



PARTNERING TO ACCELERATE ENTREPRENEURSHIP

IIX FOUNDATION: SUPPORTING SOCIAL ENTREPRENEURSHIP IN ASIA

Through the **Partnering to Accelerate Entrepreneurship (PACE) Initiative**, USAID’s U.S. Global Development Lab aims to catalyze private-sector investment into early-stage enterprises by identifying and testing innovative models or approaches that help entrepreneurs bridge the pioneer gap – thus unlocking the potential of thousands of promising enterprises around the world.

THE CHALLENGE

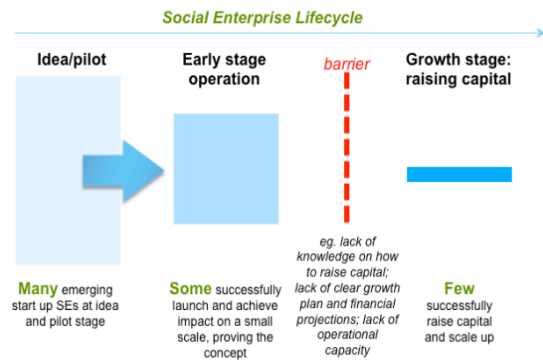
In emerging markets, social entrepreneurs—whose companies seek both financial returns and positive impact on their communities—play a vital role in sustainably solving development challenges and spurring inclusive economic growth. Yet these nascent entrepreneurs often lack the ability to raise capital, create compelling business plans, define rigorous financial models and present proof of social impact. As a result, they struggle to find the investment they need to grow.

Many companies offer technical assistance that can help entrepreneurs gain the knowledge and skills they need to become investment-ready. However, most early-stage social enterprises cannot afford the upfront costs of these specialty advisors.

IIX Foundation (formerly Shujog), a non-profit organization based in Singapore, aims to help social entrepreneurs in Asia overcome this barrier to growth. In 2016, IIX Foundation partnered with USAID’s Partnering to Accelerate Entrepreneurs (PACE) Initiative to create the IIX Assistance for Capacity Building and Technical Services (ACTS) program, a blended funding model that supports early-stage entrepreneurs.

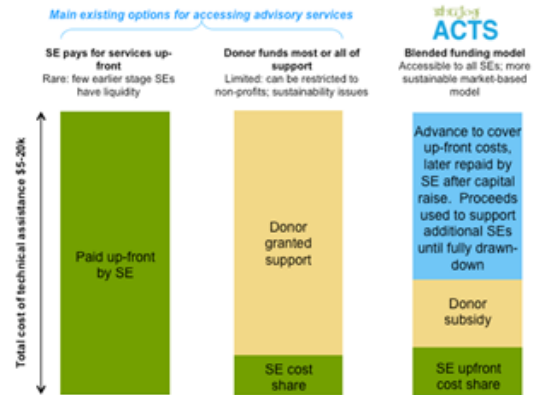
THE PARTNERSHIP

The USAID-IIX ACTS program strikes a balance between social enterprise-funded technical assistance programs, which are rare due to early-stage businesses’ lack of liquidity, and donor-funded programs, which are often limited in capacity and lack sustainability. The partnership created a model to fund technical assistance by combining USAID’s contribution with upfront fees from social enterprises and interest-free loans.



To receive technical assistance, enterprises contribute 10 percent of the costs up front. Once they have received the investment-readiness materials—such as business plan development, financial modeling and other investment-ready services—these enterprises repay the remaining cost of the loan as they scale.

USAID’s grant supports technical assistance for social enterprises in Asian countries in which USAID works. It also supports IIX ACTS’ expansion to lower-income countries throughout the Asia Pacific region and establishment of additional corporate partnerships. Through this partnership, USAID is not only helping social enterprises access investment readiness services through IIX ACTS, but also expanding the impact investing ecosystem in Asia.



IIX ACTS operates throughout the Asia Pacific region in five focus sectors: agriculture, health, education, energy and water. The partnership sources and supports early growth-stage social enterprises that are scalable, have an established proof of concept and concrete evidence of social impact, and that are looking to raise between \$300,000 and \$2 million. IIX prioritizes early growth-stage social enterprises where the majority of beneficiaries and stakeholders are women.

THE RESULTS

As of January 2017, IIX ACTS has worked with 11 social enterprises. If successful in raising capital, these businesses have the potential to impact more than 650,000 beneficiaries across Bangladesh, India, Vietnam, Indonesia, Laos and Cambodia in sectors such as clean energy, environment, health, livelihood development, nutrition and agriculture.

For More Information

To learn more about the PACE Initiative, visit usaid.gov/pace.

About the U.S. Global Development Lab

The U.S. Global Development Lab serves as an innovation hub. The Lab takes smart risks to test new ideas and partner within the U.S. Agency for International Development (USAID) and with other actors to harness the power of innovative tools and approaches that accelerate development impact.

The Lab is focused on solutions around Science, Technology, Innovation, and Partnership—reflecting USAID’s broad embrace of innovation to bring about positive change and solve some of the world’s most pressing challenges. It works across USAID and within the broader international development community to test innovative tools and methods. When a new approach proves effective, the Lab works to increase its adoption throughout USAID and with our partners.



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