Pacific RISE

Pacific Readiness for Investment in Social Enterprise

Australian Aid

Business needs of Pacific social enterprises

Implications for investment programs in the Pacific

December 2020 – updated May 2021

Summary of findings

Pacific social enterprises most commonly need finance for working capital, acquiring assets and building infrastructure. Pacific capital markets tend to prefer self-liquidating loans, while Pacific businesses are generally hesitant to seek equity financing although more research is needed. The majority of Pacific small to medium-sized enterprises (SMEs) are likely to need less than US$300,000 in capital. Across the region, access to finance and the reasons why businesses are unable to access finance vary greatly. In general, SMEs are more likely to finance internally rather than through formal finance.

Non-financial challenges for Pacific SMEs are vast and varied. Finance alone is unlikely to support business growth if other challenges – such as skill gaps and high operating costs – are not also addressed. Future impact investment programs in the Pacific should adopt a holistic, business-focused approach that builds flexible solutions from the ground up. The initial focus should be on where a program can have the most impact with social enterprises, so different types of finance can be designed to match those opportunities. It is also important to consider investment power dynamics, allow enough budget and time to address growth challenges faced by Pacific SMEs, and build the capacity of local talent.

The COVID-19 pandemic has created greater need for relief and recovery assistance over the short to medium term. Any future program design should assess the likely post-COVID environment in the Pacific, and its impact on the needs of Pacific businesses.

Research methodology

This paper addresses the questions, 'What are the needs of Pacific social enterprises, and what are the implications of those needs for the design of investment and investment readiness programs in the Pacific?'

To answer these questions, Pacific RISE conducted secondary research into the financial and non-financial needs of businesses in the Pacific.[1] The research addressed businesses' growth goals, their financial needs, barriers to accessing finance, and assistance needed beyond finance. As many of the secondary sources were produced prior to the COVID-19 pandemic, we ensured that our research incorporated recent studies into the impact of COVID-19 on the needs of Pacific businesses.

Data on these topics is limited in the Pacific, and datasets are often based on small sample sizes. We have drawn on the limited datasets available, as well as reports from development finance institutions and official development assistance programs. We have also used data from Pacific RISE's limited investment portfolio.

We are likely to unearth additional relevant data once COVID-related travel restrictions are eased and face-to-face interaction with experts and practitioners becomes possible. Nevertheless, our initial research provides a sound basis to make preliminary observations on how to improve the design of future impact investment programs for the Pacific. We will consolidate these early observations within an overall report on recommendations and considerations for future programming at the completion of Pacific RISE.

[1] Pacific RISE initially intended to conduct both primary and secondary research into the specific needs of businesses in the Pacific, their corresponding capital needs, gaps in existing finance, and technical support required or requested. However, the primary research component was cancelled due to COVID-related travel restrictions and so as not to unnecessarily burden social enterprises during this difficult and uncertain time.

Research findings

1 Growth goals of Pacific social enterprises

Little research has been conducted on the growth plans and goals of Pacific social enterprises.

Research by Scaling Frontier Innovation (2018) finds that entrepreneurialism in the region is strong but focused within small, family businesses and not investable, growth-oriented businesses – and that for many businesses, the ambition for growth is limited.

Within Pacific RISE's limited portfolio, most businesses want to grow through scaling their existing business line. More than half of those businesses want to do so by building infrastructure.

2 Financial needs of businesses

Existing research provides only limited information on the financial needs of Pacific social enterprises.

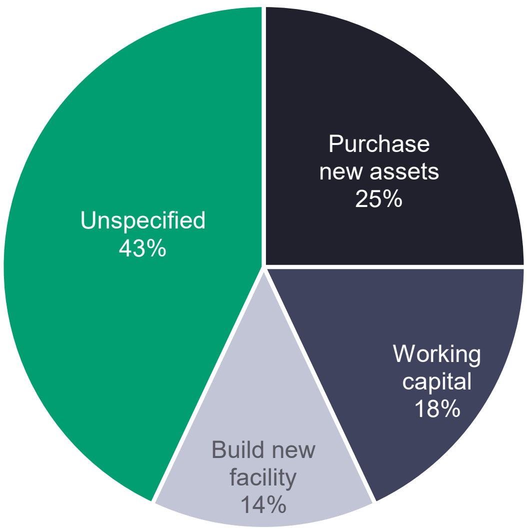
2.1 Purpose for seeking capital

In the limited research, the need for working capital is the most frequent purpose for which Pacific social enterprises seek finance.

Market Development Facility (2018) and Scaling Frontier Innovation (2019) highlight that micro-, small and medium-sized enterprises (MSMEs) have a strong need for working capital to manage cash flow, and also need capital to acquire assets (e.g. machinery and equipment) and invest in infrastructure (e.g. shop improvements). The research stresses the need for flexible working capital, though 'flexible' is not clearly defined.

The limited Pacific RISE portfolio data provides some additional insight into the purposes for which businesses are seeking capital (Figure 1).

Figure 1: Pacific RISE portfolio – purposes for which businesses seek capital



On average, those businesses looking to scale existing or new business lines by increasing infrastructure (factory or assets) are seeking the most amount of capital. Building a new factory or facilities requires the most capital (over A$1 million on average). All other intended uses of finance require less capital – with working capital being the lowest.

2.2 Type of capital needed

The limited secondary research highlights that Pacific businesses are hesitant to seek equity financing due to their concerns over terms and relinquishing control, and due to the stage of Pacific capital markets, which have a preference for self-liquidating loans. Scaling Frontier Innovation (2018) has also observed that the availability of grants has reduced the appetite for debt in the region.

From Pacific RISE's portfolio, most businesses did not initially specify the type of finance needed. For those that did specify, the most cited type of capital was debt. However, the type of capital cited may have been influenced by the intermediary the business was engaging with, or may have been selected based on a limited understanding of other types of available capital.

A survey of MSMEs in Vanuatu (AFI, 2017)[2] found that the need for business services amongst MSMEs focused on loans and savings accounts[3]: with 34% of informal businesses needing loans and 33% needing a savings account; and 35% of formal businesses in need of loans, while 26% were in need of savings accounts. The need for loans was stronger in urban areas than in rural areas, where the need for savings was higher. The survey found that respondents were confident in discussing financing with banks or other financial institutions[4], but that high interest rates were the key obstacle to obtaining commercial loans.

2.3 Value of capital needed

While a typical range cited by past investment funds (Hardin, 2013) for Pacific small to medium-sized enterprises (SMEs) is US$100,000 (A$135,000) to US$500,000 (A$673,000), however, data from ADB (2015) indicates that the majority are likely to need less than US$300,000 (A$404,000) and in 2014, SME bank loans in Fiji's debt market averaged about US$110,000 (A$148,000).

It should be noted that much of the existing data indicates maximum thresholds or averages, which is not necessarily where the majority of businesses sit. In addition, the range and type of capital sought are likely to look different now, as a result of the COVID-19 pandemic and resulting economic effects.

2.3.1 Average investments in the Pacific Business Investment Facility

The Pacific Business Investment Facility, funded by the Asian Development Bank (ADB), ran from 2014 to 2019. Twenty-three businesses of varying size received approval for a total of US$11.5 million in commercial finance (an average of US$500,000). However, it is not clear from the completion report (ADB, 2019) if the total amount of finance approved was approved by the commercial finance institution or disbursed to businesses.

In addition, the program was meant to provide concessional loans to select SMEs in parallel with commercial finance. However, the program decided not to pursue these loans due to the reluctance of banks to offer loans on concessionary terms and share collateral with ADB on a proportional basis.

2.3.2 Average investments in Pacific RISE

In Pacific RISE, the average investment sought from the 21 businesses initial identified for investment readiness support was A$693,000, with one-third seeking over A$500,000. The lowest funding sought was A$25,000 and the maximum was A$5.8 million.[5]

Of Pacific RISE's actual portfolio of businesses that have secured investment, the value of investment received is significantly lower. As of December 2020, the average value of direct-to-business investment is

[2] The survey sample consisted of 192 formal MSMEs and 547 informal MSMEs across both the rural and urban areas of Vanuatu. Seventy eight (78) percent of the business respondents were from rural areas and 22 percent from the urban centers.

[3] The need for foreign exchange, cards, insurance, overdraft facility, internet banking, and checking accounts was negligible.

[4] Respondents were asked about their confidence in discussing financing with banks and other financial institutions, in particular, about improving their business for the next two to three years. The survey indicated that 62 percent of respondents are confident to talk to financial institutions about financing needs, 21 percent are not confident, and 17 percent considered the issue not applicable to their business.

[5] These figures appear high because Pacific RISE was in discussions with a few businesses that were looking for very large capital investments for infrastructure/factory construction. Those investments have already been identified as not feasible (for example, Tupaghotua Cocoa Plantation in Solomon Islands) or have not progressed (Essence of Fiji), so if they were removed from the analysis, the average would decrease significantly. We retained those higher figures in this analysis to understand the initial financial values identified, though experience has shown that the actual financial values received were significantly lower.

A$170,000, while the average total investment for each finance vehicle is A$87,000 (on average, small businesses receiving debt through vehicles have received A$12,000 per business).

Notably, in Pacific RISE's portfolio, the average value of finance sought by businesses that stopped pursuing investment is higher (average of A$1 million) than those that have gone on to secure investment. This, along with evidence that the initial ask decreases during the investment readiness process, may indicate that actual investments in the Pacific are likely to fall into a smaller range than originally thought.

3 Access to finance for Pacific businesses

Historically, many Pacific businesses have financed internally. Across the region, access to bank finance, such as loans and lines of credit, or supplier finance is variable. The limited data is mixed on the extent to which restricted access to finance is a constraint on Pacific businesses. Non-survey-based research tends to indicate that lack of access to, and the cost of, formal finance is an impediment to business growth, especially for SMEs (World Bank, n.d, IFC, 2017; Milne et al, 2017).

Access to finance for SMEs in the Pacific depends on the country and business size, but it appears that businesses (especially smaller ones) are more likely to finance internally rather than through bank finance. However, across all business sizes, we often see businesses using a combination of internal and bank financing.

3.1 Data on access to finance

Using the limited data available from the World Bank's Enterprise Surveys (n.d.), on average across the Pacific, 46% of businesses have a bank loan or line of credit and 50% are categorised as not needing a loan. The survey data also shows the following:

- In some Pacific countries, around one-quarter to one-third of businesses surveyed use supplier/customer credit to finance working capital (31% in Papua New Guinea, 39% in Solomon Islands, 25% in Samoa).
- The country with the highest percentage of firms with a bank loan/line of credit is Tonga (54.3%), while Fiji has the lowest (37.8%).
- In Fiji, 50% of firms receiving bank finance use it for working capital; however, in Tonga, only 3% use it for working capital, while over one-third use banks to finance investments.
- A higher percentage of larger firms use bank or supplier/customer finance for working capital or investment, compared to SMEs.
- A higher percentage of smaller firms identify access to finance as a major constraint.

The World Bank survey data showing that lack of access to finance is a major constraint for SMEs is consistent with data from Scaling Frontier Innovation finance applicants. These businesses have mostly been established for five years or less and consider themselves to be in the product development or growth stage of business – most are using revenue and personal savings (internal finance) for growth. The World Bank data is also consistent with ADB (2015) data, which shows that while the proportion of MSME loans has been steadily increasing in Fiji – growing by almost 12 times between 2006 and 2014 – large enterprises still make up almost 90% of all business loans by banks.

A recent International Finance Corporation (IFC) survey of Fiji businesses (IFC, 2020) found that less than half of the non-tourism businesses surveyed currently have a loan, while two-thirds of the tourism businesses have loans. Businesses that borrow do so for working capital, equipment financing (including vehicles), or personal purposes. Across all business types surveyed, 59% of loans are with commercial banks, 21% with credit institutions, and 18% with the Fiji Development Bank. While the IFC report recognises that many businesses operate informally, it presented no data on informal finance used by businesses.

3.2 Smaller businesses are more affected by lack of access to finance

How much of a constraint access to finance is for businesses appears to depend on the country and the size of the business (and likely other factors that haven't been analysed in the data). For example, in one study (World Bank, n.d.), the percentage of firms interviewed identifying access to finance as a major constraint is lowest in Papua New Guinea (3.2%) and highest in Vanuatu (29%). Generally, smaller businesses view it as more of a constraint than larger businesses.

This finding is consistent with the results of Pacific RISE's capital mapping study (2019), which showed that the overall volume of available capital is not an issue in the Pacific; however, there is a major gap in finance appropriate for SMEs.

Nevertheless, in a 2016 survey of MSMEs in Vanuatu (AFI, 2017), only 5% identified access to finance as a pressing problem. Competition and finding customers were the top problems identified.

3.3 Reasons for inability to access finance

The secondary research explores the reasons for SMEs' inability to access finance from the perspective of businesses, local banks, and other types of investors (typically foreign investors) (Table 1). The available research does not allow for a meaningful ranking of reasons by importance, as the relative importance is likely to vary by country, sector and business size.

Table 1: Reasons for inability of Pacific SMEs to access finance

Businesses	Local banks	Other investors
Reluctance to take loans High interest rates Collateral requirements Risk aversion Inability to meet investment requirements (including high cost of proposals needed for banks) Lack of track record Unease at external interference	Limited credit information Weak legal and enforcement systems around the use of fixed property (i.e. land and buildings) as collateral Inexperience with specialised products that use moveable property as collateral Past experience of non-performing loans to SMEs, particularly by state-owned development banks Lack of different types of financial products	Lack of capital markets Lack of economies of scale (cost of smaller investments) Lack of reliable data Slower pathways to scale Relatively high-risk profiles Relatively low cash flow returns on investments – and returns can take several years to be realised Difficulty of profitable exits in Pacific economies Caps on foreign ownership Controls on the mode and amount of investments Limitations on the type of establishment or industry sector where investment can occur Exclusion of foreign investors from certain economic activities or from land lease or purchase Limitations in the form of quotas or economic needs tests, joint venture requirements and discriminatory treatment, e.g. taxation and other forms of state intervention Rules around the repatriation of funds

4 Non-financial challenges facing Pacific businesses

For some Pacific businesses, non-financial challenges can have a greater impact on their ability to grow than lack of access to finance. Non-financial challenges are vast and varied, and finance alone is unlikely to support business growth if the other challenges are not also addressed.

The non-financial challenges for Pacific businesses identified in secondary research include (in no particular order) gaps in entrepreneurial, management and finance skills; lack of technical skills; lack of skilled labour; high operating costs; weak market linkages; political instability; crime and theft; tax rates; corruption; and poor infrastructure and telecommunications.

For example, in Vanuatu, the majority of surveyed MSMEs indicated that competition and finding customers were the top problems, with only 5% citing access to finance (AIF, 2017).

Further research would be helpful to understand how some of these challenges may be addressed through policy. Indicatively, according to the World Bank's Enterprise Surveys, the number one obstacle identified by businesses in each of the following countries is:

- Fiji – political instability (44%)
- Papua New Guinea – corruption (18%)
- Samoa – tax rates (17%)
- Solomon Islands – corruption (28%)
- Tonga – practices of the informal sector (20%)
- Vanuatu – electricity supply (16%).

While demand exists for finance to fund business growth, Pacific SMEs also need other types of support to achieve their growth goals. For example, according to Scaling Frontier Innovation applicant data, Pacific businesses cited an equally strong need for credible mentors. ADB research (2014) identifies improving the management and technical capacity of entrepreneurs as not only critical to growth, but also needed for accessing finance. In addition, the completion report for the Pacific Business Investment Facility (ADB, 2019) identified that 'a holistic approach in designing SME support programs is important to ensure effectiveness and sustainability' and that interventions should also address capacity constraints of financial institutions and SME industry value chain impediments.

Enterprises in Pacific RISE's portfolio largely noted that the investment readiness assistance provided by intermediaries was valuable because it helped them get support in the following areas:

- Prepare a proposal for a bank loan for the first time
- Reflect on the company – where it has come from, how it works, its internal processes and business model, and how to structure things to move forward and to get to the next level
- Gain helpful third-party perspectives and feedback, as enterprises can get caught up in what they are doing and not step back to reflect
- Better understand the impact of the enterprise, and how its unique story can attract investors
- Be introduced to new types of finance.

Enterprises in Pacific RISE's portfolio also noted other support that they would value as part of the investment readiness process, or in conjunction with it, including:

- product and market expansion support
- a support system to work through the investment readiness processes and carry on usual business activities at the same time; otherwise, shifting priorities can take the enterprise's attention away from the investment readiness process
- introductions to new investors
- a long-term commitment – while the investment readiness process gets the enterprise started, it does not end there, and enterprises would like a long-term commitment of support and facilitation to ensure stable growth and impact.

Notably, the most popular services that enterprises have requested through Business Link Pacific have been accounting and finance, followed by digital marketing, websites and e-commerce platforms.[6]

5 Impact of COVID-19 on Pacific business needs

A number of organisations have assessed the impact of COVID-19 on the needs of Pacific businesses. Key findings are summarised below.

[6] Personal communication from Business Link Pacific, 5 May 2020.

5.1 Ygap alumni survey

Ygap's survey of its alumni (2020)[7] indicates that the most common requests for support related to accessing operational and strategic support (61%), accessing information on available emergency support (58%), and accessing large-scale funding to help address immediate cash flow concerns (57%). To a lesser extent, 26% of respondents requested access to peer-to-peer networks to share key insights and share best practices when responding to COVID-19, and 21% requested access to mentors.

5.2 International Finance Corporation study in Fiji

An IFC report (2020) shows that Fijian tourism MSMEs will each need FJ$30,000 in financing to support COVID-19 survival and recovery, while non-tourism MSMEs will each need FJ$15,000 (median figures). However, 20% of tourism businesses were unable to service their debt, and a further 16% of tourism businesses and 11% of non-tourism businesses expected to default on their debt within one to four months. Businesses therefore indicated a need for other types of relief support, including loan repayment moratoriums, tax reductions or holidays, financial support for recovery (through financial services other than debt, such as grants) and rent deferral.

5.3 United Nations study in Fiji

A United Nations (UN) report (2020) on the socio-economic impact of COVID-19 in Fiji shows that domestic credit growth slowed by 4.2% in April 2020 and by 3% in May 2020 on account of reduced lending to private sector businesses and private individuals. Many businesses have scaled back or shut down operations, resulting in a spike in unemployment, decreased consumption and investment activities, and a plunge in external trade.

According to the UN report, many businesses (both formal and informal) only had cash flow to last up to 6 months. The government's stimulus and relief package includes an additional FJ$5 million for the existing SME credit guarantee scheme, a six-month deferral of business loan repayments to banks and hire-purchase companies, and revival of the Fiji Investment Corporation Limited for equity injection into SMEs. The Fiji Trades Union Congress and Fiji Commerce and Employers Federation found that redundant formal sector workers were likely to venture into self-employment, and so a new initiative is targeting these self-employed workers to build their capacity to scale and provide employment for other redundant workers. This support is likely to be in the form of business advisory services and mentoring rather than direct finance. The UN report further lays out a number of recommendations to stimulate the economy and employment, support enterprises and protect workers.

5.4 Impact on Vanuatu businesses

A report from Vanuatu (VCCI, 2020) shows that overall demand for new loans for investment has collapsed. Across all sectors, the majority of surveyed businesses said that they had put on hold or cancelled investment plans. Many businesses are using personal savings to stay afloat. Of the survey respondents, 45% reported using personal savings in some capacity to help fund their business, including 37% of non-hospitality businesses. For those with existing loans, the nature of repayment holidays varies from bank to bank, but generally businesses have the option of not having to make any repayments for a defined period of time, while still accruing interest. There was substantial concern in the business community about what would happen to these businesses once the repayment holidays end.

5.5 Impact on Pacific tourism sector

A report on the Pacific tourism sector (Pacific Tourism Organisation et al., 2020) identified that the immediate needs of tourism businesses facing losses due to border closures include wage support; micro grants; training programs, particularly around digital capability; scenario planning; and review of taxes, charges and levies to reduce ongoing costs where possible.

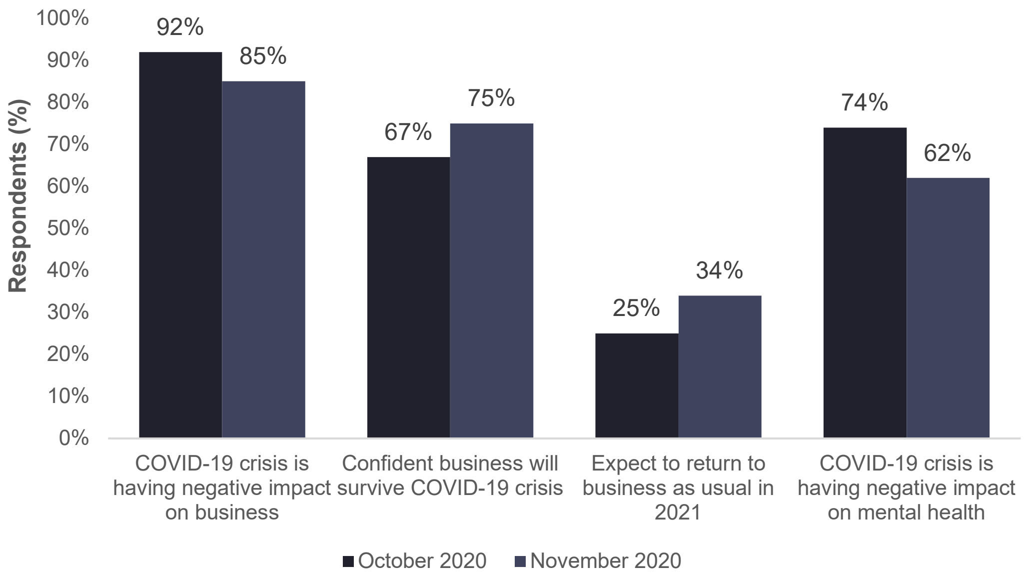
---

[7] YGAP's survey received 114 responses from its 6 global programs: Bangladesh, Kenya, Australia, yher Africa, yher Pacific and South Africa. The report states "Despite the geographic differences in the ventures we support, there were pretty consistent preferences in the type of support they require to help work through the challenges they're experiencing."

5.6 Pacific Trade Invest Australia surveys

Pacific Trade Invest Australia (PTI Australia)[8] has been conducting regular surveys of its global network to understand the ongoing effects of COVID-19 on the Pacific's private sector. Survey results from November 2020 indicate that the negative impacts of COVID-19 were beginning to ease (Figure 2). The report states: "COVID-19 continues to have a negative impact on businesses as borders remain closed; however, the extent and severity of impacts may be beginning to improve, with 85% reporting a negative impact, the lowest since tracking began." As of March 2021, Survey #12 states: "COVID-19 continues to have a negative impact on businesses as borders remain closed. The severity of impact has remained relatively stable this wave, with 80% reporting a negative impact (up from 79% last wave)."[9]

Figure 2: Impact of COVID-19 on Pacific businesses



Source: Pacific Trade Invest Australia (2020).

The PTI Australia survey also identified the main challenges that Pacific businesses face as a result of COVID-19, and the main areas where businesses say they need support (Figure 3).

Figure 3: COVID-related challenges and areas for support – business survey results

Top 3 challenges for Pacific businesses

90% 

Poor cash flow

89% 

Closed international borders

88% 

Not knowing how long crisis will last

[8] Survey of 171 businesses across the Pacific region, including 88 female-led/owned businesses.

[9] It is not clear if the survey is a longitudinal survey of the same businesses, or if the survey only represents the responses of surviving businesses which choose to respond. The latter would likely not be representative of all businesses in the Pacific, including those which were forced to close as a result of the pandemic.

Top 4 areas where Pacific businesses need support

54%
Financial support

40%
Diversify business

33%
Review/update financial position

33%
Access new markets

Source: Pacific Trade Invest Australia (2020).

6 Lessons for impact investment programs in the Pacific

A greater understanding of business growth goals and finance needs would help practitioners understand how best to support businesses to grow their business with the appropriate type and amount of finance. This is especially relevant to social enterprises.

However, before or alongside facilitating access to finance, many other areas need to be addressed to help businesses improve their operations and grow, such as market linkages, operating costs and managerial skills. By addressing these other areas, businesses will be better placed to appropriately manage new finance and/or achieve growth.

All parties need to address more systematically the reasons why a business is unable to access the finance it needs. This requires a holistic approach that involves businesses, domestic banks and international investors. It may also require innovation and flexibility in how finance is targeted. For example:

- **Future programs should be realistic in what type of finance, and how much, is needed.** Investment values for direct-to-business finance have been lower than expected in most past funds and have been lower than expected and less successful in Pacific RISE. Finance must be appropriate to support successful and sustainable social enterprise growth.
- The role of domestic financiers should be considered equally to international investors, given the challenges of financial markets in the Pacific and domestic liquidity.
- **Finance vehicles provide the ability to cluster or pool opportunities for scale** – not just for accessing finance but for other key areas relevant to business growth, such as market access.
- **Impact investment as it operates today may not work in the Pacific context.** Any future programming should consider the Pacific context and design an approach from the ground up. Investment programs need to address the market more holistically and identify what will create the most impact – not what will facilitate the largest amount of finance.

Pacific RISE feels it was unable to produce a comprehensive assessment and approach to address the needs of Pacific social enterprises given the timeline, targets and modality of small grants. For example, intermediaries were more focused on selecting opportunities based on the standards of international investors and what would produce investment quickly, which proved not as successful for business growth or facilitating access to finance. One intermediary that did a market scan of Solomon Islands was not approved for a follow-up round of funding as the scoping did not surface a tangible investment-ready opportunity, though it did identify potential interventions to address business growth goals and challenges.

7 Recommendations

Pacific RISE was able to learn and make some adjustments to its strategy to better address social enterprise needs in the Pacific. The following strategies should be considered for future programming:

- **Adopt a business-focused approach:** Programs should seek to adapt the mode of capital to be more supportive of Pacific social enterprises, their goals and needs, rather than using the requirements for accessing capital as the starting point for 'fixing' businesses. Programs should also be more supportive of business goals and challenges outside of providing finance, and provide the appropriate support to address those challenges and meet those goals.
- **Shift focus to addressing market inefficiencies and creating impact rather than the value of investment:** Programs should first consider where they can have the most impact with social enterprises, then design finance to match those opportunities. This could include addressing gender inequalities, stimulating value chain and sector-based opportunities, or looking at different forms of non-traditional finance.
- **Support a holistic, ground-up approach:** There should be support for program partners to work holistically and design their projects and funds from the ground up. This approach will help to facilitate a culture of exploring, designing and testing projects, and hopefully lead to their commitment to continue working in the Pacific.
- **Address power dynamics:** Programs should aim to improve power dynamics rather than strengthen existing power structures. Pacific RISE will formulate more recommendations on how to do this in its completion report.
- **Consider different types of finance, including vehicles:** Vehicles specifically designed to address market inefficiencies affecting Pacific businesses are showing more potential to be successful in stimulating business growth and generating social impact – and more potential to be sustainable.
- **Allow enough budget and time:** In early programming, the considerable cost and time needed to address growth challenges faced by Pacific social enterprises is likely to be disproportionate to the potential amount of finance they ultimately need. For example, in the Business Innovation Facility, the technical assistance provided to SMEs was deemed 'less than efficient' (ADB, 2019) as the amount of bank finance raised was low relative to the resources invested in technical assistance.
- **Focus on building the local market and ecosystem:** Programs cannot build a market from the outside. A program that engages and builds the capacity of local talent, instead of predominantly using international consultants and organisations, can 'result in more effective business development and over time will contribute to greater efficiency and sustainability of technical assistance interventions' (ADB, 2019).

As COVID continues to impact businesses around the globe, and in the Pacific, it will be important to consider the role of other types of support or financial relief mechanisms in order to not increase financial burdens on recovering businesses. Any future programming should reassess the Pacific context in a COVID environment, as the economic situation will likely be different in ways that are difficult to predict.

8 References

ADB (Asian Development Bank) (September 2014), *Establishment of the Pacific Business Investment Trust Fund and Technical Assistance for the Pacific Business Investment Facility*, ADB, Manila.

ADB (Asian Development Bank) (2015), *Asia SME Finance Monitor 2014*, ADB, Manila.

ADB (Asian Development Bank) (February 2019), *Establishment of the Pacific Business Investment Trust Fund and Technical Assistance for the Pacific Business Investment Facility: Technical Assistance Completion Report*, ADB, Manila.

AFI (Alliance for Financial Inclusion) (2017), *Vanuatu: Micro, Small and Medium Enterprises (MSMEs) – Finance 2016 Survey*, Reserve Bank of Vanuatu, Port Vila.

Hardin, J (2013), SME Equity Investment Fund in Pacific Islands: Scoping Study of Potential Demand and Recommended Fund Design [online access permission required].

IFC (International Finance Corporation) (July 2020), *Fiji COVID-19 Business Survey: Tourism Focus*, IFC.

IFC (International Finance Corporation) (2017), MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets, IFC.

Market Development Facility (June 2018), *MSME Landscape Assessment* [unpublished].

Milne, S, Deuchar, C, Berno, T, Taumoepeau, S, Pusinelli, M, and Raymond, J (September 2017), *Private Sector Investment in the Pacific: Final Report*, New Zealand Institute for Pacific Research.

Pacific RISE (June 2019), *Achievements and Lessons Learned 2016-2019*, Pacific RISE.

Pacific Tourism Organisation, New Zealand Ministry of Foreign Affairs and Trade, and Forward (5 May 2020), *Pacific Tourism: COVID-19 Impact and Recovery: Sector Status Report: Phase 1B*, Forward.

Pacific Trade Invest Australia (November 2020), *Pacific Business Monitor: Survey 8*, Pacific Trade Invest Australia.

Scaling Frontier Innovation (2018), *Insights into Social Entrepreneurship in the Asia–Pacific Region*, Scaling Frontier Innovation.

Scaling Frontier Innovation (February 2018), *Stage One Final Report* [unpublished].

Scaling Frontier Innovation (June 2019), *Mapping and Analysis of Entrepreneurial Ecosystems Incubators and Accelerators in the Asia–Pacific*, Scaling Frontier Innovation.

United Nations Pacific (July 2020), *Socio-Economic Impact Assessment of COVID-19 in Fiji*, UNDP, Suva.

VCCI (Vanuatu Chamber of Commerce and Industry) (September 2020), *Vanuatu Economic Outlook Report*, VCCI, Port Vila.

World Bank (n.d.), *Enterprise Surveys*, World Bank website, accessed 7 December 2020.

Ygap (2020), *Responding to COVID-19: The Effect of COVID-19 on Early-Stage Impact Ventures around the World*, ygap.