township, Yangon, Myanmar Tel: (95) 996 455 5270, (95) 996 455 077, (95) 996 455 1229 <a href="mailto:engage@proximitydesigns.org">engage@proximitydesigns.org</a>
<b>Source(s)</b>	<a href="http://www.proximitydesigns.org">www.proximitydesigns.org</a>

<b>Small and Medium Industrial Development Bank (SMIDB)</b>	
<b>Implementer(s)/Investor(s)</b>	Small and Medium Industrial Development Bank (SMIDB)
<b>Description</b>	Established in 1996 with 14 branches, SMIDB is a public bank dedicated to providing SME loans with interest rates ranging from 8.5% to 12% per annum.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	No.102/104, Pansodan Road, Kyauktada Township Yangon, Myanmar No. 46, U Tun Nyein Street, (10) Quarter, Mayangone Township Yangon, Myanmar Tel: (95) 1 657 602 <a href="mailto:contact@smidb.com.mm">contact@smidb.com.mm</a> <a href="mailto:smidb.ib@gmail.com">smidb.ib@gmail.com</a> <a href="mailto:smidb.ccenter@gmail.com">smidb.ccenter@gmail.com</a>

<b>Source(s)</b>	<a href="http://www.smidb.com.mm">www.smidb.com.mm</a>
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<b>Yoma Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Yoma Bank
<b>Description</b>	Yoma Bank was established in 1993 with 50 branches across the country. It actively targets SMEs which account for over 70% of its loan portfolio.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Average loan size: MMK175 million (USD175,000)
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	No.192, Level 8, Office Tower 2, HAGL Myanmar Center Tower, Kabar Aye Pagoda Road, Bahan Township Yangon, Myanmar Tel: (95) 1 9345 255 <a href="mailto:info@yomabank.com">info@yomabank.com</a>
<b>Source(s)</b>	<a href="http://www.yomabank.com">www.yomabank.com</a>

<b>Access to Resources and Micro Financing Initiatives for Social Enterprises (ARISE) Inc.</b>	
<b>Implementer(s)/Investor(s)</b>	Access to Resources and Micro Financing Initiatives for Social Enterprises (ARISE) Inc.
<b>Description</b>	<p>ARISE is a non-profit organisation dedicated to advancing and developing social entrepreneurship through micro and inclusive financing and mobilising communities and their financial, human and social resources for the attainment of sustainable business models and systems. ARISE envisions an empowered society of social and development entrepreneurs whose initiatives are geared towards eradicating poverty and creating innovations for sustainable development. Its flagship programmes are:</p> <ul style="list-style-type: none"> <li>- Inclusive Financing for Development (I FIND) Programme</li> <li>- Increasing Resources and Initiatives for Social Enterprises (I RISE) Programme</li> </ul> <p>The I RISE programme specifically targets agribusinesses and aims to promote the production and processing of environmentally friendly crops and animal stocks.</p>
<b>Target beneficiaries and investments</b>	Social enterprises, agribusinesses
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Not specified
<b>Technical support</b>	Business development, administrative and financial management services, access to finance
<b>Contact(s)</b>	<p>Ananda Marga Compound, Km.6, Diversion Road, Buhangin, Davao City Philippines 8000            Farm Office: Sitio Damba, Barangay Waan, Davao City Philippines 8000            Tel: (63) 82 241 1596  <a href="mailto:ariseinc2016@gmail.com">ariseinc2016@gmail.com</a></p>
<b>Source(s)</b>	<a href="http://ariseindanao.org/">http://ariseindanao.org/</a>

<b>Active Alliance Finance Corporation</b>	
<b>Implementer(s)/Investor(s)</b>	Active Alliance Finance Corporation
<b>Description</b>	<p>Active Alliance Finance Corporation is a member of the CL FolloSCO Group, a multi-company organisation involved in trading, manufacturing, financing services, travel-related services, consultancy services, construction, food processing, real estate development and logistics. It registered as a lending</p>

	<p>investor in 1992 and subsequently a finance corporation in 2003. It offers the following financing programmes for SMEs:</p> <ul style="list-style-type: none"> <li>- SME Loan Programme: To provide working capital requirements of small and medium-sized businesses.</li> <li>- Agricultural Machinery &amp; Equipment and Commercial Vehicle Financing Programme: To provide companies, cooperatives and individuals an alternative way of acquiring agricultural machinery and equipment and commercial vehicles.</li> <li>- Franchise Financing Programme: Franchise Financing Program is a credit facility primarily aimed at individuals or enterprises that are interested to start their own business or expand existing ones through franchising.</li> </ul>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<p>SME Loan Programme:</p> <ul style="list-style-type: none"> <li>- Importers and Exporters</li> <li>- Traders</li> <li>- Suppliers to Top Corporations and Established/Well-known Companies</li> <li>- Wholesale Lenders</li> <li>- Travel Agencies</li> <li>- Pre-Owned Car Dealerships</li> <li>- Dealers of Agriculture Machinery and Equipment</li> </ul> <p>Franchise Financing Programme: Franchises must be members in good standing of the following associations:</p> <ul style="list-style-type: none"> <li>- Philippine Franchise Association</li> <li>- Association of Filipino Franchisers Inc.</li> <li>- Filipino International Franchise Association</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Minimum of PHP100,000 (an acceptable collateral may be required for higher loan amount)
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Suite 203 CLF Building 1167 Chino Roces Avenue Makati City Tel: (63) 2 890 7423 <a href="mailto:coseng.ritchie@activefinancecorp.com">coseng.ritchie@activefinancecorp.com</a></p>
<b>Source(s)</b>	<p><a href="http://www.activefinancecorp.com">www.activefinancecorp.com</a> <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a></p>

<b>ASA Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	ASA Foundation
<b>Description</b>	ASA are a not-for-profit organisation devoted to helping poor Filipino families rise out of poverty by providing microfinancing to help them establish or improve their own micro-enterprises. ASA specifically targets poor entrepreneurial women with their own businesses or self-made products.
<b>Target beneficiaries and investments</b>	Women entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	PHP6,000 – PHP10,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	ASA Philippines Central Office: 15th Floor, Prestige Tower, F. Ortigas Jr. Rd., Ortigas Center, Pasig City-1605 Philippines Tel: (63) 2 687 7558, (63) 2 631 1107 <a href="mailto:info@asaphil.org">info@asaphil.org</a>
<b>Source(s)</b>	<a href="http://asaphil.org">http://asaphil.org</a>

<b>Ashoka Philippines</b>	
<b>Implementer(s)/Investor(s)</b>	Ashoka Philippines
<b>Description</b>	Ashoka is a global network for social entrepreneurs which provides them with financing, capacity building services and connections. Ashoka helps maximise social impact through a rigorous Fellow selection process that has been refined over 25 years.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Form(s) of Technical Support</b>	Financing, networking and technical support
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Fresh and new idea</li> <li>- Social impact</li> <li>- Creativity</li> <li>- Entrepreneurial Quality</li> <li>- Ethical Fibre</li> </ul>
<b>Contact(s)</b>	Unit 301 3rd Floor, #3 Brixton Street, Brgy. Kapitolyo, Pasig City, Philippines 1603 Tel: (63) 2 661 7616 <a href="mailto:philippines@ashoka.org">philippines@ashoka.org</a>
<b>Source(s)</b>	<a href="http://www.philippines.ashoka.org">www.philippines.ashoka.org</a>

<b>Asian Social Enterprise Incubator (ASEI)</b>	
<b>Implementer(s)/Investor(s)</b>	Asian Social Enterprise Incubator (ASEI)

<b>Description</b>	ASEI is the first incubator in the Philippines for social enterprises and organisations engaged with the base of the pyramid. It was incorporated in 2009 in Quezon City. Its mission is to foster inclusive business and renewable energy through consulting, research and project development. ASEI manages the Hapinoy Botika Project that introduces over-the-counter medicine to the 3,000 Hapinoy Stores.
<b>Target beneficiaries</b>	Social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Technical Support</b>	Consulting (inclusive business/base of the pyramid and renewable energy), applied research, project development
<b>Contact(s)</b>	7, Moonlight Loop, Quezon City, 1109 Metro Manila, Philippines Tel: (63) 2 239 8216 <a href="mailto:info@asei.com.ph">info@asei.com.ph</a>
<b>Source(s)</b>	<a href="http://www.asei.com.ph">www.asei.com.ph</a>

<b>Baba's Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Baba's Foundation
<b>Description</b>	Baba's Foundation is a non-profit social development organisation established in 1987 that aims to transform the lives of marginalised farmers, small entrepreneurs, women, youth and children of Mindanao through education and capacity building, micro-financial assistance, establishing early childhood care and educational facilities, forming and strengthening cooperatives, production and marketing assistance for major agricultural produce, disseminating sustainable agricultural practices.
<b>Target beneficiaries and investments</b>	Small enterprises, farmers, women, youth and children
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Not specified
<b>Technical Support</b>	Technical assistance, business accounting, and access to management information systems, government and other financing institutions reportorial requirements.
<b>Contact(s)</b>	Km 6 Diversion Road, Buhangin, Davao City 8000 Philippines Tel: (63) 82 300 5640
<b>Source(s)</b>	<a href="http://www.babasfoundation.org">www.babasfoundation.org</a>

<b>BALIKATAN SA KAUNLARAN (Partnership for Progress)</b>	
<b>Implementer(s)/Investor(s)</b>	Mentors Philippines Microfinance Foundation Inc. (formerly Philippine Micro-Enterprise Development Foundation Inc.)
<b>Description</b>	The Partnership for Progress programme aims to provide opportunities for poor Filipino families particularly women to achieve self-reliance through self-help, training, mentoring, and provision of sustainable financial services, including collateral-free loans.
<b>Target beneficiaries and investments</b>	Poor-Filipino families, Women
<b>Eligibility criteria</b>	<p>Poor but enterprising women who fit the following criteria for poverty:</p> <ul style="list-style-type: none"> <li>- Their "house index" as indicated by the points system based on floor area, type of material and roofing used should not exceed the maximum of 6 points, and their income index per capita should not exceed PHP2,000 per month.</li> <li>- Must be a group of 3 to 5 friends who trust each other and live closely to be able to look after each other;</li> <li>- Must undergo a 2-day pre-loan orientation seminar to learn about the program's philosophy and rules to be prepared for the discipline required and pass the Group Recognition Test;</li> <li>- Must be willing to be federated with other recognized groups to form a centre with a maximum of 40 women;</li> <li>- Must be willing to attend one-hour weekly centre meeting near their homes; and</li> <li>- Must be willing to memorise and live by the Clients' Verbal Pledge (code of honour).</li> </ul>
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	General Loan: PHP1,000 – PHP75,000 Special Loan: PHP1,000 - PHP30,000 Calamity Loan: PHP3,000 - PHP5,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	G/F Melendres Building, F. Manalo Street, Pasig City Tel: (63) 2 641 2207, (63) 2 642 3895, (63) 2 393 9962
<b>Source(s)</b>	<a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Department of Agriculture - Agricultural Credit Policy Council</b>	
<b>Implementer(s)/Investor(s)</b>	Department of Agriculture - Agricultural Credit Policy Council

<b>Description</b>	<p>The Agricultural Credit Policy Council (ACPC) was established in 1986 to assist the Department of Agriculture in coordinating credit policies and programmes in support of the Department's priorities. It is also tasked to review and evaluate the economic soundness of all on-going and proposed agricultural credit programs, whether for domestic or foreign funding, prior to approval. Also, ACPC undertakes measures to increase its funds base and adopt other liquidity interest stabilisation and risk cover mechanisms for its various financing programmes. As of 2015, ACPC administers 2 financing programmes:</p> <ul style="list-style-type: none"> <li>- Agri-Microfinance Programme (AMP) for Small Farmers and Fisherfolk: the programme provides a credit facility by the People's Credit and Finance Corporation (PCFC) under a credit fund and risk sharing agreement with the ACPC to qualified borrower organisations for re-lending to small farmers and fisher folk households and groups/organisations</li> <li>- Agricultural-Fisheries Financing Programme (AFFP): the programme channels funds amounting PHP1 billion to partner government financial institutions (Land Bank of the Philippines and PCFC) for re-lending to small farmers and fisher folk households in 20 poorest provinces.</li> </ul>
<b>Target beneficiaries and investments</b>	Farmers, Fisher folk
<b>Eligibility criteria</b>	AMP: Microfinance institutions (MFIs) such as cooperative/rural banks, cooperatives, NGOs) and other people's organisations that pass credit evaluation of the People's Credit and Finance Corporation (PCFC)
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	AMP: up to a maximum of PHP10 million per MFI. AFFP: not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	28th Floor, One San Miguel Avenue Building, San Miguel Avenue Ortigas Centre, 1605 Pasig City Tel: (632) 634 3320 to 21; (632) 634 3326 <a href="mailto:info@acpc.gov.ph">info@acpc.gov.ph</a>
<b>Source(s)</b>	<a href="http://www.acpc.gov.ph">www.acpc.gov.ph</a> <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Development Bank of the Philippines</b>	
<b>Implementer(s)/Investor(s)</b>	Development Bank of the Philippines (DBP)
<b>Description</b>	<p>The Development Bank of the Philippines is the second largest state-owned bank after the Land Bank of the Philippines with a mandate to accelerate national economic growth through the provision of resources for the continued well-being of the Filipino people. DBP's banking services principally cater to the medium and long-term needs of agricultural and industrial enterprises with an emphasis on MSMEs. It currently administers 2 umbrella programmes for supporting MSMEs, namely:</p> <ul style="list-style-type: none"> <li>- Sustainable Enterprises for Economic Development (SEED), which comprises the following schemes: <ul style="list-style-type: none"> <li>o Retail Lending for Micro and Small Enterprises</li> <li>o Medium Enterprise and Other Business Enterprise Lending</li> <li>o DBP Credit Surety Fund Credit Facility</li> <li>o Inclusive Lending for Aspiring Women Entrepreneurs Programme</li> <li>o DBP Bankability Enhancement of SETUP Technopreneurs (DBP-BEST) Programme</li> <li>o Overseas Filipino Workers Reintegration Programme</li> </ul> </li> <li>- Sustainable Agribusiness Financing, which is a credit assistance programme for agribusiness projects engaged in the production, harvesting, processing and marketing of crops, poultry, livestock and fishery</li> </ul>
<b>Target beneficiaries and investments</b>	MSMEs, women entrepreneurs, agribusinesses, technopreneurs
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	SEED Lending Schemes: up to 90% of total project cost Sustainable Agribusiness Financing: up to 90% of total project cost
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Sen. Gil J. Puyat Avenue corner Makati Avenue, Makati City, Philippines ebpagkanlungan@dbp.ph Tel: (63) 812 8088 / 818 9511 ext 2331
<b>Source(s)</b>	<a href="http://www.devbnkphl.com">www.devbnkphl.com</a>

<b>Foundation for a Sustainable Society</b>	
<b>Implementer(s)/Investor(s)</b>	Foundation for a Sustainable Society Inc. (FSSI)
<b>Description</b>	The Foundation for Sustainable Society (FSSI) was established in 1995 following a successful debt for development agreement between the government of the Philippines and the Swiss Confederation whereby partial export debt relief was channelled to FSSI to finance development projects for the marginalised population. FSSI is a social investment organisation dedicated to fostering social entrepreneurship. It has developed social enterprises with triple bottom lines in marginalised communities that are owned and managed by the poor, economically sound and environmentally friendly. Its flagship Social Enterprise Fund comprises multiple grant and loan products targeting social enterprises (with a focus on SMEs), community financial institutions, cooperatives and NGOs.
<b>Target beneficiaries and investments</b>	Social enterprises, community financial institutions, cooperatives and NGOs
<b>Eligibility criteria</b>	Eligible entities: <ul style="list-style-type: none"> <li>- Cooperatives, SMEs registered as stock corporation, SMEs registered as partnership or sole proprietorship, community financial institutions, NGOs and people's organisations</li> </ul> Project criteria: <ul style="list-style-type: none"> <li>- Triple bottom line (economic viability, ecological friendliness and social equity)</li> </ul>
<b>Financing instrument(s)</b>	Grant, debt, equity, guarantee
<b>Investment size</b>	Loans: PHP500,000 – PHP30 million Grants: Up to PHP1.5 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	46-E Samar Ave. corner Eugenio Lopez St. South Triangle, Quezon City 1103, Eugenio Lopez Dr, Diliman, Quezon City, Metro Manila, Philippines Tel: (63) 2 928 8671 <a href="mailto:areclusado@fssi.com.ph">areclusado@fssi.com.ph</a>
<b>Source(s)</b>	<a href="http://www.fssi.com.ph">www.fssi.com.ph</a> <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Gawad Kalinga Community Development Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Gawad Kalinga Community Development Foundation
<b>Description</b>	Gawad Kalinga is a non-profit organisation dedicated to ending poverty for 5 million Filipino

	families by 2024. It trains and incubates social entrepreneurs in over 2,000 communities throughout the Philippines. The programme provides process learning for Gawad Kalinga community leaders to train entrepreneurs in their own communities.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Technical Support</b>	Training, incubation, capacity building
<b>Contact(s)</b>	2nd Floor, Cheng Building, 212 Haig Street, Brgy. Daang-Bakal, Mandaluyong City, Philippines 1552. Tel: (63) 2 533 2217 <a href="mailto:info@gawadkalinga.com">info@gawadkalinga.com</a>
<b>Source(s)</b>	<a href="http://www.gklworld.com/whatispoverty">http://www.gklworld.com/whatispoverty</a> <a href="https://bschool.nus.edu.sg/Portals/0/images/ACSEP/Publications/Case%20Collection%20on%20Philippines%20-%202020140821.pdf">https://bschool.nus.edu.sg/Portals/0/images/ACSEP/Publications/Case%20Collection%20on%20Philippines%20-%202020140821.pdf</a>

<b>Institute for Social Entrepreneurship in Asia (ISEA)</b>	
<b>Implementer(s)/Investor(s)</b>	Institute for Social Entrepreneurship in Asia (ISEA)
<b>Description</b>	ISEA is a learning and action network set up by social enterprises and social enterprise resource institutions that aims to catalyse knowledge creation, capacity development and movement building for social entrepreneurship in the region.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Technical Support</b>	Training, research, knowledge exchange
<b>Contact(s)</b>	2F, Ateneo School of Government Pacifico Ortiz Hall, Social Development Complex Ateneo de Manila University Katipunan, Avenue, Loyola Heights Quezon City 1108 Tel: (63) 2 703 8912 <a href="mailto:inquiry@isea-group.net">inquiry@isea-group.net</a>
<b>Source(s)</b>	<a href="http://www.isea-group.net">www.isea-group.net</a>

<b>Land Bank of the Philippines</b>	
<b>Implementer(s)/Investor(s)</b>	Land Bank of the Philippines
<b>Description</b>	The Land Bank of the Philippines is a government financial institution with a vision to become one of the top banks that promotes inclusive growth and improve the quality of life especially in rural areas through the delivery of financial products and

	<p>services. It has continued to expand its loan portfolio in priority sectors including: farmers and fishermen, MSMEs, livelihood loans, agribusinesses, agri-infrastructure, environment-related projects, social housing, schools and hospitals. Today, it has become the largest formal financial institution in rural Philippines. Land Bank's major schemes targeting MSMEs are:</p> <p>Microfinance:</p> <ul style="list-style-type: none"> <li>- Microfinance Programme for MFIs</li> </ul> <p>Loans:</p> <ul style="list-style-type: none"> <li>- Agricultural Credit Support Project</li> <li>- Agricultural and Fisheries Financing Programme</li> <li>- Credit Programme for SMEs</li> <li>- Credit Programme for Cooperatives and NGOs (for on-lending to MSME sub-borrowers)</li> <li>- Credit Programme for community financial institutions (for on-lending to MSME sub-borrowers)</li> <li>- Renewable Energy Lending Programme</li> <li>- Access of Small Enterprises to Sound Lending Opportunities (ASENSO) Programme (formerly "SME Unified Lending Opportunities for National Growth" or SULONG)</li> <li>- Credit Line for Energy Efficiency and Climate Protection</li> </ul>
<b>Target beneficiaries and investments</b>	MSMEs, agribusinesses, MFIs, cooperatives, NGOs, community financial institutions
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- Credit Programme for SMEs: up to 80% (new clients) or 90% (existing clients) of total project cost</li> <li>- Credit Programme for Cooperatives and NGOs: up to 85% of the sub-borrowers' outstanding loan balance</li> <li>- Credit Programme for community financial institutions: up to 85% of the sub-borrowers' outstanding loan balance</li> <li>- ASENSO Programme: up to 70% of temporary working capital (short-term loans) or up to 80% of incremental project cost (long-term loans), subject to a maximum of PHP5 million.</li> <li>- Others: up to 80% of total project cost</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Programmes Management Department II

	<p>Tel: (63) 2 522 0000, (63) 2 551 2200 ext 2589 or 2650  <a href="mailto:sme-pmu@mail.landbank.com">sme-pmu@mail.landbank.com</a>  Customer Care Centre:  Tel: (63) 2 405 7000, 1800 10 405 7000  <a href="mailto:customercare@mail.landbank.com">customercare@mail.landbank.com</a></p>
<b>Source(s)</b>	<p><a href="http://www.landbank.com">www.landbank.com</a>  <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a></p>

<b>Oikocredit</b>	
<b>Implementer(s)/Investor(s)</b>	Oikocredit
<b>Description</b>	<p>Founded in 1975, Oikocredit is a global cooperative and social investor that provides funding to the microfinance sector, fair trade organisations, cooperatives and SMEs. In addition to loans and credit lines offered in euros, US dollars and local currency, Oikocredit also invests in enterprises that are aligned in bringing people out of poverty in return for partial ownership.</p>
<b>Target beneficiaries and investments</b>	MFIs, cooperatives, SMEs, social enterprises
<b>Eligibility criteria</b>	<p>Loans:</p> <ul style="list-style-type: none"> <li>- People – The enterprise must benefit groups of disadvantaged people and contribute to the social and economic advancement of the community where it is located.</li> <li>- Viability – The enterprise must be economically viable with appropriate management and technical leadership and is able to become self-sustaining within a reasonable period of time.</li> <li>- Need – There must be a clear need for foreign investment which can be provided within terms that can secure the necessary government approvals and are beneficial to the project partners.</li> <li>- Group-ownership – A cooperative structure is favoured because beneficiaries directly participate in the operation and management of the business.</li> <li>- Women – Preference is given to enterprises wherein women are direct beneficiaries that actively participate in the decision-making and have meaningful contributions to the fulfilment of the organization's objectives.</li> </ul>

	<ul style="list-style-type: none"> <li>- Environment and Animal Welfare – Ecological impact and protection of animals and species are given special considerations.</li> </ul> <p>Equity/quasi-equity:</p> <ul style="list-style-type: none"> <li>- The investment criteria for equity is similar to those for loans, with financial sustainability and development impact considered highly important. Intangible factors are also important, such as: management quality, integrity, governance, growth capacity</li> </ul>
<b>Financing instrument(s)</b>	Debt, equity, convertible debt
<b>Investment size</b>	Not specified
<b>Technical support</b>	Training, mentoring and support in 5 key areas: risk management and governance, social performance management, market coverage analysis and strategic positioning, product development, agricultural value chain finance
<b>Contact(s)</b>	Oikocredit South East Asia, Unit 503 Transorient Maritime Building, #66 Timog Avenue, Brgy. Sacred Heart, 1103 Quezon City, Philippines Tel: (63) 2 929 3235 / 410 2399 <a href="mailto:rdc.sea.office.ph@oikocredit.org">rdc.sea.office.ph@oikocredit.org</a>
<b>Source(s)</b>	<a href="http://www.sea.oikocredit.coop">www.sea.oikocredit.coop</a>

<b>Opportunity Kauswagan Bank</b>	
<b>Implementer(s)/Investor(s)</b>	Opportunity Kauswagan Bank Inc.
<b>Description</b>	<p>Opportunity Kauswagan Bank Inc. (OK Bank) was formed from the 2008 merger of Opportunity Microfinance Bank Inc. and Kauswagan Bank Inc. and started operations in 2009. Headquartered in Iloilo City, it has 13 branches in Luzon and the Visayas. Its vision is to become the leading microfinance bank in the Philippines through the provision of various microfinance programmes with a special emphasis on women:</p> <ul style="list-style-type: none"> <li>- Proyekto Sa Kauswagan Sa Katilingban (PKK): the programme aims to empower marginalised groups through providing group loans to 35-45 micro entrepreneurs, without collateral requirements.</li> <li>- Micro Enterprise Transition Programme (METP): the programme provides financial assistance to a smaller group of 5 micro entrepreneurs for business expansion and creating employment opportunities for the unemployed and underemployed.</li> </ul>

	<ul style="list-style-type: none"> <li>- Micro Enterprise Development Programme (MEDP): the programme provides individual loans based on cash flow of their existing micro or small enterprises.</li> <li>- Micro, Small &amp; Medium Enterprises Development Lending Programme (SMED): the lending programme is open to individuals, partnerships, corporations and cooperatives for purposes of export financing, credit line, permanent working capital requirements and fixed asset acquisition and refinancing</li> </ul>
<b>Target beneficiaries and investments</b>	MSMEs, women entrepreneurs
<b>Eligibility criteria</b>	<p>New Clients:</p> <ul style="list-style-type: none"> <li>- Individual, male or female, 21-60 years old</li> <li>- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income</li> <li>- Engaged in present business for at least 1 year</li> <li>- Residing in present address for at least 3 years. Residence must be within the bank's service area.</li> <li>- Without any history of past due loan with other MFIs, creditors and suppliers</li> <li>- Can provide a Barangay Business Permit</li> </ul> <p>Clients Graduating from PKK/METP:</p> <ul style="list-style-type: none"> <li>- Individuals, male or female, 21-60 years old</li> <li>- Presently engaged in a business that is profitable, decent and legal and which provides a stable source of daily or weekly income</li> <li>- Engaged in present business for at least 1 year</li> <li>- Residing in present address for at least 3 years. Residence must be within the bank's service area.</li> <li>- PKK clients for at least 2 years and with good repayment and performance</li> </ul> <p>For SMED:</p> <ul style="list-style-type: none"> <li>- MSMEs that are 100% Filipino owned for single proprietorships, partnerships or cooperatives, and at least 60% for corporations</li> <li>- Sectors: industry, services, tourism, agribusiness</li> <li>- Asset size not exceeding PHP100 million</li> <li>- At least 3 year track record for existing MSMEs and 1 year track record for start-ups</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	PKK, METP, MEDP: PHP5,000 - PHP150,000 SMED: PHP150,000 - PHP10 million
<b>Technical support</b>	N/A
<b>Contact(s)</b>	A & L Building, E. Lopez Street, Jaro, Iloilo City

	Tel: (63) 3 320 4887 <a href="mailto:kbankho@yahoo.com">kbankho@yahoo.com</a> <a href="mailto:okbankpres@yahoo.com">okbankpres@yahoo.com</a>
<b>Source(s)</b>	<a href="http://www.omb.org.ph">www.omb.org.ph</a> <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Peace and Equity Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Peace and Equity Foundation (PEF)
<b>Description</b>	Founded in 2011, the Peace and Equity Foundation (PEF) aspires to drive positive change in poor Filipino household communities by investing in social enterprises that will provide them with viable livelihood and better access to basic services. To this end, PEF put in place three distinct but mutually reinforcing implementing structures: the Foundation itself as the primary gateway for organisations moving into SE, the PE Holdings company as investor in SE ventures are mature enough to achieve scale, and the SE Institute for capacity building to make the enterprise and entrepreneurs investment-ready.
<b>Target beneficiaries and investments</b>	Social enterprises, cooperatives, NGOs, people's organisations, faith-based groups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grant, debt, equity
<b>Investment size</b>	Not specified
<b>Technical support</b>	Product development, technology assistance, financial and business development
<b>Contact(s)</b>	69 Esteban Abada St., Loyola Heights, Quezon City, Philippines ppu@pef.ph Tel: (63)2 366 8840
<b>Source(s)</b>	<a href="http://www.pef.ph">www.pef.ph</a>

<b>People's Credit and Finance Corporation</b>	
<b>Implementer(s)/Investor(s)</b>	People's Credit and Finance Corporation
<b>Description</b>	The People's Credit and Finance Corporation (PCFC) is a government entity that mobilises resources for microfinance services that provide affordable credit for the marginalised groups. Its main programmes include: <ul style="list-style-type: none"> <li>- Microfinance Programme: The programme aims to provide the poor with access to livelihood credit and other microfinance services through accredited partner MFIs.</li> </ul>

	<ul style="list-style-type: none"> <li>- Micro-energy Credit Programme: The programme aims to support investments in affordable and reliable small-scale renewable solar energy home systems and solar lanterns through the provision of credit facilities for accredited partner MFIs for re-lending to borrowers.</li> <li>- Micro-agri Credit Programme: The programme finances MFIs' re-lending programmes for their end-clients engaged in the agricultural value chain including fishery.</li> </ul>
<b>Target beneficiaries and investments</b>	MFIs, NGOs, Cooperatives, Rural and Cooperative Banks and Thrift Banks (for on-lending to end-clients)
<b>Eligibility criteria</b>	<p>Eligible Borrowers/Sub-Borrowers:</p> <ul style="list-style-type: none"> <li>- Borrowers (Accredited MFIs) – Non-Government Organizations (NGOs), Cooperatives, Rural and Cooperative Banks, Thrift Banks duly organized, with either a track record of lending operations or with proven capabilities in implementing microfinance programs that can augment the income of targeted poor clients.</li> <li>- Sub-Borrowers – Households below the poverty threshold level as defined by the National Economic Development Authority (NEDA) and as identified by the Government's Social Reform Agenda through the National Anti-Poverty Commission (NAPC).</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- MFIs: based on evaluation/credit needs.</li> <li>- Sub-borrowers in Groups or Centres or Individuals: up to PHP150,000 depending on sub-borrowers' requirements and cash flows.</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>2F, Accelerando Building, 395 Sen. Gil J. Puyat Avenue, Makati City.  Tel: (63) 2 325 0448  <a href="mailto:info@pcfc.ph">info@pcfc.ph</a></p>
<b>Source(s)</b>	<p><a href="http://www.pcfc.ph">www.pcfc.ph</a>  <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a></p>

<b>Philippine Business for Social Progress' Small and Medium Enterprise Credit Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Philippine Business for Social Progress
<b>Description</b>	Established in 1970, the Philippine Business for Social Progress (PBSP) is the largest business-led social development organisation in the Philippines

	committed to poverty reduction. With more than 267 large, small and medium-scale companies as members, PBSP aims to uplift the lives of Filipinos through social development programmes that focus on Health, Education, the Environment, and Livelihood & Enterprise Development (HEEL). PBSP has been influencing the Philippine business community to integrate CSR practices into their core businesses and advocating the application of business strategies in addressing poverty. The Small and Medium Enterprise Credit Programme that provides MSMEs with access to financing and business development services.
<b>Target beneficiaries and investments</b>	MSMEs
<b>Eligibility criteria</b>	MSMEs can avail of the loan from SMEC-accredited financial institutions if they meet the following qualifications: <ul style="list-style-type: none"> <li>- The principal owner is a citizen or permanent legal resident of the Philippines;</li> <li>- Duly registered business organization which is at least 60% owned by Philippine nationals;</li> <li>- Have their principal place of business in the Philippines;</li> <li>- Must be 100% privately owned with total assets of not more than PHP15 million at the time the loan is granted.</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Not specified
<b>Technical support</b>	Business development
<b>Contact(s)</b>	Philippine Social Development Centre Magallanes corner Real Streets, Intramuros, Manila Tel: (632) 527 7741 to 48 <a href="mailto:pbsp@pbsp.org.ph">pbsp@pbsp.org.ph</a>
<b>Source(s)</b>	<a href="http://www.pbsp.org.ph">www.pbsp.org.ph</a> <a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Philippine Development Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Philippine Development Foundation
<b>Description</b>	The Philippine Development Foundation aims to eradicate poverty through education, innovation and entrepreneurship. In particular, it looks into: <ul style="list-style-type: none"> <li>- Strengthening education and training programmes for youths in science and technology,</li> </ul>

	<ul style="list-style-type: none"> <li>- Fostering innovation by driving science and technology research towards the development of globally competitive products and businesses,</li> <li>- Building an entrepreneurial ecosystem to start a movement in the Philippines that will lead to long-term economic growth</li> </ul> <p>In 2016, it partnered with the Asian Institute of Management (AIM) to launch AIM-Dado Banatao Incubator dedicated to inclusive innovation.<sup>520</sup></p>
<b>Target beneficiaries and investments</b>	Social entrepreneurs, young entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Not specified
<b>Technical support</b>	Mentorship, training, incubation support
<b>Contact(s)</b>	AIC Burgundy Empire Tower, ADB Avenue Ortigas Centre, Pasig City 1605 Tel: (63) 2 570 5372 <a href="mailto:info@phildev.org">info@phildev.org</a>
<b>Source(s)</b>	<a href="http://www.phildev.org">www.phildev.org</a>

<b>Philippine Export-Import Credit Agency</b>	
<b>Implementer(s)/Investor(s)</b>	Philippine Export-Import Credit Agency
<b>Description</b>	<p>The Philippine Export-Import Credit Agency was formed in 1977 under the Department of Finance with a mandate to facilitate international trade by offering financial and other assistance to Philippine enterprises, particularly SMEs. It currently administers the following SME support programmes:</p> <ul style="list-style-type: none"> <li>- Direct Lending Programme (short, medium and long-term)</li> <li>- Access of Small Enterprises to Sound Lending Opportunities (ASENSO) Programme</li> <li>- Wholesale Direct Lending Programme</li> <li>- Guarantee Programme for SMEs</li> <li>- Export Credit Insurance Programme</li> </ul>
<b>Target beneficiaries and investments</b>	SME exporters
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Direct Lending Programme: Experience Requirements: Direct Exporter <ul style="list-style-type: none"> <li>o With Minimum export volume of USD100,000 or its equivalent within the last six months prior to application</li> <li>o Profitable operations for the last 2 years</li> </ul> </li> </ul>

<sup>520</sup> <http://www.dealstreetasia.com/stories/philippines-aim-phildev-launch-new-startup-incubator-43598>

	<p>Indirect Exporter</p> <ul style="list-style-type: none"> <li>o Indirectly exporting in the immediately preceding year; and,</li> <li>o Profitable operations for the last 2 years.</li> </ul> <p>Credit Record</p> <ul style="list-style-type: none"> <li>o No substantial derogatory record on firm, its principals and officers;</li> <li>o Satisfactory credit performance;</li> </ul> <p>Financial Standing</p> <ul style="list-style-type: none"> <li>o Maximum debt to equity ratio at 4:1 after financing</li> <li>o Increasing trend in ROA and ROE</li> </ul> <p>- ASENSO Programme:</p> <ul style="list-style-type: none"> <li>o At least 60% Filipino-owned</li> <li>o Assets not exceeding PHP100 million (excluding land)</li> </ul>
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	<ul style="list-style-type: none"> <li>- Direct Lending Programme: up to PHP20 million (short-term) or PHP50 million (long-term)</li> <li>- ASENSO Programme: up to PHP5 million</li> <li>- Wholesale Direct Lending: up to PHP50 million (end-borrower's limit: PHP2.5 million)</li> </ul>
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	17th Floor, Citibank Tower, Citibank Plaza, Valero Street, Makati City Tel: (63) 2 893 4204
<b>Source(s)</b>	<a href="http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook">http://www.dti.gov.ph/businesses/msmes/msme-resources/msme-publications#financing-handbook</a>

<b>Philippine National Bank's Small Business Loan Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Philippine National Bank
<b>Description</b>	Philippine National Bank (PNB) is one of the country's largest private local commercial banks in terms of assets and deposits. It provides a full range of banking and other financial services to large corporates, middle market, SMEs and retail customers. It maintains significant account relationships with the Philippine government, national government agencies, local government units, and government owned and controlled corporations. PNB was originally established as a government bank in 1916 but was 100% privatised in 2007.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Sole proprietors/partnerships/corporations operating profitably for the past 3 years and engaged in light

	manufacturing, processing, services and retail/wholesale trade
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	PHP1 million – PHP10 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Philippine National Bank Financial Centre Pres. Diosdado Macapagal Boulevard, Pasay City, Philippines 1300 Tel: (63) 2 573 4177, (63) 2 891 6040 ext 2274, 2269, or 2063 <a href="mailto:customercare@pnb.com.ph">customercare@pnb.com.ph</a>
<b>Source(s)</b>	<a href="http://www.pnb.com.ph/index.php/corporate-banking/business-loans">http://www.pnb.com.ph/index.php/corporate-banking/business-loans</a>

<b>Small Business Corporation</b>	
<b>Implementer(s)/Investor(s)</b>	Small Business Guarantee and Finance Corporation (Small Business Corporation)
<b>Description</b>	Small Business Guarantee and Finance Corporation (Small Business Corporation) was founded in 1991 with a mandate to offer a wide range of financial services for SMEs engaged in manufacturing, processing, agribusiness and services. These services include, among others, guarantee, direct and indirect lending, financial leasing, secondary mortgage, venture capital and the issuance of debt instruments. Notable financing programmes include: <ul style="list-style-type: none"> <li>- SME Wholesale Lending (for financial institutions nationwide for on-lending to MSMEs)</li> <li>- Microfinance Wholesale Lending (for MFIs, MSME-oriented rural and cooperative banks, community cooperatives, local NGOs and people's organisations)</li> <li>- Direct Lending for MSMEs</li> <li>- Credit Guarantee for MSMEs</li> </ul>
<b>Target beneficiaries and investments</b>	MSMEs
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Debt
<b>Investment size</b>	Direct Lending for MSMEs: PHP200,000 – PHP15 million Microfinance Wholesale Lending: PHP200,000 – PHP200 million
<b>Technical support</b>	Training workshops, capacity building for rural banks on risk-based SME lending
<b>Contact(s)</b>	Small Business Guarantee and Finance Corporation 17th & 18th Floors, 139 Corporate Centre, Valero Street Salcedo Village, Makati City Tel: (632) 751 1888 <a href="mailto:morsos@sbgfc.org.ph">morsos@sbgfc.org.ph</a>

<b>Source(s)</b>	<a href="http://www.sbgfc.org.ph">www.sbgfc.org.ph</a>
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<b>Xchange Inc. Social Incubator</b>	
<b>Implementer(s)/Investor(s)</b>	Xchange Inc.
<b>Description</b>	Established in 2011, Xchange Inc. is an impact-first incubator for early-stage social enterprises which invests in non-profit and for-profit companies that have as their core mission the creation of value for marginalised communities in the Philippines.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grant, convertible grant, equity
<b>Investment size</b>	Not specified
<b>Technical support</b>	Incubation, enterprise management, finance
<b>Contact(s)</b>	3/F 3 Brixton St, Barrio Kapitolyo, Pasig, Philippines Tel: (63) 2 661 7616 <a href="mailto:collaborate@xchange.ph">collaborate@xchange.ph</a>
<b>Source(s)</b>	<a href="https://www.facebook.com/pg/xchangephilippines/about">www.facebook.com/pg/xchangephilippines/about</a> <a href="http://www.avpn.asia/organisation/brixton-xchange-inc">www.avpn.asia/organisation/brixton-xchange-inc</a>

Singapore

<b>ACE Start-Up Grant</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	The ACE Startups Grant provides funding support to entrepreneurial Singaporeans who want to take their first step in starting up differentiated businesses. Applications are shortlisted on a competitive basis based on the 4 key evaluation criteria of differentiation, business model feasibility, potential market opportunity and management team.
<b>Target beneficiaries and investments</b>	Entrepreneurs
<b>Eligibility criteria</b>	<p>All Singapore citizens and permanent residents who:</p> <ul style="list-style-type: none"> <li>- are first-time entrepreneurs</li> <li>- hold at least 51% equity in the company</li> <li>- are the key decision makers and committed to the company on a full-time basis</li> <li>- have parental consent if they are below 18 years old at the point of application</li> </ul> <p>The company must not be registered or incorporated for more than 6 months at the date of submission and/or have received any funding for the proposed business idea from another government agency.</p> <p>The proposed business idea must not be in the following list:</p> <ul style="list-style-type: none"> <li>- Cafes, nightclubs, lounges, bars</li> <li>- Foot reflexology, massage parlours, beauty salons</li> <li>- Gambling</li> <li>- Prostitution, social escort services</li> <li>- Employment agencies (including recruitment of foreign workers, relocation services and manpower services)</li> <li>- Geomancy</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to SGD50,000 in co-matching funds
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>SPRING Singapore            1 Fusionopolis Walk            #01-02 South Tower, Solaris,            Singapore 138628            Tel: (65) 6278 6666  <a href="mailto:acestartups@spring.gov.sg">acestartups@spring.gov.sg</a></p>
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/Pages/ACE-startups-grant.aspx">www.spring.gov.sg/Nurturing-Startups/Pages/ACE-startups-grant.aspx</a>

<b>BANSEA ONE Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Business Angel Network South East Asia (BANSEA)
<b>Description</b>	<p>The Business Angel Network South East Asia (BANSEA) was established in 2001 by a group of Singapore-based angel investors. BANSEA has network connections to angel groups in China, India, Malaysia and Thailand, as well as close links to groups in Europe and the US. Its members have investment experience spanning multiple sectors and a track record in building successful companies. BANSEA organises 10 to 12 events per year for members to meet and listen to short pitches by start-ups shortlisted by our screening committee. Members may or may not invest as a group. While there could be collaboration on due diligence, members exercise autonomy in making investment decisions. Members benefit from an informed and collaborative approach to angel investing.</p> <p>BANSEA members participating in the BANSEA ONE Fund pool the risks of investing in early stage companies and share in the rewards of the outcomes. BANSEA ONE invests in dynamic management teams that are creating a product that solves a pressing problem/need. The solution should be able to be rapidly scaled to create a defensible position in a large potential market with limited capital requirements.</p>
<b>Target beneficiaries and investments</b>	Early-stage enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Business focused on Southeast Asia (preferably incorporated in Singapore)</li> <li>- Have an existing minimum viable product</li> <li>- &lt;7 year exit strategy</li> </ul>
<b>Financing instrument(s)</b>	Equity, convertible debt
<b>Investment size</b>	SGD100,000 – SGD1 million
<b>Technical support</b>	Mentorship, network
<b>Contact(s)</b>	1 George Street, #10-01, Singapore 049145 <a href="mailto:info@bansea.org">info@bansea.org</a>
<b>Source(s)</b>	<a href="http://www.bansea.org">www.bansea.org</a>

<b>Business Angel Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	Start-ups that obtain investment interest and commitment from any of the business angel investors can apply for matching investment from SPRING SEEDS Capital, SPRING's investment arm. SPRING may

	<p>match the investment dollar-for-dollar for up to a maximum of SGD2 million. Both SPRING SEEDS Capital and the business angel investors will take equity stakes in the company in proportion to their investments.</p> <p>Participating angel investors are:</p> <ul style="list-style-type: none"> <li>- Accel-X (any sector)</li> <li>- AITventures (diagnostics and life sciences)</li> <li>- August Capital Partners (supply chain and logistics technology, health and med tech, nutritional science, data analytics, other high growth sectors that have a regional or global impact)</li> <li>- Green Meadows Accelerator (clean technology, advanced manufacturing and engineering)</li> <li>- Individual Angels (IT, mobile technology, education)</li> <li>- Jungle Ventures (internet for smart cities)</li> <li>- Majuven (biomedical sciences, digital convergence technology and services, sustainable technologies)</li> <li>- Small World Group Angels (clean tech, optical systems, advanced materials)</li> <li>- TNB Ventures (internet, augmented reality, virtual reality)</li> <li>- TRIREC (clean tech)</li> <li>- Wavemake (advanced manufacturing and engineering, clean tech)</li> </ul>
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Singapore-based with core activities carried out in Singapore</li> <li>- Incorporated as a Private Limited company, and for less than 5 years</li> <li>- Have paid-up capital of at least SGD50,000</li> <li>- Able to demonstrate substantial innovative and intellectual content for products and/or services and/or applications</li> <li>- Be able to demonstrate high growth potential with clear scalability for the global market</li> </ul>
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	Up to SGD2 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Accel-X:  Mr Edmund Yong  Tel: (65) 6516 5451  <a href="mailto:admin@accel-x.com">admin@accel-x.com</a>  <a href="http://www.nus.edu.sg/enterprise/accelx.html">www.nus.edu.sg/enterprise/accelx.html</a></p>

	<p>AITVentures:  Ms Shirley Tan  Tel: (65) 8323 6002  <a href="http://www.aitbiotech.com/aitventures">www.aitbiotech.com/aitventures</a></p> <p>August Capital Partners:  Mr Sameer Narula  <a href="mailto:ps@acpven.com">ps@acpven.com</a>  <a href="http://www.acpven.com">www.acpven.com</a></p> <p>Individual Angels:  Mr Choun Chee Kong  <a href="mailto:cheekong@hotmail.com">cheekong@hotmail.com</a></p> <p>Jungle Ventures:  Mr Chirayu Wadke  <a href="mailto:chirayu@jungle-ventures.com">chirayu@jungle-ventures.com</a></p> <p>Majuven:  Mr Rohit Singh  <a href="mailto:info@majuven.com">info@majuven.com</a>  <a href="http://www.majuven.com">www.majuven.com</a></p> <p>Small World Group Angels:  Ms Chong Chiet Ping  <a href="mailto:chietping@smallworldgroup.com">chietping@smallworldgroup.com</a>  <a href="http://www.smallworldgroup.com">www.smallworldgroup.com</a></p> <p>TNB Ventures:  Mr Vicknesh R Pillay  Tel: (65) 6438 5616  <a href="mailto:info@tnb.vc">info@tnb.vc</a>  <a href="http://www.tnb.vc">www.tnb.vc</a></p> <p>TRIREC:  Mr Melvyn Yeo  Tel: (65) 6235 3738  <a href="mailto:melvyn.yeo@trirecpl.com">melvyn.yeo@trirecpl.com</a>  <a href="http://www.trirec.co">www.trirec.co</a></p> <p>Wavemaker:  Mr Gavin Lee  <a href="mailto:gavin@wavemaker.vc">gavin@wavemaker.vc</a>  <a href="http://www.wavemaker.vc">www.wavemaker.vc</a></p>
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/Pages/business-angel-scheme.aspx">www.spring.gov.sg/Nurturing-Startups/Pages/business-angel-scheme.aspx</a>

<b>Capability Development Grant</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	The grant defrays up to 70% of qualifying project costs such as consultancy, training, certification and equipment costs. SMEs can take on large scale upgrading projects in areas like increasing productivity, process improvement, product development and market access.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Registered and operating in Singapore</li> <li>- At least 30% local shareholding</li> <li>- Group annual sales turnover ≤ S\$100m or group employment of ≤200 employees</li> </ul> All applications are subject to SPRING's approval.
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Defrays up to 70% of qualifying project costs such as consultancy, training, certification and equipment costs.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Growing-Business/Grant/Pages/capability-development-grant.aspx">www.spring.gov.sg/Growing-Business/Grant/Pages/capability-development-grant.aspx</a>

<b>Capital Match Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Capital Match
<b>Description</b>	Established in 2014, Capital Match is a peer-to-peer lending and invoice financing platform for SMEs based in Singapore.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Singapore registered Private Limited or LLP</li> <li>- At least 1 year of accounts filed with the Accounting and Corporate Regulatory Authority (ACRA) or 2 years of trading history</li> <li>- At least 1 director who is a Singaporean or permanent resident</li> <li>- Minimum annual turnover of SGD100,000</li> </ul>
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	Up to SGD300,000
<b>Technical support</b>	Not specified

<b>Contact(s)</b>	29 Stanley Street #03-03 Singapore 068738 Tel: (65) 9429 9471 <a href="mailto:support@capital-match.com">support@capital-match.com</a>
<b>Source(s)</b>	<a href="http://www.capital-match.com">www.capital-match.com</a>

<b>CRIB Pte Ltd</b>	
<b>Implementer(s)/Investor(s)</b>	CRIB Pte Ltd
<b>Description</b>	CRIB is a non-profit social enterprise that empowers women to become successful entrepreneurs through networking, co-founder matching, business equipping and incubation. CRIB's mission is to create a start-up ecosystem whereby women can flourish, learn to build viable business models, create differentiated offerings that attract investors for sustainable, profitable growth. Core programmes: - CRIB Society provides a community and network of inspiring and like-minded individuals to provide support and encourage mutual growth. - CRIB Match is a platform through which entrepreneurs can find co-founders, partners and build a business team, or raise funding for their businesses. - CRIB Equip provides members with the skills and resources needed, through workshops, training, mentorship, business coaching and providing a resource network.
<b>Target beneficiaries and investments</b>	Women entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Not specified
<b>Technical support</b>	Guidance from CRIB mentors, access to vendors (co-working spaces, accounting, legal, marketing, design, web development), access to angel investment, crowdfunding, grants and venture capital financing
<b>Contact(s)</b>	CRIB Pte Ltd 442 Orchard Road #03-01 Singapore 238879
<b>Source(s)</b>	<a href="http://www.crib.com.sg">www.crib.com.sg</a>

<b>DBS Foundation's Social Enterprise Grant Programme</b>	
<b>Implementer(s)/Investor(s)</b>	DBS Foundation
<b>Description</b>	The DBS Foundation has supported over 100 social enterprises with grant funding since 2012. The Social Enterprise Grant Programme is for social enterprises with new, innovative and scalable ideas that address relevant social problems. The Programme enables social enterprises to develop a prototype of their

	idea, improve existing processes or add critical capabilities to achieve sustainability, or scale up their existing business that leads to greater social impact.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Registered business entity at the country of operations;</li> <li>- Have neither religious nor political agenda/affiliations</li> <li>- Business entity has been registered and in operations for less than 2 years</li> <li>- Business entity has been registered and in operations between 2 to 4 years</li> <li>- Revenue generating for past one year; and There is at least one full time founder</li> <li>- Business entity has been registered and in operations for more than 3 years</li> <li>- There is at least one full time founder; and Business has broken even for past two years</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Prototype Grant: up to SGD50,000 Organisational Grant: up to SGD100,000 Scale-Up Grant: customised package
<b>Technical support</b>	Incubation, bootcamps, workshops, mentorship, refining and strengthening of business models, co-working spaces, networking opportunities
<b>Contact(s)</b>	DBS Foundation Ltd 12 Marina Boulevard, Level 13 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982 <a href="mailto:dbsfoundation@dbs.com">dbsfoundation@dbs.com</a>
<b>Source(s)</b>	<a href="http://www.dbs.com/dbsfoundation/grant-programme/default.page">www.dbs.com/dbsfoundation/grant-programme/default.page</a>

<b>Do-Good Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Central Singapore Community Development Council
<b>Description</b>	Do-Good Fund provides an in-principle grant for community projects that create a significant, positive impact for a cause or current/emerging need. This includes, but is not limited to, creating awareness of a social cause, or coming up with solutions for a current/emerging need, or helping the needy or underprivileged.
<b>Target beneficiaries and investments</b>	Social enterprises and community projects

<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Project(s) must have a clear and quantifiable social objective of benefitting a disadvantaged/ marginalised segment of society (the promotion of arts, cultural, health, sports or environmental objectives should not be the primary mission).</li> <li>- Project(s) must be based on a viable and financially sustainable business model that can profitably generate revenue over a period of at least 2 years.</li> <li>- Proposals have to be implemented locally and preferably to benefit mainly residents of Central Singapore district.</li> <li>- There must be a committed team to drive the project.</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to 80% of the total project cost, subject to a cap of SGD30,000. Funding will be reimbursed over a period of 2 years.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Central Singapore Community Development Council 490 Lorong 6 Toa Payoh #07-11, HDB Hub BizThree (Lobby 2) Singapore 310490 Tel: (65) 6715 7500 <a href="mailto:lana_tan@pa.gov.sg">lana_tan@pa.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.cdc.org.sg/CentralSingapore/Programmes/Do_Good_Fund">www.cdc.org.sg/CentralSingapore/Programmes/Do_Good_Fund</a>

<b>Energy Efficiency Programme Office's Incentives</b>	
<b>Implementer(s)/Investor(s)</b>	Energy Efficiency Programme Office, National Environment Agency (NEA), Economic Development Board (EDB), Building and Construction Authority (BCA)
<b>Description</b>	The Energy Efficiency Programme Office is a multi-agency committee that aims to promote cost-effective means of reducing greenhouse emissions. It is led by the National Environment Agency (NEA) and the Energy Market Authority (EMA) and comprises the Economic Development Board (EDB), Land Transport Authority (LTA), Building and Construction Authority (BCA), Housing and Development Board (HDB), Infocomm Authority of Singapore (IDA), Agency for Science, technology and Research (A*STAR), Urban Redevelopment Authority (URA), Jurong Town Corporation (JTC) and National Research Foundation

	<p>(NRF). The Ministry of the Environment and Water Resources (MEWR) and Ministry of Trade and Industry (MTI) are also represented in the committee. It currently administers the following incentives:</p> <ol style="list-style-type: none"> <li>1. Financing Programme for Energy Efficiency Projects: The programme aims to encourage owners and operators of existing industrial and manufacturing facilities to implement projects in energy efficient equipment or technologies. Project size can range from SGD0.5 million to SGD40 million.</li> <li>2. Productivity Grant (Energy Efficiency): The grant programme promotes investments in energy efficient equipment or technologies among owners and operators of industrial facilities. Grant quantum is up to 20% of the qualifying costs.</li> <li>3. Green Mark Incentive Schemes: These schemes include the SGD100 million Green Market Incentive Scheme for Existing Buildings, the Green Mark Gross Floor Area Incentive Scheme, the SGD5 million Green Market Incentive for Design Prototype, the SGD50 million Green Mark Incentive for Existing Buildings and Premises and the Pilot Building Retrofit Energy Efficiency Financing Scheme.</li> <li>4. One-Year Accelerated Depreciation Allowance for Energy Efficient Equipment and Technology: This tax incentive scheme encourages companies to replace old, energy-consuming equipment with more energy efficient ones and to invest in energy-saving equipment. Under this scheme, the capital expenditure on the qualifying energy efficient or energy-saving equipment can be written off or depreciated in one year instead of three.</li> </ol>
<b>Target beneficiaries and investments</b>	Energy efficiency projects
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Varies
<b>Investment size</b>	Varies
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Ms Joy Ng – Economic Development Board <a href="mailto:Joy_Ng@edb.gov.sg">Joy_Ng@edb.gov.sg</a> Tel: (65) 6832 6648

	Mr Joash Seng – Economic Development Board <a href="mailto:Joash_SENG@edb.gov.sg">Joash_SENG@edb.gov.sg</a> Tel: (65) 6832 6443
<b>Source(s)</b>	<a href="http://www.e2singapore.gov.sg">www.e2singapore.gov.sg</a>

<b>FundedHere Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	FundedHere
<b>Description</b>	Based in Singapore, FundedHere is an equity and lending-based crowdfunding platform for start-ups and SMEs. FundedHere aims to get good entrepreneurial ideas funded whilst offering attractive returns for investors.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Tel: (65) 6443 3063 contactus@fundedhere.com
<b>Source(s)</b>	<a href="http://www.fundedhere.com">www.fundedhere.com</a>

<b>Funding Societies Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Funding Societies
<b>Description</b>	Launched in 2015 and headquartered in Singapore, Funding Societies is a peer-to-peer lending platform that enables SMEs to seek loans from a pool of investors. In January 2016, it launched Modalku, its sister platform in Indonesia.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	The company must be <ul style="list-style-type: none"> <li>- incorporated in Singapore</li> <li>- with Singaporean or Permanent Resident Director(s) of at least 30% shareholding</li> <li>- either a Private Limited Company (Pte Ltd) or a Limited Liability Partnership (LLP)</li> <li>- in business for at least 1 year</li> <li>- with an annual turnover of at least SGD300,000</li> </ul>
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	SGD20,000 - SGD500,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	11 Collyer Quay, The Arcade, #17-00 Singapore S049317 Tel: (65) 6221 0958

	<a href="mailto:info@fundingsocieties.com">info@fundingsocieties.com</a>
<b>Source(s)</b>	<a href="http://www.fundingsocieties.com">www.fundingsocieties.com</a> <a href="http://www.techinasia.com/singapore-peertobusiness-lending-marketplace-raises-746m-led-sequoia">www.techinasia.com/singapore-peertobusiness-lending-marketplace-raises-746m-led-sequoia</a>

<b>IDM Jumpstart and Mentor (i.JAM) Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Interactive & Digital Media Programme Office (IDMPO), Media Development Authority
<b>Description</b>	The IDM Jump-start and Mentor (i.JAM) Programme aims to drive innovation and entrepreneurship by creating in Singapore a capacity for continuous and self-sustaining grassroots innovation. Under this programme, the i.JAM Micro-funding Scheme will support start-ups and individuals with breakthrough ideas that can be developed into innovative products and services. This will be done through a network of incubators who will work closely with IDMPO.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Start-ups with innovative R&D ideas in the interactive and digital media space
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to SGD50,000 for the first round and SGD200,000 for the second round (if the start-up meets all the criteria set by i.JAM)
<b>Technical support</b>	Mentorship, networking, business advice, guidance on securing additional funds
<b>Contact(s)</b>	Infocomm Media Development Authority one-north Office (For media-related services) 3 Fusionopolis Way #16-22 Symbiosis Singapore 138633 Pasir Panjang Office (For telecommunications and infocomm-related services) 10 Pasir Panjang Road #10-01 Mapletree Business City Singapore 117438 Tel: (65) 6377 3800 <a href="mailto:idm_office@mda.gov.sg">idm_office@mda.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.imda.gov.sg/about/newsroom/archived/mda/media-releases/2007/mda-administers-new-microfunding-scheme-to-stimulate-bottomup-innovation-in-idm">www.imda.gov.sg/about/newsroom/archived/mda/media-releases/2007/mda-administers-new-microfunding-scheme-to-stimulate-bottomup-innovation-in-idm</a>

<b>Inclusive Growth Programme</b>	
<b>Implementer(s)/Investor(s)</b>	e2i (Employment and Employability Institute)
<b>Description</b>	The Inclusive Growth Programme was launched by the Labour Movement in 2010 and administered by e2i (Employment and Employability Institute) to catalyse industry re-development, promote inclusive growth and to ensure sharing of productivity gains with workers through higher wages.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Productivity improvement project(s) that share gains with low wage workers (monthly pay $\leq$ SGD1,700). Supportable costs include: a. Automation & equipment cost b. Process re-engineering c. Training costs directly associated with the project
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Participating businesses are entitled to: - Up to 50% co-funding for the purchase or rental of equipment/technology and process re-engineering (capped at SGD150,000 per project and SGD500,000 per company per year) - Up to 90% co-funding for training directly relevant to productivity improvements within the business.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	e2i Central HDB Hub Bizthree 490 Lorong 6 Toa Payoh, #07-11 (Lift Lobby 1) Singapore 310490 Tel: (65) 6474 0606 <a href="mailto:igp@e2i.com.sg">igp@e2i.com.sg</a>
<b>Source(s)</b>	<a href="http://www.e2i.com.sg/employers/inclusive-growth-programme-igp/inclusive-growth-programme">www.e2i.com.sg/employers/inclusive-growth-programme-igp/inclusive-growth-programme</a>

<b>Incubator Development Programme</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	Administered by SPRING Singapore, the Incubator Development Programme provides up to 70% grant support to incubators and venture accelerators to enhance their capabilities and programmes to better assist innovative start-ups.
<b>Target beneficiaries and investments</b>	Incubators and accelerators
<b>Eligibility criteria</b>	Applicants should: - be incubators or venture accelerators with a unique value proposition or specific programme(s)

	<p>to nurture innovative start-ups in areas such as access to markets and talents, financing, entrepreneurship training, management guidance and mentorship</p> <ul style="list-style-type: none"> <li>- have a revenue model that will be sustainable in the long-term</li> <li>- have a proven management team with the necessary experience and expertise to groom innovative start-ups from their early stages into high growth companies</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>SPRING Singapore  1 Fusionopolis Walk  #01-02 South Tower, Solaris,  Singapore 138628  Tel: (65) 6278 6666</p>
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/Pages/incubator-development-programme.aspx">www.spring.gov.sg/Nurturing-Startups/Pages/incubator-development-programme.aspx</a>

<b>Local Enterprise Finance Scheme</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	<p>Companies can access working capital financing or loans for automating and upgrading factory and equipment to support their day-to-day business operations through the SME Micro Loan and the SME Equipment and Factory Loan, respectively, under the Local Enterprise Finance Scheme. Interested companies may approach any of the participating financial institutions to apply for the loans. Participating financial institutions in the Micro Loan Scheme:</p> <ul style="list-style-type: none"> <li>- DBS Bank</li> <li>- Ethoz Capital</li> <li>- Hong Leong Finance</li> <li>- IFS Capital</li> <li>- Malayan Banking Bhd</li> <li>- ORIX Leasing Singapore</li> <li>- OCBC Bank</li> <li>- RHB Bank</li> <li>- The Bank of East Asia</li> <li>- United Overseas Bank (UOB)</li> </ul> <p>Participating financial institutes in the Equipment and Factory Loan Scheme:</p>

	<ul style="list-style-type: none"> <li>- DBS Bank</li> <li>- Ethoz Capital</li> <li>- Hong Leong Finance</li> <li>- IFS Capital</li> <li>- Malayan Banking Bhd</li> <li>- ORIX Leasing Singapore</li> <li>- OCBC Bank</li> <li>- RHB Bank</li> <li>- Sing Investments &amp; Finance Ltd</li> <li>- Singapura Finance Ltd</li> <li>- The Bank of East Asia</li> <li>- United Overseas Bank (UOB)</li> </ul>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Company registered and operating in Singapore</li> <li>- At least 30% local shareholding</li> </ul> <p>Micro Loan:</p> <ul style="list-style-type: none"> <li>- Annual sales ≤ SGD1 million or ≤ 10 employees</li> <li>- Group annual sales of ≤ SGD100 million or group employment size ≤ 200</li> </ul> <p>Equipment and Factory Loan:</p> <ul style="list-style-type: none"> <li>- Group annual sales of ≤ SGD100 million or group employment size ≤ 200</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Micro Loan: up to SGD100,000 Equipment and Factory Loan: up to SGD15 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Micro-Loan.aspx">www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Micro-Loan.aspx</a> <a href="http://www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Equipment-and-Factory-Loans.aspx">www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Equipment-and-Factory-Loans.aspx</a>

<b>Moolahsense Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Moolahsense
<b>Description</b>	MoolahSense is one of the pioneer peer-to-peer lending platforms in Singapore that connects SMEs that seek short-term business loans to prospective investors. It was awarded a Capital Markets Services License by the Monetary Authority of Singapore in November 2016.

<b>Target beneficiaries and investments</b>	SMEs
<b>Financing instrument(s)</b>	Debt-based crowdfunding
<b>Investment size</b>	From SGD1,000
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Singapore registered Private Limited and Limited Liability Partnership entity</li> <li>- At least 1 year of accounts filed with the Accounting and Corporate Regulatory Authority (ACRA) or has been trading for 2 years</li> <li>- Minimum annual turnover of SGD300,000</li> </ul>
<b>Contact(s)</b>	408B Joo Chiat Road, Singapore 427635 Tel: (65) 6871 8780 <a href="mailto:info@moolahsense.com">info@moolahsense.com</a>
<b>Source(s)</b>	<a href="http://www.moolahsense.com">www.moolahsense.com</a>

<b>National Environment Agency's Grants and Incentive Schemes</b>	
<b>Implementer(s)/Investor(s)</b>	National Environment Agency
<b>Description</b>	<p>Singapore's National Environment Agency (NEA) currently administers various grants and incentive schemes with the aim to encourage environmentally friendly practices and ensure the private sector takes ownership of the common urban space. NEA grants include:</p> <ol style="list-style-type: none"> <li>1. Energy Efficient Improvement Assistance Scheme (EASe): Funding would be provided for up to 50% of the qualifying cost of engaging an expert consultant or Energy Services Company (ESCO) to conduct detailed energy assessments and recommend specific measures that can be implemented to improve energy efficiency. Over a 5-year period, the maximum amount of funding to any single facility or building is capped at SGD200,000.</li> <li>2. 3R Fund: The 3R Fund is a co-funding scheme to encourage organisations to undertake waste minimisation and recycling projects. It will co-fund up to 80% of qualifying costs, subject to a cap of SGD1 million per project or per applicant.</li> <li>3. 3P Partnership Fund: The 3P Partnership Fund supports projects that focus on: (i) grooming environment advocates and</li> </ol>

	champions, (ii) encouraging community participation in environmental activities, and (iii) increasing awareness on environmental issues. It works on a co-payment basis with funding quantum percentage ranging from 10% (for the 5 <sup>th</sup> year) to 50% (for the 1 <sup>st</sup> year).
<b>Target beneficiaries and investments</b>	Energy efficiency projects
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Varies
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	National Environment Agency 40 Scotts Road, #13-00 Environment Building Singapore 228231 Tel: 1800 225 5632
<b>Source(s)</b>	<a href="http://www.nea.gov.sg/grants-awards">www.nea.gov.sg/grants-awards</a>

<b>National Research Foundation's Early Stage Venture Fund</b>	
<b>Implementer(s)/Investor(s)</b>	National Research Foundation, Prime Minister's Office
<b>Description</b>	The National Research Foundation invests SGD10 million, on a matching basis, in seed corporate venture capital funds that invest in early-stage technology start-ups based in Singapore. This aims to encourage large local enterprises to engage in corporate venturing to source for innovative technologies and business models as part of their overall corporate strategy, and in the process, improve their innovation capacity. This also enables start-ups to scale-up by leveraging on large local enterprises' mentorship, resources and networks.
<b>Target beneficiaries and investments</b>	Technology start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	1 CREATE Way #12-02 CREATE Tower Singapore 138602 Tel: (65) 6684 2900 <a href="mailto:corpcom@nrf.gov.sg">corpcom@nrf.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.nrf.gov.sg/funding-grants/early-stage-venture-fund">www.nrf.gov.sg/funding-grants/early-stage-venture-fund</a>

<b>National Youth Fund</b>	
<b>Implementer(s)/Investor(s)</b>	National Youth Council
<b>Description</b>	The National Youth Fund supports ground-up youth initiatives to champion community and social causes through partnerships with youth sector organisations including youth social enterprises, schools, institutes of higher learning and other community partners.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	Youth/Youth leaders who have a strong track record of community involvement. Applicants must be Singaporeans/Singaporean Permanent Residents aged between 15 and 35 years <ul style="list-style-type: none"> <li>- Project's ability to meet a critical service gap or emerging need</li> <li>- Scalability of project</li> <li>- Impact of project</li> <li>- Potential for bridging youth communities and fostering partnerships</li> <li>- Project's ability to develop youth leadership and community action</li> <li>- Propensity to drive change</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	The funding will help to cover up to 80% of the total project costs for each project.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	National Youth Council 490 Lor 6 Toa Payoh #04-10 HDB Hub Biz Three, Singapore 310490 <a href="mailto:NYC_Enquiries@nyc.gov.sg">NYC_Enquiries@nyc.gov.sg</a> Tel: (65) 6734 4233
<b>Source(s)</b>	<a href="http://www.nyc.gov.sg/initiatives/grants/nyf">www.nyc.gov.sg/initiatives/grants/nyf</a>

<b>Private Incubators and Accelerators</b>	
<b>Implementer(s)/Investor(s)</b>	The Biofactory, Incuvest, Azione Capital, TNF Ventures, TechCube8, FocusTech Ventures, Get2Volume, Clearbridge, AccelerAsia, NUS Start-up Runway
<b>Description</b>	Focus sectors: <ul style="list-style-type: none"> <li>- The Biofactory: biomedical</li> <li>- Incuvest: technology</li> <li>- Azione Capital: digital media, mobile communications, energy, and maritime industry</li> <li>- TNF Ventures: technology</li> <li>- TechCube8: technology</li> <li>- FocusTech Ventures: hardware, manufacturing technology</li> </ul>

	<ul style="list-style-type: none"> <li>- Get2Volume: technology</li> <li>- Clearbridge: health care, info-security, technology</li> <li>- AccelerAsia: various</li> <li>- NUS Start-up Runway: various</li> </ul>
<b>Target beneficiaries and investments</b>	Start-ups, early-stage enterprises
<b>Eligibility criteria</b>	Varies
<b>Financing instrument(s)</b>	Seed funding
<b>Investment size</b>	Varies
<b>Technical support</b>	Incubation, acceleration, mentorship, network
<b>Contact(s)</b>	<p>The Biofactory:  Block 79 Ayer Rajah Crescent #05-06  Singapore 139955  contact@thebiofactory.com  Tel: (65) 6397 5155</p> <p>Incuvest:  #04-07, 79 Ayer Rajah Crescent, Singapore 139955  info@incuvestasia.com  Tel: (65) 6493 2468</p> <p>Azione Capital:  1 Kaki Bukit Rd 1, Singapore 415934  Tel: (65) 3112 1688</p> <p>TNF Ventures  71 Ayer Rajah Crescent, #06-01/02 and #04-23/24/25/26,  Singapore 139951  info@tnfventures.com  Tel: (65) 6777 7022</p> <p>TechCube8  info@techcube8.com  Tel: (65) 9003 9595</p> <p>FocusTech Ventures  Cititech Industrial Building #06-11, 629 Aljunied Road,  Singapore 389838  <a href="mailto:kelvin@focustechventures.com">kelvin@focustechventures.com</a></p> <p>Get2Volume  67 Ayer Rajah Crescent, Singapore 139950  info@get2volume.com  Tel: (65) 6777 9750</p> <p>Clearbridge</p>

	<p>A. 81 Science Park Drive, #02-03 The Chadwick, Singapore Science Park 1, Singapore 118257 contactus@clearbridgeaccelerator.com Tel: (65) 6873 0668</p> <p>AccelerAsia 30 Bukit Pasoh Road, Singapore 089844 info@accelerasia.com Tel: (65) 6223 7221</p> <p>NUS Start-Up Runway National University of Singapore (NUS) 21, Heng Mui Keng Terrace Level 5, S119613 enterprise@nus.edu.sg Tel: (65) 6516 7175</p>
<b>Source(s)</b>	<p><a href="http://www.thebiofactory.com">www.thebiofactory.com</a>  <a href="http://www.incuvestasia.com">www.incuvestasia.com</a>  <a href="http://www.azionecapital.com">www.azionecapital.com</a>  <a href="http://www.tnfventures.com">www.tnfventures.com</a>  <a href="http://www.techcube8.com">www.techcube8.com</a>  <a href="http://www.focustechventures.com">www.focustechventures.com</a>  <a href="http://www.g2vaccelerator.com">www.g2vaccelerator.com</a>  <a href="http://www.clearbridgeaccelerator.com">www.clearbridgeaccelerator.com</a>  <a href="http://www.accelerasia.com">www.accelerasia.com</a>  <a href="http://www.enterprise.nus.edu.sg">www.enterprise.nus.edu.sg</a></p>

<b>raiSE Impact Finance</b>	
<b>Implementer(s)/Investor(s)</b>	Singapore Centre for Social Enterprise (raiSE)
<b>Description</b>	<p>The Singapore Centre for Social Enterprise (raiSE) was set up to raise awareness on social entrepreneurship and raise support for social enterprises in Singapore. raiSE provides a range of support to help social enterprises from start to mature stages, such as funding, advisory services, training, relevant resources and networks. raiSE administers 2 grant schemes (VentureForGood and VentureForGood Youth) and one investment scheme (raiSE Impact Finance). raiSE Impact Finance (RIF) provides capital to Singapore-based social enterprises with a clear social mission to address human-centred social gaps and needs within a sustainable business model, clear intent and motivation among founder(s) and management team to achieve the social mission. As an impact-first funder, the primary outcome RIF hopes to achieve is a demonstrable increase in the breadth and/or depth of social impact created via its investments.</p>

<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<p>The RIF seeks out investments into social enterprises:</p> <ul style="list-style-type: none"> <li>- With innovative solutions to address social gaps and tackle social issues</li> <li>- That provide training and employment to the disadvantaged groups</li> <li>- That provide strategic value in developing the social sector</li> </ul> <p>RIF does not invest in businesses that engage in activities for the purpose of promoting or furthering political, religious or individual beliefs.</p> <p>At present, RIF does not invest into businesses with solely an environmental focus or those that focus predominantly on impact outside of Singapore.</p> <p>SEs must present a measurable and scalable social impact plan. RIF aims to achieve at least 3-5% annual financial returns. Preferred investment horizon is 3-5 years.</p>
<b>Financing instrument(s)</b>	Equity, debt
<b>Investment size</b>	Up to SGD2 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>79 Ayer Rajah Crescent  #02-01/02 Singapore 139955  Tel: (65) 6460 0800  <a href="mailto:investments@raise.sg">investments@raise.sg</a></p>
<b>Source(s)</b>	<a href="http://www.raise.sg/raise-impact-finance">www.raise.sg/raise-impact-finance</a>
<b>Sector Specific Accelerator Programme</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	<p>As part of the Research, Innovation and Enterprise 2015 plan, the Singapore government established Sector Specific Accelerators (SSA) to identify, invest and grow start-ups in strategic but nascent sectors such as medical and clean technology. A total of USD70 million has been committed under the SSA Programme to encourage the formation and growth of start-ups in medical technology. SPRING SEEDS Capital (SSC), SPRING's investment arm, co-invests with the accelerators on a 1:1 basis. The five accelerators, Clearbridge BSA, Singapore Medtech Accelerator, Zicom MedTacc, Medtech Alliance and Venturecraft Group have been appointed to identify and co-invest with SSC in high-potential medical technology start-ups. Besides co-investing, the accelerators take a hands-on approach to help the start-ups build up their management teams, meet</p>

	regulatory requirements and connect with potential customers.
<b>Target beneficiaries and investments</b>	Medical technology start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	The appointed accelerators take a hands-on approach to help the start-ups build up their management teams, meet regulatory requirements and connect with potential customers.
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666 <a href="mailto:smeinfo@spring.gov.sg">smeinfo@spring.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/Pages/sector-specific-accelerator.aspx">www.spring.gov.sg/Nurturing-Startups/Pages/sector-specific-accelerator.aspx</a>

<b>Singapore International Foundation's Young Social Entrepreneurs Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Singapore International Foundation (SIF)
<b>Description</b>	SIF's Young Social Entrepreneurs Programme aims to inspire, equip and enable youth of different nationalities to start or scale up their social enterprises in Singapore and beyond. The Programme is implemented in partnership with established social entrepreneurs, business consultants and investors.
<b>Target beneficiaries and investments</b>	Young social entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to SGD20,000
<b>Technical support</b>	Network, mentorship, overseas study visits
<b>Contact(s)</b>	Singapore International Foundation 60A Orchard Road #04-01 Tower 1, The Atrium@Orchard, International Involvement Hub Singapore 238890 Tel: (65) 6837 8700 <a href="mailto:yse@sif.org.sg">yse@sif.org.sg</a>
<b>Source(s)</b>	<a href="http://www.sif.org.sg/our-work/gb/yse">www.sif.org.sg/our-work/gb/yse</a> <a href="http://edm.sif.org.sg/edm/YSE/YSE_Factsheet_230616.pdf">http://edm.sif.org.sg/edm/YSE/YSE_Factsheet_230616.pdf</a>

<b>SIP North East CDC Social Innovation Fund</b>	
<b>Implementer(s)/Investor(s)</b>	North East Community Development Council
<b>Description</b>	The fund aims to enable new/existing social enterprises or a team of passionate individuals to undertake community related initiatives and projects, in areas of environment, social assistance, community health and targets different groups such as the low income, family, children and youth, elderly and special needs.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Project(s) must address a particular social need in an innovative manner and impactful in the local context.</li> <li>- The project should not have inflammatory or discriminatory religious or racial elements, advance a partisan political agenda, or be contrary to the interest of the community and society at large.</li> <li>- The core activities of the proposed project are based in Singapore and benefit the local community, in particular North East district.</li> <li>- Project(s) must be based on a sustainable work model for at least 6 months to a year.</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	100% of the total project cost, subject to a cap of SGD10,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	North East Community Development Council 51 Tampines Ave 4 #04-31 Our Tampines Hub Singapore 529684 Tel: (65) 6424 4030 <a href="mailto:patsy_kwa@pa.gov.sg">patsy_kwa@pa.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.socialinnovationpark.org">www.socialinnovationpark.org</a>

<b>SME Working Capital Loan</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	The SME Working Capital Loan was introduced at the Singapore Budget 2016 for a period of three years to help local enterprises access unsecured working capital financing in a period of slow economic growth. Participating financial institutions are: <ul style="list-style-type: none"> <li>- DBS Bank</li> <li>- Ethoz Capital Ltd</li> <li>- Hong Leong Finance Ltd</li> <li>- IFS Capital Ltd</li> </ul>

	<ul style="list-style-type: none"> <li>- Malayan Banking Bhd</li> <li>- ORIX Leasing Singapore Ltd</li> <li>- OCBC Bank</li> <li>- RHB Bank</li> <li>- Standard Chartered Bank</li> <li>- Bank of East Asia</li> <li>- HSBC Bank</li> <li>- United Overseas Bank (UOB)</li> </ul>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Company registered and operating in Singapore</li> <li>- At least 30% local shareholding</li> <li>- Group annual sales of <math>\leq</math> SGD100 million or group employment size <math>\leq</math> 200</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Up to SGD300,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Working-Capital-Loan.aspx">www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Working-Capital-Loan.aspx</a>

<b>SME Venture Loan</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	To help innovative, high-growth SMEs access financing for their business expansion, the Venture Debt Programme was launched in January 2016 over a pilot period of two years. SPRING shares the risk of loan defaults with participating financial institutions in the event of company insolvency. Interest rates, repayment structures, collateral and warrant structures will be determined by the participating financial institutions. Participating financial institutions are: <ul style="list-style-type: none"> <li>- DBS Bank</li> <li>- OCBC Bank</li> <li>- United Overseas Bank (UOB)</li> <li>- Innoven Capital</li> </ul>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Company registered and operating in Singapore</li> <li>- At least 30% local shareholding</li> <li>- Group annual sales of <math>\leq</math> SGD100 million or group employment size <math>\leq</math> 200</li> </ul>
<b>Financing instrument(s)</b>	Loans

<b>Investment size</b>	Up to SGD5 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Venture-Loan.aspx">www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Venture-Loan.aspx</a>

<b>SPRING Start-up Enterprise Development Scheme (SPRING SEEDS)</b>	
<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	SPRING SEEDS Capital Pte Ltd (SSC), is the investment arm of SPRING Singapore, manages the SPRING Start-up Enterprise Development Scheme (SPRING SEEDS), an equity-based co-financing option for Singapore-based start-ups with innovative products and/or processes with intellectual content and strong growth potential across international markets.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	To be eligible for investment consideration, interested start-ups must: <ul style="list-style-type: none"> <li>- be a Singapore-based company with core activities carried out in Singapore.</li> <li>- be incorporated as a Private Limited company for less than five years.</li> <li>- have paid-up capital of at least USD50,000.</li> <li>- be able to evidence substantial innovative and intellectual content for its products and/or services and/or applications.</li> <li>- have high growth potential with clear scalability for the international market.</li> <li>- have identified a ready, independent third-party investor(s).</li> </ul>
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	For approved deals by the SPRING SEEDS Investment Panel, SSC matches the sum invested by third-party investor(s) dollar-for-dollar up to a maximum of USD2 million. The total sum will be invested in tranches, based on identified milestones. Both SPRING SEEDS Capital and the third-party investor(s) will then take equity stakes in the company in proportion to their investments. Subject to the company's specific progress and performance, additional investments can be considered at a later round for up to USD1 million, inclusive of the initial investment.
<b>Technical support</b>	Not specified

<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/SEEDS/Pages/spring-start-up-enterprise-development-scheme.aspx">www.spring.gov.sg/Nurturing-Startups/SEEDS/Pages/spring-start-up-enterprise-development-scheme.aspx</a>

#### Tech For Good (T4G) Social Tech Accelerator

<b>Implementer(s)/Investor(s)</b>	Tech For Good (T4G)
<b>Description</b>	T4G is an acceleration and educational program for early stage start-ups who use technology in innovative ways to tackle social issues. T4G offers a 4-month programme that provides entrepreneurs with mentoring, working space, access to a network of resources and other business services designed to accelerate their success, create meaningful social impact and create jobs and revenue. Focus sectors are: aging, people with disabilities, health and nutrition, education, safe work environment, safe road travel, social and economic inequality, clean technology, agricultural technology, food technology. Currently active in Singapore and Thailand, T4G aims to expand into other Asian countries in 2017.
<b>Target beneficiaries and investments</b>	Social tech start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Not specified
<b>Investment size</b>	Not specified
<b>Technical support</b>	Mentoring, working space, access to a network of resources and other business services designed to accelerate their success, create meaningful social impact and create jobs and revenue
<b>Contact(s)</b>	Tech for Good Blk 79, Ayer Rajah Crescent, #05-03 (inside ASTART accelerator), Singapore Tel: (65) 9147 9814 <a href="mailto:info@t4g.co">info@t4g.co</a>
<b>Source(s)</b>	<a href="http://www.t4g.co">www.t4g.co</a>

#### Technology Enterprise Commercialisation Scheme

<b>Implementer(s)/Investor(s)</b>	SPRING Singapore
<b>Description</b>	The Technology Enterprise Commercialisation Scheme (TECS) aims to catalyse the formation and

	growth of technologically innovative start-ups based on strong technology Intellectual Property and a scalable business model. Through the TECS, SPRING provides early-stage funding to successful applicants to fund such developmental efforts towards the commercialisation of proprietary technology solutions. The TECS is a competitive grant in which proposals are evaluated based on both technical and commercial merits by a team of reviewers, and the best are funded. Applicants may apply for either the Proof Of Concept grant or the Proof Of Value grant, depending on the stage of development of the technology or solution/concept.
<b>Target beneficiaries and investments</b>	Start-ups
<b>Eligibility criteria</b>	Applicants can be start-up companies: <ul style="list-style-type: none"> <li>- Registered for less than 5 years at time of award</li> <li>- At least 30% local shareholding</li> <li>- Company's group annual sales turnover is not more than \$100 million or group employment size is not more than 200 workers</li> <li>- Core activities to be carried out in Singapore</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Proof of Concept projects: up to 100% of qualifying costs, subject to a maximum of SGD250,000 Proof of Value projects: up to 85% of qualifying costs, subject to a maximum of SGD500,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	SPRING Singapore 1 Fusionopolis Walk #01-02 South Tower, Solaris, Singapore 138628 Tel: (65) 6278 6666 <a href="mailto:smeinfo@spring.gov.sg">smeinfo@spring.gov.sg</a>
<b>Source(s)</b>	<a href="http://www.spring.gov.sg/Nurturing-Startups/Pages/technology-enterprise-commercialisation-scheme.aspx">www.spring.gov.sg/Nurturing-Startups/Pages/technology-enterprise-commercialisation-scheme.aspx</a>

<b>VentureForGood Grant</b>	
<b>Implementer(s)/Investor(s)</b>	Singapore Centre for Social Enterprise (raiSE)
<b>Description</b>	The Singapore Centre for Social Enterprise (raiSE) was set up to raise awareness on social entrepreneurship and raise support for social enterprises in Singapore. raiSE provides a range of support to help social enterprises from start to mature stages, such as funding, advisory services, training, relevant resources

	and networks. raiseSE administers 2 grant schemes (VentureForGood and VentureForGood Youth) and one investment scheme (raiseSE Impact Finance).
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<p>VentureForGood is open to all new and existing locally based social enterprises that are registered/ intend to register under the Companies Act or Co-operative Societies Act. For applicants who have not incorporated their business at point of application and are in the process of prototyping, a partnership with a relevant Voluntary Welfare Organisation (VWO) and/or validations with intended beneficiary groups should be illustrated.</p> <ul style="list-style-type: none"> <li>- Applicants must be a member of raiseSE (individuals/SE startup/SE member)</li> <li>- Eligibility is open to new/ existing social enterprises addressing one or more of the following outcome areas: employment opportunities, education, skill development, basic human needs (e.g. housing, transport, food), economic tools and services (e.g. financial access, crowdfunding, e-commerce), health care/social care products and services (include disease/illness prevention and mitigation), improvement of mental health &amp; well-being (e.g. address social exclusion), capacity building for organisations in the social sector.</li> </ul>
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to SGD300,000 for seed grants
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>79 Ayer Rajah Crescent  #02-01/02 Singapore 139955  Tel: (65) 6460 0800  <a href="mailto:vfg@raise.sg">vfg@raise.sg</a></p>
<b>Source(s)</b>	<a href="http://www.raise.sg/ventureforgood">www.raise.sg/ventureforgood</a>

<b>VentureForGood Youth Grant</b>	
<b>Implementer(s)/Investor(s)</b>	Singapore Centre for Social Enterprise (raiseSE)
<b>Description</b>	<p>The Singapore Centre for Social Enterprise (raiseSE) was set up to raise awareness on social entrepreneurship and raise support for social enterprises in Singapore. raiseSE provides a range of support to help social enterprises from start to mature stages, such as funding, advisory services, training, relevant resources and networks. raiseSE administers 2 grant schemes</p>

	(VentureForGood and VentureForGood Youth) and one investment scheme (raiSE Impact Finance). VentureForGood (Youth) is an initiative set up to provide funding support of up to SGD20,000 to youths in developing and implementing their social enterprise ventures that address an apparent social need in Singapore.
<b>Target beneficiaries and investments</b>	Young social entrepreneurs
<b>Eligibility criteria</b>	VentureForGood (Youth) is open to youths aged 18 - 35 years. Key applicant must be Singaporean or permanent resident of Singapore. Eligibility is open to new/ existing social enterprises addressing one or more of the following outcome areas: employment opportunities, education, skill development, basic human needs (e.g. housing, transport, food), economic tools and services (e.g. financial access, crowdfunding, e-commerce), health care/social care products and services (include disease/illness prevention and mitigation), improvement of mental health & well-being (e.g. address social exclusion), capacity building for organisations in the social sector.
<b>Financing instrument(s)</b>	Grant
<b>Investment size</b>	Up to SGD20,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	79 Ayer Rajah Crescent #02-01/02 Singapore 139955 Tel: (65) 6460 0800 <a href="mailto:vfg@raise.sg">vfg@raise.sg</a>
<b>Source(s)</b>	<a href="http://www.raise.sg/ventureforgood">www.raise.sg/ventureforgood</a>

Thailand

<b>Association for the Promotion of Thai SMEs (ATSME)</b>	
<b>Implementer(s)/Investor(s)</b>	It was formed as a non-profit organisation in 1981 by industrial entrepreneurs who were trained through the Department of Industrial Promotion.
<b>Description</b>	ATSME provides training programmes for small enterprises and also helps in matching business activities between members, barter trade, good exhibition, e-commerce and products exhibition internationally.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Form(s) of technical support</b>	Training programmes, business matching between provinces and among members, exhibitions
<b>Contact(s)</b>	<a href="mailto:info@atsme.org">info@atsme.org</a> Tel: (66) 2202 4547
<b>Source(s)</b>	<a href="http://www.atsme.org">www.atsme.org</a>

<b>BANPU Champions for Change</b>	
<b>Implementer(s)/Investor(s)</b>	BANPU Public Company Limited and ChangeFusion
<b>Description</b>	The BANPU Champions for Change programme, which began in 2011, aims to enable young people to drive social change through providing seed funding and incubation support.
<b>Target beneficiaries and investments</b>	Early-stage social enterprises
<b>Eligibility criteria</b>	Winning teams are selected on the basis of: <ol style="list-style-type: none"> <li>1. Social Impact - the possibility to create social change substantially;</li> <li>2. The Team - capability and dedication;</li> <li>3. Improvement - ability to operate efficiently in the given time of three months after receiving THB 50,000 in the first round;</li> <li>4. Business Sustainability - judging from cash flow performance and ability to enter the market; and</li> <li>5. Maximisation - ability to operate in the long run with substantial profit and social value.</li> </ol>
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	THB50,000 – THB200,000
<b>Technical support</b>	Workshops, mentorship
<b>Contact(s)</b>	Not specified

<b>Source(s)</b>	<a href="http://www.banpu.co.th/backoffice/upload/NR_BC4C%20Y5-4%20Winners_10%20Aug%202015_EN_162727.pdf">http://www.banpu.co.th/backoffice/upload/NR_BC4C%20Y5-4%20Winners_10%20Aug%202015_EN_162727.pdf</a>
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<b>BKIND: Socially Responsible Investment Mutual Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Collaboration between ChangeFusion, BBL Asset Management Co., Ltd. (BBLAM) and Khon Thai Foundation
<b>Description</b>	The BKIND invests into "equities of companies listed on the Stock Exchange of Thailand (SET) and/or the Market for Alternative Investment (mai) or other secondary markets of the SET. It invests mainly in companies that exercise social responsibility in Environment, Social, Governance and Anti-Corruption (ESGC).
<b>Target beneficiaries and investments</b>	SMEs listed on the SET, mai or other secondary markets of the SET that exercise social responsibility
<b>Eligibility criteria</b>	Companies must exercise social responsibility according to the ESGC principles.
<b>Financing instrument(s)</b>	Mutual Fund The investment portion is at the discretion of the fund manager. The remaining assets will be invested in other equity instruments not mentioned above, including unlisted securities, debt instruments, financial instruments and/or deposits, as well as securities or other assets or earnings by other means as stipulated or approved by the Office of the Securities and Exchange Commission (SEC).
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	2044/21 Baan Jitasa 4th Floor, New Phetchaburi Rd., Bangkok Bangkok 10320 Thailand Tel: (66) 2 716 6263 <a href="mailto:change fusion@change fusion.org">change fusion@change fusion.org</a>
<b>Source(s)</b>	<a href="http://www.change fusion.org">www.change fusion.org</a> <a href="http://www.avpn.asia/2015/08/13/change fusion-mutually-building-the-mutual-fund">www.avpn.asia/2015/08/13/change fusion-mutually-building-the-mutual-fund</a>

<b>ChangeVENTURES</b>	
<b>Implementer(s)/Investor(s)</b>	ChangeVENTURES
<b>Description</b>	ChangeVENTURES invests and supports social enterprises through providing early-growth stage funding (equity and debt), and hands-on business development support such as strategy, accounting, finance, marketing and design.

<b>Target beneficiaries and investments</b>	Early-stage social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity, debt
<b>Investment size</b>	Not specified
<b>Technical support</b>	Strategy, accounting, finance, marketing and design
<b>Contact(s)</b>	444 OlympiaThai Tower, 22 <sup>nd</sup> Floor, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok 10310 Thailand Tel: (66) 2 938 2636 <a href="mailto:info@changeventures.asia">info@changeventures.asia</a>
<b>Source(s)</b>	<a href="http://www.changeventures.asia">www.changeventures.asia</a>

<b>CIMB Thai Bank Clean Energy Loan</b>	
<b>Implementer(s)/Investor(s)</b>	CIMB Thai Bank
<b>Description</b>	The loan attempts to support clients for investment on machinery and equipment in relation to energy efficiency and renewable energy projects. It is a long-term loan with a maximum period of 7 years.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	<p>Clean energy projects which will be qualified for CIMB Thai Clean Energy Loan must comply to one of the followings:</p> <p>Manufacturing</p> <ol style="list-style-type: none"> <li>1. Efficiency improvement In fuel combustion system</li> <li>2. Protection for energy loss</li> <li>3. Waste energy recovery</li> <li>4. Renewable energy</li> <li>5. Change of energy source</li> <li>6. Efficiency improvement of electricity equipment</li> <li>7. Efficiency improvement of machinery, equipment or process control</li> <li>8. Other energy efficiency measures which are subjected to Bank's consideration</li> </ol> <p>Construction</p> <ol style="list-style-type: none"> <li>1. Solar heat reduction</li> <li>2. Ventilation and temperature control</li> <li>3. Energy efficiency materials</li> <li>4. Lighting efficiency improvement</li> <li>5. Installation of machinery, equipment or material for building energy reduction</li> <li>6. Control system for energy efficiency</li> </ol>

	<p>7. Other energy efficiency measures which are subjected to Bank's consideration</p> <p>Qualified Expenses Relating to the Projects</p> <ul style="list-style-type: none"> <li>- Machine, equipment and installation expense</li> <li>- Project consulting fee or energy service company fee</li> <li>- Expense which are necessary for the installation of machinery and equipment such as machinery foundation, natural gas piping</li> <li>- Transportation, removal and demonstration expense, Import tax, and Value added tax of mentioned items</li> </ul>
<b>Financing instrument(s)</b>	Loans
<b>Investment size</b>	Up to THB50 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Langsuan Building, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330 Tel: (66) 26 388 000
<b>Source(s)</b>	<a href="http://www.cimbthai.com/CIMB/en/sme/product/loan/clean_energy_loan">www.cimbthai.com/CIMB/en/sme/product/loan/clean_energy_loan</a>

<b>Dreamaker Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Dreamaker
<b>Description</b>	<p>Launched in August 2015, Dreamaker is an exclusive reward-based crowdfunding platform for Thai entrepreneurs and projects by Thai nationals. Dreamaker adopts the "all or nothing" model, which means that if you don't raise the total amount that you are asking for, you don't get anything at all. Dreamaker is planning to apply for a license to run its equity crowdfunding platform (Dreamaker Equity) as the Securities and Exchange Commission (SEC) is expected to enact new regulations on equity crowdfunding by mid-2016.</p>
<b>Target beneficiaries and investments</b>	SMEs, entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Reward-based crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.dreamaker.co.th/en/node">www.dreamaker.co.th/en/node</a> <a href="http://www.bangkok-entrepreneurs.com/2015/10/25/crowdfunding-is-">www.bangkok-entrepreneurs.com/2015/10/25/crowdfunding-is-</a>

	<a href="#">coming-to-thailand-with-dreammaker-and-dreamaker-equity</a>
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<b>Industrial Assistance Technology Programme (iTAP)</b>	
<b>Implementer(s)/Investor(s)</b>	National Science and Technology Development Agency (NSTDA)
<b>Description</b>	The Industrial Assistance Technology Programme (iTAP) is an industrial technology support programme for SMEs to help them meet the challenges in introducing technology-based products and processes. The programme provides assistance to SMEs and acts as an intermediary between research specialists and entrepreneurs.
<b>Target beneficiaries and investments</b>	SMEs
<b>Form(s) of technical support</b>	Industrial Consultancy Services Technical Training and Seminars Techno-business Matching Technology Acquisition Provision of Industrial and Technology Information Linkage to Other Industrial Service Organizations
<b>Eligibility criteria</b>	- Strong commitment to develop capacity in production technologies - More than 51% owned by Thai - SMEs with less than THB200 million registered capital
<b>Contact(s)</b>	Tel. (66) 2564 7000 ext. 1360-1389 <a href="mailto:itap@nstda.or.th">itap@nstda.or.th</a>
<b>Source(s)</b>	<a href="http://www.nstda.or.th/eng/index.php/service/industrial-technology-assistance-program-itap">www.nstda.or.th/eng/index.php/service/industrial-technology-assistance-program-itap</a> <a href="http://www.sciencepark.or.th/index.php/en/innovation-technology-assistance-program-itap">www.sciencepark.or.th/index.php/en/innovation-technology-assistance-program-itap</a>

<b>Khon Thai Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	Khon Thai Foundation
<b>Description</b>	Khon Thai Foundation is a non-profit organisation founded in 2011 with the objective to create a better Thai society through the development of scalable and replicable collaborative platforms. These platforms enable active citizens from all sectors to work together for the greater good of the society. Examples of these platforms are: <ul style="list-style-type: none"> <li>- "Khon Thai" Monitor is a nationwide survey that encourages Thai people to reflect, participate and be responsible for the quality of life and</li> </ul>

	<p>development of the country by interviewing 100,000 people in 77 provinces in Thailand.</p> <ul style="list-style-type: none"> <li>- Our Hands for Better Thailand is a social expo to connect NGOs, civil society, social enterprises, and volunteer group with business sector.</li> <li>- khonthaivoice.com is a mechanism of hearing the voices of 100,000 Thai people nationwide about their dreams for Thailand and what they want to do. The result will be shared with the government and public to generate appropriate actions for social development.</li> <li>- Inspiring Thailand is an initiative for the civil society sector, private sector, educational sector, and public sector to come together for the purpose of transforming Thailand into a more harmonious, fair, and sustainable society.</li> <li>- Projects for Inspiring Thailand is a collaborative platform that bring all available resources which are not only funds but also knowledge and experiences as well as networks from the private sector for the purpose of working together to develop social projects systematically with measurable assessment and monitoring and evaluation process.</li> </ul> <p>Khon Thai Foundation also works with various stakeholders including the Stock Exchange of Thailand, BBL Asset Management Company Limited, ChangeFusion Institute, Thai Health Promotion Foundation, Thai Chamber of Commerce on mechanisms for pooling national resources such as:</p> <ul style="list-style-type: none"> <li>- BKIND is Thailand's first listed mutual fund that attracts funds from the general public to invest in businesses that follow the Environment, Social, Governance and Anti-corruption (ESGC) criteria. The fund also donates 40% of its management fee or 0.8% of its total asset value to support projects that create a social benefit for Thai society.</li> <li>- Social Lab is the mechanism of finding practical solutions to serious issues in Thailand through transformative scenario planning and the collaboration between all different entities involved.</li> </ul>
<b>Target beneficiaries and investments</b>	Social enterprises, non-profit organisations, enterprises governed by the principles of ESGC
<b>Eligibility criteria</b>	Not specified
<b>Financing instruments</b>	Equity (BKIND)

<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	One Premier Corporate Park Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel: (66) 2 301 1038 <a href="mailto:khonthaifoundation@gmail.com">khonthaifoundation@gmail.com</a>
<b>Source(s)</b>	<a href="http://www.khonthaifoundation.org">www.khonthaifoundation.org</a>

<b>K-SME Venture Capital Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Kasikorn Bank
<b>Description</b>	The K-SME Venture Capital Fund was formed by Kasikorn Bank in the form of a limited company. K-SME invests in SMEs with a period of 3 to 5 years. The investment may be in common stock, preferred stock or other equity linked instruments. K-SME is managed by Khao Kla Venture Capital Management Co., Ltd. which is a wholly owned subsidiary of Kasikorn Asset Management Co., Ltd.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	- Business operation of more than 3 years; otherwise owners or major shareholders must have more than 5 year experience in relevant business. - Commercially viable with high potential growth with a well-defined business plan, good corporate governance and transparency
<b>Financing instruments</b>	Equity, equity-linked
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Khao Kla Venture Capital Management Co., Ltd. Tel: (66) 2 673 8704 <a href="mailto:info@khaokla.com">info@khaokla.com</a>
<b>Source(s)</b>	<a href="http://www.khaokla.com/eng/Capital_fund01.aspx">www.khaokla.com/eng/Capital_fund01.aspx</a>

<b>Krung Thai Bank Green Loan</b>	
<b>Implementer(s)/Investor(s)</b>	Krung Thai Bank
<b>Description</b>	Loan for investment and/or working capital in project/scheme to bring about energy saving, use of alternative or renewable energy and clean energy both in case of production for own use or production for sale, pollution elimination/reduction to conserve the environment including expenses on improvement or renovation of business establishment site, building construction and related machinery and equipment.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Thai nationality
<b>Financing instrument(s)</b>	Term loan, working capital loan

<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Tel: (66) 2 111 111
<b>Source(s)</b>	<a href="http://www.ktb.co.th/ktb/en/product-detail.aspx?product=0DYsr%2FoFU%2F2eeyNXLnUIDg%3D%3D&amp;type=c">www.ktb.co.th/ktb/en/product-detail.aspx?product=0DYsr%2FoFU%2F2eeyNXLnUIDg%3D%3D&amp;type=c</a>

<b>Market for Alternative Investment</b>	
<b>Implementer(s)/Investor(s)</b>	Stock Exchange of Thailand
<b>Description</b>	Launched in 1999, the Market for Alternative Investment (mai) was established under the Securities Exchange of Thailand Act. It aims to create new fundraising opportunities for innovative business with high potential growth. To this end, it provides entrepreneurs and SMEs access to alternative financing for strengthening competitiveness and fostering long-term quality growth.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Minimum paid-up capital of THB20 million
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel: (66) 2 009 9000 <a href="mailto:SETContactCenter@set.or.th">SETContactCenter@set.or.th</a>
<b>Source(s)</b>	<a href="http://www.set.or.th/mai/en/about/structure.html">www.set.or.th/mai/en/about/structure.html</a>

<b>Meefund Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	First Coin Co (operator)
<b>Description</b>	Launched in September 2015, Meefund recently signed an agreement with the Market for Alternative Investment (mai) to act as another platform for SMEs or start-ups to raise funds before they get listed on Thai bourses.
<b>Target beneficiaries and investments</b>	SMEs, start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Reward-based crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.meefund.com">www.meefund.com</a>

	<a href="http://www.crowdfundvibe.com/meefund-kickstarting-reward-crowdfunding-in-thailand">www.crowdfundvibe.com/meefund-kickstarting-reward-crowdfunding-in-thailand</a> <a href="http://www.dealstreetasia.com/stories/thailands-crowdfunding-platform-meefund-plans-yp-attract-1-13m-funding-projects-year-30443">www.dealstreetasia.com/stories/thailands-crowdfunding-platform-meefund-plans-yp-attract-1-13m-funding-projects-year-30443</a>
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<b>New Entrepreneurs Creation (NEC)</b>	
<b>Implementer(s)/Investor(s)</b>	Department of Industrial Promotion, Ministry of Industry
<b>Description</b>	The New Entrepreneurs Creation Programme under the Department of Industrial Promotion supports new start-ups and early-stage entrepreneurs to launch their business and build their capabilities by providing a 60-hours training programme. It is offered at no cost to participants
<b>Target beneficiaries</b>	Early-stage Entrepreneurs
<b>Eligibility criteria</b>	To be considered for participation, an applicant must be determined to start a business, have achieved at least a vocational education and not be over 60 years old.
<b>Form(s) of technical support</b>	60-hours training programme on business planning and managerial skills, company visits, access to an advisory service after training, access to marketing channels such trade fairs, and business matching.
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.naisit.org/journal/download-paper/id/495">www.naisit.org/journal/download-paper/id/495</a> OECD. 2011. <i>Thailand: Key Issues and Policies</i> . OECD Studies on SMEs and Entrepreneurship. OECD Publishing.

<b>One Tambon One Product (OTOP)</b>	
<b>Implementer(s)/Investor(s)</b>	Government of Thailand
<b>Description</b>	Drawing its inspiration from Japan's One Village One Product programme, OTOP (Tambon is Thai for sub-district) is a local entrepreneurship stimulus programme to support enterprises that produce locally made and marketed products. OTOP has been one of the main SME and entrepreneurship programmes in Thailand with a budget of just under THB1 Billion. The main target groups are SMEs and entrepreneurs in regional communities. OTOP covers a large array of local products, including handicrafts, cotton and silk garments, pottery, fashion accessories, household items, and foods.
<b>Target beneficiaries</b>	Community-based enterprises producing local products.

<b>Eligibility criteria</b>	Not specified
<b>Form(s) of technical support</b>	Supports locally made products from each "tambon". It selects one superior product from each "tambon" to receive formal branding as a "starred OTOP product", and facilitates local and international promotion of these products.
<b>Contact(s)</b>	Thaitambon.com Info Systech Co., Ltd. Bangkok, Thailand Tel: (66) 81 8481199, (66) 84 7275050 <a href="mailto:thaitambondotcom@gmail.com">thaitambondotcom@gmail.com</a> <a href="mailto:ariyakaw@gmail.com">ariyakaw@gmail.com</a> <a href="mailto:somkiet@cscoms.com">somkiet@cscoms.com</a>
<b>Source(s)</b>	<a href="http://www.thaitambon.com">www.thaitambon.com</a> <a href="http://www.thaiembassy.sg/friends-of-thailand/p/what-is-otop">www.thaiembassy.sg/friends-of-thailand/p/what-is-otop</a>

#### **Sasakawa Women's Education and Training Center (WE-TRAIN) at the Association for the Promotion of the Status of Women**

<b>Implementer(s)/Investor(s)</b>	Association for the Promotion of the Status of Women
<b>Description</b>	Its works in the area of Human Capital Development and provides vocational training to women in sewing, cooking, hairdressing, crafts, housekeeping and Thai massage to help women gain access to income generating entrepreneurial activities. In addition, it also hosts seminars for social entrepreneurs.
<b>Target beneficiaries</b>	Women
<b>Eligibility criteria</b>	Not specified
<b>Form(s) of technical support</b>	Vocational training
<b>Contact(s)</b>	501/1 Dechatungka Road, Sikan Donmuang, Bangkok 10210 Thailand Tel: (66) 2929230107 <a href="mailto:admin@apsw-thailand.org">admin@apsw-thailand.org</a>
<b>Source(s)</b>	<a href="http://www.apsw-thailand.org/Eeducate.html">www.apsw-thailand.org/Eeducate.html</a>

#### **Small and Medium Enterprise Development Bank of Thailand (SME Bank)**

<b>Implementer(s)/Investor(s)</b>	SME Bank
<b>Description</b>	The SME Bank was established in 2002 and is majorly owned by the government of Thailand. It functions as an arm of government policy for business development rather than a purely commercial bank to assist SMEs start, expand or improve their businesses by providing loans, guarantees and other services. Some examples on the type of loans provided by the SME Bank are:

	<ul style="list-style-type: none"> <li>(i) Fast Track Loan</li> <li>(ii) Loan for Thai Workers Going Abroad</li> <li>(iii) Loan under Financial Cooperation for the Development of Grassroots Economy</li> <li>(iv) Loan under for Assets Capitalisation Scheme</li> <li>(v) Loan for Modernisation of Poultry Farms</li> </ul> <p>In 2014, SME Bank launched a venture capital fund to support high-potential SMEs which are screened by the Office of Small and Medium Enterprise Promotion.<sup>521</sup></p>
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Loans, equity
<b>Investment size</b>	Average loan size: USD100,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Phaholyothin Office SME BANK Tower 310 Phaholyothin Road, Samsen-Nai, Phayathai, Bangkok 10400 Tel: (66) 2 265 3000
<b>Source(s)</b>	<a href="http://www.smebank.co.th">www.smebank.co.th</a>

<b>SME Bond Project</b>	
<b>Implementer(s)/Investor(s)</b>	The Thailand Securities and Exchange Commission (SEC), the Thai Bond Market Association, TRIS Rating Company Limited, Fitch Ratings (Thailand), Bond Electronic Exchange, Thai Listed Companies Association, MAI Listed Companies Association, the Federation of Thai Industries and the Thai Chamber of Commerce.
<b>Description</b>	The SMEs Bond Project was a collaborative effort that aims to promote another fund mobilisation channel for SMEs through the issuance of bonds and bills. Privileges for SMEs Bond Project participants included lower rating fee under specific terms and conditions from TRIS Rating Co., Ltd. and Fitch Ratings (Thailand) Co., Ltd., discount on registration admission fee, annual fee and training fee from Thai Bond Market Association, project publicity by BEX, the Thai Listed Companies Association and MAI Listed Companies Association, and nationwide information distribution by the Federation of Thai Industries and Thai Chamber of Commerce. The SEC waived application fee for product approval and reduced submission fee for initial registration statement.
<b>Target beneficiaries and investments</b>	SMEs

<sup>521</sup> [www.dealstreetasia.com/stories/thailands-sme-bank-to-launch-venture-capital-fund-700](http://www.dealstreetasia.com/stories/thailands-sme-bank-to-launch-venture-capital-fund-700)

<b>Eligibility criteria</b>	Eligible applicants were companies limited or public companies limited established under Thai laws, excluding financial institutions or financial service operators. In addition, the companies' asset as specified in the financial statement must be at a maximum of THB2 billion as of the application date.
<b>Financing instrument(s)</b>	Bonds and bills
<b>Investment size</b>	Not specified
<b>Technical support</b>	Training courses on market knowledge and fundraising vehicles including bond issuance
<b>Contact(s)</b>	<a href="mailto:info@sec.or.th">info@sec.or.th</a>
<b>Source(s)</b>	<a href="http://www.sec.or.th/EN/Pages/SME.aspx">www.sec.or.th/EN/Pages/SME.aspx</a>

<b>SME Private Equity Trust Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Krung Thai Bank, Stock Exchange of Thailand (SET), National Science and Technology Development Agency (NSTDA)
<b>Description</b>	In July 2016, Krung Thai Bank set up a THB2.3 billion SME Private Equity Trust Fund in collaboration with the SET and NSTDA. The trust will invest in high-growth start-ups, technology-based SMEs and large-sized suppliers. Krung Thai Asset Management and One Asset Management are the trust's managers.
<b>Target beneficiaries and investments</b>	SMEs, start-ups
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	Not specified
<b>Technical support</b>	Financial advisory services, investment consultancy, pre-listing management
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.dealstreetasia.com/stories/48435-48435">www.dealstreetasia.com/stories/48435-48435</a>

<b>Taejai.com Crowdfunding Platform</b>	
<b>Implementer(s)/Investor(s)</b>	Khon Thai Foundation and ChangeFusion Institute
<b>Description</b>	Taejai is a crowdfunding platform that aims to provide a funding option to social enterprises and NGO projects. It has raised almost THB3 million in one year for 42 projects. <sup>522</sup>
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	- The project should be creative and beneficial to the community and the society with a new, sustainable and scalable approach.

<sup>522</sup> Sanguankiattichai (2014)

	<ul style="list-style-type: none"> <li>- The project goal is to create a positive, measurable and effective social change.</li> <li>- Project team/organisation has a capacity to implement their project plans and to report their progress regularly.</li> </ul>
<b>Financing instrument(s)</b>	Crowdfunding
<b>Investment size</b>	Not specified
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	ChangeFusion Institute 2044/21 Rd., New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310. Tel: (66) 02 716 6263, 02 716 6563 Email: <a href="mailto:info.taejai@gmail.com">info.taejai@gmail.com</a>
<b>Source(s)</b>	<a href="http://www.taejai.com">www.taejai.com</a>

#### **Thai Business Incubators and Science Parks Association**

<b>Implementer(s)/Investor(s)</b>	Founded from a tripartite agreement between the National Science and Technology Development Agency (NSTDA), Office of the Higher Education Commission (OHEC) and Office of Small and Medium Enterprises Promotion (OSMEP). <sup>523</sup>
<b>Description</b>	The Thai Business Incubators and Science Parks Association aims to provide training workshops, advice and support from government agencies and private sector to new entrepreneurs.
<b>Target beneficiaries</b>	New entrepreneurs
<b>Eligibility criteria</b>	Not specified
<b>Form(s) of technical support</b>	Training workshops, capacity building, networking
<b>Contact(s)</b>	Ms. Suwipa Wanasathop – President The Innovation Building 1, 3rd Floor, 131 Thailand Science Park. Phaholyothin Road, Klong one. Pathum Thani Telephone: (66) 25647200 <a href="mailto:info@thaibispa.or.th">info@thaibispa.or.th</a>
<b>Source(s)</b>	<a href="http://www.thaibispa.or.th">www.thaibispa.or.th</a>

#### **Thai Young Philanthropist Network (TYPN)**

<b>Implementer(s)/Investor(s)</b>	TYPN
<b>Description</b>	Founded in 2008, TYPN is a network of young social-minded professionals with a shared mission to make a positive difference to Thailand. TYPN offers a youth entrepreneurship training programme that provides business consultation and business planning training

<sup>523</sup> <http://www.spica-directory.net/associations/?id=164>

	to students and teachers. They also host a social enterprise business plan competition to incubate upcoming young Thai entrepreneurs.
<b>Target beneficiaries</b>	Youth entrepreneurs, entrepreneurs based in universities.
<b>Eligibility criteria</b>	Not specified
<b>Form(s) of technical support</b>	Business consultation, business planning training, social enterprise business plan contest.
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.typhn.org">www.typhn.org</a>

<b>Centre for Social Initiatives Promotion (CSIP)</b>	
<b>Implementer(s)/Investor(s)</b>	Centre for Social Initiatives Promotion (CSIP)
<b>Description</b>	CSIP is an NGO/NPO that supports local social enterprises by providing financial and non-financial support in incubation and acceleration stages and building an enabling environment for growing social entrepreneurship in Vietnam. Between 2009 and 2014, CSIP supported and promoted 78 social initiatives which improved the lives of over 200,000 disadvantaged people. <sup>524</sup>
<b>Target beneficiaries and investments</b>	Early-stage social enterprises
<b>Eligibility criteria</b>	Innovative and high-impact social initiatives
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	USD10,000 (as of 2014)
<b>Technical support</b>	Capacity building workshops, business planning and development, legal consultation, expert network
<b>Contact(s)</b>	Ms Hoang Dieu Huong 2302, 23 <sup>rd</sup> Floor, 101 Lang Ha Hanoi, Vietnam Tel: (84) 4 3537 8746 <a href="mailto:dieuhuong@csip.vn">dieuhuong@csip.vn</a>
<b>Source(s)</b>	<a href="http://www.csip.vn">www.csip.vn</a>

<b>Cooperative Bank of Vietnam</b>	
<b>Implementer(s)/Investor(s)</b>	Cooperative Bank of Vietnam, People's Credit Funds (PCFs)
<b>Description</b>	Cooperative Bank of Vietnam, formerly known as the Central People's Credit Fund, is a cooperative financial institution that provides market-priced loans to PCFs and non-PCFs clients (including individuals and enterprises). Cooperative Bank and PCFs are the third largest provider of microcredit in Vietnam with 1.1 million borrowers and 1.3 million depositors.
<b>Target beneficiaries and investments</b>	Low-income individuals, micro and small enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Average loan size: USD769 (as of 2009)
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Cooperative Bank of Vietnam 4 <sup>th</sup> Floor, N04 Building, Hoang Dao Thuy, Cau Giay District

<sup>524</sup> Pham, Nguyen and Nguyen (2016, p.11)

	Hanoi, Vietnam Tel: (84) 4 3209 9999 <a href="mailto:headoffice@co-opbank.vn">headoffice@co-opbank.vn</a>
<b>Source(s)</b>	<a href="http://www.co-opbank.vn">www.co-opbank.vn</a> <a href="http://www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES">www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES</a>

<b>Evergreen Labs</b>	
<b>Implementer(s)/Investor(s)</b>	Evergreen Labs
<b>Description</b>	Evergreen Labs develops and supports businesses that aim to impact the pressing environmental and social challenges we face today. It focuses on the implementation, scaling and multiplication of existing positive impact solutions and business plans. Besides general business consulting, Evergreen Labs has a dedicated CSR consulting branch that offers full-service solutions including budgeting, impact and PR strategy, implementation and execution.
<b>Target beneficiaries and investments</b>	Early-stage social enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Debt, equity
<b>Investment size</b>	USD5,000
<b>Technical support</b>	Workshops, strategy consulting, business plan development, fundraising, sales and marketing support
<b>Contact(s)</b>	3rd Floor, 31 Tran Phu Street Hai Chau District, Da Nang Vietnam Tel: (84) 162 8365 210 <a href="mailto:info@evergreenlabs.org">info@evergreenlabs.org</a>
<b>Source(s)</b>	<a href="http://www.evergreenlabs.org">www.evergreenlabs.org</a>

<b>Green Credit Trust Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Swiss State Secretariat for Economic Affairs (SECO), Asia Commercial Bank (AIB), Vietnam International Bank (VIB), Techcombank and Vietnam Cleaner Production Centre (VNCPC)
<b>Description</b>	The fund supports medium- and long-term investments of Vietnamese SMEs in cleaner production technology in the form of credit guarantees and performance-based grants. It is financed by the Swiss Secretariat for Economic Affairs, coordinated by the Vietnam Cleaner Production Centre and implemented by three commercial banks (Techcombank, ACB, VIB). The fund

	guarantees up to 50% of the capital borrowed by SMEs (up to USD500,000) and also reimburses part of the investment costs (up to USD200,000) after successful installation of the green technology if the environmental improvement is 30% or above. Investment duration: 2-5 years.
<b>Target beneficiaries and investments</b>	SME projects related to climate change mitigation and adaptation, energy efficiency, fuel switching, low-carbon development, water efficiency and technology change.
<b>Eligibility criteria</b>	- At least 51% owned by Vietnamese - Not applicable for investments aimed to solely comply with environmental laws.
<b>Financing instrument(s)</b>	Credit guarantees, debt, grants
<b>Investment size</b>	USD10,000 - USD1,000,000
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Vietnam Cleaner Production Centre: Ms Nguyen Le Hang – Project Officer <a href="mailto:hang.nl@vncpc.org">hang.nl@vncpc.org</a> Tel: (84) 4 3868 4849 (ext 14)  Techcombank: Ms Nguyen Thi Khai Phuong <a href="mailto:phuongntk@techcombank.com.vn">phuongntk@techcombank.com.vn</a> Tel: (84) 4 3944 6368 (ext 2704)  Asia Commercial Bank (ACB): Ms Le Thi Thuong Chieu <a href="mailto:chieultt@acb.com.vn">chieultt@acb.com.vn</a> Tel: (84) 8 3929 0999 (ext 171)  Vietnam International Bank (VIB): Ms Nguyen Thi Khanh Hoai <a href="mailto:hoai.nk@vib.com.vn">hoai.nk@vib.com.vn</a> Tel: (84) 4 6276 0068 (ext 4668)
<b>Source(s)</b>	<a href="http://www.gctf.vn">www.gctf.vn</a>

<b>Green Investment Facility</b>	
<b>Implementer(s)/Investor(s)</b>	Denmark's Ministry of Climate, Energy and Buildings, Embassy of Denmark in Vietnam, Vietnam's Ministry of Industry and Trade and Ministry of Construction
<b>Description</b>	The Green Investment Facility is the financing instrument offered as part of the Low Carbon Transition in Energy Efficiency (LCEE) project initiated by the governments of Denmark and Vietnam. It aims to promote energy efficiency among SMEs in 3 sectors:

	brick, ceramics and food processing. The facility guarantees up to 50% of the loan amount. Loan rebate may be provided up to 30% of the loan amount. Investment duration: January 2013 – June 2017.
<b>Target beneficiaries and investments</b>	SMEs in the brick, ceramics and food processing
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- 100% owned by Vietnamese</li> <li>- Having less than VND100 billion in assets or fewer than 300 employees</li> <li>- Proposed investment will result in at least a 20% reduction in energy use or carbon emission and is higher than the minimum legal requirements.</li> </ul>
<b>Financing instrument(s)</b>	Loan guarantees, grants
<b>Investment size</b>	VND400 million – VND4 billion
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Green Investment Facility  11<sup>th</sup> Floor, BIDV Tower  194 Tran Quang Khai, Hanoi, Vietnam  Tel: (84) 4 32041616  <a href="mailto:fm-info@lcee.vn">fm-info@lcee.vn</a></p>
<b>Source(s)</b>	<a href="http://www.lcee.vn">www.lcee.vn</a>

<b>Global Climate Partnership Fund</b>	
<b>Implementer(s)/Investor(s)</b>	IFC, Danish government and Vietinbank
<b>Description</b>	The Global Climate Partnership Fund (GCPF) was established in December 2009 and initially capitalised with seed funding from the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and KfW Development Bank. In 2011, IFC and the Danish government joined the Fund as investors and Vietinbank was selected as a partner institution. GCPF uses public funding to leverage private capital in order to mitigate climate change and drive sustainable growth in developing countries. GCPF fosters innovative climate change-oriented SME investments through the introduction or enhancement of loan products offered by local financial institutions.
<b>Target beneficiaries and investments</b>	SMEs and private households
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Energy efficiency projects that reduce projected greenhouse gas emissions by at least 20%</li> <li>- Renewable energy generation projects</li> </ul>
<b>Financing instrument(s)</b>	Soft medium- and long-term loans
<b>Investment size</b>	Up to USD7 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified

<b>Source(s)</b>	<a href="http://www.gcpf.lu">www.gcpf.lu</a> <a href="http://www.vietinbank.vn/web/home/vn/doanh-nghiep/cho-vay/chuong-trinh-tin-dung-quoc-te/tin-dung-GCPF">www.vietinbank.vn/web/home/vn/doanh-nghiep/cho-vay/chuong-trinh-tin-dung-quoc-te/tin-dung-GCPF</a>
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<b>Inclusive Impact Investments</b>	
<b>Implementer(s)/Investor(s)</b>	Oxfam
<b>Description</b>	The initiative aims to make the best possible development impact through investing in and assisting SMEs with risk capital and business support. The investments are “impact first” with a view to improving the lives of people living in poverty, particularly women and youth. Pilot fund size is EUR8 million over the course of 2013-2015. If the pilot leads to expected results, Oxfam looks to scale up the fund to EUR50 million.
<b>Target beneficiaries and investments</b>	Social SMEs
<b>Eligibility criteria</b>	Potential investees must contribute to: <ul style="list-style-type: none"> <li>- Creation of direct employment to farmers, women or youth living in poverty</li> <li>- Income increases through an improved position in the supply chain of small farmers, women or youth</li> <li>- The availability of and/or accessibility to services or products that improve their lives.</li> </ul>
<b>Financing instrument(s)</b>	Loans, equity, mezzanine
<b>Investment size</b>	EUR10,000 (through financial intermediaries) – EUR1 million (invested directly by Oxfam) (EUR300,000 on average)
<b>Technical support</b>	Business planning, market research, business governance, linking SMEs to specific technical experts
<b>Contact(s)</b>	Oxfam Vietnam 22 Le Dai Hanh Hanoi, Vietnam Tel: (84) 904 191 157
<b>Source(s)</b>	<a href="http://www.inclusive-investments.com">www.inclusive-investments.com</a>

<b>Lotus Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Lotus Impact
<b>Description</b>	Lotus invests impact capital and provides incubation services to high-potential businesses to generate lasting social impact and transformative growth. Focus sectors: agriculture, education, health, technology, gender equality, water and sanitation

<b>Target beneficiaries and investments</b>	Seed-stage enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Seed investment
<b>Investment size</b>	Minimum USD250,000 <sup>525</sup>
<b>Technical support</b>	Incubation services: business plan creation, developing reliable financial projections, designing and prototyping products or services, going to market, fundraising, network
<b>Contact(s)</b>	Hanoi Office: 6th Floor, 17 Ngo Quyen, Hoan Kiem District Hanoi, Vietnam Phone: (84) 4 3936 4630  Ho Chi Minh City Office: 17th Floor, 115 Nguyen Hue, District 1 Ho Chi Minh City, Vietnam Phone: (84) 8 3821 9930
<b>Source(s)</b>	<a href="http://www.lotusimpact.com">www.lotusimpact.com</a>

<b>M7-MFI</b>	
<b>Implementer(s)/Investor(s)</b>	M7 Microfinance Institution
<b>Description</b>	M7-MFI is one of the two licensed MFIs in Vietnam. It was formed through the merger of 3 microfinance funds: the Uong Bi Fund for Promoting Women, the Mai Son Support Fund for Ethnic Minority Women and the Dong Trieu Women's Assistance Fund. Primarily operating in northern Vietnam, M7-MFI had approximately 12,300 borrowers and 19,600 depositors as of 2010.
<b>Target beneficiaries and investments</b>	Women
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Average loan size: USD125 - USD200
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<a href="mailto:giangnh@m7mfi.vn">giangnh@m7mfi.vn</a>
<b>Source(s)</b>	<a href="http://www.m7mfi.vn">www.m7mfi.vn</a> <a href="http://www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES">www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES</a>

<sup>525</sup> Winters & Johnson (2015, p.8)

<b>Mekong Brahmaputra Clean Development Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Dragon Capital
<b>Description</b>	Launched in 2010, Mekong Brahmaputra Clean Development Fund is a closed-end fund focused on development using clean technology in the Mekong River region (Vietnam, Cambodia, Laos, Thailand) and the Brahmaputra River region (Bangladesh, Nepal, Bhutan, Sri Lanka). It is the first sustainable investment fund to be launched in Vietnam. The Fund has made investments that meet the triple bottom line of people, planet and profit. Committed capital: USD40 million
<b>Target beneficiaries and investments</b>	Renewable energy, energy efficiency, water conservation, waste recycling projects
<b>Eligibility criteria</b>	Exclusions: biofuels, forestry, untested or experimental clean technology, renewable energy fuelled by natural flora
<b>Financing instrument(s)</b>	Equity
<b>Investment size</b>	USD1 million – USD7 million
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Ho Chi Minh Office: 1501 Me Linh Point 2 Ngo Duc Ke, District 1 Ho Chi Minh City, Vietnam Tel: (+84) 3823 9355  Hanoi Office: 9 <sup>th</sup> Floor, BIDV Tower 194 Tran Quang Khai, Hoan Kiem District Hanoi, Vietnam Tel: (84) 4 3936 0203  <a href="mailto:info@dragoncapital.com">info@dragoncapital.com</a>
<b>Source(s)</b>	<a href="http://www.am-dragoncapital.com/fund/mbdcf">www.am-dragoncapital.com/fund/mbdcf</a>

<b>National and Local Credit Guarantee Funds</b>	
<b>Implementer(s)/Investor(s)</b>	Vietnam Development Bank (VDB) and People's Committees at the provincial/city level
<b>Description</b>	The Vietnam Development Bank's credit guarantee fund provides up to 85% guarantee on the total investment. Local credit guarantee funds are operated by provincial/city authorities and supervised by the Ministry of Finance. As of December 2016, there are a total of 27 local credit guarantee funds across the country.

<b>Target beneficiaries and investments</b>	SMEs, cooperatives, cooperative unions, agricultural entrepreneurs, farmers, fishermen
<b>Eligibility criteria</b>	- Own equity investment must account for at least 15% of total investment. - Enterprises must not have any bad debt with credit institutions including VDB and must obtain written credit approval from commercial banks.
<b>Financing instrument(s)</b>	Credit guarantees
<b>Investment size</b>	Up to 85% of the enterprise's investment
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://www.vietnamnews.vn/economy/347927/credit-guarantee-policies-need-revision-to-further-support-smes.html#Ysuw04s7PTo50LH8.97">www.vietnamnews.vn/economy/347927/credit-guarantee-policies-need-revision-to-further-support-smes.html#Ysuw04s7PTo50LH8.97</a>

<b>SEAF Blue Waters Growth Fund</b>	
<b>Implementer(s)/Investor(s)</b>	Small Enterprise Assistance Funds (SEAF)
<b>Description</b>	Founded in 1989 as part of the international relief and development organisation CARE, SEAF is a global private equity fund manager that invests in SMEs in pursuit of a double bottom line: promoting social responsible economic development while generating an appropriate return on investment. SEAF established the Blue Waters Growth Fund in Vietnam in May 2007 to provide growth capital combined with strategic and operational support to SMEs.
<b>Target beneficiaries and investments</b>	SMEs
<b>Eligibility criteria</b>	Expansion stage
<b>Financing instrument(s)</b>	Mezzanine long-term capital
<b>Investment size</b>	USD300,000 – USD2 million
<b>Technical support</b>	Strategic and operational support
<b>Contact(s)</b>	Mr Pham Cong Sang – Managing Director 14 <sup>th</sup> Floor, Green Power Building 35 Ton Duc Thang, District 1 Ho Chi Minh City, Vietnam Tel: (84) 8 2220 5353 <a href="mailto:sang.pham@seaf.com">sang.pham@seaf.com</a>
<b>Source(s)</b>	<a href="http://www.seaf.com.vn">www.seaf.com.vn</a>

<b>Spark Centre for Social Entrepreneurship Development</b>	
<b>Implementer(s)/Investor(s)</b>	Spark Centre for Social Entrepreneurship Development (Spark)
<b>Description</b>	Spark is part of the Local Capacity Development Facility initiated by the Netherlands Development

	Organisation (SNV) and co-founded by the Vietnam Centre for Community Support Development Studies, PACT Vietnam and the Centre for Sustainable Rural Development. Spark identifies and scales up innovative social enterprises by providing funding and non-financial support and mobilising resources in business and financial management.
<b>Target beneficiaries and investments</b>	Social enterprises
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Private social enterprises in operation for at least 3 years</li> <li>- Able to finance at least 30% of the project cost</li> <li>- Priority sectors: sustainable agriculture, health care, social infrastructure, energy efficiency (as of 2014)</li> </ul>
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	VND140 million (as of 2014)
<b>Technical support</b>	Coaching on business and financial management, investment advisory services, expert network
<b>Contact(s)</b>	<p>Ms Thai Thi Huyen Nga – Project Officer  207-208, Building A2, Van Phuc Diplomatic Compound  298 Kim Ma  Hanoi, Vietnam  Tel: (84) 983 661 908  <a href="mailto:ngatth@spark.org.vn">ngatth@spark.org.vn</a></p>
<b>Source(s)</b>	<a href="http://www.csip.vn">www.csip.vn</a>

<b>Sustainable Agriculture Transformation Project (vnSAT)</b>	
<b>Implementer(s)/Investor(s)</b>	World Bank, Vietnam's Ministry of Agriculture and Rural Development (MARD), Bank for Investment and Development of Vietnam (BIDV)
<b>Description</b>	<p>The Project aims to improve farming practices and value chains in the targeted project areas through 3 activities: (i) capacity development for MARD, (ii) capacity development at the provincial level and (iii) capacity strengthening for value chain partners. The Project incorporates a Line of Credit for on-lending from BIDV, acting as a wholesale bank, to eligible commercial banks and subsequently to rice export agribusinesses in the Mekong Delta (component B) and coffee replanting/rejuvenation farmers in the Central Highlands (component C). The strategic role of the credit line is to provide long-term finance for investments in upgrading rice mills and storage facilities – a factor inhibiting the shift of the export trade to high-quality production, and to finance coffee</p>

	<p>replanting/rejuvenation using sustainable practices in Vietnam. Matching grants are also provided to support farmer organisations in certified seed multiplication, investments in equipment and post-harvest facilities and improve collective small-scale infrastructure.</p> <p>As of June 2016, 5 commercial banks have been selected to receive the on-lending from BIDV: Agribank, OCB Bank, Coop Bank and VPBank.</p> <p>Project duration: June 2015 – December 2020</p> <p>Commitment amount: USD238 million</p>
<b>Target beneficiaries and investments</b>	Rice export agribusinesses, smallholder rice and coffee farmers
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	7-9 year soft loans, grants
<b>Investment size</b>	<p>Loans: variable based on the actual needs of the agribusinesses and farmers.</p> <p>Grants: up to 60% (collective equipment) and 80% (collective infrastructure) of the total investment cost, and up to USD400,000 per farmer organisation (with a size of 500-1,000 rice households)</p>
<b>Technical support</b>	Certified seeds, technical training and demonstration on sustainable agricultural practices
<b>Contact(s)</b>	Not specified
<b>Source(s)</b>	<a href="http://documents.worldbank.org/curated/en/783441467998463415/pdf/PAD1168-PAD-P145055-IDA-R2015-0175-1-Box391456B-OUO-9.pdf">http://documents.worldbank.org/curated/en/783441467998463415/pdf/PAD1168-PAD-P145055-IDA-R2015-0175-1-Box391456B-OUO-9.pdf</a>

<b>The One Foundation</b>	
<b>Implementer(s)/Investor(s)</b>	The One Foundation
<b>Description</b>	The One Foundation is a private philanthropic fund based in Dublin, Ireland, which aims to improve the life of disadvantaged children and youth and foster social entrepreneurship in Ireland and Vietnam. In Vietnam, the One Foundation provided seed funding to CSIP in 2009 as well as made investments in KOTO and Streets International Vietnam, two social enterprises that prepare disadvantaged youth for careers in hospitality.
<b>Target beneficiaries and investments</b>	Social entrepreneurs
<b>Eligibility criteria</b>	Social enterprises supporting disadvantaged youth and children
<b>Financing instrument(s)</b>	Grants
<b>Investment size</b>	EUR200,000 (Streets International Vietnam)
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	The Warehouse, 35 Barrow Street, Dublin 4

<b>Source(s)</b>	<a href="http://www.onefoundation.ie">www.onefoundation.ie</a> <a href="http://www.onefoundation.ie/?wpfb_dl=18">www.onefoundation.ie/?wpfb_dl=18</a>
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<b>TYM Fund</b>	
<b>Implementer(s)/Investor(s)</b>	TYM (Tinh Thuong) Microfinance Institution
<b>Description</b>	Founded and owned by the Vietnam's Women Union, TYM is the largest MFI institution in the country operating in 10 northern and central provinces. TYM provides microcredit to low-income individual and households with a particular focus on low-income women.
<b>Target beneficiaries and investments</b>	Women
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Average loan size: USD500
<b>Technical support</b>	Business and financial management, leadership
<b>Contact(s)</b>	3 <sup>rd</sup> Floor, Building B, 20 Thuy Khue, Tay Ho Hanoi, Vietnam Tel: (84) 4 3728 1003 <a href="mailto:tymfund@tymfund.org.vn">tymfund@tymfund.org.vn</a>
<b>Source(s)</b>	<a href="http://www.tymfund.org.vn">www.tymfund.org.vn</a> <a href="http://www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES">www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES</a>

<b>Vietnam Bank for Social Policies (VBSP) Microfinance Programme</b>	
<b>Implementer(s)/Investor(s)</b>	VBSP, Vietnam Women's Union (VWU)
<b>Description</b>	VBSP is the largest formal provider of microcredit in Vietnam with an estimated 7 million borrowers and 6.9 million depositors. It is mandated by Government Decree No.78/2002/ND-CP to act as a social policy lender and is highly subsidised by the government to cover its operational and financial costs. It is active in about 99% of all communes in Vietnam. VBSP largely operated through mass organisations, especially the VWU. Members of the VWU are organised into groups through which loans are disbursed by VBSP. The VWU is present in almost every commune and district in Vietnam and works very closely with local authorities.
<b>Target beneficiaries and investments</b>	Women
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit

<b>Investment size</b>	Average loan size: USD521 (as of 2009)
<b>Technical support</b>	The VWU typically combines access to microcredit with economic empowerment activities for women.
<b>Contact(s)</b>	VBSP CC5 Building, Linh Dam, Hoang Mai District Hanoi, Vietnam Tel: (84) 4 3641 7203 <a href="mailto:icd@vbsp.vn">icd@vbsp.vn</a>
<b>Source(s)</b>	<a href="http://www.hoilhpn.org.vn">www.hoilhpn.org.vn</a> <a href="http://www.vbsp.org.vn/evbsp">www.vbsp.org.vn/evbsp</a> <a href="http://www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES">www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES</a>
<b>Vietnam Bank for Agriculture and Rural Development (Agribank) Microfinance Programme</b>	
<b>Implementer(s)/Investor(s)</b>	Agribank, Vietnam Farmers' Union (VFU)
<b>Description</b>	Agribank is the biggest state-owned bank operating in rural areas in Vietnam and the second biggest microfinance provider with 1.5 borrowers and 1.1 depositors across the country. The VFU plays an instrumental role in implementing Agribank's microfinance programmes in conjunction with providing business development support and training on agricultural practices.
<b>Target beneficiaries and investments</b>	Farmers, agricultural enterprises
<b>Eligibility criteria</b>	Not specified
<b>Financing instrument(s)</b>	Microcredit
<b>Investment size</b>	Average loan size: USD1,094 (as of 2009)
<b>Technical support</b>	The VFU typically combines microcredit programme with business development support and training on agricultural practices.
<b>Contact(s)</b>	Agribank 18 Tran Huu Duc, My Dinh, Tu Liem District Hanoi, Vietnam Tel: (84) 4 3868 7437 <a href="mailto:info@agribank.com.vn">info@agribank.com.vn</a>
<b>Source(s)</b>	<a href="http://www.agribank.com.vn">www.agribank.com.vn</a> <a href="http://www.hoinongdan.org.vn">www.hoinongdan.org.vn</a> <a href="http://www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES">www.ifc.org/wps/wcm/connect/62dc148045270d65b271bec66d9c728b/IFC+Responsible+Finance+Diagnostic_FINAL.pdf?MOD=AJPERES</a>

<b>Vietnam Climate Innovation Centre</b>	
<b>Implementer(s)/Investor(s)</b>	Vietnam Climate Innovation Centre
<b>Description</b>	An initiative by World Bank's Climate Technology Programme and supported by UK Department for International Development and the Australian Department of Foreign Affairs, the Centre supports local SMEs to commercialise and scale up innovative solutions to climate change. To that end, it provides early-stage financing and a suite of targeted advisory services to local innovators.
<b>Target beneficiaries and investments</b>	Early-stage entrepreneurs, SMEs
<b>Eligibility criteria</b>	Target sectors: energy efficiency, renewable energy, sustainable agriculture, biofuels and biomass, water management and purification, transportation technology, adaptation technology and other climate technology
<b>Financing instrument(s)</b>	Grants, first-loss equity investments
<b>Investment size</b>	For the Proof of Concept competition, grant funding is up to VND1 billion per successful application.
<b>Technical support</b>	Technology commercialisation, incubation and acceleration support (business planning and development, financial management, university partnerships, investment advisory services)
<b>Contact(s)</b>	16 <sup>th</sup> Floor, Saigon Tower 29 Le Duan, District 1 Ho Chi Minh City, Vietnam Tel: (84) 8 3520 7656 <a href="mailto:info@vietnamcic.org">info@vietnamcic.org</a> <a href="mailto:PoCcompetition@pennampartners.com">PoCcompetition@pennampartners.com</a>
<b>Source(s)</b>	<a href="http://www.infodev.org/articles/vietnam-cic-vcic-page">www.infodev.org/articles/vietnam-cic-vcic-page</a> <a href="http://www.vietnamcic.org">www.vietnamcic.org</a> <a href="http://www.vietnamcic.org/wp-content/uploads/2014/07/Complete-FAQs-20140711-ENG.pdf">www.vietnamcic.org/wp-content/uploads/2014/07/Complete-FAQs-20140711-ENG.pdf</a>
<b>Vietnam Inclusive Innovation Project</b>	
<b>Implementer(s)/Investor(s)</b>	World Bank's International Development Agency (IDA), Enterprise Development Agency of the Ministry of Planning and Investment (MPI), National Foundation for Science and Technology Development (NAFOSTED), Vietcombank and Vietinbank
<b>Description</b>	The objective of the project is to develop and scale up inclusive innovations for the benefit of the BoP population.

	<p>Component I will support the development of inclusive technologies that will help address the needs/problems of the BoP population, through competitive grants based on public calls for proposals. Priority sectors are: traditional herbal medicine, ICT technologies and agriculture/aquaculture.</p> <p>Component II will provide loans and matching grants to SMEs and large enterprises for acquiring, scaling up and commercialising inclusive technologies related to manufacturing of products and delivery of services for the BoP.</p> <p>Project duration: May 2013 – November 2018. Commitment amount: USD55 million</p>
<b>Target beneficiaries and investments</b>	SMEs and large enterprises that address the needs/problems of the BoP population
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Existing or new technologies applicable to Vietnam</li> <li>- Readiness for adoption/adaptation and cost reduction potential</li> <li>- Providing solutions that are affordable, durable and environmentally friendly</li> <li>- Time-bound deliverables with 2-3 years to reach the prototype stage, or having the potential to commercialize in Vietnam within 2 years</li> <li>- Multi-disciplinary applications of new ideas/technologies</li> <li>- Collaboration with R&amp;D institutions, local/international partners, researchers/innovators to ensure quality and commercialisation potential.</li> </ul>
<b>Financing instrument(s)</b>	Loans, grants
<b>Investment size</b>	The maximum sub-loan size will be up to USD500,000 with a maturity of 3-7 years and a grace period of 1-2 years. The sub-loan borrowers are expected to cover a minimum of 20% of the total sub-project cost from their own resources. Matching grants will be decided by NAFOSTED based on the recommendation of a Technical Review Panel. The grant will be 20% of the approved cost and up to USD250,000 for projects targeting the BoP.
<b>Technical support</b>	Not specified
<b>Contact(s)</b>	<p>Dr Do Tien Dung - Director, NAFOSTED 4<sup>th</sup> Floor, 39 Tran Hung Dao, Hoan Kiem District Hanoi, Vietnam Tel: (84) 4 3936 7750 (ext 701) <a href="mailto:dungnt@most.gov.vn">dungnt@most.gov.vn</a></p>
<b>Source(s)</b>	<a href="http://documents.worldbank.org/curated/en/691701468128098878/pdf/741010PAD0P121010Box374388B00OUO090.pdf">http://documents.worldbank.org/curated/en/691701468128098878/pdf/741010PAD0P121010Box374388B00OUO090.pdf</a>

