

# Deal Share -- Bridging Social Investments

Joy Teo 02 June 2018

## Executive Summary

Despite the growing interest in social investments in Asia, there exists a resource disconnect between funders and Social Purpose Organizations (SPOs). To this end, AVPN was established to foster multi-sector collaborations for social investments in Asia through convening engagements, including the Deal Share and our annual AVPN conference. Through these engagements, it is evident that there is immense potential for different types of resource providers and SPOs to work closely together to deliver social impact. While governments have a vital role to play, it is increasingly the private sector that is stepping up to tackle the challenges of income inequality and poverty. In this article, we explore how resource providers are building multi sector collaborations with SPOs, and the role that AVPN plays in fostering these partnerships.

## Resource Disconnect Between Funders and Social Purpose Organizations

With the increasingly complex social and environmental issues that Asian economies face today, the pressure has

heightened for the private and public sector to support businesses with social impact. Despite a growing interest and commitment by stakeholders, there exists a gap between funders and Social Purpose Organizations (SPOs)<sup>1</sup>. Among AVPN's 492 members across 32 countries, more than \$3 billion of financial capital was deployed in the last 12 months across a spectrum of financial instruments including grants, debt, convertible debt, and equity. Yet, the common feedback is that funders struggle to identify the right SPOs. Conversely, SPOs that require support to start, scale, and operate sustainably have faced challenges connecting with relevant resource providers and partners.

## **Building Social Investment Communities Across Asia**

To address the issue of appropriate capital across the risk/return spectrum, and the lack of quality investment opportunities, it is important to convene a diverse group of social investors and provide them with a platform to foster collaboration. At AVPN, we see the value in establishing the [Deal Share Platform](#) (DSP) as part of our efforts to facilitate the building of a resource pipeline, support members in identifying investable organizations, and to enhance connections. The connections are not just made between resource providers, intermediaries, and SPOs, but also between SPOs.

By streamlining communications on existing and

prospective funding and collaboration opportunities, the DSP not only provides connections in a more targeted manner, but it also increases the visibility of members' work and high-impact SPOs. While the online platform provides year-round accessibility, we also recognize the importance of in-person engagements to deepen understanding of happenings on the ground.

The [Deal Share Live](#) (DSL) participants, like the DSP highlight projects in Asia, are endorsed by AVPN members, and showcase their work to the wider community at annual AVPN conferences and curated regional events. These sessions are crafted according to the audience and markets. They could take place in various formats including roundtable and panel discussions, site visits, and mentorship provided by AVPN members allowing for the exchange of practical capacity building knowledge, evaluation of impact funding opportunities, and an understanding of the landscape in which each stakeholder operates.

At the upcoming AVPN Conference 2018, DSL [partners](#) Johnson & Johnson and the British Council to feature [16 innovative SPOs](#) that bring economically empowering solutions to low-income populations through affordable and inclusive health and employment solutions; as well as supporting women and girls, unemployed youth, and other marginalized groups through innovative approaches in the creative economies. Delegates comprised of funders, intermediaries, and policymakers will have an opportunity

to engage in an intimate discussion with DSL participants at these breakout sessions. Some examples include:

- [Ko Shwe Ventures](#): Launched the first affordable oral healthcare products for low-income betel chewers to battle oral cancer in Myanmar and across Asia.
- [OneSky](#): Provides early childhood care in Vietnam's industrial zone to educate the children of workers while protecting them from abuse due to neglect and improper training.
- Roots of Health: Educates girls in the Philippines on sexual and reproductive health issues, and trains youth as advocates.
- Khushi Baby: Created an inexpensive necklace with cloud technology to cover last mile maternal and child healthcare in India.
- Jaga Me: Provides a digital healthcare platform that enables patients to access quality healthcare from home through a global care community network.

Besides the Deal Share Live sessions, there will also be robust discussions among funders, intermediaries, and policymakers on how to support the growth of Social Purpose Organizations. These include the [Scaling up Social Purpose Organizations](#), [Collaborating to Meet the SDGs](#), [Existing Alternatives in Impact Investment](#) and [Policy Lab sessions](#). AVPN has also launched the [Continuum of Capital](#) reports ahead of the Conference reports to examine how all kinds of capital work together in the social investment ecosystem.

# **Fostering Action-Oriented Collaboration with AVPN Members**

Beyond the conference, there is immense potential for different types of resource providers and SPOs to work closely together to deliver social impact. While governments have a vital role to play, it is increasingly the private sector that is stepping up to tackle the challenges of income inequality and poverty.

## **Corporations Championing Inclusive Business Models**

A growing number of corporations are developing inclusive business models across the supply chain. One such example is [Covestro](#), a leading global manufacturer of high tech polymer products. Covestro's inclusive business approach includes providing low-income consumers with affordable housing and food security solutions including through partnering with SPOs for solar dryers. In Myanmar, Covestro is partnering with [Natural Farm Fresh](#), an agriculture social enterprise in Yangon. Natural Farm Fresh works with Covestro to develop and scale their solar drying business for smallholder farmers across Myanmar, which can significantly improve food security and income for farmers.

## **Co-investment Funding Approach to Scale**

Funders are also adopting a co-investment approach to ensure that their invested impact businesses can scale.

[Evergreen Labs](#), an early stage investor and incubator based in Vietnam, adopts an active approach with its portfolio by developing the projects far enough until they could be spun off into their own legal entity, with Evergreen Labs holding an equity stake. Evergreen Labs also take on cross-border operating and market entry partner roles with influential startups who want to enter the Vietnamese market. Through the AVPN Conference 2017, Evergreen Labs signed a MoU to become the local implementation partner for DSL participant, [Dr. Noah](#), a startup from South Korea focused on producing sustainable, bamboo toothbrushes and products.

## **Government's Role in Transforming Change**

The role that the government plays is pertinent in transforming models of change within the country. A DSL participant at the inaugural 2017 AVPN India Summit- [Muktangan](#), an education NGO providing free holistic education for the underserved communities in Mumbai, has demonstrated how a successful public-private partnership model can work to effectively scale up its impact for the education sector. The seven Muktangan schools (called spokes) and teacher education centers (called hubs) operate through a strong public-private partnership with the Mumbai municipal schooling system, demonstrating the effectiveness of the model within the mainstream education system. [Credit Suisse](#) has also recently signed a MoU with Muktangan in support of its Integrated Teacher and School Education program from

June 2017 through May 2020.

## **Maximizing Impact in Social Investment**

As the largest unique funders' network in Pan-Asia, AVPN is committed to building a vibrant and high-impact philanthropy and social investment community across Asia. As a platform, advocate, and capacity builder that cuts across private, public, and social sectors, AVPN embraces all types of engagement to improve the effectiveness of its members across the Asia Pacific region.

The annual AVPN conference convenes a diverse group of funders and resource providers to take part in the largest gathering of social investors in Asia. They represent corporations, foundations, intermediaries, impact investors, and policymakers, and provide opportunities for knowledge sharing, collaboration, and advocacy for the growth of the social sector ecosystem in Asia. This collation stresses the importance of strategic, collaborative, and outcome-focused approaches to social investing -- from philanthropy to impact investing,

Since its launch in 2016, the DSP now has more than 280 deals listed on its platform that are supported by members. SPOs on the DSP are creating social impact in diverse sectors including education and capacity building training, responsible production and purchases, inclusive healthcare, wastewater treatment, and bio-diversity

conservation. In recognition of its innovative efforts, the DSP won the Distinction Award at the 10th Anniversary Swiss Philanthropy Foundation "Great!" event in September 2017.



*Besides the online Deal Share Platform that feature high-impact SPOs endorsed by members, AVPN also curate engagements in different Deal Share Live formats.*

*Photo by AVPN.*

## **Author Bio**

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<sup>1</sup> Social purpose organizations refer to non-profit organizations (NPOs), non-governmental organizations

(NGOs), charities and social enterprises (SEs) that interact directly with beneficiaries and whose primary objective is to deliver social impact.