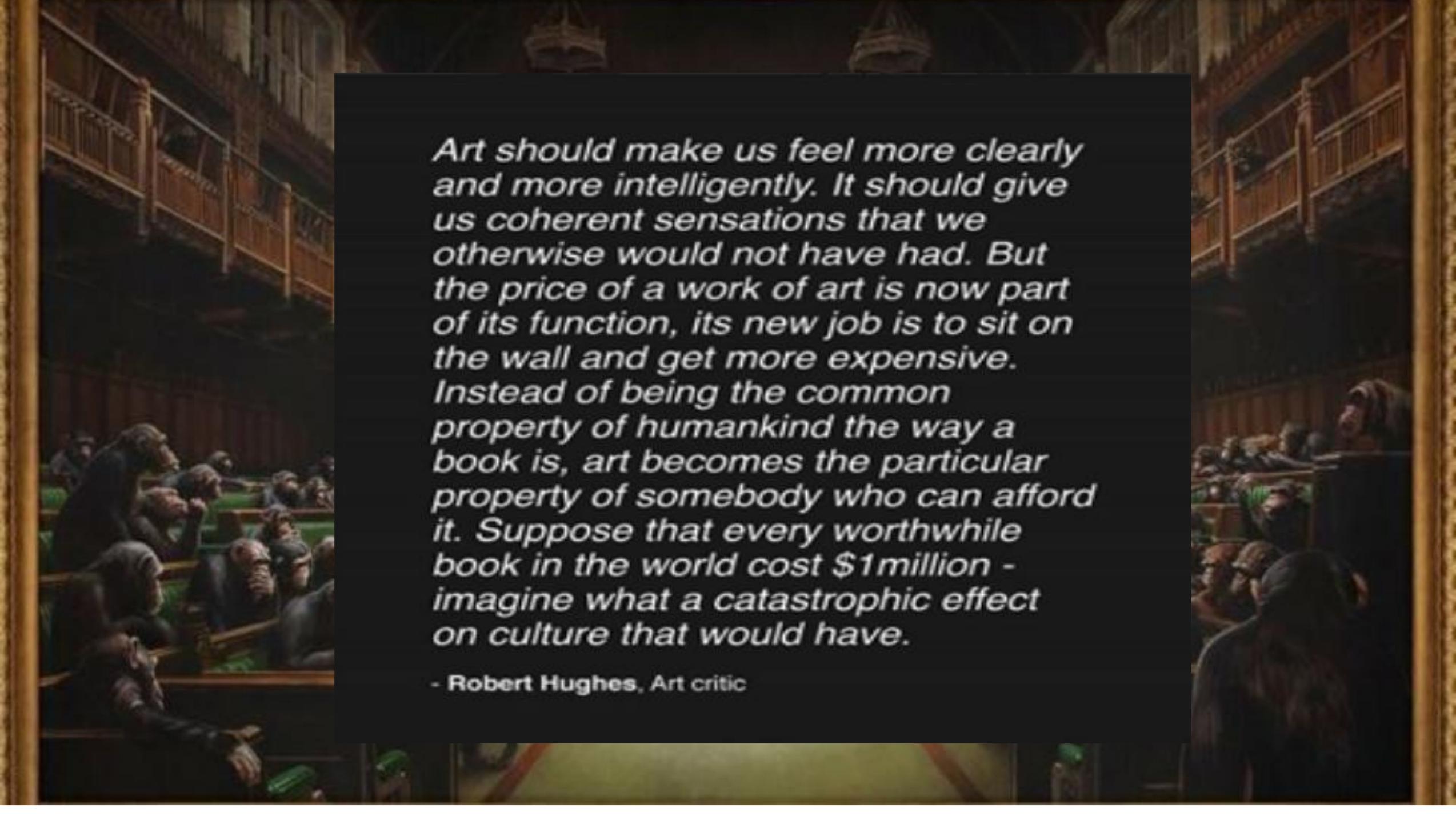


***The role of Government in building the  
Impact Economy: Lessons from Asia***

***Tristan Ace, Global Lead Partnerships and Development, Social  
Enterprise and Creative and Inclusive Economies***

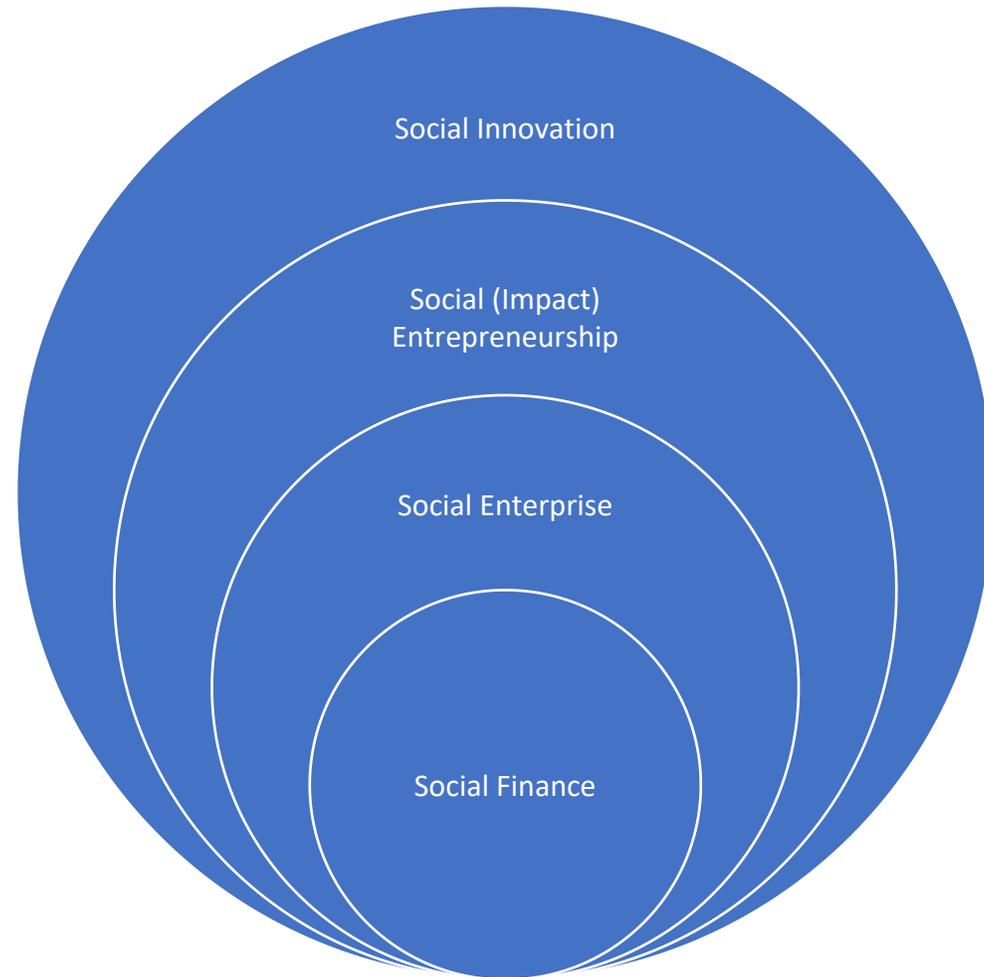




*Art should make us feel more clearly and more intelligently. It should give us coherent sensations that we otherwise would not have had. But the price of a work of art is now part of its function, its new job is to sit on the wall and get more expensive. Instead of being the common property of humankind the way a book is, art becomes the particular property of somebody who can afford it. Suppose that every worthwhile book in the world cost \$1 million - imagine what a catastrophic effect on culture that would have.*

- Robert Hughes, Art critic

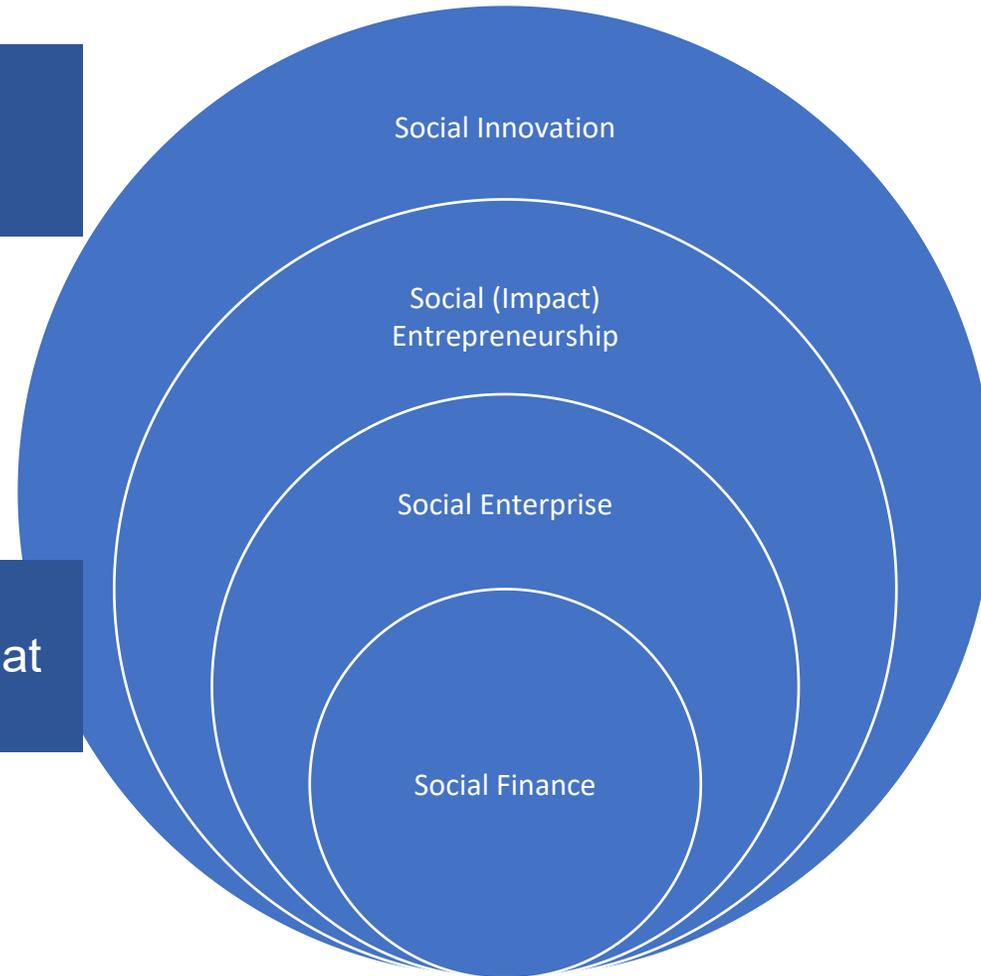
## *Conceptual clarity*



## *Conceptual clarity*

The ideas, beliefs, values, behaviours and skills that drive change

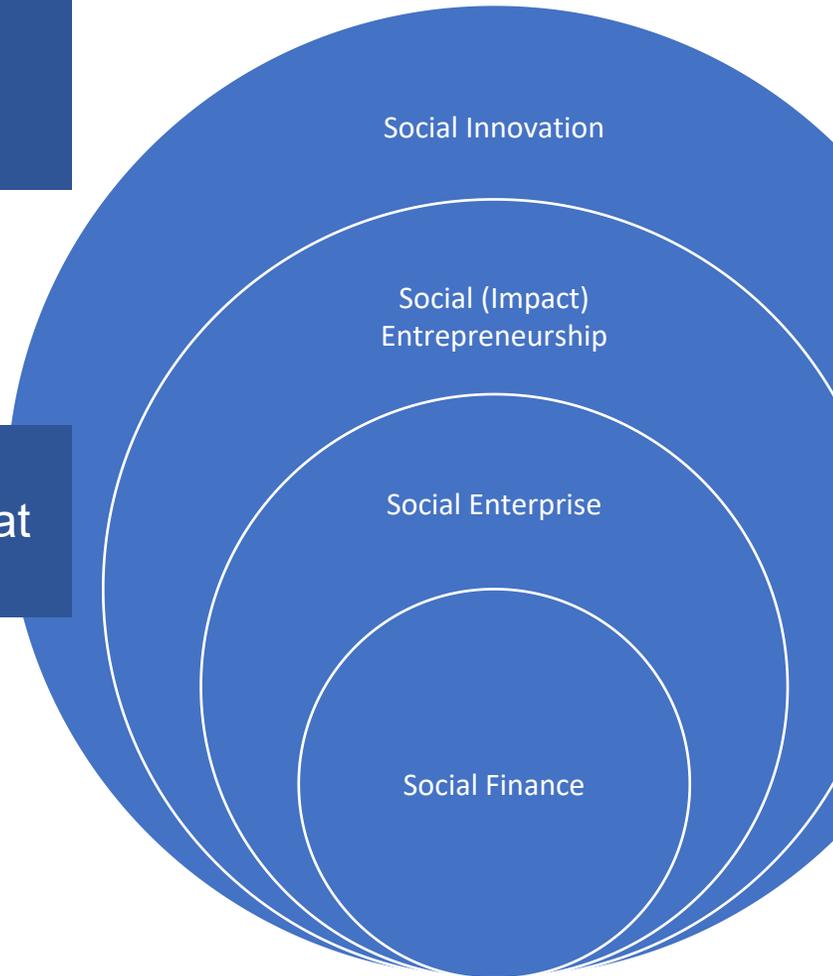
The *organizational models* and *financial instruments* that implement change



## Conceptual clarity

The ideas, beliefs, values, behaviours and skills that drive change

The *organizational models* and *financial instruments* that implement change



**Systems, Power and Structural change**  
Ideas, models, discourses, frames, inspirations, focused on structural change

**Market Orientation**  
Organizations, projects, social movements that enact **social innovation**

**How change happens?**  
Social businesses, profit-with-purpose, impact-enterprise, responsible business  
*the organizational models that deliver social change*

**How change is resourced (financed)?**  
Micro-Finance, Impact Investment, Blended finance, Venture Philanthropy, Social Impact Bonds (SIBs), Payment by Results (Social Outcomes funds)

# A snapshot of policy developments in Asia

*India: 2% CSR Law and social entrepreneurship referenced in the Enterprise Law*

*Impact Investors Council and National Advisory Board (NAB) for Impact Investment established*

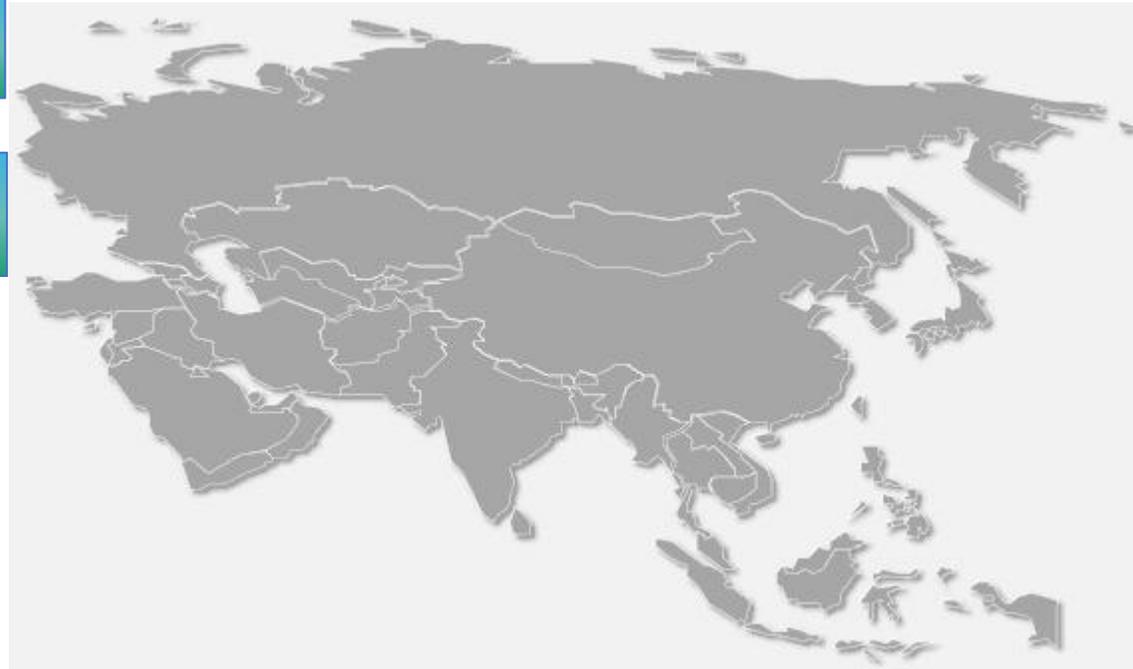
*Pakistan: The launch of the Centre for Social Entrepreneurship under the Ministry of Planning*

*Sri Lanka – establish cross government working group on social enterprise*

*Viet Nam: Revision to the Enterprise Law (article 10)*

*Thailand: Social Enterprise Promotion Act approved by Cabinet 2019*

*Malaysia: The Social Enterprise Blueprint (2015) launch of the Social Outcome Fund (2017) But For Impact Social Enterprise Accreditation MED 2019*



*AVPN Asia Policy Forum Launches in 2014*

*British Council UNESCAP partnership Feb 2017*

*The Philippines: The PRESENT bill (Poverty reduction Through Social Enterprise) In progress*

*Social Entrepreneurship included in the organic law in the ARMM*

*Hong Kong: The Social Innovation and Entrepreneurship SIE Fund launched in 2013*

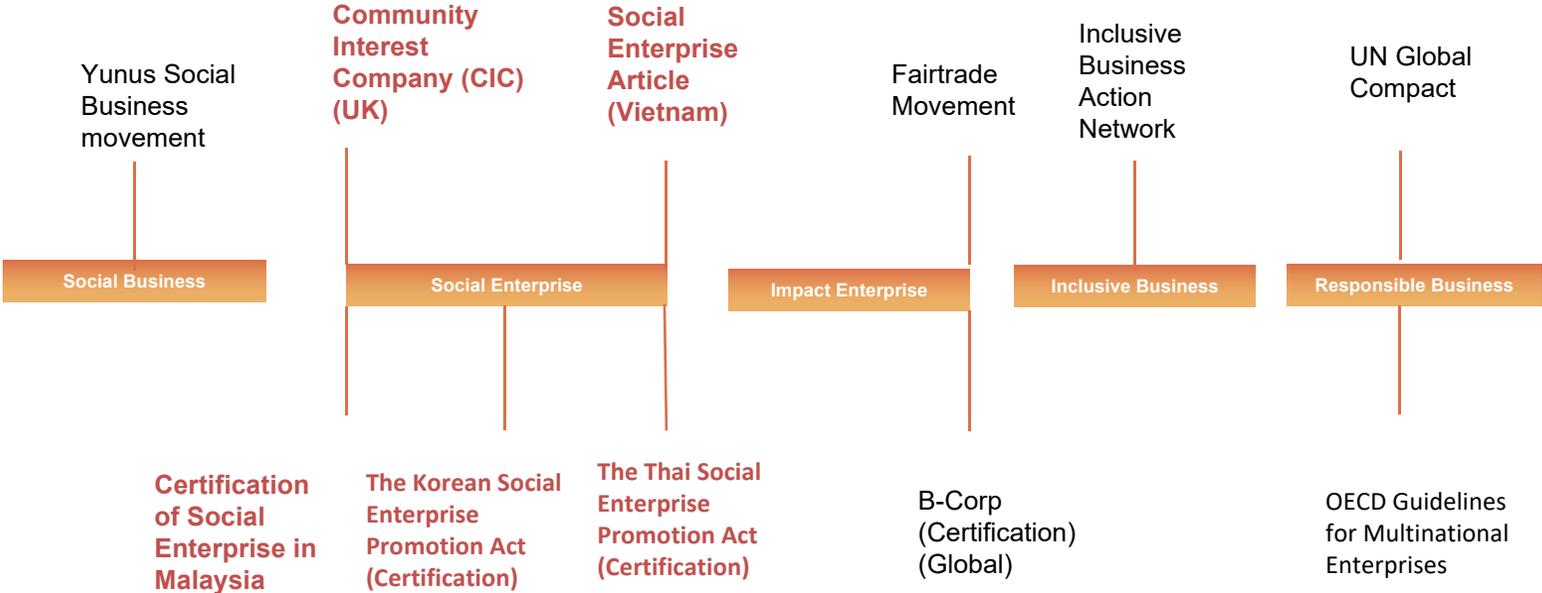
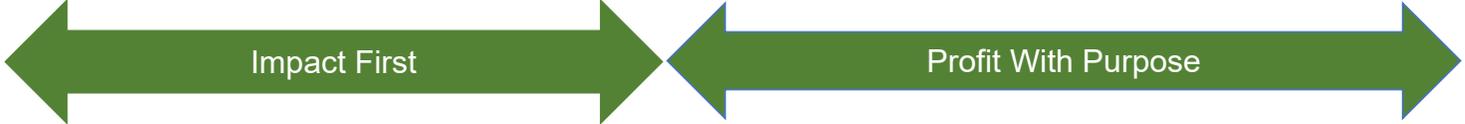
*Korea: The Social Enterprise Promotion Act 2007 and the Establishment of a National Advisory Board (NAB) for Impact Investment 2017*

*Myanmar: Proposal approved to establish an Inclusive Business and Impact Investment working Group*

*Indonesia: Developing an Entrepreneurship Bill, including social enterprise and announced UNDP partnership to unlock social finance towards achieving SDGs*



# New forms of 'Impact' Business



# Thai Social Enterprise Promotion Act

**ANY LEGAL ENTITIES COULD  
BE CERTIFIED TO BE A SOCIAL  
ENTERPRISE IF COMPLIED TO  
SE CRITERIA**

- 1. SOCIAL OBJECTIVES**
- 2. >50% OF REVENUE FROM TRADING  
EXCEPT NON-DIVIDEND SE**
- 3. SUSTAINABLE PROCESS [FAIRTRADE/  
ENVIRONMENTAL FRIENDLY]**
- 4. <30% DIVIDEND**
- 5. REGISTERED AS LEGAL ENTITIES**

# Malaysian Social Enterprise Accreditation

## Social Enterprise Accreditation (SE.A)

The SE.A intends to **certify the status of social enterprises** to help them access greater support and opportunities to grow.

Through the accreditation process, an organization that is recognized as an Accredited Social Enterprise will be listed on SE.A MED online platform that provides customers and public with access to information on SEs more efficiently.

## Benefits derived from SE.A

Accredited SEs receive the following benefits:

**Get listed on a public directory** which enables potential customers to access information about Social Enterprises.

**Included in the Buy-for-impact campaign** to encourage public and private involvement in social procurement.

**Get access to other funding and support** – over time, MED and other agencies will provide a range of additional support for accredited SEs subject to prescribed conditions.

**Join a network of Malaysia's leading social enterprises** – with events, networking and other opportunities to collaborate and learn.

# Social Enterprise trends in Asia

## The Philippines

Rapid growth since 2010  
44% led by women  
Innovating faster than SMEs

## Indonesia

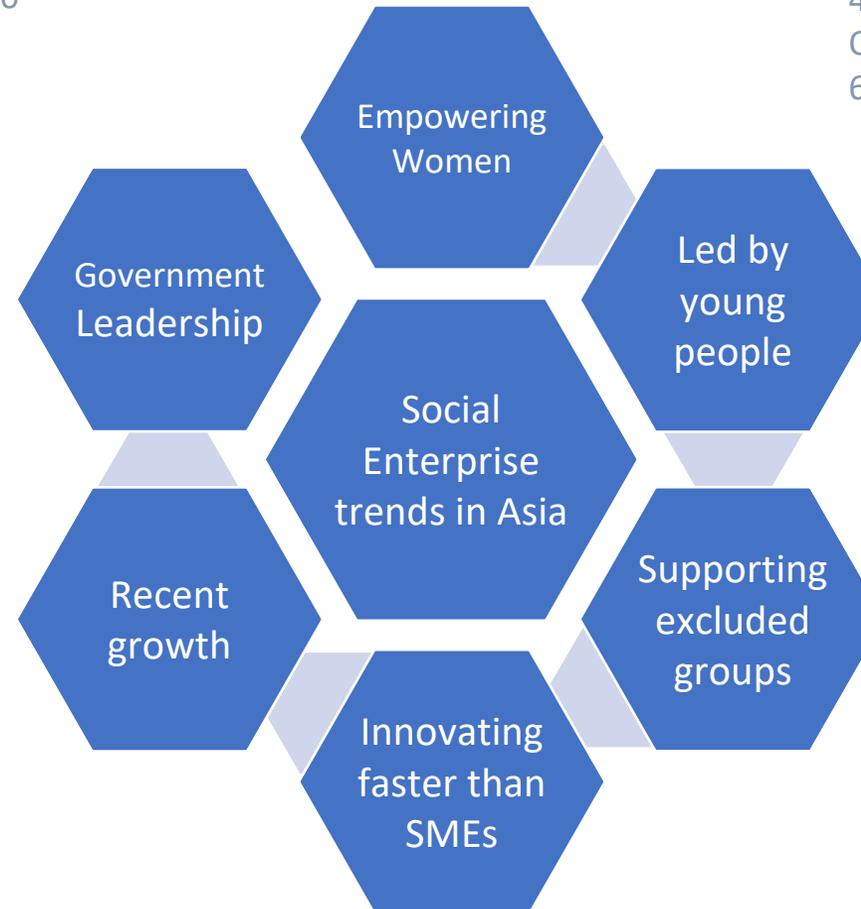
40% led by Women  
Over 60% of Leaders under 35  
62% focus on a local community

## Sri Lanka

38% launched in the last 10 years  
31% led by women  
Optimistic about growth 70% predict growth next year

## Malaysia

66% launched in the last 5 years  
54% led by women  
55% under the age of 40



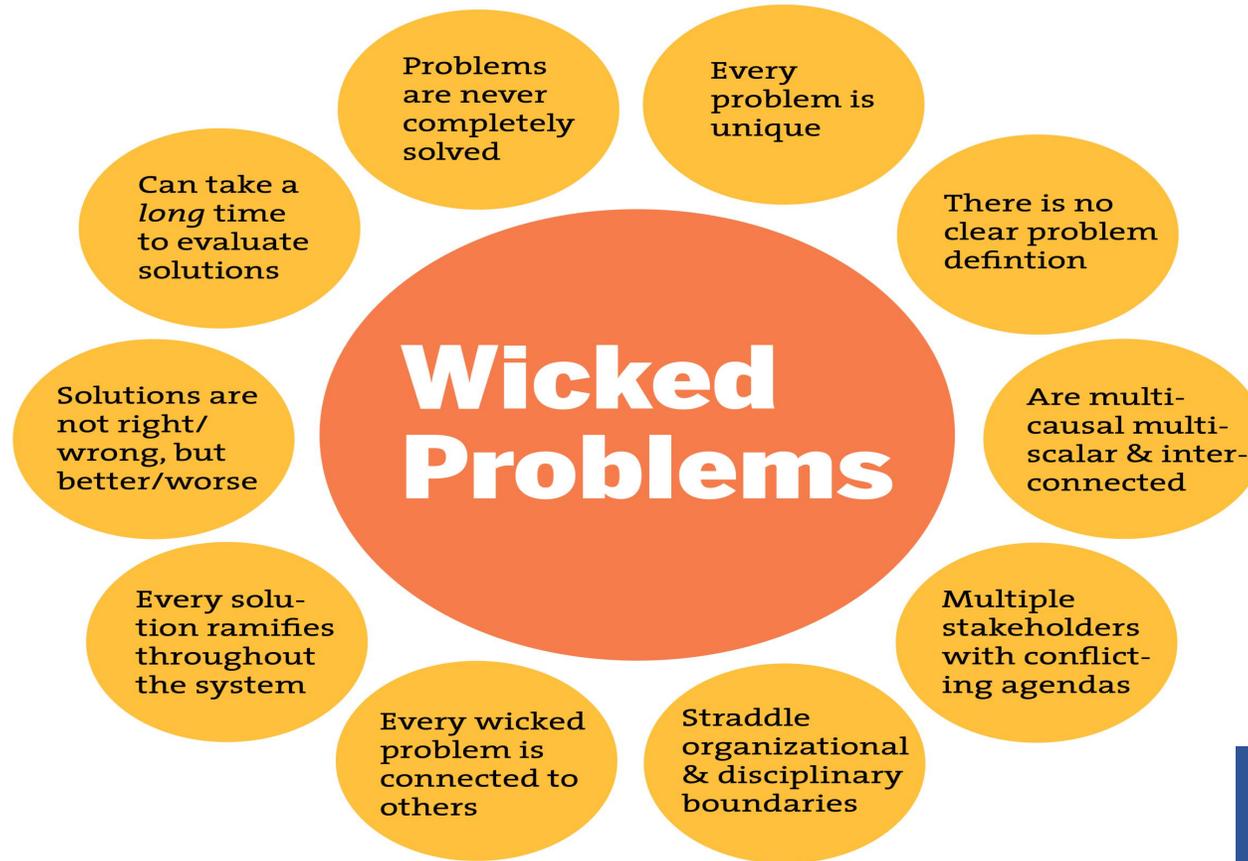
## Bangladesh

20% led by women  
Focused on the issues that matter (Education is the biggest SE sector)

## Growing part of the economy

11,000 in Sri Lanka  
150,000 in Bangladesh  
342,000 in Indonesia  
164,000 in The Philippines  
69,000 in Malaysia

# Funding and Finance



Based upon Rittel and Webber (1973)

**\$2.5t annual finance gap to achieve SDGs**

# TOTAL GIVING IN CHINA

#ChinaPhilanthropy  
#中国慈善

US \$ (billion)



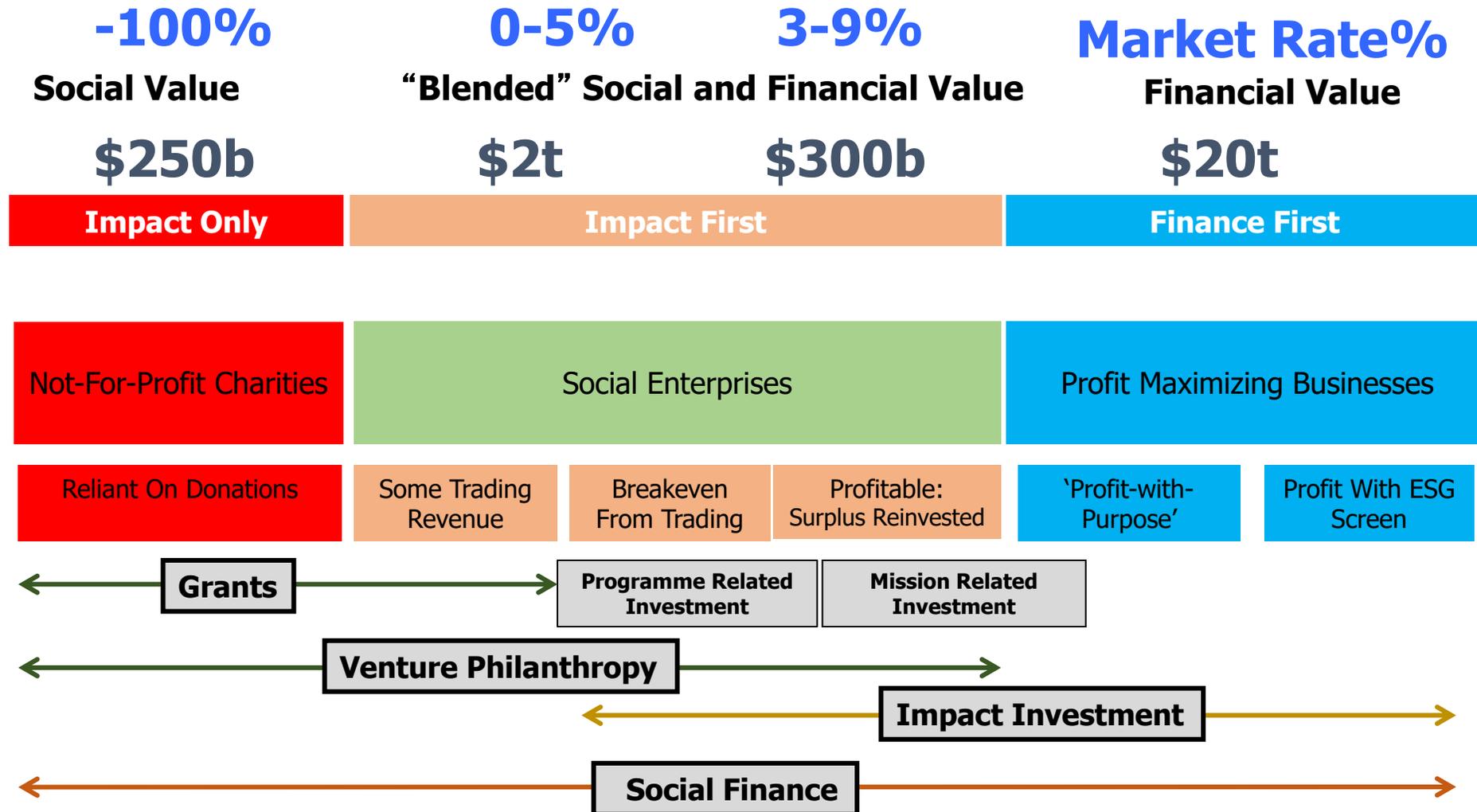
Source: Annual Report on China's Philanthropic Development 2009-2018

avpn

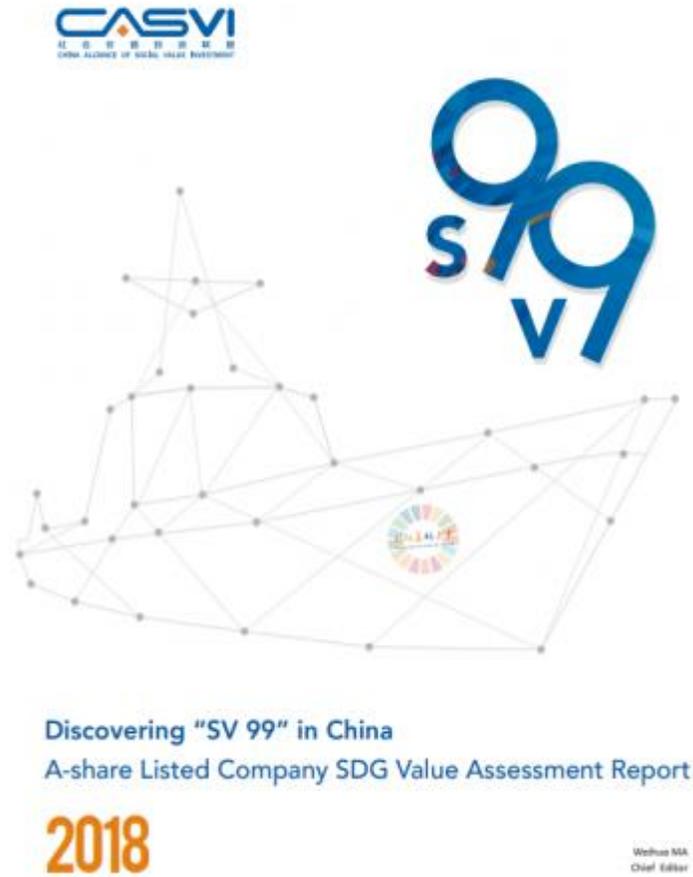
WITH SUPPORT FROM



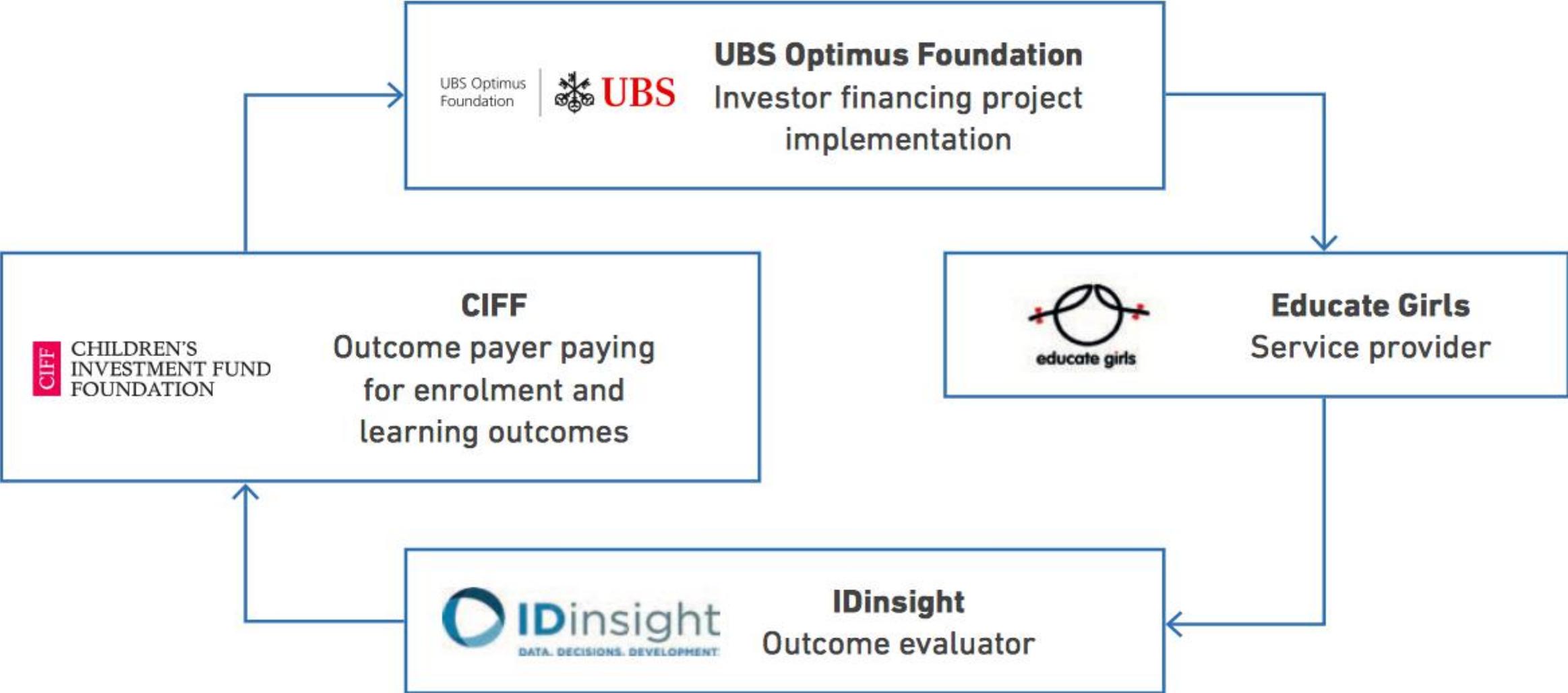
# Social Finance Spectrum



# The growth of “Social Value” investing in China



Case Study: [Educate Girls](#) utilising a social impact



**Dalberg Global Development Advisors** Process Evaluator

# Educate Girls' Development Impact Bond (DIB)

The World's First DIB in Education  
Surpasses Both Its Target Outcomes  
by achieving...

 **160%** of the total learning target

 **116%** of the total enrolment target





# Rethinking how public services are delivered - Social Procurement (The Social Value Act) and Buy Social

## Government Definition of social value:

Social Value seeks to maximise the additional benefit that can be created by procuring or commissioning services, above and beyond the benefit of merely the services themselves.





**BGV** / Bethnal  
Green  
Ventures

**GOVERNMENT  
OUTCOMES  
LAB**



# IMPACT INVESTMENT: THE INVISIBLE HEART OF MARKETS

Harnessing the power of entrepreneurship,  
innovation and capital for public good

**IMPACT  
MANAGEMENT  
PROJECT**



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<http://www.britishcouncil.org/society/social-enterprise>

