



Pacific Readiness for
Investment in Social Enterprise



Pacific Readiness for Investment in Social Enterprise, known as Pacific RISE, is a pilot innovation of the Australian Government to pioneer and facilitate a social impact investment market in the Pacific.

Pacific RISE is working with investors and financial intermediaries to identify opportunities to invest in Pacific businesses. It is also working with social enterprises to access investor funds and working with women's organisations to build their capacity to engage with systems and processes of finance to create social change.

In many Pacific countries, economic growth isn't keeping up with population growth. To support Australia's neighbours' progress, new and innovative solutions are needed. Investments such as Pacific RISE that is engaging the private sector, women and impact investing stakeholders is one such innovation.

Impact investment markets have been created in developing, middle and developed economies across the globe but not in the Pacific. The Pacific suffers from a perception issue when it comes to being a favourable place to do business. However, the Pacific is changing - economic growth is happening - and so the Australian Government is supporting Pacific RISE to establish private sector partnerships that include investors, intermediaries, women's organisations and Pacific-based businesses to facilitate a Pacific impact investment market. These connections will link finance and ideas to achieve social and economic development outcomes, particularly for women and girls. Pacific RISE will introduce A\$5 million of new private investment capital in the Pacific over the next three years.

Why invest in the Pacific?

The Pacific offers opportunities for investors to help break new ground and contribute to impact investing on a much larger, wider level than previously found in other investment markets.

While philanthropy and grants have historically been a significant part of the investment in the Pacific, opportunities for investing with a social impact and even mainstream investment is largely untapped. Pacific businesses regularly tackle governance, social and environmental impacts as part of their normal operations and the Pacific is fertile ground for innovative ideas.



Impact investments are those that look beyond the financial return – they aim to deliver measurable social and environmental impacts.



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There are economic reasons why investment in the Pacific is of interest. In times of global uncertainty and downgraded economic forecasts in many of the larger developed countries, several Pacific economies are predicting growth reflecting stronger than expected performance in tourism, fisheries, and construction¹.

Gender lens investing in the Pacific

In the Pacific Islands, women make significant contributions to communities and economies, and there is a growing recognition among governments and in the private sector that investing in women and girls has a powerful effect on productivity, efficiency and economic growth. Businesses in the Pacific are often family-run initiatives, so understanding the role of women in business is essential for sound investment.

¹ <https://www.adb.org/sites/default/files/publication/188684/pem-july-2016.pdf>

However gender lens investing goes beyond targeting women as business owners, or targeting women as beneficiaries of impact investment products and services. Gender lens investing applies gender analysis throughout the investment process and draws on gender data in its assessment of risk and return of an investment. Gender lens investing is widespread in Asia, the Americas and other regions and now, through Pacific RISE, the Pacific region will benefit. Pacific RISE will use gender lens investing to incorporate gender analysis into financial analysis to improve investments and promote equitable social change.

To do this, Pacific RISE is partnering with the Criterion Institute global leaders in gender lens investing to design an approach that achieves better investments in the Pacific and improves outcomes for women.

Pacific RISE is working with stakeholders to reframe their understanding and consideration of gender in a finance context. Pacific RISE is training and advising investors, intermediaries, women's organisations, gender specialists and other stakeholders to apply gender analysis throughout the investment process and showcase how this can lead to better investments and greater returns.

Pacific RISE is actively seeking to learn and adapt

As a pilot program, Pacific RISE is playing an important role in learning and advising all the different actors involved in creating a Pacific impact investment market. At its core, Pacific RISE regularly reviews its activities and engagement with these actors and assesses these findings against four core questions.

1. What are the **actual constraints and disincentives** to investing in the Pacific, and what remedial activities are underway, or are an opportunity for DFAT to support?
2. What will make anyone want to **invest in the Pacific**? What will make anyone want to invest in the Pacific with a gender lens?
3. **How can DFAT provide greater support** to ensure businesses that increase women's economic empowerment are more integrated into Facility activities – what are the entry points for the Facility into these businesses and the networks they currently participate in?
4. **How can investing in women be seen as an opportunity**, not a constraint, so that impact investors and others see the economic value in investing in businesses that are led by women, provide workplace equity, and create products and services that benefit women?

This continual assessment assists Pacific RISE to respond to new findings and lessons, thereby increasing Pacific RISE's adaptability in building a social impact investment market in the Pacific.

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Pacific RISE is managed by Coffey, a Tetra Tech company, on behalf of the Australian Government.