
Why?

Bridging the funding gap

Globally, the funds required to achieve the Sustainable Development Goals (SDGs) fall well short of the total global aid budget, with an estimated funding gap of USD 2.5 trillion. The ‘Impact Investing’ market – investment directed towards businesses having a social or environmental impact – is growing and can contribute to bridging the gap in development financing.

Growing the ecosystem

East and South East Asia contribute only 6 per cent of total assets under management for impact investors globally. The ecosystem that supports investment in social innovation and social enterprises is still in its early stages in our region. Through the Scaling Frontier Innovation program, we are investing in the intermediaries and network organisations that work with entrepreneurs and impact funds and who contribute to a functioning and supportive ecosystem.

Creating opportunities

By supporting innovators who are delivering impact through market-based models, we can help create opportunities for private sector capital to be invested in ways that contribute to development outcomes and help fill the SDG funding gap. The program advocates for social entrepreneurship as an emerging new approach to deliver development outcomes, maximising locally driven and contextually relevant solutions.

What?

The Scaling Frontier Innovation program is an initiative of the Australian Government Department of Foreign Affairs and Trade’s innovationXchange that supports social enterprises to scale their development impact in the Indo-Pacific region. It focuses on different but interdependent parts of the ecosystem that supports entrepreneurs including entrepreneurs, intermediaries, brokers and capital providers.
How?

Frontier Innovators

Frontier Innovators supported high potential social enterprises in the region. An award of up to $100,000, as well as training and business development support, is being provided to 14 social innovators to help scale their business and impact.

Frontier Incubators

Frontier Incubators is a capacity building program that is supporting incubators and accelerators to offer high quality services to innovative social start-ups and growth-oriented enterprises in the Indo-Pacific region.

Frontier Brokers

Four experiments the “Frontier Brokers” are testing ways to better meet the capital needs of social enterprises across Asia and the Pacific. They are leveraging philanthropic, institutional, local debt and equity investment and structuring their vehicles to meet the specific needs of emerging market early stage social entrepreneurs. The experiments are intentionally designed using a gender lens to ensure gender equality and empowerment outcomes for target communities.

Frontier Capital

Capital flows for impact investment in the Indo-Pacific lag behind other emerging economies. Frontier Capital is supporting organisations that are building the impact investing market, including support to new impact investment fund managers and encouraging collaboration between market building actors globally.

What have we learned?

Engaging early in the concept and design phase with private sector entities, whether they are entrepreneurs, impact funds or intermediaries, contributes to better and more effective outcomes.

Field work and in-person engagement are critical to ensuring the right types of organisations apply for the program, including women and earlier stage organisations.

Flexibility in the program implementation resulted in more trust and improved outcomes when compared to traditional donor beneficiary dynamics.

Allowing entrepreneurs to decide how best to use provided funding empowered them and resulted in better outcomes for their businesses.

Providing sufficient time for entrepreneurs and intermediaries to absorb and engage with the capacity building support is crucial.

Regular in-person convenings contributed substantially to trust and deep relationships being formed between all participants (donor, entrepreneur, implementing partners), which in turn resulted in improved outcomes.

Network-centred program implementation and collaborative peer learning is greatly appreciated by ecosystem actors and program participants.

Promoting social entrepreneurship

Frontiers is an inspirational five-part documentary series that follows three social entrepreneurs from Samoa, Pakistan, and Myanmar for six months as they try to solve some of humanity’s greatest challenges.

Frontiers was produced by the Scaling Frontier Innovation to highlight the social and environmental impact that can be achieved by supporting impact focused entrepreneurs in emerging markets.

The 5 episodes can be watched in full at www.scalingfrontierinnovation.org.