King's Research Portal

DOI:
10.1515/9783110756159-023

Document Version
Peer reviewed version

Link to publication record in King's Research Portal

Citation for published version (APA):
Yew, J. L., Au, W. C., & Drencheva, A. (2023). Impact investment in southeast Asia: An overview and framework. In G. de Jong, N. Faber, E. Folmer, T. Long, & B. Unal (Eds.), *Handbook of Sustainable Entrepreneurship Research* (pp. 365-388). de Gruyter. https://doi.org/10.1515/9783110756159-023

Citing this paper
Please note that where the full-text provided on King's Research Portal is the Author Accepted Manuscript or Post-Print version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version for pagination, volume/issue, and date of publication details. And where the final published version is provided on the Research Portal, if citing you are again advised to check the publisher's website for any subsequent corrections.

General rights
Copyright and moral rights for the publications made accessible in the Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

•Users may download and print one copy of any publication from the Research Portal for the purpose of private study or research.
•You may not further distribute the material or use it for any profit-making activity or commercial gain
•You may freely distribute the URL identifying the publication in the Research Portal

Take down policy
If you believe that this document breaches copyright please contact librarypure@kcl.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 18. Jan. 2024

Impact investment in Southeast Asia: An overview and framework

-- pre-print author accepted version --

Jian Li Yew
Citrine Capital
Selangor
Malaysia
jianli.yew@citrinecapital.co

Wee Chan Au
Newcastle University Business School
Newcastle University
United Kingdom
wee.au@newcastle.ac.uk

Andreana Drencheva
King's Business School
King's College London
United Kingdom
andreana.drencheva@kcl.ac.uk

Please cite as: Yew, J.L. Au, W.C., & Drencheva, A. (2023, in press). Impact investment in Southeast Asia: An overview and framework. In G. de Jong, N. Faber, E. Folmer, T. Long, B. Unal (Eds), *Handbook of Sustainable Entrepreneurship Research.* De Gruyter.

Impact Investment in Southeast Asia: An Overview and Framework

Aiming to finance solutions to various social and environmental challenges, impact investment is growing in importance in Southeast Asia. Acknowledging the unique aspects of the region, this chapter provides an overview of impact investment in Southeast Asia and offers a framework to present the decision principles, developments, dynamics, and key participants in the impact investment field in the region. The framework highlights the diversity of impact investment activities and participants in Southeast Asia and offers a foundation for future research. It also helps individuals to identify opportunities to contribute to social and environmental change in different ways.

Key words: Impact Investment; Southeast Asia; Sustainable Development Goals; Social Enterprise; Social Entrepreneurship

Introduction and Context

Globally, impact investment is gaining significant academic and practitioner interest because of its potential to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), and more broadly, to systems change in capital flow and usage. Impact investing aims to deliver positive returns for both the investors' portfolios and society with social, economic, cultural, and/or environmental benefits (Nicholls, 2010). According to a 2020 International Finance Corporation (IFC) report, investments of USD 2.281 trillion could be considered impact investments under a broad definition, including those privately and publicly managed, and those with measured and intended impact (Volk, 2021). This is equivalent to about 2 per cent of global assets under management (AUM). While still a small market niche, impact investment is becoming popular among institutional and private asset managers, development finance institutions, family offices and foundations.

Impact investment is particularly growing in use and importance as a financial approach to contribute toward achievement of the SDGs in Southeast Asia (SEA): Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Lao, Myanmar, East Timor (also known as Timor-Leste), and Cambodia. In 2020, the total GDP of all members of the Association of Southeast Asian Nations (ASEAN)[1] amounted to approximately USD 3.08 trillion, and it is estimated that it will achieve a total of USD 4.47 trillion in 2025 (O'Neill, 2021). While these countries have progressed toward achieving the United Nations 2030 Agenda for Sustainable Development (e.g., the proportion of people living on less than USD 1.25 per day fell from one in two persons to one in eight persons in the last two decades (ASEAN, 2016)), the region still faces significant social and environmental issues, such as

[1] In this chapter, we follow convention in referring to Southeast Asia (SEA) as a geographic region and to the Association of Southeast Asian Nations (ASEAN) as a union of several countries within the region, to which East Timor is an observer, instead of a full member. Given the overlap between states in the region and members of the ASEAN, we use both terms in this chapter to refer to the region. Where data sources refer specifically to ASEAN states, thus excluding East Timor, we make this explicit, instead of using the broader SEA label.

insufficient access to education and susceptibility to natural and human-induced disasters (ASEAN, 2016, 2020). These challenges have been further amplified by the Covid-19 pandemic, which has had a significant impact on the societies and economies in the region with particularly devastating consequences for employment and income opportunities (ASEAN, 2020b; IMF, 2021; Morgan & Trinh, 2021; Viegelahn & Huynh, 2021). Thus, further progress toward the SDGs and post-pandemic recovery is likely to require increasing impact investment activities in the region.

While there is an acknowledgement of impact investment as locally embedded with regional differences (Zhao, 2020), there is little insight about the state of the impact investment field in SEA. The SEA region represents diverse formal and informal institutional arrangements with diverse social, cultural, economic, and environmental issues in each country. To understand the impact investment field in the SEA region, it is essential to acknowledge that countries in the region have varied economic development stages and different maturity levels of business ecosystems. For example, in 2019, Cambodia's and Myanmar's Ease of Doing Business ranks were 144 and 165, respectively (World Bank, 2019). Comparatively, Malaysia's and Singapore's Ease of Doing Business ranks were 12 and 2, respectively (World Bank, 2019). To illustrate the diversity within the region further, as of 2017, only 27 per cent and 48 per cent of the population had a financial institution account in the Philippines and Indonesia, respectively, as compared to 98 per cent in Singapore and 81 per cent in Thailand (Demirgüç-Kunt *et al*., 2017).

The SEA countries represent a significantly different context from the countries usually examined in academic journals and books published in the Global North on the topic of impact investment. Such a regional focus is meaningful to gain a more nuanced understanding of impact investment and the ways it is performed with different intentions and outcomes. It is also beneficial for practitioners, educators, and learners in gaining knowledge

about how to navigate the field in this specific region. However, with the diversity within the region across social and environmental issues, institutional arrangements, and types of investors, understanding the state of the impact investment sector in SEA remains challenging. This chapter contributes toward addressing this problem by introducing a framework for conceptualising the state of impact investment in SEA as an ecosystem that varies across countries and illustrating this framework with examples from the region.

This chapter is structured as follows. First, we explicate the foundation of impact investment based on two main principles: "Do No Harm" and "Do Good". Next, we offer an overview of the impact investment market in SEA, with differences between countries and trends. Following, we provide a conceptual framework for understanding impact investment in SEA as an ecosystem based on 1) dynamics with the private, public, and third sectors, 2) capital providers, managers, and recipients as main participants in the field, and 3) supporting organisations (refer to Figure 1 for details). Throughout the chapter, we provide examples to illustrate our conceptual framework based on publicly available data and our own experience in the field. Finally, we briefly outline the implications of this conceptual framework for research, offering suggestions for future research, and for practitioners.

The Meaning of Impact Investment

The term impact investing has many meanings that differ across asset owners, fund managers, scholars, and entities receiving such capital. Indeed, there is an unclear boundary between impact investing and related concepts, including socially responsible investing, ethical investing, sustainable investing, environmental, social, and governance (ESG) investing, responsible investing, social investing, among others. To amplify the complexity and confusion, concepts such as venture philanthropy, social finance, blended value, and microfinance are also used in reference to impact investment. Instead of focusing on definitions and differentiating between different concepts, we aim to explore the principles

behind these concepts as a common foundation for using investment toward relatively neutral and positive outcomes. Two distinct principles broadly underpin the different forms of investment approaches: 1) the intention to avoid any harm to society or the environment (i.e., the 'Do No Harm' principle) and 2) the intention to actively benefit society or the environment (i.e., the 'Do Good' principle). These principles focus on understanding the effects capital has on its investment recipients and how such impact cascades into the broader economy, society, and environment.

'Do No Harm' Principle

The 'Do No Harm' principle considers both the direct and indirect, intended and unintended negative consequences of investment decisions. The primary purpose of the 'Do No Harm' principle is to prevent violation of investors' morals and values. This principle also aims to support the better management of risks, particularly sustainability risks, and generate long-term returns when such risks are mitigated or avoided.

The most common approach in applying the 'Do No Harm' principle is exclusionary or negative screening, through specific mandates and during the due diligence process, whereby investors select investments consistent with their particular value systems, such as the values of a specific religion, and avoid investments inconsistent with their value systems, such as human rights matters. This strategy usually excludes companies or industries that investors consider unsuitable for their goals, morally, ethically, religiously, or otherwise. Historically, most negative screens have been designed to exclude companies in the so-called 'sin' industries, such as tobacco, alcohol, and weapons. However, through the years, investors have also increasingly avoided investments that support animal testing, child labour, and other inhumane or damaging practices to society or the environment. Once investments have been made, investors may choose to actively monitor how well the

recipients of their funds continue to adhere to the “Do No Harm” principle beyond the initial investment decision as organisations may change their practices over time.

More recently, the ‘Do No Harm’ principle has been intertwined with environmental, social and governance (ESG) investment as investors are increasingly considering ESG factors alongside financial factors. In ESG investing, the ecological criteria include a company’s use of energy sources, waste management, air and water pollution from operating activities, and fundamentally, its attitudes and actions toward climate breakdown. Environmentally, ESG promotes the conservation of the natural world. As for the social criteria, ESG covers internal and external stakeholder management, employment wellbeing, customer relationships, community management, and fundamentally, an organisation’s stance on human rights issues. Socially, ESG promotes maintaining wellbeing. Finally, the governance criteria examine how a company is governed, including but not limited to executive compensation, board composition, whistle-blower schemes, bribery and corruption policies, reporting and disclosures, and fundamentally, an organisation’s integrity and accountability. From a governance perspective, ESG sets the standards for running a company. In addition to this inside-out perspective (i.e., impact of companies on the sustainability factors in the outside world), some investors also co-currently adopt the outside-in perspective, where they assess the impact of sustainability factors in the outside world on their companies and investments. By integrating sustainability considerations, investors explicitly and systematically include ESG risks and opportunities into their considerations and practices, such as company-level investment analysis, wider-economy assessments, and decision making.

One of the leading global movements promoting the ‘Do No Harm’ principle is the United Nations Principles of Responsible Investment (UNPRI). As of 2021, there are 3826 signatories globally, representing USD 121.3 trillion assets under management. Of the total,

only 83 signatories are headquartered in ASEAN states, as compared to 969 in the United States and 739 in the United Kingdom. Specifically, 60 signatories are from Singapore, 13 signatories from Malaysia, 3 signatories from Indonesia, 3 signatories from Vietnam, 3 signatories from Thailand, and 1 signatory from Brunei (UNPRI, 2022).

'Do Good' Principle

The "Do Good" principle is the intention to and actions toward benefiting society or the environment, stemming from either a moral obligation or moral ideals standpoint. While impact investment underpinned by this principle avoids harm, like investment underpinned by the "Do No Harm" principle, it also actively seeks to benefit the wider public and natural world through strategic allocation of resources.

This approach allows for the mobilisation of capital to address societal and environmental challenges, whether on a local, national, regional or global level, in sectors such as healthcare, education, agriculture, and finance. Investment with the "Do Good" principle pursues explicit opportunities to generate positive societal or environmental impact while also generating financial returns and managing risks. It is an active process that requires active selection, portfolio construction, and management by investors, both from the economic and impact perspectives.

A prominent institution that promotes impact investment underpinned by the "Do Good" principle is the Global Impact Investing Network (GIIN). According to GIIN, impact investments are any investments aiming n to generate positive, measurable social and environmental impact alongside financial gains (GIIN, 2022). Thus, it promotes a hybrid approach that combines market goals driven by profitability and value capture with community goals that encourage collaboration and value creation (Roundy, 2019). The GIIN membership represents one of the largest communities engaging in impact investment,

however, most of its members are from the Global North and only a handful are in SEA (e.g., UBS and Temasek in Singapore).

After this overview of the principles of impact investment, we turn to the impact investment market in SEA in particular.

The Impact Investment Market in Southeast Asia: An Overview

The impact investment market offers viable opportunities for investors to advance social and environmental solutions while also generating financial returns. This is evident in the tremendous growth of the impact investment market. In 2016, GIIN reported that impact assets grew from USD 25.4 billion to 35.5 billion from 2013 to 2015 (Mudaliar *et al.*, 2016). In 2020, GIIN reported that over 1,720 organisations managed USD 715 billion in impact AUM (Hand *et al.*, 2020). As the market is growing, it is becoming more professionalised and robust. Progress can be seen in five main areas: 1) increasing research on market activity, trends, performance and practices; 2) sophistication of impact measurement and management practices; 3) growing numbers of professionals with relevant skills sets; 4) common understanding of definition and segmentation of the impact investing market; as well as 5) more data on investment products and opportunities (Hand *et al.*, 2020). However, challenges, such as appropriate capital across the risk/return spectrum, suitable exit options, and government support for the market, remain (Hand *et al.*, 2020).

Looking closer, SEA is one of the fastest growing regions for impact investment. The growth trajectory of impact investment in the region is witnessed through the quantum of impact capital (USD 6.7 billion) deployed in the two years between 2017 and 2019. This is more than half of the total amount (USD 11.3 billion) invested in the ten years between 2007 and 2016 (Prasad *et al.*, 2020). However, while a quarter of impact investors allocate to SEA, comparatively, only 3 per cent of the total global impact AUM are allocated to the region

(Hand *et al.*, 2020), demonstrating both potential growth opportunities and challenges in attracting investments to the region.

To understand the impact investment field in SEA, it is essential to acknowledge that countries in the region vary across stages of economic development, political structures, maturity levels of business ecosystems, and social development (such as Gini Coefficient, Human Development Index Rank, SDG Index Rank, Global Gender Gap Rank). These differences across the countries in the region create different opportunities for impact investment while also influencing the capital available for impact investment and the barriers that make it more difficult to channel capital toward positive impact for societies and the environment. To illustrate, Indonesia, Cambodia, the Philippines, and Thailand received the highest amount of impact capital in the region. Specifically, Indonesia attracted the highest amount of impact capital, at USD 1,928.9 million, between 2017 and 2019, accounting for 31 per cent of the total impact investment in the region (Prasad *et al.*, 2020). The vibrant ecosystem for impact investing in Indonesia, with impact-focused business support providers and large population base, contributed to its largest impact investing market status in ASEAN, both in terms of capital deployed and the number of deals (Prasad *et al.*, 2018a). Cambodia, on the other hand, is not yet in the position to fully benefit from impact investment (Flynn, 2019), as it is transitioning from relying on international aid to address social and environmental issues. In line with the changing mantra of development from “Funding Development” to “Financing Development”, the United Nation Development Program (UNDP) in Cambodia has been mobilising private sector resources to further the objectives of social development in Cambodia (Flynn, 2019). Being one of the poorest countries in the region, Myanmar’s impact investment was gathering momentum with philanthropic institutions and impact investors (e.g., International Finance Corporation, Omidyar Network, Base of Pyramid Asia, Danish Investment Fund for Developing

Countries, Insitor Impact Asia Fund of Insitor Management, and Asia Impact Investment Fund) steadily committing capital and expertise in specific social-economic impact sectors (Gaung, 2018) until the military coup in early 2021. The military coup has driven development funds and potential investment away, thus hindering the growth of the impact investment scene in Myanmar (Blenkinsop, 2021; Cornish, 2021; The Jakarta Post, 2021).

Furthermore, many investors who invest across SEA are not present in every country in which they invest, thus depending heavily on intermediaries and partners (Prasad *et al.*, 2018b). Although most investors are not present in their countries of investment, many are present in the region, often headquartered in Singapore, as a central financial hub in SEA with USD 2.9 trillion of AUM at the end of 2019 from 895 asset managers according to the Monetary Authority of Singapore (MAS) (British Council, 2020b). Singapore is also known for its intermediaries that provide comprehensive support to social enterprises from business incubation to financial assistance (Watanabe & Tanaka, 2016). Indeed, Singapore is a hub of impact investment with international impact funds, such as Omidyar Network and LeapFrog Investments, as well as financial institutions, such as BNP Paribas, Credit Suisse and UOB Venture Management, providing options to (potential) SEA recipients of impact investment. Similarly, Indonesia is fast becoming a hub. In 2016, an estimated number of 25 foreign-based impact investors were looking to enter Indonesia, including Garden Impact, Global Innovation Fund, Phi Trust and Melloy Fund by RARE, through operating with a remote team or by partnering with locals (UNDP, 2016). With contradictions, there are also at least four large investors who left the country, such as Grameen Foundation and LGT VP, due to common reasons including lack of investable pipelines fitting investment criteria and geographical focus on other regions.

Apart from international impact investors, many local impact funds are taking root. For instance, in Vietnam, Lotus Impact Fund provides seed capital and incubation support to

seed-stage businesses, Dragon Capital's Mekong Brahmaputra Clean Development Fund invests an average of USD 5 million in environment-related causes, and Evergreen Labs focuses on execution and scaling of existing positive impact solutions and business plans.

Much investment activities by private and public funds is driven by specific social outcomes areas (Castellas *et al.*, 2018). In SEA, investors have primarily deployed capital to sectors that promote financial inclusion, expand access to basic services, and create livelihoods through energy and infrastructure (Prasad *et al.*, 2018b). In terms of private impact investments, the financial services sector, specifically microfinance, accounts for most impact deals and capital deployed in Cambodia, Myanmar and East Timor. In contrast, most capital deployed in Laos and Thailand has been in energy, whereas Vietnam and Singapore have most capital deployed in the ICT sector (Prasad *et al.*, 2018b).

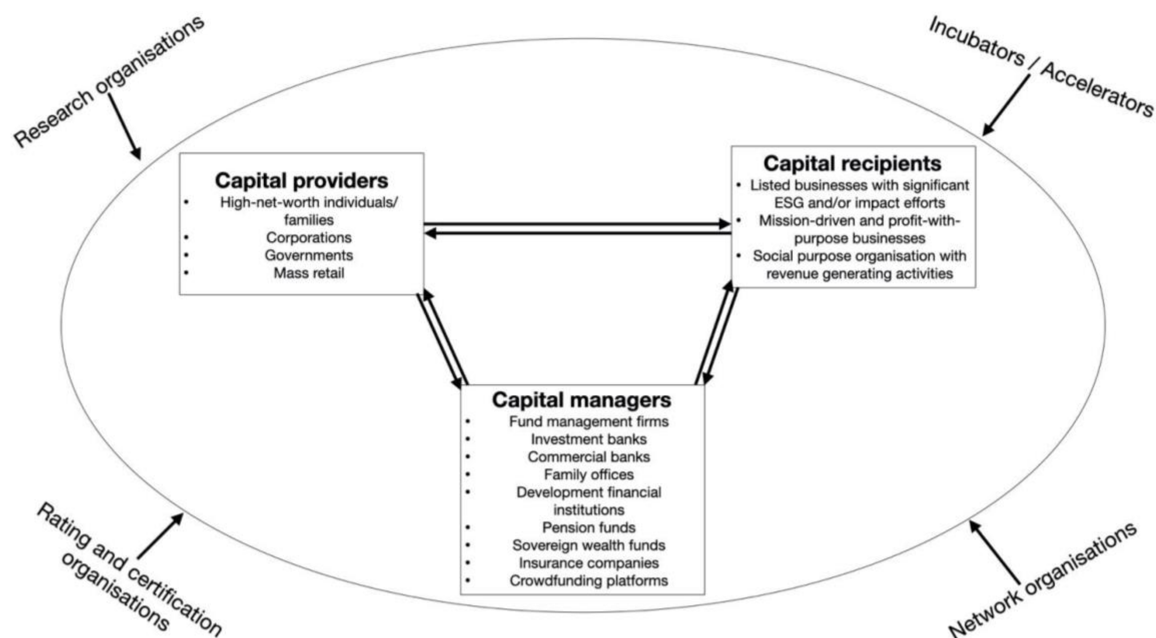
While these are 'hot' sectors for impact investment, these sectors may not necessarily match the needs on the ground. For instance, while East Timor faces a plethora of developmental challenges attributed to years of violence and instability, such as high undernourishment and malnutrition (more than half of the children below the age of five demonstrate stunted growth (Sachs *et al.*, 2021)) and poor healthcare (maternal mortality is at 215 per 100,000 live births (Sachs *et al.*, 2021)), all impact investments in East Timor are only in the microfinance sector. Similarly, in Laos, all investment capital goes to financial services and infrastructure, while the country faces several developmental issues, including food security (e.g., one-fifth of the country's population consumes less than the minimum dietary requirements (ADB, 2021)) and poor healthcare (e.g., an under-five mortality rate of 86 per 1000 lives (ASEAN, 2017)). While these discrepancies between need and where capital is deployed highlight the challenges of impact investment in meeting social and/or environmental goals together with financial goals, they also demonstrate that some country-specific social entrepreneurship ecosystems are not mature enough or lack track record for

investments in other sectors to occur. This level of ecosystem development consequently shapes the risk attitudes of investors and the required expertise to invest in industries without a prior track record. These discrepancies also showcase that the general market and its investment activities are often influenced by the strength and stability of institutions, as well as the economic environment and philanthropic traditions.

Impact Investment in Southeast Asia: A Framework

Impact investing challenges the traditional views that social and environmental issues should be addressed through state action and philanthropy, and that market investments should focus exclusively on achieving financial returns for shareholders. Indeed, impact investment can play an increasingly important role in addressing social and environmental challenges in ways that intersect with the public, private, and third sectors, include diverse participants, and gain support from other organisations. In this section, we offer an ecosystem framework of impact investment in SEA focusing on 1) the dynamics between impact investment with the public, private, and third sectors; 2) capital providers, managers, and recipients as the main participants in the ecosystem; and 3) the entities that provide support to the ecosystem to thrive.

Figure 1. Impact Investment Ecosystem in Southeast Asia



Dynamics with Public, Private, and Third Sectors

Dynamics with the Public Sector

Adopted by all 193 United Nations member states, the SDGs are a global effort to pursue an agenda for sustainable economic growth, social inclusion, and environmental sustainability. Many of the SDGs are of a public service nature, such as health, education, basic infrastructure, public utilities, and within the remit of the public sector. The United Nations Conference on Trade and Development (UNCTAD) estimated the total investment needed in developing countries ranges from USD 3.3 trillion to USD 4.5 trillion per year for basic infrastructure, food security, health, education, climate breakdown mitigation and adaptation. Yet, there is an average annual funding shortfall of some USD 2.5 trillion (UNCTAD, 2014). Thus, while public sector action is required to meet the SDGs, it may be insufficient to meet demands across all SDG-related areas. Governments, especially of developing countries, have overwhelming responsibilities, chronic resource constraints, and face debt crises (Harris & Lane, 2018; UNCTAD, 2019).

In this regard, impact investment is one way to support and finance the pursuit of the SDGs together with the public sector. For example, in the Philippines, despite the high allocation from the national budget to the education sector, the country suffers from the "global learning crisis" where students have a low mastery of their subjects (Arowana Impact Capital Group, 2020). Subsequently, there are opportunities for impact investment in the education field, in complementing the government's efforts to establish an accessible, quality education system. Similarly, Malaysia faces the threat of a double burden in nutritional challenges, where 20.7 per cent of children under five suffer from stunting and 12.7 per cent of children are obese (UNICEF, 2019). To solve this challenge, it will take a multi-sectoral approach including education systems, health systems and water and sanitation systems, to which impact investment is in a good position to contribute in a collaborative manner.

However, SEA governments' outlook toward impact investment varies from country to country. In Singapore, the government has spearheaded multiple initiatives to foster the social entrepreneurship ecosystem, including the establishment of the Singapore Centre for Social Enterprises (raiSE) with funding from the Tote Board and the Ministry of Social and Family Development. In Thailand, the Social Enterprise Promotion Act was enacted in 2019, with establishments of the National Social Enterprise Promotion Committee, the Office of Social Enterprise Promotion (OSEP), and the Social Enterprise Promotion Fund (British Council, 2020a). Likewise, in the Philippines, the government has been proactive in supporting the social entrepreneurship sector, through the proposed Poverty Reduction Through Social Enterprise (PRESENT) Bill and Social Value Bill (18th Congress of the Republic of the Philippines, 2019). In contrast, in Cambodia, the government does not support social enterprises actively including legislation, funding, incubation or any other form (Mohan *et al.*, 2017). In Myanmar too, significant support from the government is lacking (British Council, 2013).

Dynamics with the Private Sector

Traditional capitalism promotes short-termism through unsustainable practices at the cost of the environment, communities, employees, and future generations (Rayer, 2017). Companies have caused disasters, such as offshore oil spill incidents in Thailand and Indonesia (Gokkon, 2019; South China Morning Post, 2022), disregarded human rights, such as Top Glove from Malaysia, the world's largest manufacturer of rubber gloves that used forced and indentured labour (Pattisson, 2021), and practised corruption and bribery, such as the illegal exploitation of jade mines in Myanmar (Heijmans, 2015).

As more and more of these cases get exposed by the media, they result in reputational damage and adverse litigation, thus leading to financial losses. Consequently, companies are encouraged to change their unsustainable practices. Profit maximisation in the short term is

no longer an acceptable sole objective of businesses, but the optimisation of value that recognises the need for sustainability and impact considerations (Chandler, 2016; Pollman, 2021). At the same time, responsible companies have built-in advantages in targeting higher long-term profits by addressing sustainability risks and opportunities, thus boosting investors' confidence in such companies and putting pressure on traditional profit-maximising, cost-cutting entities to move toward more ethical and sustainable practices, as well as products and services that bring value. Indeed, businesses and investors increasingly view their ability to manage sustainability issues as material to their financial performance (Bugg-Levine & Goldstein, 2009). To facilitate this, Bursa Malaysia (Malaysia Stock Exchange) mandated sustainability reporting in 2006 and signed the Sustainable Stock Exchange's voluntary commitment to promote sustainability reporting in 2015 (*The Star*, 2015). Similarly in its neighbouring country, the Singapore Exchange (SGX) issued guidelines for companies to include sustainability reporting as part of annual reports on a 'comply or explain' basis in 2017 (PWC, 2016).

While corporate sustainability is slowly evolving to incorporate ESG practices and creating impact value, traditional corporate social responsibility (CSR) too furthers social entrepreneurship through various mechanisms. For instance, the Philippines Business for Social Progress (PBSP) is the largest and most influential corporate-led social development foundation, consisting of more than 250 large, medium, and small-sized businesses. As of 2020, PhP 2329.54 millions were disbursed as grants and financial advances, and PhP 155 millions as development loans for micro small and medium enterprises (Philippine Business for Social Progress, 2020). In contrast, in Cambodia, CSR activity is at its infancy, thus capital from corporates is limited, while in Singapore, CSR among corporations is moving toward integrating ESG into respective business practices and operations. These examples illustrate the different pace of adoption and transition between CSR, ESG and impact

investment (not mutually exclusive), in SEA. It is also important to note that many SEA economies are made of micro, small and medium-sized enterprises (MSMEs) with limited staff and capital. Thus, CSR at large scale with professionalised activities may be confined to only a few big corporations in certain SEA countries with more established economies. For instance, more than 93 per cent of Vietnam's 500,000 businesses are small and medium-sized enterprises (SMEs) that have fewer than 30 staff and an average registered capital of USD 480,000 (Mohan *et al.*, 2017). Similarly, in Malaysia, there are 1,226,494 MSMEs in 2021, which account for 97.4 per cent of overall establishments in Malaysia (SME Corp. Malaysia, 2021).

Moreover, the number of social enterprises is growing. As the legal definition of social enterprises differ from country to country, here, we broadly include registered businesses that embed societal missions in their offerings, revenue-generating NGOs that may have commercial arms registered separately, microfinance institutions, and impact start-ups, all of which use market mechanisms to achieve specific social or environmental goals. Broadly defined, along the timeline of 2014-2017, there were approximately 100 entities in Malaysia, 92 entities in Cambodia, 400 entities in Singapore, 400 in Thailand, 454 entities in Indonesia, 645 entities in Myanmar, 1,000 entities in Vietnam and 30,000 entities in the Philippines (Mohan *et al.*, 2017). Impact investment is a key mechanism to enable these businesses to achieve their missions. This is because social enterprises often face challenges in mobilising resources (Jayawarna *et al.*, 2020) and operate in environments where social and environmental issues, such as supporting refugees and indigenous population in Malaysia (Au *et al.*, 2022), are prominent (Mair *et al.*, 2012; Mair & Marti, 2009; Qureshi *et al.*, 2016).

Dynamics with the Third Sector

On the capital supply side, foundations have pioneered much of the work to develop the impact investing market, particularly through grants that fund impact investment pilots and studies in the early-stage private equity and debt (Martin, 2013). Foundations can act as an exemplary investor, catalytic capital investor, intermediary developer, data provider, standard setter, network builder, and thought leader (Wood, 2020). In SEA, foundations also play an important role in capacity building to support the impact investment ecosystem. For example, international foundations, such as ADM Capital Foundation and the Cambodia International Education Support Foundation, have been working extensively on changing the mind-set of social sector players to foster transparency, governance, and effectiveness (Mettgenberg-Lemière, 2017). As the market grows, foundations will continue to play an increasing important role in disseminating knowledge on best practice and capacity building. However, they too struggle to explicate their expectations of impact investments, such as whether or not they should take first-loss positions in order to catalyse participation of traditional investors and how much of a foundation's endowment should go into impact investments (Aggarwala & Frasch, 2017).

On the capital demand side, non-profit organisations (NGOs) are increasingly adopting business techniques to be more self-sustainable through revenue-generating activities. For example, many of Cambodia's 3,600 NGOs have expanded into the social enterprise space with the aim to diversify their revenue streams as well as pursue alternative ways of achieving their missions (Lyne *et al.*, 2015), thus increasing the number of mission-driven ventures for impact investment opportunities. This situation is similar in other SEA countries, such as Malaysia and Indonesia (British Council Malaysia, 2018; UNDP, 2016).

Overall, impact investment can be at the intersection of addressing social and environmental challenges through interactions with the public, private, and third sectors. It can aid governments funding solutions to these problems. It can support and encourage

commercial businesses to respond to the demands of consumers and investors. It can provide the third sector with much needed resources.

Participants in Impact Investment

Impact investment has attracted a wide variety of participants, including fund managers, investment and commercial banks, family offices, foundations, development finance institutions, pension funds, sovereign wealth funds, religious institutions, insurance companies, crowdfunding platforms, individual investors, and other intermediaries. While there are many participants in the impact investment space, we broadly categorise them into capital providers, capital managers and capital recipients to highlight the heterogeneity of participants and discuss their broad roles. We present each category on its own, however, it is also important to acknowledge the feedback loops that exist between capital providers, managers, and recipients as they engage in the impact investment process, learn with and from each other, provide each other with feedback, and use their experience to make different decisions in the present and in the future.

Capital Providers

The category of capital providers mainly includes high-net-worth individuals (HNWIs) and families, corporations, governments, and retail investors. They are asset owners, with choices to either invest on their own or engage with capital managers to make investments on their behalf.

High-net-worth individuals represent the most active capital provider in the impact investment space (World Economic Forum, 2013). Indeed, a third (37.3 per cent) of the portfolios of Asia-Pacific (excluding Japan) HNWIs are geared toward social investments, compared to only 31.6 percent for those globally (Capgemini, 2016). Private impact investors, who tend to focus on providing early-stage capital, have been particularly active in Indonesia, the Philippines, Cambodia, and Malaysia (Prasad *et al.*, 2020). At 45.8 per cent of

portfolio allocations toward social impact, Indonesia is a global leader in social impact investing from HNWIs, followed closely by Malaysia (43.6 per cent) (Capgemini, 2016). Moving forward, the importance of HNWIs as impact investors will grow, as the investor community changes from baby boomers to millennials with expected intergenerational wealth transfer. This intergenerational wealth transfer, combined with their labour income, can have profound implications for financial markets if these new investors make different investment decisions aligned with their values, as already suggested by emerging data (Fort & Loman, 2016). For example, a 2018 survey indicated that 87 per cent of high-net-worth millennials considered a company's ESG records during their decision-making (Bank of America, 2018), while a separate 2019 survey found that 95 per cent of millennials were interested in sustainable investing (Morgan Stanley, 2019).

Corporates also provide capital towards impact investment. For instance, in Indonesia, most funding for non-profits and social enterprises seems to come from multinational corporations. For example, Kopernik, a last-mile technology distribution enterprise, receives regular funds from ExxonMobil, Phillipes and Energia (Mohan *et al.*, 2017). Similarly, Cellcard, a telecommunications company in Cambodia has shifted from piecemeal projects to impact investments through funding platforms (Mohan *et al.*, 2017).

Governments also own assets that can be invested purposefully. For example, as part of the government's effort to stimulate social innovation, the Malaysian government launched the MYR 3 million (USD 690,000) Social Outcome Fund through Agensi Inovasi Malaysia (ceased in 2020). The pay-for-success vehicle was designed to facilitate funding from various stakeholders into social enterprises and social purpose organisations. Social investments made were entitled to a reimbursement from the Fund if they resulted in cost savings for similar government interventions. Furthermore, the Malaysian Employees Provident Fund (national compulsory scheme) announced in mid-2021 its plan to have a fully

compliant ESG portfolio by 2030 and a climate-neutral portfolio (with zero greenhouse gas emissions) by 2050, making it one of the first Asian pension funds to publicly commit to sustainability (Tan, 2022). However, these Malaysia-specific examples are not seen in many other SEA countries. For instance, the Cambodian government has not yet embraced the potential for ESG and impact investment as a force for economic growth and social improvement.

Retail investors also supply capital toward the impact investment space. To illustrate, a report by the Longitude and Rockefeller Foundation suggested that, while 77 per cent of investors currently have 4-5 per cent of their total portfolio invested in impact investing products, 55 per cent of investors expect their allocation to impact investing funds to increase to 6-20 per cent over the next two years. Similarly, Morgan Stanley (2017) reported that 75 per cent of individual investors are interested in sustainable investing, 71 per cent believe that companies with leading sustainability practices may be better long-term investments and 80 per cent are interested in investments that can be customised to meet their interests and goals. These results showcase that more individual investors are interested and will likely increasingly allocate funds toward impact investment. Indeed, fund managers report that the amount of capital invested by retail investors has grown by 20 per cent compound annual growth rate (CAGR) over 5 years (The Rockefeller Foundation, 2019).

Capital Managers

The capital managers category includes development financial institutions (DFIs), private and public fund managers, investment and commercial banks, family offices, crowdfunding platforms, among others.

Within SEA, DFIs remain the dominant players, accounting for 92 per cent of the total impact investment (close to USD 11.2 billion) in the region (2007-2016) (Prasad *et al.*, 2020), particularly in Indonesia, Thailand, Vietnam and Myanmar. For instance, Asian

Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB) are development finance institutions that invest in the SEA countries. These institutions provide evidence of financial viability for private-sector investors while targeting specific social and environmental goals.

Other financial institutions, such as investment banks, are also gradually entering the impact investment market in what many see as an opportunity for profit over the long term and a response to clients looking to align investments with their personal values and goals (Hummels & Fracassi, 2016). For example, the Singapore-headquartered UOB Venture Management, a signatory to the Operating Principles for Impact Management, launched the Asia Impact Investment Fund (AIIF) in 2015 to invest in growth companies in SEA and China that improve the lives of lower income communities at the base of the economic pyramid. As of 2019, the fund has impacted more than 36,000 farmers, 700,000 micro-entrepreneurs, and 10,000,000 young people from low-income households (UOB, 2019). From the sustainability perspective, in 2021 in Thailand, KBank Private Banking and Kasikorn Asset Management launched K-SUSTAIN-UI long-short fund that aims to generate profits from stocks that are positively or negatively affected by the transition toward sustainable business operations. While these are specific examples to emphasise the relevance of impact investment among financial institutions, generally, financial institutions are slow to adopt impact investment mechanisms.

There are also sovereign fund managers, who commit to the “Do No Harm” and/or “Do Good” principles. For instance, launched in 2015, Sukuk Ihsan is Malaysia’s first social-impact bond (SIB) based on Islamic finance, and the first AAA-rated globally. It focuses on environmental causes, such as renewable energy, and social causes, such as education, and is managed by Khazanah Nasional Berhad, the Government of Malaysia’s Investment Fund (Khazanah Nasional Berhad, 2015).

As discussed earlier, foundations are increasingly diversifying their asset allocations, thus contributing to the increasing size of impact investments. For instance, YCAB in Indonesia has evolved from being a non-profit foundation focused on sustainable development to a local impact investor, funding for-profit enterprises which offer products and services to emerging consumers. Similarly, religious funds are also laying the groundwork for impact investment. For example, Dompet Dhuafa and Rumah Zakat, the largest zakat collectors in Indonesia (home to the largest Muslim population in the world), invest in traditional charities and increasingly local small and micro enterprises in the education and health sectors (Chhina *et al.*, 2014).

Moreover, crowdfunding, an intermediary between retail investors and entrepreneurs looking to raise capital through alternative financing mechanisms, is an emerging phenomenon. For instance, Kitabisa.co.id is a leading crowdfunding platform in Indonesia to facilitate investments in social enterprises and iGrow is an agricultural platform raising capital for farm inputs from urban social investors. In Singapore, there are several models: donation-based, rewards-based, lending-based, securities-based and equity crowdfunding. A few examples include FundedHere, Crowdo, Capital Match, Giveasia and Giving.sg. As these crowdfunding platforms reach out to a large audience, they have the potential to mobilise capital from the public and foster campaign capacity of fundraisers.

Capital Recipients

The capital recipients category includes businesses with sustainability and/or impact focus and social enterprises (broadly defined).

With the aim to achieve their social and/or environmental mission, social entrepreneurs utilise impact capital to establish and scale their businesses. They typically fundraise to grow their team size, enhance technological foundations, or enter a new market. While they are recipients of impact investments, they face several hurdles. For example,

many social enterprises in Vietnam encounter financing constraints, such as access to investors (45 per cent) and small investment sizes (44 per cent) (British Council, 2019). Conversely, in Indonesia, social enterprises face a small-ticket size funding gap. While more than 70 per cent of social enterprises in Indonesia are in the pre-seed and seed stage (requiring USD 10,000 - USD 150,000 on average), most foreign impact investors come with a larger ticket-size offering (over USD 1,000,000) (UNDP, 2016). These examples showcase the mismatch between the needs of capital recipients with the criteria of capital providers/managers. Having said that, there is undeniably growth in social enterprises accessing financing. For example, in Indonesia, investment in social enterprises was approximately USD 23 million in 2014, growing to USD 43 million in 2016 (UNDP, 2016). Listed businesses with sustainability and/or impact focus are also recipients of impact capital. They typically include businesses within certain fields, such as renewable energy, waste management, education, healthcare, to name a few. Increasingly, as more companies are transitioning from unethical practices to responsible and sustainable practices, while offering products and services of societal and environmental value, capital flows toward these companies.

As discussed earlier, traditional NGOs transitioning to social enterprises are also impact capital recipients. However, most of these transitioning NGOs lack several qualities, such as perceived good management, market fit and potential to scale (UNDP, 2016), thus making them not investment ready.

Support Organisations

Other players, such as network organisations and research institutions, provide support in various forms to capital providers, managers and recipients.

Network organisations, such as membership-based networks, offer resources and services to promote best practices, share data and information, and foster opportunities and collaborations. Asian Venture Philanthropy Network (AVPN) and Aspen Network of Development Entrepreneurs (ANDE) are among the most prominent international network organisations within the SEA context. While AVPN, a network that facilitates the flow of capital from around the world into the social sector in Asia, enables multi-sector collaborations in numerous philanthropic and investment initiatives, ANDE, a global network of organisations that propel entrepreneurship in developing economies, provides financial, educational and business support to growing businesses. An example of a local network is the Angel Investment Network Indonesia (ANGIN). Within Indonesia, it supports both investors and companies along the fundraising journey by providing sourcing, due diligence support and legal implementation to investors, while preparing companies to be investment ready.

There are also organisations that aim to promote accountability and credibility within the impact investment space through advocating and developing impact management and measurements tools. With regards to impact, globally accepted metrics such as IRIS+ and Social Return on Investments (SROI) are often used for impact reporting. However, time cost and financial cost are restraining factors for investees and investors to undertake impact assessments through upskilling internal stakeholders or third-party evaluators (Prasad, 2018). With regards to ESG, rating providers, such as Refinitiv, FTSE Russell, Sustainalytics and RepRisk, offer various services including but not limited to stock screening and research on specific sectors. For example, the FTSE4GOOD Bursa Malaysia Shariah Index (F4GBMS) launched by Bursa Malaysia and FTSE Russell aims to cater to investors' demand for ESG index solutions. Collectively, these measurement and rating organisations generally aim to provide an assessment of ESG risks and opportunities, as well as impact of companies' products and services, associated with an investment. While they continue to make progress

in improving adaptation, they continue to face significant hurdles regarding fairness, accuracy and consistency, given that impact can be subjective, multidimensional, and not always directly measurable with ceilings of accountability.

Incubators and accelerators provide mentorship and technical assistance to impact investment recipients. For example, in Cambodia, Impact Hub Phnom Penh has been contributing to the capacity building of start-ups, striving to solve problems in the country. In 2016, they partnered with USAID Development Innovations to launch Cambodia's first one-year social business incubation programme, providing support through business training, mentoring and access to prototyping budgets (Impact Hub Phnom Penh, 2016). Similarly, in Myanmar, incubators such as Opportunities Now and Phandeeyar are strengthening the pipeline for impact investment, through seed capital, hands-on mentoring support and access to networks and co-working spaces.

There are also institutions that fund and support impact-related research within the SEA context. For instance, the Lien Centre for Social Innovation offers thought leadership and evidence-to-action translation research, aiming to drive social consciousness and enable partnership-driven innovation. Similarly, the British Council also aims to promote the growth of social enterprise and impact investment in the region through research, policy dialogues, networking (e.g., Social Economy & Investment Conference, Social Investment Platform), and training (e.g., Business and Investment Readiness Programme, Skills for Social Entrepreneurs) (British Council, 2022).

Overall, these support organisations enable growth and professionalisation in the impact investment space through facilitating knowledge exchange among impact investors and increasing the supply of investment-ready impact capital recipients.

Discussion

Implications and Future Opportunities for Research

Our conceptual framework of impact investment in SEA as an ecosystem with its dynamic interactions with the public, private and third sectors, diverse participants and support organisations offers a foundation for future comparative research. The examples and trends discussed in this chapter showcase the diversity of impact investment ecosystems in the region, instead of treating it as a single and homogeneous ecosystem. Based on the trends and examples provided in this chapter, one can assume that the impact investment ecosystems in higher income and more stable countries (e.g., Malaysia, Singapore) are more developed in comparison to lower income countries with recent or ongoing destabilising events, such as military coups, and weaker institutions (e.g., Myanmar, Cambodia), while data for some countries is severely limited (e.g., East Timor, Laos). However, robust and systematic research on the topic with comparable data across the region does not exist. Thus, it is not clear if these perceived differences are due to data availability, different levels of activity, or different institutional configurations that make impact investment more or less appropriate and appealing for capital providers, managers and recipients. Thus, future research, that can use our framework as a foundation for comparison, is needed to investigate the differences across the countries in the region and the nuances in activities, mechanisms, and outcomes of impact investment based on the configurations of formal (e.g., rule of law, legal recognition of social enterprises) and informal institutions (e.g., trust, legitimacy of social enterprises and impact investment).

It would also be particularly valuable for future research to differentiate impact investment underpinned by the "Do No Harm" and "Do Good" principles. Ultimately, the two principles prioritise different decision logics and goals, thus they are differently suited for the different types of capital investors, managers and recipients. Future research is required to investigate how impact investments with the two principles differ in prominence,

frequency of use, challenges for recipients, and social/environmental and financial returns across the SEA region.

Finally, our framework focuses on the organisational and institutional levels of analysis. However, within these organisations are individuals who make impact investment decisions (whether they are to provide or seek capital), interact with individuals from other sectors and with other roles in the ecosystem, and reflect on their own values and experiences. Such individual level experiences and interactions are particularly useful for understanding the micro-foundations of the impact investment ecosystem and how it functions, grows, and changes over time. Yet, our current understanding of individual level experiences and interactions within impact investment ecosystems in SEA is severely limited. Future research is required to investigate how, for example, individuals in capital receiving organisations build trust with impact investors and navigate business challenges, given the power dynamics at play.

Implications for Practice

For capital owners, this chapter provides a snapshot of the different players within the impact investment space, suggesting how they can set the standards for capital managers and recipients in investing and operating responsibly, sustainably and impactfully. For capital managers, this chapter showcases the ecosystem of impact investment in SEA, providing insights on challenges and opportunities throughout the region. This will support them in asset allocation, geography selection, and other parameter-setting of funds, as well as setting reasonable goals to achieve by connecting capital to impact.

For capital recipients, this chapter provides an overview of the impact investment landscape in SEA, sharing valuable information about where they can turn to for financing new and scaling ventures. Importantly, the chapter highlights the push for incorporating sustainability factors (Tan, 2018) and shows the growing focus of investors toward financing

mission-driven and sustainable businesses, as well as traditional commercial organisations with a good track record of ESG reporting and social responsibility. In this regard, the chapter brings attention not only to impact investment as a potential source of financing for mission-driven and sustainable enterprises, but also potentially to all types of investments underpinned by the "Do No Harm" principle.

For individuals with an intention to get involved or are already part of the ecosystem, the chapter provides an overview of how they can actively contribute to achieving the SDGs. Beyond starting their own mission-driven and sustainable businesses, individuals have other options to support the achievement of the SDGs through impact investment. For example, they can consider career options in support organisations, such as membership bodies and research entities that support capital providers, managers, and recipients by promoting best practices, sharing data and insights, and fostering opportunities for collaborations. On another hand, they can also use their capital for impact investment. For example, investing in impact investment funds and equity crowdfunding campaigns.

References

18th Congress of the Republic of the Philippines. (2019). *An Act: Institutionalizing the Poverty Reduction through Social Entrepreneurship (Present) Program and Promoting Social Enterprises with the Poor as Primary Stakeholders* [Senate Bill No. 820]. https://legacy.senate.gov.ph/lisdata/3034527203!.pdf

ADB. (2021). *Poverty: Lao PDR* (Lao People's Democratic Republic). Asian Development Bank. https://www.adb.org/countries/lao-pdr/poverty

Aggarwala, R. T., & Frasch, C. A. (2017). The philanthropy as one big impact investment: A framework for evaluating a foundation's blended performance. *The Foundation Review*, *9*(2). https://doi.org/10.9707/1944-5660.1370

Arowana Impact Capital Group. (2020). *Education in the Philippines: Untapped Opportunity for Impact Investors*. https://arowanaimpactcapital.com/education-in-the-philippines/

ASEAN. (2016). *ASEAN Socio-Cultural Community Blueprint 2025*. The ASEAN Secretariat. https://www.asean.org/wp-content/uploads/2012/05/8.-March-2016-ASCC-Blueprint-2025.pdf

ASEAN. (2017). *ASEAN Statistical Report on Millennium Development Goals 2017*. The ASEAN Secretariat. http://www.aseanstats.org/wp-content/uploads/2017/08/ASEAN_MDG_2017.pdf

ASEAN. (2020). *ASEAN Sustainable Development Goals Indicators Baseline Report*. The ASEAN Secretariat. https://www.aseanstats.org/publication/asean-sdg-report-2020/

ASEAN. (2020b). *1st ASEAN Policy Brief: Economic Impact of COVID-19 Outbreak on ASEAN*. The ASEAN Secretariat. https://asean.org/book/1st-asean-policy-brief-economic-impact-of-covid-19-outbreak-on-asean/

Au, W. C., Drencheva, A., & Yew, J. L. (2022). How do refugee entrepreneurs navigate institutional voids? Insights from Malaysia. In D. Grant Pickernell, M. Battisti, Z. Dann, & C. Ekinsmyth (Eds.), *Disadvantaged Entrepreneurship and the Entrepreneurial Ecosystem* (Vol. 14, pp. 121–144). Emerald Publishing Limited. https://doi.org/10.1108/S2040-724620220000014006

Blenkinsop, P. (2021, March 4). EU suspends development funds for Myanmar after army coup. *Reuters*. https://www.reuters.com/article/us-myanmar-politics-eu-idUSKBN2AW1EX

British Council. (2013). *Social Enterprise Landscape in Myanmar*. https://www.britishcouncil.org/sites/default/files/burma_report.pdf

British Council. (2019). *Social Enterprise in Vietnam*. https://www.britishcouncil.vn/sites/default/files/social-enterprise-in-vietnam.pdf

British Council. (2020a). *Global Social Enterprise: The State of Social Enterprise in Thailand*. British Council. https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_thailand_2020_final_web.pdf

British Council. (2020b). *Global Social Enterprise—The State of Social Enterprise in Singapore*. https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_singapore_0.pdf

British Council. (2022). *Social Enterprise Past programmes*. https://www.britishcouncil.my/programmes/education/isp

British Council Malaysia. (2018). *The State of Social Enterprise in Malaysia*. British Council. https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_malaysia_british_council_low_res.pdf

Bugg-Levine, A., & Goldstein, J. (2009). Impact investing: Harnessing capital markets to solve problems at scale. *Community Development Investment Review*, *5*(2), 30–41.

Capgemini. (2016). *Asia-Pacific Now Leads the World in High Net Worth Population and Wealth, Finds the Asia-Pacific Wealth Report 2016*. https://www.capgemini.com/news/asia-pacific-now-leads-the-world-in-high-net-worth-population-and-wealth-finds-the-asia-pacific/

Castellas, E. I.-P., Ormiston, J., & Findlay, S. (2018). Financing social entrepreneurship: The role of impact investment in shaping social enterprise in Australia. *Social Enterprise Journal*, *14*(2), 130–155. https://doi.org/10.1108/SEJ-02-2017-0006

Chandler, D. (2016). *Strategic Corporate Social Responsibility: Sustainable Value Creation* (4th ed.). SAGE. https://us.sagepub.com/en-us/nam/strategic-corporate-social-responsibility/book258527

Chhina, S., Petersik, W., Loh, J., & Evans, D. (2014). *From Charity to Change: Social Investment in Selected Southeast Asian Countries*. Lien Centre for Social Innovation, Singapore Management University. https://ink.library.smu.edu.sg/cgi/viewcontent.cgi?article=1010&context=lien_reports

Cornish, L. (2021, February 15). Donors respond to the Myanmar coup by redirecting funds. *Devex*. https://www.devex.com/news/sponsored/donors-respond-to-the-myanmar-coup-by-redirecting-funds-99141

Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., & Hess, J. (2017). *The Global Findex Database: Measuring Financial Inclusion and the Fintech Revolution*. World Bank Group. https://openknowledge.worldbank.org/handle/10986/29510

Flynn, G. (2019, November 14). How does Cambodia fit into the global trend of impact investing? *Capital Cambodia*. https://capitalcambodia.com/how-does-cambodia-fit-into-the-global-trend-of-impact-investing/

Fort, A. & Loman, J. (2016). *Millennials & Impact Investment. A TONIIC Institute Report with Support from Bank of the West, Family Wealth Advisors*. http://www.pva-advisory.com/wp-content/uploads/2016/10/Millennials-Impact-Investment-May-2016.pdf

Gaung, J. S. (2018, January 18). Impact investments in Myanmar gather momentum but still to scale up. *Deal Street Asia*. https://www.dealstreetasia.com/stories/impact-funds-for-myanmar-gather-momentum-but-still-way-to-scale-89207/

GIIN. (2022). *What You Need to Know about Impact Investing*. Global Impact Investing Network (GIIN). https://thegiin.org/impact-investing/need-to-know/

Gokkon, B. (2019, July 31). Indonesia investigates oil spill in Java Sea by state energy company. *Mongabay Environmental News*. https://news.mongabay.com/2019/07/indonesia-investigates-oil-spill-in-java-sea-by-state-energy-company/

Hand, D., Dithrich, H., Sunderji, S., & Nova, N. (2020). *GIIN Annual Impact Investor survey 2020*. Global Impact Investing Network (GIIN). https://thegiin.org/assets/GIIN%20Annual%20Impact%20Investor%20Survey%202020.pdf

Harris, E., & Lane, C. (2018). *Debt as an Obstacle to the Sustainable Development Goals | UN DESA | United Nations Department of Economic and Social Affairs*. Department of Economic and Social Affairs, United Nations. https://www.un.org/development/desa/en/news/financing/debt-as-an-obstacle-to-sdgs.html

Heijmans, P. (2015, October 23). The corruption of Myanmar's jade trade. *Al Jazeera News*. https://www.aljazeera.com/features/2015/10/23/the-corruption-of-myanmars-jade-trade

Hummels, H., & Fracassi, R. (2016). The institutional impact investing revolution. *Stanford Social Innovation Review*. https://ssir.org/articles/entry/the_institutional_impact_investing_revolution

Impact Hub Phnom Penh. (2016). *The Launch of Something Epic!* https://phnompenh.impacthub.net/the-launch-of-something-epic/

IMF. (2021). *Regional Economic Outlook for Asia and Pacific: Navigating Waves of New Variants, Pandemic Resurgence Slows the Recovery*. International Monetary Fund. Washington DC.

Jayawarna, D., Jones, O., & Macpherson, A. (2020). Resourcing social enterprises: The role of socially oriented bootstrapping. *British Journal of Management*, 31(1), 56-79.

Khazanah Nasional Berhad. (2015). *Khazanah Issues World's First Ringgit-Denominated Sustainable and Responsible Investment Sukuk*. https://www.khazanah.com.my/news_press_releases/khazanah-issues-worlds-first-ringgit-denominated-sustainable-and-responsible-investment-sukuk/

Lyne, I., Khieng, S., & Ngin, C. (2015). Social Enterprise in Cambodia: An Overview. *ICSEM Working Papers, No. 05, Liege: Liege: The International Comparative Social Enterprise Models (ICSEM) Project.* https://doi.org/10.13140/RG.2.1.1848.9449

Mair, J., & Marti, I. (2009). Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal of Business Venturing*, *24*(5), 419–435. https://doi.org/10.1016/j.jbusvent.2008.04.006

Mair, J., Martí, I., & Ventresca, M. J. (2012). Building inclusive markets in rural Bangladesh: How intermediaries work institutional voids. *Academy of Management Journal*, *55*(4), 819–850. https://doi.org/10.5465/amj.2010.0627

Martin, M. (2013). *Status of the Social Impact Investing Market: A Primer, Prepared for the UK Cabinet Office*. Impact Economy. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/212511/Status_of_the_Social_Impact_Investing_Market_-_A_Primer.pdf

Mettgenberg-Lemière, M. (2017). Social investment as a vehicle to achieve sustainable development goals. *Philanthropy Impact Magazine*, *17*, 3–5.

Mohan, A., Harsh, S., & Modi, A. (2017). *Social Investment Landscape in Asia: Insights from Southeast Asia*. Asian Venture Philanthropy Network and Sattva. https://www.bosch-

stiftung.de/sites/default/files/publications/pdf_import/avpn_sociallinvestinglandscape_southeastasia.pdf

Morgan Stanley. (2017). *Sustainable Signals: New Data from the Individual Investors*. https://www.morganstanley.com/pub/content/dam/msdotcom/ideas/sustainable-signals/pdf/Sustainable_Signals_Whitepaper.pdf

Morgan Stanley. (2019). *Sustainable Signals: Individual Investor Interest Driven by Impact, Conviction and Choice*. https://www.morganstanley.com/pub/content/dam/msdotcom/infographics/sustainable-investing/Sustainable_Signals_Individual_Investor_White_Paper_Final.pdf

Morgan, P. J. & Trinh, L. Q. (2021), *Impacts of COVID-19 on Households in ASEAN Countries and Their Implications for Human Capital Development*, Asian Development Bank Institute (ADBI Working Paper 1226), Tokyo, Japan. https://www.adb.org/sites/default/files/publication/688271/adbi-wp1226.pdf

Mudaliar, A., Pineiro, A., & Bass, R. (2016). *Impact Investing Trends: Evidence of a Growing Industry*. Global Impact Investing Network (GIIN). https://thegiin.org/assets/GIIN_Impact%20InvestingTrends%20Report.pdf

Nicholls, A. (2010). The legitimacy of social entrepreneurship: Reflexive isomorphism in a pre–paradigmatic field. *Entrepreneurship Theory and Practice*, *34*(4), 611–633. https://doi.org/10.1111/j.1540-6520.2010.00397.x

O'Neill, A. (2021). *ASEAN countries GDP 2021*. Statista. https://www.statista.com/statistics/796245/gdp-of-the-asean-countries/

Pattisson, P. (2021, March 30). US bars rubber gloves from Malaysian firm due to "evidence of forced labour." *The Guardian*. https://www.theguardian.com/global-development/2021/mar/30/us-bars-rubber-gloves-malaysian-firm-top-glove-evidence-forced-labour

Philippine Business for Social Progress. (2020). *Fifty and Beyond: PBSP Towards a Better World, Annual Report*. https://assets.website-files.com/5ffe7acb1a4082165ba06c97/60af7f6d637b4879c5a8bf9e_AR20_DESIGN_DRAFT_V12-compressed.pdf

Pollman, E. (2021). Corporate Social Responsibility, ESG, and Compliance. *Faculty Scholarship at Penn Law (2568)*.

Prasad, M., Bauer, S., Gokhale, A., Borthakur, S., & Reddy, H. (2018a). *The Landscape for Impact Investing in Southeast Asia—Indonesia*. Global Impact Investing Network and Intellecap Advisory Services. https://thegiin.org/assets/Indonesia_GIIN_SEAL_report_webfile.pdf

Prasad, M., Bauer, S., Gokhale, A., Borthakur, S., & Reddy, H. (2018b). *The Landscape for Impact Investing in Southeast Asia*. Global Impact Investing Network and Intellecap Advisory Services. https://thegiin.org/assets/GIIN_SEAL_full_digital_webfile.pdf

Prasad, M., Gokhale, A., & Agarwal, N. (2020). *The Advance of Impact Investing in South East Asia – 2020 Update*. Australian Aid, Investing in Women, Intellecap. https://thegiin.org/research/publication/the-advance-of-impact-investing-in-south-east-asia-—2020-update

PWC. (2016). *SGX Sustainability Reporting Guide—Key highlights*. https://www.pwc.com/sg/en/publications/assets/sustainability-reporting-sgx-2016.pdf

Qureshi, I., Kistruck, G. M., & Bhatt, B. (2016). The enabling and constraining effects of social ties in the process of institutional entrepreneurship. *Organization Studies*, *37*(3), 425–447. https://doi.org/10.1177/0170840615613372

Rayer, Q. (2017). Exploring ethical and sustainable investing. *The Review of Financial Markets*, *12*, 4–10.

Roundy, P. (2019). Regional differences in impact investment: A theory of impact investing ecosystems. *Social Responsibility Journal*, *16*. https://doi.org/10.1108/SRJ-11-2018-0302

Sachs, J., Kroll, C., Lafortune, G., Fuller, G., & Woelm, F. (2021). *Sustainable Development Report 2021: The Decade of Action for the Sustainable Development Goals*. Cambridge University Press. https://s3.amazonaws.com/sustainabledevelopment.report/2021/2021-sustainable-development-report.pdf

SME Corp. Malaysia. (2021). *Profile of MSMEs in 2016-2021*. https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/profile-and-importance-to-the-economy

South China Morning Post. (2022, January 26). Oil spill in Thailand threatens beaches as Navy helps clean up. https://www.scmp.com/news/asia/southeast-asia/article/3164811/offshore-oil-spill-threatens-beaches-eastern-thailand-navy

Tan, C. C. (2022, February 14). The rise of impact investing. *The Edge Malaysia*. http://www.theedgemarkets.com/article/rise-impact-investing

Tan, Z. Y. (2018, June 24). Responsible Investing: Looking for new ways to invest in social enterprises. *The Edge Markets*. http://www.theedgemarkets.com/article/responsible-investing-looking-new-ways-invest-social-enterprises

The Jakarta Post. (2021, March 11). *ADB suspends funding for projects in Myanmar after military coup*. https://www.thejakartapost.com/seasia/2021/03/11/adb-suspends-funding-for-projects-in-myanmar-after-military-coup.html

The Rockefeller Foundation. (2019). *The Individual Imperative: Retail Impact Investing Uncovered*. https://www.rockefellerfoundation.org/wp-content/uploads/FT_Focus-IMPACT_V10.pdf

The Star. (2015, May 18). Bursa Malaysia commits to sustainable stock exchanges initiative. https://www.thestar.com.my/business/business-news/2015/05/18/bursa-malaysia-commits-to-sustainable-stock-exchanges-initiative

UNCTAD. (2014). *Developing countries face $2.5 trillion annual investment gap in key sustainable development sectors, UNCTAD report estimates*. United Nations Conference on Trade and Development. https://unctad.org/press-material/developing-countries-face-25-trillion-annual-investment-gap-key-sustainable

UNCTAD. (2019). *Soaring Debt Burden Threatens Global Goals, Experts Warn.* United Nations Conference on Trade and Development. https://unctad.org/news/soaring-debt-burden-threatens-global-goals-experts-warn

UNDP. (2016). *Overview of Social Finance in Indonesia*. United Nations Development Programme.https://caps.org/content/other-research_doing-good&overview-social-finance-indonesia

UNICEF. (2019). *The State of the World's Children 2019: Children, Food and Nutrition, Growing Well in a Challenging World*. United Nations Children's Fund (UNICEF). https://www.unicef.org/media/106506/file/The%20State%20of%20the%20World%E2%80%99s%20Children%202019.pdf

UNPRI. (2022). *Signatory directory*. United Nations Principles for Responsible Investment. https://www.unpri.org/signatories/signatory-resources/signatory-directory

UOB. (2019). *UOB Annual Report*. https://www.uobgroup.com/AR2019/

Viegelahn, C., & Huynh, P. (2021). *COVID-19 and the ASEAN Labour Market: Impact and Policy Response* [Briefing note]. International Labour Organisation. http://www.ilo.org/asia/publications/issue-briefs/WCMS_816432/lang--en/index.htm

Volk, A. (2021). *Investing for Impact: The Global Impact Investing Market 2020*. International Finance Corporation, World Bank Group.

https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/impact-investing-market-2020

Watanabe, T., & Tanaka, Y. (2016). *Study of Social Entrepreneurship and Innovation Ecosystems in South East and East Asian Countries*. Inter-American Development Bank. https://publications.iadb.org/publications/english/document/Study-of-Social-Entrepreneurship-and-Innovation-Ecosystems-in-South-East-and-East-Asian-Countries-Country-Analysis-Republic-of-Singapore.pdf

Wood, D. (2020, July 13). Roles Foundations Play in Shaping Impact Investing. *Stanford Social Innovation Review*. https://ssir.org/articles/entry/roles_foundations_play_in_shaping_impact_investing

World Bank. (2019). *Ease of Doing Business Rank*. Doing Business Project, World Bank. https://data.worldbank.org/indicator/IC.BUS.EASE.XQ

World Economic Forum. (2013). *From the Margins to the Mainstream Assessment of the Impact Investment Sector and Opportunities to Engage Mainstream Investors*. A report by the World Economic Forum Investors Industries Prepared in collaboration with Deloitte Touche Tohmatsu. https://www3.weforum.org/docs/WEF_II_FromMarginsMainstream_Report_2013.pdf

Zhao, Y. (2020). A community-based theoretical framework for impact investment research. *Academy of Management Proceedings* (p. 19156). Briarcliff Manor, NY 10510: Academy of Management.