THE LANDSCAPE FOR IMPACT INVESTING IN SOUTHEAST ASIA
ACKNOWLEDGMENTS

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GLOBAL IMPACT INVESTING NETWORK

AUGUST 2018
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ANDE</td>
<td>Aspen Network of Development Entrepreneurs</td>
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<td>ANGIN</td>
<td>Angel Investment Network Indonesia</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>AVPN</td>
<td>Asian Venture Philanthropy Network</td>
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<tr>
<td>BKPM</td>
<td>Badan Koordinasi Penanaman Modal (Government of Indonesia’s Investment Agency)</td>
</tr>
<tr>
<td>DFI</td>
<td>Development Finance Institution</td>
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<tr>
<td>Edtech</td>
<td>Education Technology</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>Fintech</td>
<td>Financial Technology</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GDP (PPP)</td>
<td>Gross Domestic Product at Purchasing Power Parity</td>
</tr>
<tr>
<td>GIIRS</td>
<td>Global Impact Investing Rating System</td>
</tr>
<tr>
<td>GLI</td>
<td>Gender Lens Investing</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
</tr>
<tr>
<td>HNWI</td>
<td>High-Net-Worth Individuals</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IDR</td>
<td>Indonesian Rupiah</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IRIS</td>
<td>Impact Reporting &amp; Investment Standards</td>
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<tr>
<td>LP</td>
<td>Limited Partners</td>
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<tr>
<td>MFI</td>
<td>Microfinance Institution</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>OPIC</td>
<td>Overseas Private Investment Corporation</td>
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<tr>
<td>PII</td>
<td>Private Impact Investor</td>
</tr>
<tr>
<td>PMA</td>
<td>Perusahaan Penanaman Modal Asing</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>Standard &amp; Poor’s</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
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<tr>
<td>SEAF</td>
<td>Small Enterprises Assistance Fund</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>SROI</td>
<td>Social Return on Investment</td>
</tr>
<tr>
<td>SVLK</td>
<td>Sistem Verifikasi Legalitas Kayu (A certification for legally harvested timber and timber products)</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
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<tr>
<td>VAT</td>
<td>Value Added Tax</td>
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INDONESIA: AN INTRODUCTION TO THE IMPACT INVESTING LANDSCAPE
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ABOUT THIS REPORT

Motivation

Impact investing is a growing practice defined by its intent to generate positive social and environmental impact alongside a financial return. Impact investments are made across the globe, and developing economies provide ample opportunities for market-based solutions and investment capital to address social and environmental challenges. Southeast Asia is developing rapidly, but the region also faces social and environmental challenges that offer substantial potential for impact investments. Indeed, almost a third of impact investors invest in Southeast Asia, and 44% plan to grow their impact investing allocations to the region in the year ahead.\(^1\) The Landscape for Impact Investing in Southeast Asia report provides much-needed information about the impact investing market in Southeast Asia to inform investors already allocating capital or considering investing in the region.

This report provides detailed information about the investing activity and trends in 11 countries: Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. It outlines challenges and opportunities for impact investors and analyzes political and economic factors that may inform investment decisions in each country. The report comprises five chapters: an executive summary, three chapters examining Indonesia, the Philippines, and Vietnam in detail, and an overview of the region’s remaining countries.

Scope

Impact investments are defined as “investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.” This report presents analysis of impact investing activity among private impact investors (PIIs) and development finance institutions (DFIs) in Southeast Asia between 2007 and 2017. Only direct capital deployments made into enterprises or projects were included; indirect deployments were excluded to avoid double counting. Investors’ capital commitments and liquid assets were also excluded.

Methodology

Building on existing research, the report uses deal-level data to provide quantitative analysis of the impact investing landscape in Southeast Asia. Findings are based on interviews conducted with over 100 stakeholders, a thorough review of existing research, and aggregate analysis of 514 impact deals between 2007 and 2017.\(^2\)

More detailed information on methodology and scope is provided in the Executive Summary. All chapters of this report can be found at www.thegiin.org.

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2 The Research Team’s efforts focused on creating an exhaustive database of direct impact deals made in the region from 2007 to 2017.

**MARKET OVERVIEW**

Largest impact investing market in Southeast Asia, by both capital deployed and number of deals

Impact investing activity has significantly expanded since 2013

Vibrant ecosystem for impact investing, with many impact-focused business support providers

**DEAL SIZE**

**PIIs:** Local investors prefer to make deals below USD 500,000, while global investors operate between USD 1 and 5 million

**DFIs:** Most deals between USD 10 and 50 million

**SECTORS**

**PIIs:** Active across diverse sectors, with most deployments in financial services, agriculture, and services

**DFIs:** Mostly financial services, energy, and manufacturing

**INSTRUMENTS**

**PIIs:** 60% of all deals and 53% of all capital deployed as equity

**DFIs:** 76% of all deals and 92% of all capital deployed as debt

**IMPACT MEASUREMENT AND MANAGEMENT**

**PIIs:** Metrics based on globally accepted frameworks

**DFIs:** Use proprietary frameworks that reflect individual impact theses and sector strategies

**GENDER LENS INVESTING**

**PIIs:** USD 27.6 million deployed into five investments using a gender lens; other investors are scouting for opportunities

**DFIs:** Common to measure gender impacts across investments though intentional gender lens investing has not been explicitly employed to date

**KEY CHARACTERISTICS OF PII AND DFI IMPACT INVESTING ACTIVITY**

<table>
<thead>
<tr>
<th><strong>USD 148.8 MILLION</strong></th>
<th><strong>USD 3.6 BILLION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact capital deployed by PRIVATE IMPACT INVESTORS (PIIs)</td>
<td>Impact capital deployed by DEVELOPMENT FINANCE INSTITUTIONS (DFIs)</td>
</tr>
<tr>
<td>24 ACTIVE PIIs</td>
<td>6 ACTIVE DFIs*</td>
</tr>
<tr>
<td>58 DEALS</td>
<td>67 DEALS*</td>
</tr>
</tbody>
</table>

*Includes only direct DFI investments.
COUNTRY SUMMARY

Indonesia is the largest market for impact investing in the region in terms of the number of active investors, amount of impact capital deployed, and number of impact deals between 2007 and 2017. Private Impact Investors (PIIs), including at least 22 fund managers, several family offices, and one impact-focused angel network, have deployed USD 148.8 million across 58 deals, and six Development Finance Institutions (DFIs) have deployed over USD 3.6 billion in impact capital through 67 direct deals. Indonesia’s steady improvement in the World Bank’s Ease of Doing Business rankings and the World Economic Forum’s Global Competitiveness Index has reinforced investors’ strong expectations.

Considered in two phases, 2007 to 2013 and after 2013, the activity of PIIs in Indonesia has evolved substantially.

- **Between 2007 and 2013, PIIs had limited activity** with most investments flowing to enterprises in financial services and agriculture. This period also exhibited a substantial early-stage funding gap.

- **Since 2013, PIIs’ activity has drastically increased**, averaging over 13 impact deals per year, the highest for any country in the region. The funding gap for small investments at early stages has been partially filled by the formation and subsequent growth of an angel investment network and several incubators providing seed capital. Also since 2013, PIIs have invested in enterprises in non-traditional sectors, such as services, fisheries, and sustainable forestry.

- **As of the end of 2017, Indonesia had also seen increased interest in Gender Lens Investing (GLI)**, with at least five PIIs applying a gender lens. Some have deployed capital, while others are actively scouting opportunities.

**DFI activity has been more consistent since 2007**, with a primary focus on three sectors: financial services, energy, and manufacturing. DFIs’ objectives for investing in Indonesia fall into three categories:

1. **To support the creation of infrastructure to increase access to critical goods and services while creating large-scale employment.**

2. **To catalyze private capital through co-investments.** Research suggests that each dollar of allocated DFI capital leverages around three dollars of private capital.

3. **To pursue developmental outcomes in more remote areas, outside the more developed regions of Java and Sumatra where investment has been largely centered.**

**The ecosystem supporting impact investing has also evolved, leading to growing awareness of the field.** The country now has many impact-focused providers of business support, and relevant industry associations and networks are also active in Indonesia, including the Aspen Network of Development Entrepreneurs (ANDE) and the Asian Venture Philanthropy Network (AVPN).

Catalyzing the growth of impact investing in Indonesia further will require overcoming at least two significant challenges. First, impact investing depends on foreign capital because local investors and investing capabilities are missing. The market needs an ecosystem that builds the capabilities of local fund managers. Second, foreign investors should build local presence in the country to improve the effectiveness of sourcing and investing. Notwithstanding these challenges, the outlook for impact investing in Indonesia is positive, and many investors interviewed for this report expect to make impact deals in the near future. Investors in Indonesia have also been able to generate exits, validating the potential of investments in the country to offer both financial and social or environmental returns.
COUNTRY CONTEXT

Snapshot

FIGURE 1: SNAPSHOT OF INDONESIA’S ECONOMIC AND SOCIAL INDICATORS

ECONOMIC PERFORMANCE

USD 2.8 TRILLION
GDP (PPP) in 2016

USD 11,220
GDP (PPP) per capita in 2016

46%
contribution of services sector to GDP

91ST
Ease of Doing Business ranking

36TH
Global Competitiveness Index ranking

POSITIVES
Steady average annual growth rates in GDP off a large base
Consistent improvements in Ease of Doing Business and Global Competitiveness Index rankings
Drivers of growth include rising urbanization and a large base of domestic consumers

NEGATIVES
Regional inequalities in economic growth
Recent currency depreciation

SOCIAL PERFORMANCE

113TH
HDI Ranking

39
GINI coefficient

100TH
global ranking in achieving SDGs

84TH
Global Gender Gap Index ranking

HDI
for men significantly higher than for women

POSITIVES
Explicit government commitment to close the gender gap
Proactive involvement of the government in designing strategy to achieve SDGs

NEGATIVES
High income and gender inequalities
Limited access to formal financial institutions
High informal sector employment
Economic overview

GDP AND ECONOMIC GROWTH

Abundant in natural resources, Indonesia is the largest economy in Southeast Asia in terms of its Gross Domestic Product (GDP) at purchasing power parity (PPP). At USD 2.8 trillion, Indonesia is the eighth-largest economy in the world (Figure 2). In nominal terms, the IMF projects Indonesia will overtake many developed economies,¹ and the Asian Development Bank forecasts that Indonesia will maintain a growth rate around 5% in 2018. Most economic growth in the country has, however, been concentrated in two regions: Java (58% of GDP) and Sumatra (20%).⁴

![Figure 2: Gross Domestic Product – Purchasing Power Parity and Growth Rate](source: World Development Indicators)

The services and industrial sectors are critical to the Indonesian economy, contributing 45.9% and 40.3%, respectively to its GDP.⁵ The services sector also represents the largest share of employment in Indonesia.⁶ Its contribution to the country’s economy should only continue to expand, especially given the government’s commitment to increasing competitiveness in the sector in its 2015–2019 plan.⁷ Notable growth in the services sector can be attributed to the information and

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⁴ “Indonesia,” *The World Factbook*.

communication technologies (ICT) 2.7% contribution to Indonesia’s overall GDP in 2015. According to a market intelligence report, Indonesia’s ICT sub-sector is expected to grow at a CAGR of 12.2% between 2014 and 2018. The government wants to increase the contribution to GDP of travel and tourism, also important to recent growth, from 6.2% in 2016 to 8% by 2019.

The industrial sector contributes 21.0% of Indonesian employment, with manufacturing contributing 18.1% of Indonesia’s GDP. A third of this 18.1% can be attributed to the food and beverages industry, followed by metal goods, electronics and electronic equipment, transport equipment and chemicals, pharmaceuticals, and traditional medicines. The contributions of oil and gas, mining, agriculture, and other commodities to the Indonesian economy have declined due to low commodity prices.

Agriculture contributes 14% of Indonesia’s GDP and 32% of its workforce. Indonesia is the world’s largest producer of palm oil, cloves, and cinnamon, and it is the world’s second-largest producer of nutmeg, natural rubber, cassava, vanilla, and coconut oil. Many Indonesian communities have recently shifted from traditional agriculture to palm oil production, following global demand for the product. However, this increase not only threatens food security but also hastens the loss of Indonesian forest coverage and exacerbates land disputes. To counteract this, the Indonesian government is promoting the production of other crops. According to the Indonesian Ministry of Agriculture’s Strategic Plan for 2015 to 2019, the government intends to focus on improving the productivity of crops such as rice, soybean, sugar, chili, and onion, while also developing rural agro-industry.

FOREIGN DIRECT INVESTMENT AND EASE OF DOING BUSINESS

Foreign Direct Investment (FDI) into Indonesia has gradually increased over the last decade (Figure 3), a trend that will likely continue given the government’s commitment to improving its business environment. FDI inflows into Indonesia reached USD 29.3 billion in 2015, with the metal, machinery, electronics, and pharmaceutical sectors attracting the greatest investment. Singapore was the largest foreign investor into Indonesia, followed by Japan and China. As the economic center, Java received more than 50% of all FDI flowing into Indonesia.

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9 According to the Travel and Tourism Council.
Key drivers of FDI in Indonesia include the following:

- **Stable macro-economic environment and a favorable investment climate:** In 2017, both S&P Global and Fitch raised Indonesia’s credit rating from BB+ to BBB-, an added endorsement for foreign investors of Indonesian fiscal stability. Initiatives by the Investment Coordination Board, BKPM, may also increase future foreign investment. One barrier to foreign investment, however, is the time required to register as a Perusahaan Penanaman Modal Asing (PMA), or a foreign investment limited liability company, the legal entity through which foreign investors can conduct commercial activities in Indonesia. In 2016, to reduce the time required to complete the registration process, the BKPM set up a single window for the establishment of PMAs. The registration process is further expedited for investments exceeding USD 8 million or employing more than 1,000 local workers.

- **Large population and suitable demographics:** Indonesia’s 260 million people form a large consumer base, which, coupled with steady economic growth, has encouraged many foreign investors and corporations to consider expansion into Indonesia. With a median age of 30 years, Indonesia also has the advantage of a young workforce.13

- **Urbanization and rising consumption expenditures:** Rapid urbanization and a growing middle class in Indonesia have corresponded to increasing consumption expenditures. Twenty years ago, two-thirds of the country’s population resided in rural areas, while today more than half reside in urban areas. By 2050, the United Nations expects just one-third of Indonesians to reside in rural areas. Consumer spending has been a critical driver of the country’s growth, contributing 55.5% of Indonesia’s 2016 GDP.14

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14 “Population of Indonesia,” Indonesia Investments.
Continuous improvement in Ease of Doing Business ranking: Indonesia has steadily improved its position in the Ease of Doing Business index, jumping 19 places from 91 to 72 in 2018 after climbing 15 places the year prior. Indonesia still lags behind many neighbors, including Singapore, Malaysia, Thailand, Brunei, and Vietnam, yet its improvement suffices to keep the difficulty of the business environment from impairing FDI.

INFLATION AND CURRENCY RISKS

In comparison to many of its peers, Indonesian inflation has been both volatile and high over the past decade (Figure 4). Reduced subsidies on fuel, which have a multiplier effect on the prices of different goods in the economy, are one reason for high inflation in Indonesia. The Indonesian economy had long relied on high fuel subsidies. From 2010 to 2015, meanwhile, the Indonesian Rupiah (IDR) also depreciated more than 30% against USD. It has since stabilized.

FIGURE 4: INFLATION AND EXCHANGE RATE

Source: World Development Indicators
Social overview

HDI AND INCOME INEQUALITY

TABLE 1: SOCIAL DEVELOPMENT INDICATORS

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>INDONESIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIFE EXPECTANCY AT BIRTH</td>
<td>69.1</td>
</tr>
<tr>
<td>EXPECTED YEARS OF SCHOOLING</td>
<td>12.9</td>
</tr>
<tr>
<td>MEAN YEARS OF SCHOOLING</td>
<td>7.9</td>
</tr>
<tr>
<td>GNI PER CAPITA (PPP)</td>
<td>USD 11,220</td>
</tr>
</tbody>
</table>

Life expectancy at birth and GNI per capita (PPP) sourced from World Development Indicators. Expected years of schooling and mean years of schooling sourced from the Human Development Report.

Although Indonesia’s nominal GDP is highest in the region, it still falls in the medium human development category, with a Human Development Index (HDI) rank of 113th out of 188 countries and HDI score of 0.68, slightly lower than the 0.72 average for East Asia and the Pacific (Table 1: Social development indicators). The country scores below the regional average with respect to life expectancy at birth, expected years of schooling, and Gross National Income (GNI) per capita (PPP).

According to the World Bank, rising income inequality is a key social challenge in Indonesia; its GINI coefficient worsened from 30 in 2000 to 39 in 2016.\(^ {15} \) When adjusted for inequality, Indonesia’s HDI score falls to 0.56.\(^ {16} \)

GENDER EQUALITY STATUS

Gender inequality persists in Indonesia, which ranks 84th of 144 countries on the Gender Development Index.\(^ {17} \) While the HDI value for men in Indonesia is 0.71, women’s HDI is lower at 0.66. This value is also lower than the regional average in East Asia and Pacific for women (0.70).\(^ {18} \) A poor ranking for Indonesia in the Global Gender Gap Index derives primarily from inequalities in economic participation, opportunity, and educational attainment;\(^ {19} \) ADB estimates the raw wage gap between male and female employees in Indonesia is 31%.\(^ {20} \) The estimate is higher still for women working in low income brackets compared to those in high income brackets. In addition to inequality in economic opportunity, three to four million women in Indonesia face violence each year.\(^ {21} \)


\(^ {17} \) UNDP, “Indonesia,” Human Development Report.


In partnership with agencies such as UN Women, the Indonesian government is working to close the gender gap and has made three impact commitments: (1) reach at least 30% representation of women in Parliament and improve women’s representation in other decision-making processes; (2) reduce maternal mortality and improve vital access to reproductive health services; and (3) end violence against women and girls.  

**KEY DEVELOPMENT CHALLENGES AND PERFORMANCE ON THE SDGs**

Indonesia lags many of its regional peers, including Vietnam, Malaysia, the Philippines, Thailand, and Singapore, in achieving the SDGs; worldwide, it currently ranks 100th of 157 countries. According to the SDG Index, Indonesia is 62.9% of its way to achieving the best possible outcomes across the 17 goals. Indonesia’s low ranking indicates a holistic approach is needed, with several key areas for accelerating progress (Figure 5). Although the government has made concrete plans to achieve the SDGs, the existing development challenges suggest there is need for private impact capital.

**FIGURE 5: INDONESIA’S ACHIEVEMENT OF THE SDGs**

<table>
<thead>
<tr>
<th>Goal Area</th>
<th>SDG Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zero Hunger</strong></td>
<td>46.9%</td>
<td>Seven percent of the Indonesian population is undernourished, with high prevalence of stunted growth. More than 35% of children under five years of age are stunted.</td>
</tr>
<tr>
<td><strong>Affordable and Clean Energy</strong></td>
<td>64.8%</td>
<td>While 97% of the country’s population has access to electricity, most is generated by burning fossil fuels. Since Indonesia accounts for around 40% of total ASEAN energy consumption, the reliance on fossil fuels presents a barrier to sustainable growth.</td>
</tr>
<tr>
<td><strong>Reduced Inequalities</strong></td>
<td>60.2%</td>
<td>Indonesia has an extremely high GINI coefficient (39), and the ratio of the income of the richest 10% to the poorest 10% is 7.2.</td>
</tr>
<tr>
<td><strong>Sustainable Cities and Communities</strong></td>
<td>58.7%</td>
<td>Only 32% of Indonesia’s urban population has access to an improved water source. With growing urbanization likely to encompass around two-thirds of the total population, access challenges will amplify.</td>
</tr>
<tr>
<td><strong>Life Below Water</strong></td>
<td>44.5%</td>
<td>Indonesia scores poorly on both the clean water and fisheries indices. However, the country does protect considerably well against over-exploitation of its fish stocks.</td>
</tr>
<tr>
<td><strong>Life on Land</strong></td>
<td>44.2%</td>
<td>The annual change in forest cover in Indonesia is around 12%, driven both by unsustainable agricultural practices like palm oil production and by rapid urbanization.</td>
</tr>
<tr>
<td><strong>Industry, Innovation and Infrastructure</strong></td>
<td>25.4%</td>
<td>Only 22% percent of the country’s population uses the internet, and R&amp;D expenditures as a percentage of GDP are only 0.1%.</td>
</tr>
<tr>
<td><strong>Partnerships for the Goals</strong></td>
<td>46.5%</td>
<td>Government expenditure on health and education is only around 6.1% of GDP. In addition, tax revenue as a percentage of GDP is only 11%.</td>
</tr>
</tbody>
</table>

22 “Ir. H. Joko Widodo,” *HeForShe.*


THE SUPPLY OF IMPACT CAPITAL IN INDONESIA

Overview
Indonesia’s impact investing ecosystem is the most mature in the region, with PIIs deploying USD 148.8 million across 58 deals over the past decade. Both capital deployed by PIIs and the number of deals have increased since 2013, before which a gap in early-stage funding limited activity. Sectors attracting the most PII interest have included financial services, agriculture, workforce development, and fisheries.

DFIs have been consistently active in Indonesia over the last decade, cumulatively deploying more than USD 3.6 billion in impact capital through 67 deals. Most DFI investments have been concentrated in three sectors: financial services, energy, and manufacturing. DFIs have primarily invested through debt investments that can create large-scale employment while also catalyzing private, co-invested, impact-agnostic capital.
Private impact investors

OVERVIEW

Indonesia is the most mature market for impact investing in Southeast Asia, with a wide, active range of local, regional, and global PIIs (Figure 6).

FIGURE 6: OVERVIEW OF PIIs IN INDONESIA

24 ACTIVE PIIs HAVE DEPLOYED OVER USD 148 MILLION

LOCAL PRESENCE
Only seven investors have a full-time local presence
Locally present investors make more and smaller deals

DEAL SIZE
Most deals were between USD 1 and 5 million
Access to early-stage funding, previously lacking, is slowly improving

SECTORS
Financial services and agriculture see highest volume of activity
Up-and-coming sectors include services, fisheries, and sustainable forestry

INSTRUMENTS
Equity dominates in terms of both number of deals and capital deployed
Debt deals primarily in financial services and agriculture

IMPACT MEASUREMENT
Most investors use tailored impact metrics inspired by IRIS and other globally accepted metric sets
Ease-of-use an important criterion

RETURN EXPECTATIONS AND EXITS
Most investors target risk-adjusted, market-rate returns
One instance of an equity exit through a trade sale

Source: Intellecap Advisory Services analysis

At least 22 fund managers, several family offices, and one impact-focused angel network have actively deployed impact capital into the country. A number of other PIIs are scouting the country for investment. Organizations such as transaction advisors and a few incubators and accelerators help channel PII investments into high-impact sectors.
Over 90% of PII deals in Indonesia have been made since 2013 (Figure 7), with an average of 13 impact deals per year. Two primary factors contributed to this expanding deal activity: (1) from 2013 onward, Indonesia’s impact-focused angel network intensified its activity and (2) from 2014 onward, global PIIs displayed increasing interest in investing in Indonesia because of its growing consumer base and range of social challenges.

Like other countries in the region, Indonesia has also seen a gradual transition from debt deals in the financial services and agricultural sectors to equity investments in a more diverse range of sectors, including sustainable forestry and manufacturing. Prior to 2014, all deals in Indonesia were in the financial services and agricultural sectors, and about 60% were made through debt. However, from 2014 onwards, PIIs in Indonesia have invested in a wider range of sectors—including manufacturing, fisheries, sustainable forestry, and financial services—that lend themselves to equity investments.
LOCAL PRESENCE

Although having a local presence greatly enables the investment process, only seven of 24 active PIIIs in Indonesia have a local presence (Figure 8). Most impact capital deployed in Indonesia by PIIIs without a local presence has come from the United States, the Netherlands, Singapore, and Belgium. Investors often this approach due to the relative costs of having a full-time presence to the volume of deals. Several investors based in Singapore typically use a fly-in, fly-out model during their investment process to build relationships with their investees and provide required support.25

Without a local presence, investors source investees through business plan competitions, incubators, accelerators, and personal networks. Relative to the Philippines and Vietnam, Indonesia’s mature impact investing ecosystem mitigates the limitations derived from lacking a local presence. The strength of ecosystem actors in Indonesia leads many global investors to feel comfortable sourcing their deals without a local presence. However, as many of these ecosystem players are concentrated in urban areas, this approach could potentially limit pipeline breadth.

Investors with a local presence in Indonesia express more confidence about sourcing deals and potential pipeline. Having a local presence reduces the costs of due diligence and shortens the investment process. Many investors without a local presence, on the other hand, co-invest with local partners to provide post-investment support, especially in sectors that require high-touch support.26

FIGURE 8: INVESTORS WITH AND WITHOUT A LOCAL PRESENCE

<table>
<thead>
<tr>
<th></th>
<th>PIIIs WITH A LOCAL PRESENCE</th>
<th>PIIIs WITHOUT A LOCAL PRESENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF INVESTORS</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>PERCENT OF DEALS</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>PERCENT OF CAPITAL DEPLOYED</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>AVERAGE DEAL SIZE (USD MILLIONS)</td>
<td>1.1</td>
<td>1.6</td>
</tr>
<tr>
<td>MEDIAN DEAL SIZE (USD MILLIONS)</td>
<td>1.1</td>
<td>1.5</td>
</tr>
<tr>
<td>AVERAGE NUMBER OF DEALS</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Intellecap Advisory Services analysis

25 Given the emergence of low-cost airline service in Southeast Asia, many regional investors fly into Indonesia from their headquarters throughout the investment process, including when sourcing pre-investment and when providing high-touch support post-investment.

26 For instance, in 2015, Aqua-Spark, a fund based in the Netherlands, co-invested with Ideosource in an aquaculture company. Similarly, Aavishkaar, a PII with a local presence, co-invested with the RaboBank Rural Fund, a Dutch social impact fund without a full-time local presence, in PT Bali Sea Food.
**DEAL SIZE**

Impact investors in Indonesia are active across a wide range of deal sizes (Figure 9). Unlike other countries in the region, Indonesia has made some progress in closing the early-stage funding gap. Over 80% of the deals under USD 500,000 have been made since 2014.

**FIGURE 9: IMPACT CAPITAL DEPLOYED BY PIIs, BY DEAL SIZE**
USD 148.8 MILLION IN 58 DEALS

A few seed and early-stage investors, including the impact-focused Angel Investment Network Indonesia (ANGIN), have closed the vast majority of deals smaller than USD 500,000 in Indonesia (Figure 10). ANGIN has mostly invested in enterprises led by local Indonesian entrepreneurs. Meanwhile, several incubators have set up venture capital arms to provide seed capital to selected enterprises from their cohorts. All investors in this range of ticket size also provide their investees with high-touch, non-financial support in areas including business planning, access to networks, advice on governance, and mentoring of management.

All PIIs making deals in Indonesia between USD 500,000 and 5 million (accounting for 40% of transactions) are headquartered outside the country. Such investors attributed their preference for larger investments to the relatively high sourcing, due diligence, and transaction costs associated with smaller deals compared to larger ones. In terms of sector, two-thirds of these deals have been in either agriculture or financial services.
Among deals larger than USD 5 million, the greatest amount of capital deployed towards **environmental impact**, in sectors such as sustainable fisheries and forestry. While comparatively new for impact investors in Indonesia, investors see large potential in the forestry sector given the country’s dependence on timber and other forest products and growing awareness of the need to adopt sustainable forest harvesting practices. This growing awareness has also translated to a national certification system referred to as the SVLK (Sistem Verifikasi Legalitas Kavu) which verifies the legality of timber products. This certification is recognized by the European Union to allow Indonesia to export over USD 1 billion of timber products without requiring importers to conduct further due-diligence.

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PIIs in Indonesia have deployed the most impact capital and made the most deals in the financial services sector (Figures 11 and 12), dominated by two types of investments:

- **Investments into microfinance and SME-lending institutions**: Microfinance has long been an active sector within the Indonesian impact investing ecosystem. Deals in this sector, which seek to grow investees’ lending portfolios, have mostly been made by European investors through debt. Most of this capital has been invested in microfinance institutions (MFIs) and SME-lending institutions with substantial track records.
• **Investments into financial technology**: Almost 40% of deals in the financial services sector have been directed towards fintech enterprises, especially crowdfunding platforms. Investments have been made across multiple growth stages, with investees raising between USD 100,000 and USD 1.5 million. Almost all of these deals were made as equity investments, with a majority occurring in 2015 and 2016.

**Agriculture has also been a consistent sector of focus for PIIs**, comprising 27% of all deals and 10% of all impact capital deployed in Indonesia. Deals in agriculture have targeted key Indonesian products, such as coffee and cacao. Most debt investments in agriculture have targeted cooperatives, whereas equity deals have targeted enterprises that work closely with farmers to provide them end-to-end support, including processing and market linkages.

**FIGURE 12: IMPACT CAPITAL DEPLOYED BY PIIs, BY SECTOR**
USD 148.8 MILLION IN 58 DEALS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capital deployed (USD millions)</th>
<th>Number of deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services</td>
<td>45.6</td>
<td>16</td>
</tr>
<tr>
<td>Forestry</td>
<td>25.0</td>
<td>2</td>
</tr>
<tr>
<td>Energy</td>
<td>22.5</td>
<td>1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>14.0</td>
<td>16</td>
</tr>
<tr>
<td>Education</td>
<td>8.2</td>
<td>3</td>
</tr>
<tr>
<td>Fisheries</td>
<td>4.6</td>
<td>4</td>
</tr>
<tr>
<td>Workforce development</td>
<td>4.2</td>
<td>8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.4</td>
<td>3</td>
</tr>
<tr>
<td>WASH</td>
<td>0.8</td>
<td>2</td>
</tr>
<tr>
<td>Healthcare</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Others*</td>
<td>20.3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Average deal size</strong></td>
<td><strong>2.8</strong></td>
<td><strong>12.5</strong></td>
</tr>
</tbody>
</table>

Average deal size (USD millions)

2.8 12.5 22.5 0.9 2.7 1.1 0.5 1.1 0.4 0.1 10.3

**Note**: Others include infrastructure-related investments.
**Source**: Intellecap Advisory Services analysis

**Emerging sectors in Indonesia include sustainable fisheries, workforce development, and education**. Investments in fisheries and aquaculture gained some momentum, with investments in 2015 and 2016. Workforce development and education had the most deals in 2016 and 2017. Social entrepreneurs in the workforce development sector typically provide market linkages to marginalized artisans and handicrafts producers or create employment opportunities for marginalized individuals by including them in their supply chains. Many such business models use ICT for service delivery and thus could scale rapidly. All investments in education have been in ed-tech business models.
**INSTRUMENTS**

Debt accounts for 40% of all deals and 47% of all capital deployed by PIIs (Figure 13). Almost three-quarters of debt deals were in the agriculture or financial services sectors, providing working capital for cooperatives or increasing the portfolios of MFIs and other financial institutions. More than 95% of debt deals were made by investors without a local presence, as these investors see debt as mitigating the perceived risks of investing in emerging markets remotely. By contrast, investors with a local presence express having more ability to take risks and therefore leverage equity.

**FIGURE 13: IMPACT CAPITAL DEPLOYED BY PIIs, BY INSTRUMENT**
USD 148.8 MILLION IN 58 DEALS

Equity deals, which account for 53% of impact capital deployed in Indonesia, have been predominantly concentrated in scalable sectors such as fintech, workforce development, and education technology. Most of these business models are asset-light, using ICT to enable service delivery. Some PIIs have also invested equity in agricultural and energy enterprises. Notably, most equity deals have been made since 2015, as investor confidence has grown due to the introduction of a one-stop service for foreign investors and the government’s explicit commitment to enhance the country’s infrastructure.29 Despite this, the government frequently revises the negative foreign investment list, thus maintaining some investor skepticism of its long-term applicability across sectors.

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29 The one-stop service has been created to smooth and simplify licensing procedures for investment projects. Investors need not visit various ministries or government agencies to obtain necessary permits, simply turning instead to BKPM’s one-stop service center. “Indonesia’s One-Stop Investment Licensing Service at BKPM Launched,” Indonesia Investments, January 27, 2015. https://www.indonesia-investments.com/news/todays-headlines/indonesia-s-one-stop-investment-licensing-service-at-bkpm-launched/item5256.
**IMPACT MEASUREMENT**

PIIs in Indonesia, in collaboration with their Limited Partners (LPs), have designed customized frameworks for impact measurement. Most PIIs use IRIS to identify appropriate metrics for impact reporting, while others use other globally accepted metrics and tools, such as GIIRS and SROI. ANGIN and the Mercy Corps Social Venture Fund, for example, have developed thorough log frameworks through which their investees report impact.\(^{30}\)

However, investors explained that their investees often require support in impact reporting. Citing cost, few undertake detailed impact assessments through third-party evaluators.

**RETURN EXPECTATIONS AND EXITS**

Most impact investors in Indonesia expect market-rate returns from their investments. Very few indicated willingness to compromise on financial returns, even in cases with substantial potential for increased social impact. Those few investors that are willing to take lower financial returns for substantial social impact have channeled capital from individuals and have no institutional LPs.

Prior to 2016, no impact investors had disclosed exits.\(^{31}\) The January 2018 exit of Patamar, a local fund manager from MAPAN (previously known as Ruma), was therefore a landmark event for Indonesia’s impact investing ecosystem. MAPAN, acquired from Patamar by Go-Jek, Indonesia’s largest food delivery business, leading digital wallet provider, and transport provider, offers microfinance services to clients from low-income communities and helps its customers develop financial literacy.\(^{32}\) While this was the first disclosed exit in Indonesia, investors expressed optimism about exit potential, mostly through strategic sales to larger corporations operating in the same sectors as their investees. Early-stage investors are also optimistic about secondary sales to larger PIIs.

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30 A log framework–based impact assessment model illustrates an investee's operations in a simple, logical, linear flow, illustrating the impact and outcome objectives and the activities that will lead to this desired impact. Besides allowing assessment of impact created, it also allows an investee to analyze and improve efficiencies across its work streams. Angel Investment Network Indonesia (ANGIN), Social Finance and Social Enterprises, A New Frontier for Development in Indonesia (Jakarta: UNDP, 2016), 29–38, http://www.id.undp.org/content/dam/indonesia/2017/doc/INS-SF%20Report2%20ANGIN.PDF.

31 ANGIN, Social Finance and Social Enterprises.

Development finance institutions

OVERVIEW

Over the past decade, Indonesia has seen more deals and impact capital deployed by DFIs than any other country in the region. DFIs have catalyzed impact investment in Indonesia, laying the groundwork for PIIs to invest and support early-stage investments.

FIGURE 14: OVERVIEW OF DFIs IN INDONESIA

SIX DFIs WITH DIRECT INVESTMENTS WORTH USD 3.6 BILLION

DEAL SIZE
Most deals between USD 10 million and USD 50 million
No investments below USD 1 million

SECTORS
Key sectors include financial services, energy, and manufacturing
Other sectors account for less than 20% of all capital deployed

IMPACT MEASUREMENT
Reporting both expected and actual impact
Publicly released reports

INSTRUMENTS
92% of impact capital deployed through debt
Debt deals are almost four times the size of equity deals, on average

Source: Intellecap Advisory Services analysis

Since 2007, six DFIs have invested over USD 3.6 billion in impact capital through 67 direct deals (Figures 14 and 15), around 68% was deployed by the International Finance Corporation (IFC) alone.

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This analysis has been restricted to direct deals, although many DFIs in Indonesia channel impact capital through indirect deals (mostly through fund managers).
FIGURE 15: IMPACT CAPITAL DEPLOYED BY DFIs, BY YEAR
USD 3.6 BILLION IN 67 DEALS

Note: Outliers include four deals above USD 250 million.
Source: Intellecap Advisory Services analysis

DEAL SIZE

Over 40% of DFI investments have been between USD 10 and 50 million (Figure 16). Of investments in this range, over 60% have been in either the manufacturing or financial services sectors by number and value. The average deal size for DFI investments in Indonesia is USD 33 million without outliers and USD 49 million including outliers.34

34 Outliers include DFI deals of sizes greater than USD 250 million.
Unlike in Vietnam and the Philippines, DFIs have made no investments in Indonesia smaller than USD 1 million. Moreover, seven large DFI deals have exceeded USD 100 million; these are primarily in financial services or renewable energy, including geothermal and wind energy. All seven were debt investments made by the IFC, the Overseas Private Investment Corporation (OPIC), or the Asian Development Bank.

**Figure 17: DFI Investment Sectors and Trends, by Deal Size**

<table>
<thead>
<tr>
<th>DEAL SIZE (USD MILLIONS)</th>
<th>≤ 1</th>
<th>&gt; 1 – 10</th>
<th>&gt; 10 – 50</th>
<th>&gt; 50 – 100</th>
<th>&gt; 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMON SECTORS</td>
<td>No deployments</td>
<td>Equal mix of diverse sectors</td>
<td>Energy, manufacturing, and financial services</td>
<td>Financial services and mostly for SME on-lending</td>
<td>Financial services and energy</td>
</tr>
<tr>
<td>TRENDS</td>
<td>No deployments</td>
<td>Roughly equal mix of both debt and equity investments</td>
<td>Most deployments in this investment size</td>
<td>Deployments by two DFIs with more than 90% investments in debt</td>
<td>All debt investments</td>
</tr>
</tbody>
</table>

Source: Intellecap Advisory Services analysis
SECTORS

More than 80% of all DFI investments in Indonesia have been in the financial services, energy, and manufacturing sectors (Figure 17), mostly channeled into two types of projects: (1) those with capital requirements that private impact investors may be unable to meet and (2) investments that have an expected multiplier effect on Indonesia’s economic development. Given the importance of increasing access to finance for micro, small, and medium-sized Enterprises (MSMEs), DFIs have channeled a large share of their total deployed impact capital to financial institutions catering specifically to this segment. Investments in energy have focused on large renewable energy projects. Investments in the manufacturing sector have focused on two sub-sectors: automobile manufacturing and food processing.

FIGURE 18: NUMBER OF DFI DEALS IN KEY SECTORS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Deals</th>
<th>Total Percentage of Total Deals</th>
<th>Average Deal Size</th>
<th>Median Deal Size</th>
<th>Most-invested Models</th>
<th>Preferred Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>25</td>
<td>37%</td>
<td>USD 74.3 million</td>
<td>USD 42.5 million</td>
<td>SME lending institutions</td>
<td>Almost 80% of deals as debt</td>
</tr>
<tr>
<td>Energy</td>
<td>15</td>
<td>22%</td>
<td>USD 64.0 million</td>
<td>USD 18.0 million</td>
<td>Renewable energy, with a few natural gas projects</td>
<td>Around 60% of deals as debt</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>14</td>
<td>21%</td>
<td>USD 30.8 million</td>
<td>USD 20.0 million</td>
<td>Automobile manufacturing and food processing</td>
<td>All debt deals</td>
</tr>
</tbody>
</table>

Source: Intellecap Advisory Services analysis
DFIs have made very few direct investments in sectors other than financial services, energy, and manufacturing (Figure 18), with just three deals into workforce development and agriculture (including farmer aggregation and near-farm processing models), respectively.

**FIGURE 19: IMPACT CAPITAL DEPLOYED BY DFIs, BY SECTOR**
USD 3.6 BILLION IN 67 DEALS

![Capital deployed by sector](image)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Capital deployed (USD millions)</th>
<th>Average deal size (USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services</td>
<td>1,859.9</td>
<td>74.3</td>
</tr>
<tr>
<td>Energy</td>
<td>959.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>431.4</td>
<td>30.8</td>
</tr>
<tr>
<td>Services</td>
<td>89.7</td>
<td>29.9</td>
</tr>
<tr>
<td>Construction</td>
<td>50.3</td>
<td>50.3</td>
</tr>
<tr>
<td>Agriculture</td>
<td>48.2</td>
<td>16.1</td>
</tr>
<tr>
<td>Education</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Others*</td>
<td>136.5</td>
<td>27.3</td>
</tr>
</tbody>
</table>

Note: Others include investments in sustainable forestry, ICT, and water and sanitation.
Source: Intellecap Advisory Services analysis

**INSTRUMENTS**

Three-quarters of DFI deals and over 90% of DFI capital have been deployed as loans to enterprises. These investments catalyze private capital—both impact and impact-agnostic—to flow into sectors that contribute to economic growth and which have seen historically low levels of investment. This happens in two ways: (1) DFIs’ willingness to extend financing sends a positive signal to other investors, helping investees raise additional capital, and (2) many DFIs only invest in a project if other, private-sector financial institutions commit to making a certain portion of the investment. In addition, many DFIs also channel capital indirectly, mostly through fund managers; this capital has been excluded from the analysis to avoid double counting.

DFIs tend to structure larger investments as debt, since most of these projects offer the promise of steady returns but present limited opportunities to scale. Consequently, the average ticket size of debt deals is almost four times higher than that of equity deals (Figure 19).
FIGURE 20: IMPACT CAPITAL DEPLOYED BY DFIs, BY INSTRUMENT
USD 3.6 BILLION IN 67 DEALS

Note: One deal of USD 41 million was made with an unknown instrument.
Source: Intellecap Advisory Services analysis

IMPACT MEASUREMENT

Most DFIs operating in Indonesia use the same customized standards and frameworks to assess impact that they use across their countries of operation. DFIs prefer to align these frameworks with their impact theses and the characteristics of particular investments, often using globally accepted performance metrics like IRIS and GIIRS. Example frameworks used by DFIs active in Indonesia include the following:

- **Corporate Policy Project Rating**: Developed by DEG, this rating captures profitability, development impact, and the DFI’s strategic role using indicators such as profit, employment generated, government revenue, net currency effects, and additional value-added benefits to communities.

- **Development Outcome Tracking System**: Developed by the IFC across countries, this system captures an investment’s financial, social, economic, and environmental performance. It includes detailed quantitative metrics, such as the number of patients treated and the number of households obtaining electricity due to an investment.
RETURN EXPECTATIONS AND EXITS

DFIs’ return expectations vary based on a combination of factors including risk, impact potential, and alignment with their priorities. Both financial and social return expectations reflect a DFI's mandate and its impact thesis, and both can vary from sector to sector within the same country, depending on several factors besides risk. Consequently, high-risk investments may not necessarily have high expected returns. In Indonesia, DFIs have pursued below-market returns even in high-risk projects, when mandated to stimulate a certain sector based on impact potential and alignment with the DFI’s impact thesis. Return expectations also depend on negotiations with the investee, the source of capital, and, in some cases, the program under which the DFI is investing.

Gender lens investing

OVERVIEW

Indonesia has the most gender lens investors of any country in the region. Among at least five investors committed to Gender Lens Investing (GLI), as of the end of 2017, three have deployed USD 27.6 million into nine deals using a gender lens, and the others are scouting for opportunities (Figure 20).

LP intent is key in directing capital with a gender lens. In some cases, PIIIs have launched funds specifically to align with LP intent to invest with a gender lens. Some local LPs have also joined together to channel capital using a gender lens. For instance, the ANGIN Women Fund was established by 15 Indonesian women HNWIs to support and invest in businesses led or owned by female entrepreneurs or that have business models that positively impact women. PIIIs have deployed all GLI deals made to date.
GENDER LENS INVESTING COMPRISSES TWO BROAD CATEGORIES

Investing with the intent to address gender issues or promote gender equity, including by:

• investing in women-owned or -led enterprises;
• investing in enterprises that promote workplace equity (in staffing, management, boardroom representation, and along their supply chains); or
• investing in enterprises that offer products or services that substantially improve the lives of women and girls.

And/or investing using:

• a process that focuses on gender, from pre-investment activities (e.g., sourcing and due diligence) to post-deal monitoring (e.g., strategic advisory and exiting); or
• a strategy that examines and manages an investee in line with the investor’s mandate and intentions with respect to:
  1. their vision or mission to address gender issues;
  2. their organizational structure, culture, internal policies, and workplace environment;
  3. their use of data and metrics for the gender-equitable management of performance and to incentivize behavioral change and accountability; and
  4. how their financial and human resources signify overall commitment to gender equality.

ACTIVITIES OF GENDER LENS INVESTORS IN INDONESIA

In Indonesia, the financial services, agricultural, and workforce development sectors have seen GLI activity. Deals in financial services seek to increase MFIs’ reach to female borrowers, while agricultural deals target coffee cooperatives that primarily employ female workers. Investments in the workforce development sector target women-led or -owned businesses.
TABLE 2: GENDER LENS INVESTING IN INDONESIA

<table>
<thead>
<tr>
<th>KEY STRATEGIES USED</th>
<th>NUMBER OF INVESTORS</th>
<th>NUMBER OF DEALS*</th>
<th>CAPITAL DEPLOYED (USD MILLIONS)</th>
<th>INSTRUMENT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investing in women-led or women-owned businesses</td>
<td>2</td>
<td>6</td>
<td>3.4</td>
<td>Debt and equity</td>
<td>These investments have been into women-owned enterprises, including women-owned coffee cooperatives.</td>
</tr>
<tr>
<td>Investing in enterprises that promote workplace equity</td>
<td>2</td>
<td>4</td>
<td>17.1</td>
<td>Debt</td>
<td>All these investments have been in financial institutions that have women in senior management.</td>
</tr>
<tr>
<td>Investing in enterprises that provide women with access to critical goods and services</td>
<td>2</td>
<td>4</td>
<td>24.3</td>
<td>Debt</td>
<td>These investees have a specific focus on providing women from rural areas with access to finance.</td>
</tr>
</tbody>
</table>

Note: Since some deals promote gender equality through a mix of strategies, the number of deals above sums to more than nine.
Source: Intellecap Advisory Services analysis

Ticket sizes and instruments vary according to the sector of investment, with the largest deals in financial services. The average ticket sizes for investments in financial services, agriculture, and workforce development have been USD 8 million, USD 1 million, and USD 100,000, respectively. While both financial services and agriculture have seen only debt GLI, investments in workforce development have been structured as equity.

The most common strategies used by gender lens investors in Indonesia include providing critical goods and services to women and supporting women-led and -owned businesses. Investors following the first strategy have invested primarily in the financial services and agricultural sectors, while the second strategy encompasses a wide range of sectors. To track gender impact, gender lens investors typically use a variety of data points, such as number of female customers, retention rate of female employees, and number of women employed from disadvantaged backgrounds.

Besides capital, gender lens investors provide particularly proactive support and mentorship to help their investees scale. For example, the ANGIN Women Fund has provided training to more than 100 women-led businesses. Similarly, Patamar Capital, with support from Investing in Women, an initiative of the Australian government, and in partnership with Kinara Indonesia, started an accelerator program in 2017 for women-led businesses that address food security.
**CHALLENGES AND WAY FORWARD**

Investors in Indonesia highlighted some critical barriers to their adoption of a gender lens, including the following:

- **Lack of awareness**: Most investors who do not use a gender lens perceive GLI as involving either intentionally or unintentionally positively impacting women. Such investors are neither aware of the centrality of intent to GLI frameworks nor of the value of gender data collection in both pre-investment due diligence and post-investment monitoring.

- **Perception of a limited pipeline**: Since most PIIs in Indonesia operate without a local presence, they depend on third-party players to identify opportunities in the ecosystem. Few intermediaries specifically support female entrepreneurs or enterprises working towards addressing gender issues, so investors perceive the pipeline of potential investees as limited.

- **High perceived risk and limited incentives to adopt a gender lens**: The lack of exits from enterprises that benefit women and limited availability of performance data has resulted in higher perceived risk regarding GLI. While lack of evidence hampers the entire impact investing industry, GLI further limits the universe of potential deals, which aggravates the problem. Some investors hence expressed belief that donors or the government could build the required evidence base by supporting GLI through blended finance mechanisms or first-loss guarantees.

These barriers notwithstanding, GLI is gaining traction in Indonesia. In January 2018, Patamar Capital made its first investment, estimated in the range of USD 200,000 to USD 300,000 through its exclusively gender-focused fund. Patamar attracted co-investment from other investors, namely Insignia Ventures and local HNWIs, and the fund anticipates making another six to eight such investments by July 2019. The SEAF Women’s Opportunity Fund and global initiatives, such as OPIC’s 2X, also support GLI in Indonesia.

**UNINTENTIONAL GENDER IMPACT IN INDONESIA**

Although GLI is a comparatively new concept for investors in Indonesia, other more traditional impact investments in the country inherently benefit women and girls in various ways, which highlights the potential pipeline for gender lens investors. For instance, although DFIs typically have no explicit gender-related impact mandate, much DFI capital in Indonesia has been channeled toward manufacturing, especially textiles and food processing. Through these investments, DFIs help create jobs for women. Similarly, DFI investments in microfinance have provided many women with access to finance, although such investments have generally had a broader impact thesis than female empowerment.

Even if not using a gender lens during the investment process, many PIIs consider gender impact after investment, with some including gender-disaggregated data in impact reports. Mercy Corps Social Venture Fund, for example, which has investments in Indonesia, reports impact on women in its broader report.

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36 Maheshwari, “Patamar Makes Investment in SayurBox.”

THE LANDSCAPE OF DEMAND FOR IMPACT CAPITAL

A vibrant range of stakeholders in Indonesia address socio-economic and environmental challenges, including social enterprises, NGOs, cooperatives, and select small and medium-sized enterprises (SMEs). Entrepreneurship aiming to address social and environmental challenges is evolving to take advantage of market opportunities, especially given the large consumer base and rising social and income inequality. Recently, the increased availability of ancillary support and demonstrated exits have further increased the popularity of mission-driven entrepreneurship, which suggests growing demand for impact capital. Concerning the broader ecosystem of SMEs beyond social enterprises, the IFC estimates that 700,000 SMEs in Indonesia cumulatively contribute 22% of the country’s GDP and employ around 90% of its population, thus offering great potential to drive development. In addition to SMEs and social enterprises, there are an estimated 3,000 NGOs active in Indonesia.

Overview

Although social entrepreneurship in Indonesia dates to the early 2000s, it has greatly increased over the last decade, with more than 80% of social enterprises in Indonesia established since 2012. After political changes in 1998, Indonesia entered a phase of reform to decentralize power and enable more private sector activity. During this transition, many MSMEs began to build inclusive supply chains, which slowly started to employ most of the country’s population. Eventually, many enterprises would perceive marginalized communities as potential consumers for a diverse range of critical goods and services, such as access to finance.

Since 2012, social entrepreneurs in Indonesia have demonstrated interest in a wide range of sectors, most commonly agriculture. While estimates of the number of active social enterprises may differ, about 55% are in the agricultural sector, operating mostly in yield enhancement, supply-chain management, and food processing. Given the large extent of financial exclusion in the country, the financial services sector presents another substantial market opportunity. Around 20% of social enterprises operate in the financial services sector, with several newer enterprises delivering technology solutions. Other key sectors include healthcare (10%), education (10%), and fisheries and aquaculture (5%). Since most social enterprises have been formed within the past five years, an estimated 70% are at the seed stage.

Notwithstanding Indonesia’s large gender gap, women are integral to Indonesia’s development. A quarter of social enterprises have a female founder, and women own 51% percent of small

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40 The resignation of President Suharto.
41 ANGIN, Social Finance and Social Enterprises.
42 ANGIN, Social Finance and Social Enterprises.
43 ANGIN, Social Finance and Social Enterprises.
44 WEF, Global Gender Gap Report.
enterprises and 34% of medium-sized enterprises in Indonesia. Several women-led social enterprises in Indonesia have successfully scaled, including Krakakoa, Vox, Burgreens, and Javara. Moreover, 16% of women-led MSMEs reported profitability, compared to 12% of men-led MSMEs.45

Access to capital

According to ANGIN, just 10% of social enterprises in Indonesia are investment-ready. Many started as NGOs and are now looking to transition into for-profit social enterprises. Twenty percent of social enterprises will be able to absorb capital if they receive some form of capacity-building support. Another 70% are not expected to become fundable.

Most MSMEs in Indonesia rely on retained earnings or personal income for finance; only 3% of entrepreneurs have raised capital from private investors. Twenty-eight percent of MSMEs identified lack of capital as the biggest constraint on their growth.46 In the absence of sufficient retained earnings, entrepreneurs rely on personal savings and bank loans, which are typically only available to those enterprises that can provide collateral. Just 1% of SME loans in Indonesia are collateral-free at higher interest rates. Another key barrier to raising capital from commercial banks is a complicated loan application process, that involves supporting documentation such as project reports and future financials, as well as requisite legal documents.47 Interestingly, 40% of female borrowers cite complicated procedures as a hindrance to accessing capital, compared to 28% of male borrowers. According to IFC estimates, women-owned SMEs in Indonesia face a cumulative funding gap of USD 6 billion.48

Challenges to growth

In addition to lack of access to finance, various challenges hinder early-stage social enterprises in Indonesia from scale, including:

• High logistics costs and limited access to markets: Indonesia’s dispersed geography requires expensive transportation and deters growth, especially for enterprises in manufacturing or agriculture.

• High cost of labor: Entrepreneurs with social or environmental missions often find limited availability of skillsets, particularly for middle-management positions. When available, skilled human resources are expensive.49

• Limited access to raw materials: Nineteen percent of MSMEs in Indonesia find that access to raw materials—due to poor resource quality, volatile prices, unavailability in local markets, or high transport and fuel costs—is a challenge to their growth.50 This challenge is particularly acute in the food processing industry, where volatility in the quality and price of raw fruits and vegetables is high.

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45 Japhta et al., Women-Owned SMEs in Indonesia.
47 Japhta et al., Women-Owned SMEs in Indonesia.
48 Japhta et al., Women-Owned SMEs in Indonesia.
49 Burger et al., Reforming Policies for Enterprises in Indonesia.
50 Burger et al., Reforming Policies for Enterprises in Indonesia.
THE ENABLING ECOSYSTEM

A range of factors can together enable a supportive environment for impact investing activity. Indonesia has a well-developed ecosystem for impact investing (Figure 21), with many established ecosystem actors bridging the gap between impact investors and potential investees. The overall enabling ecosystem has gained substantial traction since 2012. Notably, Ashoka has actively offered training and a diverse range of support services for social entrepreneurs in Indonesia since 1983. Besides business-support providers, the government encourages foreign capital to flow into the country, but Indonesia lacks skilled human capital and spends little on innovation or research and development (R&D).

FIGURE 21: IMPACT INVESTING ECOSYSTEM OF INDONESIA

Note: This framework uses the ANDE entrepreneurial ecosystem diagnostic toolkit.
Source: Intellecap Advisory Services analysis
**BUSINESS SUPPORT**

Many incubators and accelerators in Indonesia focus on early-stage enterprises (Figure 22), including some exclusively focusing on impact businesses. While most are concentrated in Jakarta, Bandung has also emerged as a hub for support providers to tech-focused businesses; outside of Java, incubators and accelerators have limited presence. Incubators are critical to impact investors’ deal-sourcing strategies, especially for those without a local presence. Many incubators also help enterprises pitch HNWIs, who may or may not be impact-focused. Incubators also offer regular mentorship, access to technical workshops, and networking opportunities. In Indonesia, some also provide grant capital to seed-stage enterprises.

**Few incubators and accelerators in Indonesia are sector-specific.** Accelerators like Kinara Indonesia are critical parts of the Indonesian impact investing ecosystem because of their specific focus on sectors that can create livelihoods for marginalized communities. By the end of 2017, Kinara had assisted 11 early-stage businesses in the workforce development sector, with many raising capital from regional impact investors. In 2017, in partnership with Patamar and Investing in Women, Kinara introduced an accelerator program for women-led businesses. The program provides four months of training to 12 women-led businesses, awarding USD 25,000 of seed capital to the top four businesses. Similarly, some incubators and accelerators, including Batavia, Indigo, and Ideosource, have a strong tech focus, supporting startups that may or may not seek impact. While sector-agnostic training on business planning, pitching, and marketing helps impact-seeking businesses, the lack of sector-specific capacity building represents an opportunity for improvement. Capacity building is critical in sectors where investees interact directly with marginalized communities, so knowledge of local context is essential.

ANGIN, a highly active, impact-focused angel network, is unique in Indonesia compared to the lack of such angel networks elsewhere in the region. Formed in 2012, ANGIN has become the largest angel network in Indonesia, with 66 members. ANGIN has been instrumental in developing Indonesia’s impact investing ecosystem, supporting enterprises overlooked by banks or private equity and venture capital funds by providing seed-stage capital and impact measurement support. ANGIN also helps match impact investors and enterprises. It introduced the first GLI fund in Indonesia, the ANGIN Women Fund, which has made five investments to date that range from USD 25,000 to USD 150,000. The Impact Investment Exchange, an enabler based in Singapore, has also been crucial in channeling capital from HNWIs and family offices into impact investments in Indonesia.
In addition to direct business support, a number of competitions including some focused exclusively in Southeast Asia, award grant funding and mentorship to social enterprises in Indonesia. For instance, the DBS-NUS Social Venture Challenge attracts many applications from Indonesia; past Indonesian winners include Crowde, a web platform connecting small-scale farmers to buyers, and Temu, a tech platform connecting employers with skilled workers. Since 2010, the British Council, in partnership with the Arthur Guinness Fund, has sponsored a community entrepreneurs’ challenge to provide support and funding to community-based enterprises in Indonesia. The Danone Young Social Entrepreneur challenge also has roots in Indonesia.

Despite these developments, little research on impact investing, social finance, or impact enterprises in Indonesia is available. Publicly available research and market intelligence reports in Indonesia have been produced by ANGIN, the Asian Venture Philanthropy Network (AVPN), the United Nations Development Program (UNDP), and the United State Agency for International Development (USAID). Investing in Women has also supported research efforts. The Southeast Asia chapter of the Aspen Network of Development Entrepreneurs (ANDE) frequently hosts webinars that discuss developments in the regional ecosystem.
HUMAN CAPITAL

Limited access to professionals with practical experience restricts the growth of both social enterprises and ecosystem enablers in Indonesia. Most mentors associated with impact incubators and accelerators in Indonesia have a nonprofit or NGO background, lacking the requisite business experience to operate social enterprises. In addition, the lack of sectoral or contextual knowledge specific to Indonesia can keep both enterprises and ecosystem enablers from scale.

MARKETS

Indonesia’s large, socially diverse population and its rising consumption expenditures offer impact enterprises and their investors a substantial market. Representing the largest consumer market in Southeast Asia, Indonesia’s population has just left poverty and has increased ability to pay for basic goods and services. Given the country’s population base and inequality, consumption expenditures will likely increase in the future. Further, Indonesia’s trade agreements as a part of the Association of Southeast Nations (ASEAN) and with other countries allow easy access to export markets.

POLICY

Indonesia’s corporate tax rate of 25% is slightly higher than ASEAN’s 23% regional average. Non-resident taxpayers operating without a permanent establishment in the country are subject to a 20% withholding tax on gross income. Though interviewed investors did not perceive tax rates as a substantial deterrent, several other policy-level challenges deter investors:

• Complicated procedures: Multiple investors indicated that setting up investment vehicles domiciled in Indonesia is very complicated. Even for equity investors that do not operate through a locally established investment vehicle, ownership is restricted to businesses registered as PT Penanaman Modal Asing (PMA). The procedures for such registration can be time-consuming. Interviewed investors also perceived complications in the approval process for foreign companies and in commencing operations in Indonesia.

• High minimum capital requirement: For a PMA, the minimum capital requirement is USD 700,000, with minimum, paid-up capital of USD 175,000. This high requirement may deter investors from smaller ticket sizes.

The Indonesian government offers certain incentives to encourage investment, including the following:

• Tax incentives: The Indonesian government offers five to 15 years’ tax exemption for investments over USD 80 million in various sectors, including agro-processing and manufacturing established in special economic zones. In addition, income that venture-capital firms earn from their investments in the form of profit-sharing is tax-exempt, provided their investees are MSMEs in select sectors. Certain goods entering or delivered to companies’ operations in free trade zones are exempt from payment of VAT or import duty.

51 ANGIN, Social Finance and Social Enterprises.
• **Reduced restrictions on foreign ownership**: The Indonesian government’s 2016 Negative Investment List relaxed restrictions on foreign ownership in 141 fields of business. For instance, the cap on foreign ownership in work training, telecommunications services, travel agencies, and medical equipment testing facilities, among other fields, increased from 49% to 67%. Full, 100% foreign ownership is now allowed in certain sectors, such as cold storage (formerly 33% maximum foreign ownership), restaurants and hospital management (formerly 51%), and clinical laboratories and medical clinics (formerly 67%).

• **Three-hour investment licensing facility**: Indonesia has introduced a quick, three-hour licensing facility for investments over USD 8 million equivalent and/or employing at least 1,000 local workers. As of July 2017, more than 260 companies have made investments through this facility.

**INFRASTRUCTURE**

As an archipelago of over 18,000 islands, Indonesia faces large challenges with infrastructure. Although the country has made consistent progress in its Ease of Doing Business and Global Competitiveness Index rankings, infrastructure remains a key roadblock to investing in the country, deterring impact investing in terms of both demand and supply by respectively hindering enterprises from scaling within Indonesia and restricting the geography from which impact investors can source deals. According to the Global Competitiveness Index, inadequate infrastructure is the fourth-most problematic factor for doing business, following corruption, government bureaucracy, and access to financing. In 2013, Indonesia Infrastructure Finance, a non-bank financial institution under the Indonesian Ministry of Finance, estimated that the country would require around USD 353 billion in investment to bridge its infrastructure gap. Consequently, the current government has identified the development of infrastructure as an important priority.

**ENTREPRENEURIAL CULTURE**

Indonesia ranks 94th globally on the Global Entrepreneurship Index. Though ranking marginally behind peers such as the Philippines and Vietnam, the Indonesian government is taking focused steps to support entrepreneurship. Currently, at least four universities in Indonesia offer courses in social entrepreneurship (Universitas Indonesia, Institut Teknologi Bandung, Universitas Brawijaya, and Universitas Trisakti). A 2016 Thomson Reuters Foundation poll ranked Indonesia the 17th best place in the world to be a social entrepreneur, above other countries in the region such as Thailand and the Philippines. On the poll, Indonesia scored well with respect to current momentum for social

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56 Kentjana, *Opportunities for Foreign Direct Investment*.


60 The poll was conducted of 45 countries. “Indonesia,” *The Best Place to be a Social Entrepreneur 2016*, Thomson Reuters Foundation, http://poll2016.trust.org/country/?id=indonesia.
entrepreneurship, the presence of favorable conditions for starting businesses, and the ease with which social entrepreneurs can sell their goods and services to the public. However, Indonesia scored poorly on parameters such as access to investment for social entrepreneurs and perception of the government as a critical buyer of social entrepreneurs’ goods and services.61

CHALLENGES AND OPPORTUNITIES

Indonesia has the largest impact investing industry in the region yet faces several challenges (Figure 23). Addressing these challenges can accelerate advancement of the impact investing industry in the country.

FIGURE 23: CHALLENGES FOR IMPACT INVESTING IN INDONESIA

Supply-side challenges

- **Reliance on foreign pools of capital**: Most of the impact capital deployed in Indonesia has been channeled from investors headquartered outside Southeast Asia. Unlike Singapore, Korea, Japan, or Australia, Indonesia offers few pools of capital that can be accessed for impact investing. Most domestic capital has concentrated in mainstream private equity, sovereign debt, or philanthropy. Interviewed impact investors based in the Global North noted difficulties in raising capital from potential Indonesian LPs.

- **Limited local presence of investors**: Very few investors in Indonesia have a full-time local presence, which can lengthen pre-investment processes, increase costs associated with sourcing deals, and raise the perceived risks of investing in Indonesia. Some regional investors using a fly-in, fly-out model still have only limited interactions with potential investees and cannot always provide the type of mentorship required.

- **Lack of evidence regarding exits or realized returns**: Except for one disclosed deal, there are no records of exits from impact investments in Indonesia. Data on returns remain limited, even for investments through debt. Neither DFIs nor PIIs publicly disclose information on exits or realized returns.

61 Thomson Reuters Foundation, “Indonesia.”
Demand-side challenges

- **Reliance on grant capital**: Several competitions and incubators in Indonesia provide grant capital to social enterprises. As a result, some enterprises perceive grants as a source of revenue or ongoing mechanism of financing. This has limited enterprises’ focus on independent financial sustainability.

- **Nascent entrepreneurial culture**: Though entrepreneurship is booming in Indonesia, the culture is relatively new. Enterprises in Indonesia face challenges with respect to reporting financial and impact performance. A lack of historical records also inhibits new companies in raising capital from mainstream financial institutions.

- **Limited awareness of impact investors**: Expatriates and foreign-educated social entrepreneurs have better access to the global pool of impact investors. Local entrepreneurs are less familiar with the concept of impact investing and with specific impact investors that are active in Indonesia, therefore also finding it more difficult to raise capital.

Ecosystem challenges

- **Lack of sector-specific expertise**: Most business support providers assist enterprises with sector-agnostic skills. While such skillsets are essential, few business support providers offer skills training or guidance specific to a given sector of operations. The lack of sector-specific expertise also limits the human capital available to enterprises that demand capital.

- **Limited sustainability of matchmakers**: Several enablers provide matchmaking services for investors and investees using a success fee model. However, small deal sizes, especially from local or angel capital, command small success fees. Such success fee business models can therefore only be sustainable if the volume of impact investments or capital deployed increases. In addition, seed-stage social enterprises are often unable to pay business services providers, prompting the latter to rely on grants to offer incubation and acceleration services.

- **Low awareness of GLI among incubators and accelerators**: While GLI has gained momentum in Indonesia, awareness remains limited, especially among ecosystem enablers. Even most impact-focused incubators and accelerators are unaware of the practice of GLI and the investors who apply it.

- **Currency risks**: The Indonesian Rupiah is relatively unstable, which escalates currency risks, particularly for the global investors who comprise the bulk of impact investors in Indonesia.

Despite these challenges, the impact investing industry in Indonesia has grown substantially, providing many opportunities (Figure 24).
FIGURE 24: OPPORTUNITIES FOR IMPACT INVESTING IN INDONESIA

<table>
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<tr>
<th>SUPPLY</th>
<th>DEMAND</th>
<th>ECOSYSTEM</th>
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<tbody>
<tr>
<td>• Potential to mobilize local capital</td>
<td>• Knowledge transfer from other geographies</td>
<td>• Capacity-building support for fund managers</td>
</tr>
<tr>
<td>• Early-stage funding opportunities</td>
<td>• Design of first-loss capital arrangements</td>
<td>• Establishment of a national body for the impact investing industry</td>
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<tr>
<td>• Potential to explore hybrid capital models</td>
<td>• Investments in healthcare</td>
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Supply-driven opportunities

- **Potential to mobilize local capital:** Pools of local capital are available but fragmented. Local family offices and foundations accustomed to philanthropic giving could be encouraged to venture into impact investing based on the practice's higher accountability and transparency in the use of funds. For instance, since 2016, a number of grant-makers and foundations in the Philippines have ventured into impact investing after years of purely philanthropic giving. Additionally, since such organizations do not have LP expectations to meet, they can more easily relax return expectations in cases which might offer greater social impact.

- **Early-stage funding opportunities:** Few investors besides HNWIs provide early-stage funding, yet most enterprises in Indonesia are in the seed or early stages. Institutional investors could target early-stage deployments less than USD 500,000.

- **Potential to explore hybrid capital models:** While many donors offer grant funding in Indonesia, few investors are using blended finance mechanisms to catalyze impact investing. Investing in Women uses blended finance instruments in Indonesia, yet demand for further catalytic capital remains.

Demand-driven opportunities

- **Knowledge transfer from other geographies:** Most investors in Indonesia have global portfolio allocations, offering opportunities for them to transfer knowledge among their investees. While ICT has evolved in Indonesia, many companies still refrain from tech enabled, pay-as-you-go models that could make their products more affordable. The use of data analytics is also limited compared to fintech and clean energy enterprises in other emerging markets, such as East Africa. Investors could transfer lessons learned from other geographies to assist their investees in Indonesia.

- **Design of first-loss capital arrangements:** Since most enterprises in Indonesia are young, first-loss capital offered by DFIs can catalyze early-stage investments by reducing their risk.62

- **Investments in healthcare:** Indonesia performs poorly on a number of healthcare-related parameters, and its healthcare workforce has limited skills. However, very few impact investments have been made in the healthcare sector, suggesting significant potential remains to strengthen the

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62 ANGIN, Social Finance and Social Enterprises.
country’s infrastructure for affordable healthcare. Further highlighting the opportunities to expand healthcare infrastructure, a universal healthcare program launched in 2014 covered 70% of the Indonesian population by 2017.63

Ecosystem-driven opportunities

- **Capacity building of fund managers:** Despite being the largest market for impact investing in the region, Indonesia has few providers of capacity-building support for fund managers who are adept in the local, Indonesian context. As the sector grows, such interventions will only become increasingly necessary.

- **Establishment of a national impact investing industry body:** The landscape of impact investing in Indonesia could be further strengthened and stimulated by introducing an industry advocacy body or national advisory board to support policy, collect data on deals and information on realized returns, increase transparency and reduce perceived risks, and offer contextual support for a growing base of industry stakeholders.

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ABOUT THE GLOBAL IMPACT INVESTING NETWORK

This report is a publication of the Global Impact Investing Network (GIIN), the leading nonprofit organization dedicated to increasing the scale and effectiveness of impact investing around the world. The GIIN builds critical market infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry.

Roadmap for the Future of Impact Investing

Interested in helping to build the field of impact investing? The GIIN’s Roadmap for the Future of Impact Investing: Reshaping Financial Markets presents a vision for more inclusive and sustainable financial markets and articulates a plan for impact investing to lead progress toward this future. To download the Roadmap and find more information about opportunities to get involved, visit roadmap.thegiin.org.
ADDITIONAL GIIN RESEARCH

The GIIN conducts research to provide data and insights on the impact investing market and to highlight examples of effective practice. The following selection of GIIN reports may also be of interest:

Since 2011, the GIIN has conducted an Annual Impact Investor Survey that presents analysis on the investment activity and market perceptions of the world’s leading impact investors.

The Impact Investing Benchmarks analyze the financial performance of private debt, private equity/venture capital and real assets impact investing funds.

Beyond Investment: The Power of Capacity-Building Support identifies common, effective practices for capacity-building support in the impact investing industry.

Lasting Impact: The Need for Responsible Exits outlines impact investors’ approaches to preserving the positive impact of their investments after exit.

The Business Value of Impact Measurement demonstrates how investors and their investees use social and environmental performance data to improve their businesses.

The regional landscape reports analyze the state of the impact investing market at a country level. In addition to Southeast Asia, the GIIN has conducted other landscape studies on South Asia and East, West, and Southern Africa.

Visit the GIIN’s website to find more resources from the GIIN and other industry leaders at https://thegiin.org.
ABOUT THE GLOBAL IMPACT INVESTING NETWORK

The Global Impact Investing Network (GIIN®) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. The GIIN builds critical infrastructure and supports activities, education, and research that help accelerate the development of a coherent impact investing industry. For more information, see www.thegiin.org.

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