

UN Capital Development Fund

New Approaches to SME and Entrepreneurship Financing in ASEAN

September 2016



Financing for Development

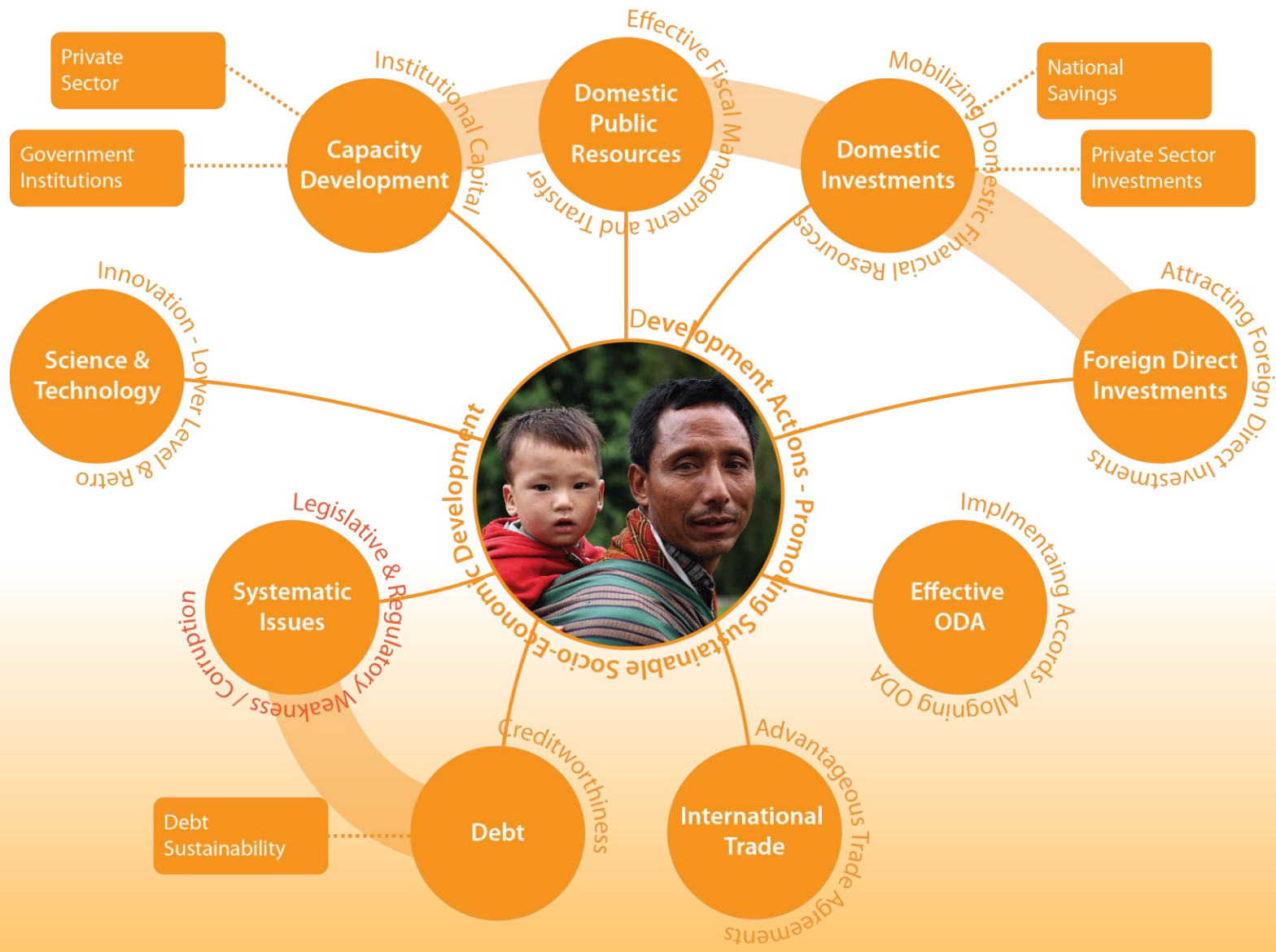


The AAAA is composed by **3 main sections**:

1) A **general introduction** “A global framework for financing development post-2015”, including ‘crosscutting’ areas for action key for the implementation of the SDGs:

- delivering social protection and public services;
- ending hunger and malnutrition;
- bridging the infrastructure gap;
- promoting industrialization;
- generating employment and promoting SMEs;
- protecting the ecosystems;
- promoting peaceful and inclusive societies.

The Action Areas for Development



The Commitments

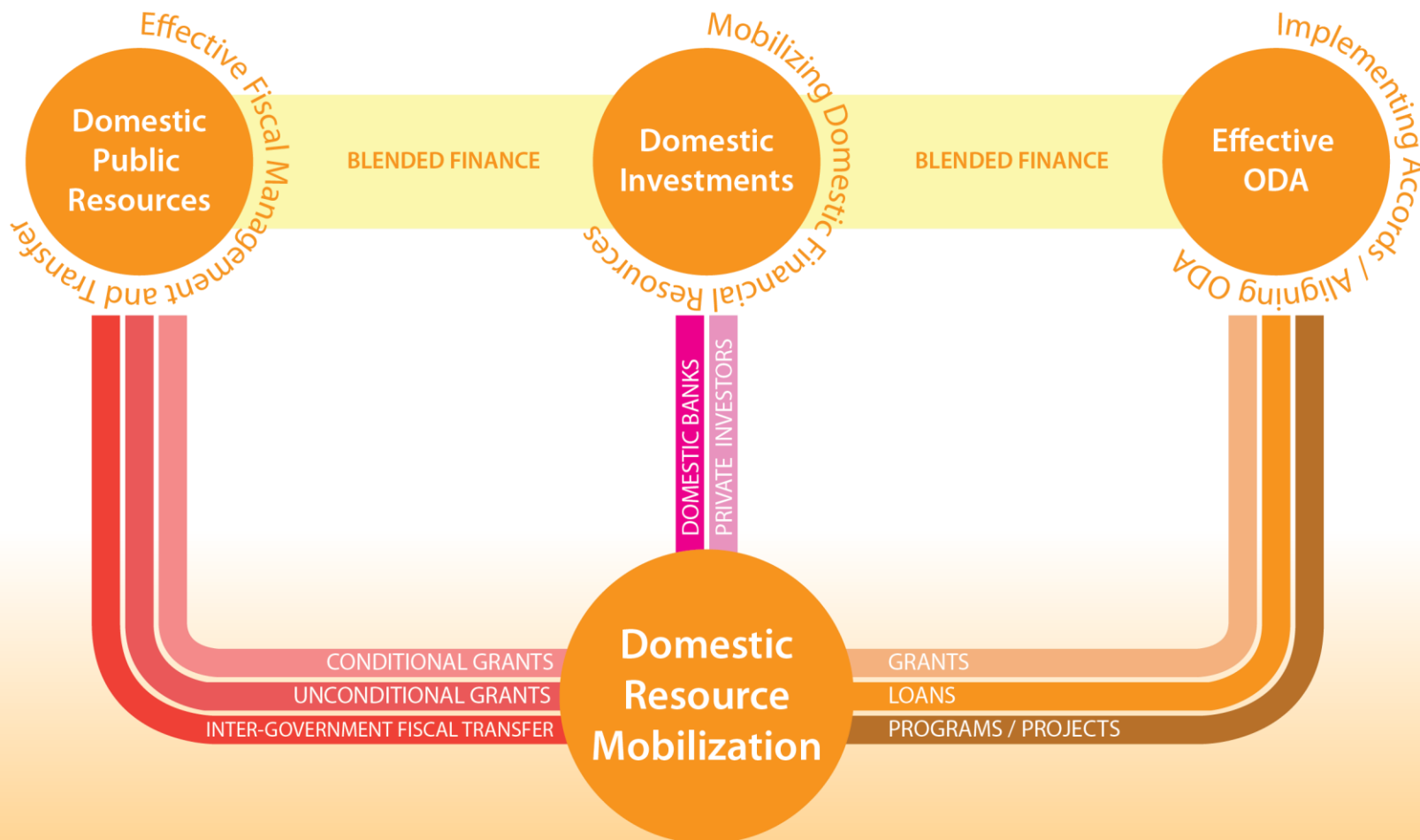


Domestic resource mobilization is central to the agenda as well as aligning private investment with sustainable development, along with public policies and regulatory frameworks to set the right incentives.

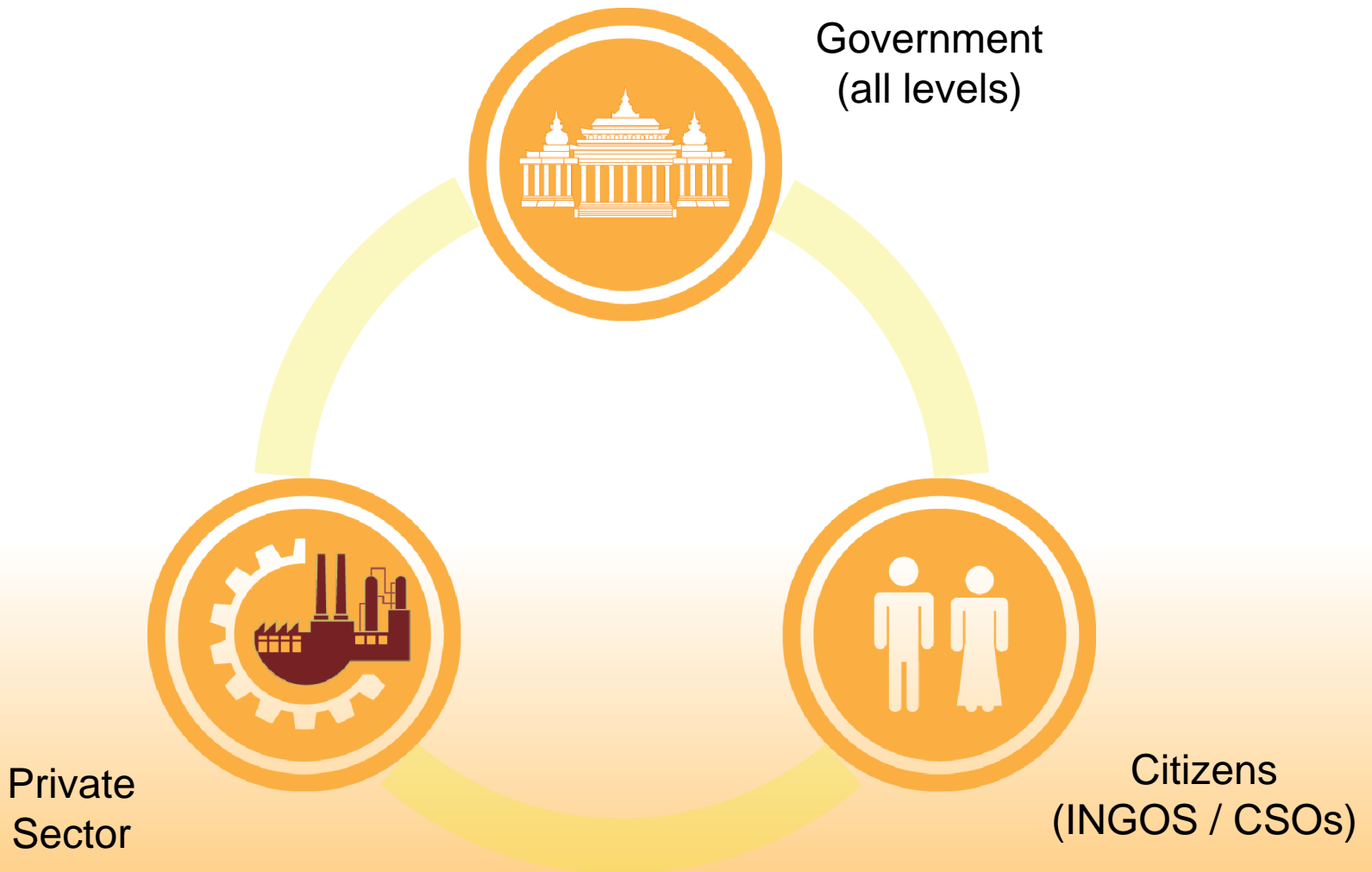
Countries agreed to an array of measures aimed at widening the revenue base, improving tax collection, and combatting tax evasion and illicit financial flows.

Countries reaffirmed their commitment to official development assistance, particularly for the least developed countries, and pledged to increase South-South cooperation.

Blended Finance



Tripartite Partnerships



Issues of Financing



Supply Side Constraints

Financing Products
Legal Frameworks
Risk

Demand Side Constraints

SMEs
Financial Training
Equity
Bankable Proposals

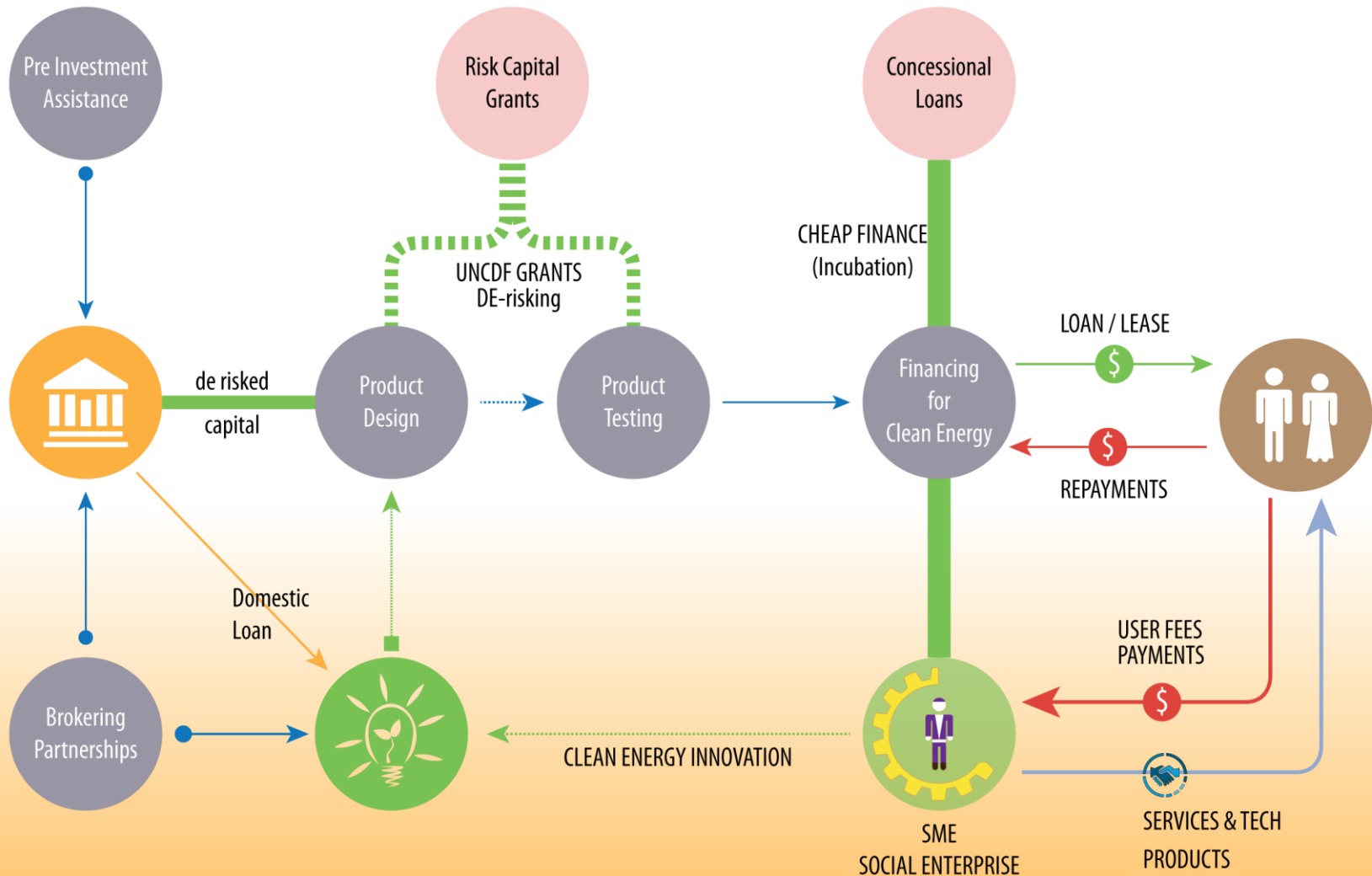
Solutions – Modelling Start Ups



CLEANSTART Model



CLEANSTART



CLEANSTART in ASEAN



Sun-eee Pte Ltd - Investing in Cambodia's Energy Future

Investments



Partnership
Facilitation



INVESTMENT COMPANY
Angle Investor Singapore



LOCAL PRODUCT
Rural Electrical Supply



COST
US\$ 1 million



BLENDING
- UNCDF Clean Start
- Challenge Fund 50/50

Improvement



REDUCES BUSINESS
COSTS



INCREASED CUSTOMER
BASE



ENVIRONMENT
- Reduces Carbon Footprint



BLENDING
- Unlocks Domestic Finance
- Unlocks Formal Domestic Savings

Sustainable Social Enterprise

Sun-eee Pte Ltd. is a Singaporean registered energy company operating in rural Cambodia. It seeks to bring greater energy access to the rural poor while tackling the environmental problem of a reliance on cheap diesel fuel. In 2013

Sun eee Pte Ltd at Work



Sun-eee Pte Ltd – Installing Electrical Supply Systems
Prey Poh Village – Prey Veng Province (North West Cambodia)

Solutions - Modelling Upgrades



1 Business Growth

- Successful business
- Established products
- Good management
- Skilled employees
- Solid performance
- Positive cash balances



2 Expansion

- Production levels
- Products
- Diversification
- New opportunities



3 Upgrades

- Partnerships
- Inward investments
- Regional production networks
- Access GVCs



4 Financing

- Blended loans
- Shares
- Grants (gov)
- SEZ access



5 Maturity

ASEAN SME Scale Up



Investments



CLEAN ENERGY
HOME COOK STOVES



LOCAL PRODUCT
High Efficiency
Cook Stoves



CAMBODIAN
SOCIAL ENTERPRISE
est 2010



PRIMARY PRODUCT
WATER FILTERS
+300,000 units sold



INNOVATION PRODUCT
CLEAN COOK STOVES
+to replace traditional stoves



COST US\$ 1 million

Improvement



DIVERSIFICATION
and SCALE UP



INCREASED CUSTOMER
BASE



ENVIRONMENT
- Reduces Carbon Footprint



BLENDING
- Unlocks Domestic Finance
- Unlocks Formal Domestic Savings

Sustainable Social Enterprise

CLEANSTART Financing SME Scale Up

Linking a business opportunity to ODA



Business Diversification – Hydrologic Cambodia

Introduction of a new product



Photographs: J Wong UNCDF

Traditional cooking stoves are being replaced by Hydrologic's High Efficiency Stove

ASEAN SME Scale Up



Investments



SOLAR POWER
HOUSEHOLD SOLUTIONS



LOCAL PRODUCT
Solar Solutions
Rural Households



CAMBODIAN
SOCIAL ENTERPRISE
est 2006



PRIMARY PRODUCT
MOONLIGHT Lanterns
+25,000 units sold



EXTENSION PRODUCT
RURAL SOLAR SOLUTIONS
+to take up off grid opportunity



COST US\$ 1 million
CLEANSTART 0.5m
KAMWORKS 0.5m

Improvement



DIVERSIFICATION
and SCALE UP



RURAL ELECTRIFICATION
Off Grid Solutions



ENVIRONMENT
- Reduces Carbon Footprint



BLENDING
- Unlocks Domestic Finance
- Unlocks Formal Domestic Savings

Sustainable Social Enterprise

CLEANSTART Financing SME Scale Up

Linking a business opportunity to ODA



Business Diversification – Camworks

Introduction of a new product



Solar Power Solutions for Rural Area

Photographs: J Wong UNCDF

Regional Incubation Opportunities



Myanmar – Myawaddy Industrial Zone

In-kind SME financing

Investments



SERVICES



INVESTMENT COMPANY
Local Government / Private



SME INCUBATORS
- Business Start Ups



UPGRADE COST
US\$ 6 million est



BLENDING
- Equity Support - ODA
- Private Equity
- Local Government

Improvement



REDUCES BUSINESS COSTS



WOMENS ENTREPRENEURSHIP



SME INCUBATORS
- Reduces 1st year Failures



CLUSTER FORMATION



BLENDING
- Unlocks Domestic Finance



Myawaddy Industrial Zone

SME Benefits